NRG's Second Quarter 2009 Results Presentation

July 30, 2009

Safe Harbor Statement

This Investor 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 our adjusted EBITDA, cash flow from operations, and free cash flow guidance, expected earnings, future growth and financial performance, commercial operations and repowering strategy, expected benefits and EBITDA improvements of the *FOR*NRG initiatives, and expected benefits and timing of the 2009 Capital Allocation Plan, project development, and nuclear development. 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, weather conditions, 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, our ability to access capital markets, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify or successfully implement acquisitions and repowerings, the inability to implement value enhancing improvements to plant operations and companywide processes, our ability to realize value through our commercial operations strategy, and our ability to achieve the expected benefits of our 2009 Capital Allocation Plan and *Repowering*NRG projects.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA, cash flow from operations, and free cash flow guidance are estimates as of July 30, 2009 and are based on assumptions believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance from July 30, 2009, except as 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 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. Statements made in connection with the exchange offer are not subject to the safe harbor protections provided to forward-looking statements under Private Securities Litigation Reform Act.

Agenda

- Opening Remarks – *D. Crane*
- Operational and Commercial Review – *J. Ragan*
- Financial Review – *B. Flexon*
- NRG's Value Creation– *D. Crane*
- Q&A

Opening Remarks

Q2 2009 Highlights

Record	Adjusted EBITDA
Record	Cash From Operations
Record	Liquidity ($4.0 Billion)
Record	Baseload Availability
Record	Nuclear Reliability at STP

Operations and Commercial Review

Q2 2009 Operations and Commercial Overview

Operational Performance

- **Safety remains top quartile**
  - YTD OSHA Recordable rate of 1.31 vs. top quartile of 1.52
- **Baseload plant performance on track**
  - Coal fleet YTD equivalent availability neared 90%
  - Nuclear YTD equivalent availability factor and net capacity factor at 100%

EPC Performance

- Dunkirk 3&4 Baghouse completed
- Dunkirk 1&2 Baghouse construction completes in Fall 2009
- Devon construction began April 1
- Cedar Bayou 4 goes operational

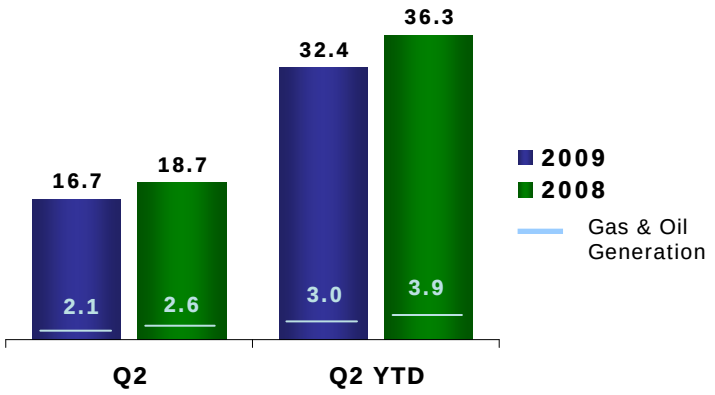
Commercial Operations

- Integrated retail supply function into Commercial Operations
- Matching of generation and load portfolios
- Added opportunistically power/gas hedges in 2010

Building on track record for operational, commercial and EPC successes

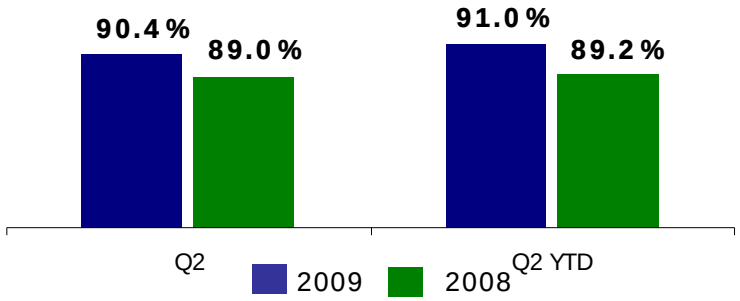
Q2 2009 Operations Update

Net Fleet Production (TWh)



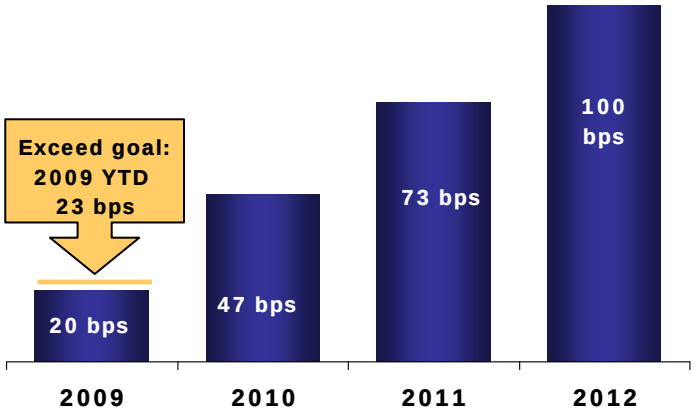
- **Coal generation in Q2 is lower due to coal to gas switching and reduced demand**

Baseload EAF[1] – Consistent Improvement



[1] Equivalent Availability Factor (EAF) – Measures % of maximum generation available during the period

*FOR*NRG 2.0 - 2009 Goal Achieved

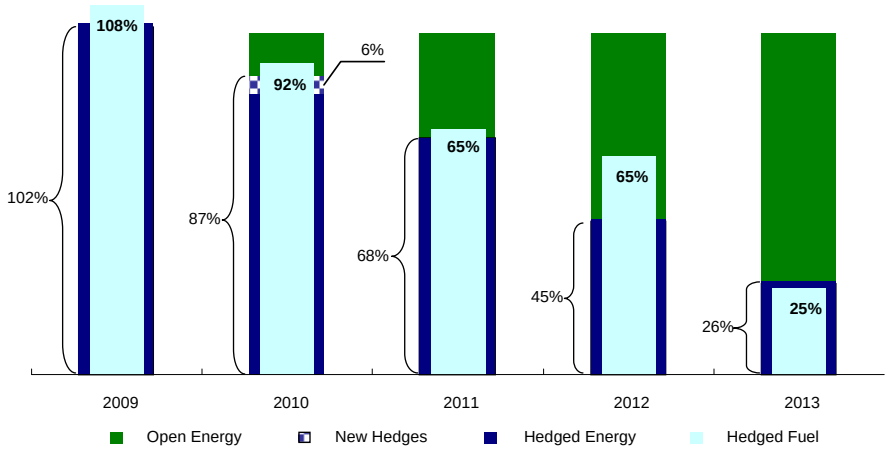


Cost Efficiencies Achieved

- **2009 ROIC improvement target of 20 bps surpassed in Q2**
  - $18M in recurring free cash flow benefits year-to-date
  - Asset sales and on-time cost reductions provided cash to return to shareholders

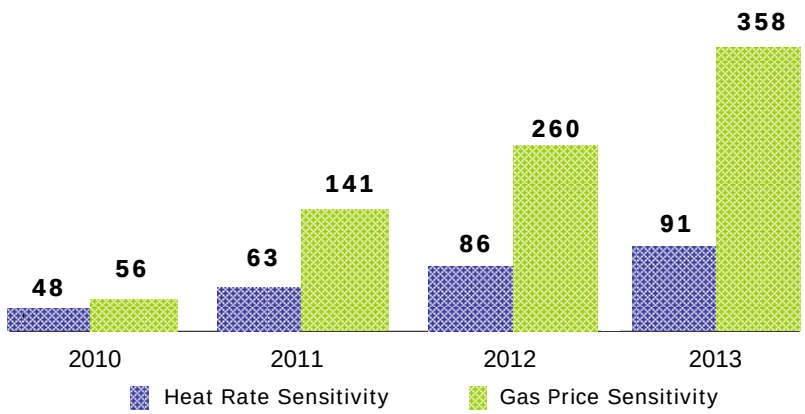
Managing Commodity Price Risk

Baseload Hedge Position(1)(2)



Baseload Gas Price and Heat Rate Sensitivity(3)(4)(5)

($ In millions)



Retail Sales & Business Metrics

Electricity Sales Volume (GWh) effective 5/1/09:	*(in thousands)*
Mass	**4,851**
Commercial and Industrial*	**5,580**
Business Metrics - effective 5/1/09	
Weighted average Retail customers count (metered locations)	
Mass	**1,601**
Commercial and Industrial*	**71**

* Includes customers of the Texas General Land Office for whom Reliant Energy provides services

Market Moves

- ✓ Opportunistically added 3.5 TWhs in 2010
- ✓ ERCOT heat rates remain stable and well supported long term
- ✓ Strong customer usage driven by warmer June weather

(1) Portfolio as of 7/24/2009; 2009 values reflect positions from August '09 through December '09 only; (2) "New Hedges" represents hedged positions added since Q1'09 (as of 4/09/2009); (3) As of 7/24/2009, baseload gas price and heat rate sensitivity for 2009 is immaterial; (4) Gas price sensitivity reflects Gross margin change from $1/mmBtu gas price. This $1/mmBtu change is 'equally probable' to 0.24 mmBtu/MWh move in heat rate; (5) Sensitivities were based on hedge positions as of 7/24/2009

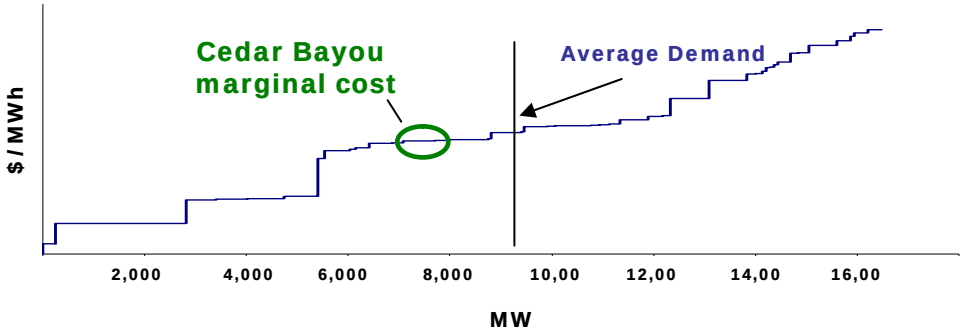
Opportunistic and collateral efficient hedging program continues to protect from down cycles and position for up cycles

Cedar Bayou 4: Site with Significant Locational Value

Project Overview

- ✓ CBY4 – 550 MW CCGT within Houston zone - 50/50 owned with Optim Energy
- ✓ Unit characteristics allow for significant dispatch capability – low marginal costs
- ✓ Unit comes on line ahead of schedule
  - 82% Net Capacity Factor
  - 99% Equivalent Availability Factor
  - 100% starting reliability
- ✓ Repowering NRG allowed company to monetize site value and existing infrastructure
- ✓ Another successful example of aligned partnership within the NRG portfolio

ERCOT Houston Zone Supply Curve



Source: NRG estimates and Evelocity

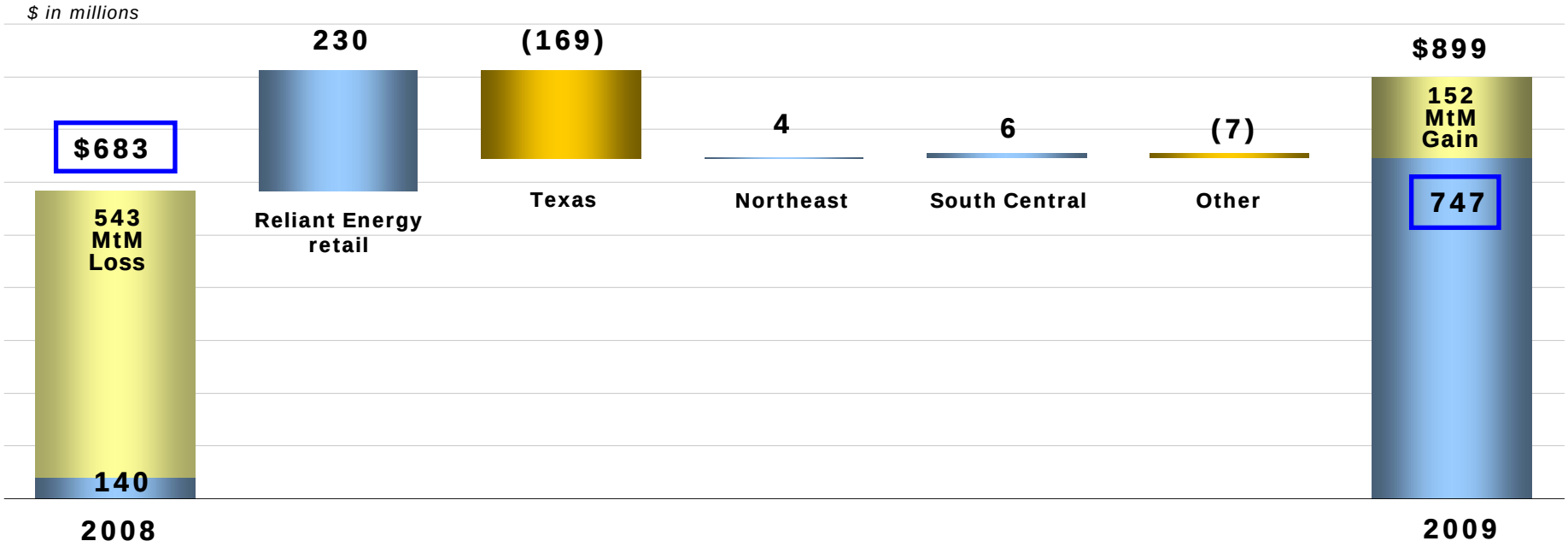
Flawless execution in advance of summer months

Financial Review

Financial Summary

- **Q2 2009 Results: Record second quarter**
  - $747 million of Adjusted EBITDA, a 9% increase over 2008
  - $230 million of Adjusted EBITDA from Reliant Energy
- **YTD 2009 Results: Record first six months**
  - $1,224 million of Adjusted EBITDA
  - $722 million Cash from Operations, a 66% increase over 2008
- **Liquidity Surpasses $4.0 billion**
  - $678 million in net Bond proceeds
  - $260 million in net proceeds from MIBRAG divestiture
  - $345 million utilized to fund Reliant Acquisition
- **2009 Adjusted EBITDA Guidance of $2.5 billion**
  - $2.1 billion from wholesale business, hedges offset weak commodity prices
  - $400 million+ from Reliant Energy, portfolio benefits from weak commodity prices
- **2009 Capital Allocation Plan**
  - $500 million in planned share repurchases, a $170 million increase
  - Unwind retail credit sleeve in Q3/Q4

Q2 Adjusted EBITDA - 2009 vs. 2008



Retail

- Reliant Energy acquired May 1, 2009
- Lower power supply costs improve margins

Texas

- Lower generation of 580K MWh
- Lower realized energy prices, as congestion between zones and high natural gas prices in Q2 2008 led to high wholesale margins
- Lower allocated emissions sales
- Reimbursement of development expenses from CPS, our 50% partner on STP 3&4, received in Q2 2008

Northeast

- Increased energy margins as higher contract revenue, due to lower power prices and fuel costs, resulted in a lower cost to serve
- Hedging program insulated the region from lower power prices which offsets a 50% decline in generation

South Central

- Margins flat as lower generation was offset by favorable purchased power
- Lower major maintenance costs as Q2 2008 outage on Big Cajun U1 was expensed 100% to NRG, while Q2 2009 outage on Big Cajun U3 was expensed 58% to NRG due to Entergy ownership

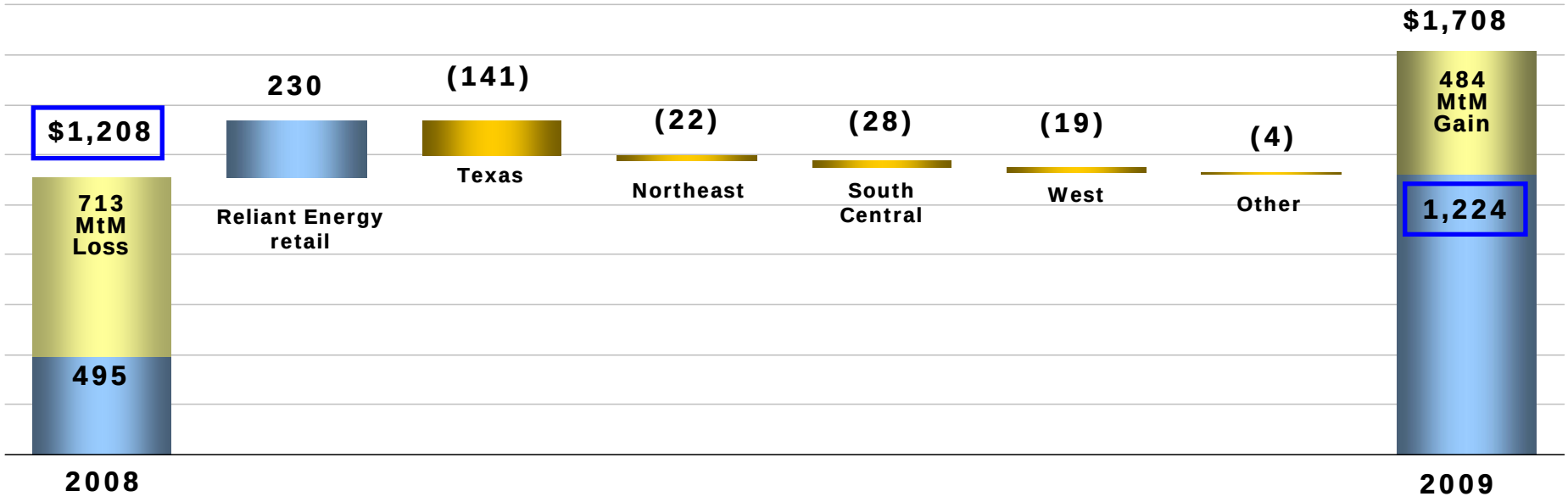
Other

- Lower equity earnings at Gladstone and MIBRAG

Reliant Energy benefited from lower commodity price environment offsetting the impact on the wholesale portfolio

YTD Adjusted EBITDA – 2009 vs. 2008

$ in millions



Reliant Energy

- Reliant Energy acquired May 1, 2009

Texas

- Unfavorable energy margins driven by a 10% decline in energy prices and lower generation
- Lower emission sales

Northeast

- Hedges offset 38% decline in generation
- Lower emission sales and higher emission expense from RGGI compliance
- Lower NY capacity prices

South Central

- Lower generation at Big Cajun
- Lower contract revenue
- Lower margins on merchant sales

West

- Lower capacity revenue due to expiration of El Segundo tolling agreement
- Higher planned maintenance costs

Hedged wholesale portfolio largely protects margins while retail portfolio delivered upside to results

Free Cash Flow

$ in millions	Jun 30, 2009	Jun 30, 2008	Variance
Adjusted EBITDA, excl. MtM	**$ 1,224**	**$ 1,208**	**$ 16**
Interest Payments - cash	(265)	(273)	8
Income Tax - cash	(28)	(28)	-
Collateral	245	(328)	573
Working Capital/Other assets & liabilities	(454)	(143)	(311)
Cash from Operations	**$ 722**	**$ 436**	**$ 286**
Maintenance CapEx	(97)	(97)	-
Preferred Dividends	(21)	(28)	7
Free Cash Flow - Recurring Operations	**$ 604**	**$ 311**	**$ 293**
Environmental CapEx	(113)	(61)	(52)
Repowering NRG:			
Gross Investments	(199)	(268)	69
Project Funding	120	50	70
Total, Net of Project Funding	$ (79)	$ (218)	$ 139

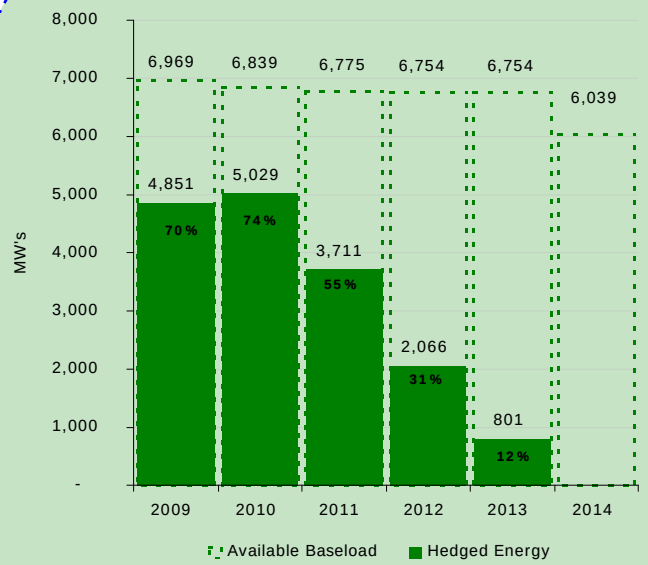
Strong earnings and the return of collateral drive YTD cash flows

Liquidity

$ in millions	Jun 30, 2009	Dec 31, 2008
Cash and Cash Equivalent	$ 2,282	$ 1,494
Restricted Cash	19	16
Total Cash	**2,301**	**1,510**
Funds Deposited by Counterparties	468	754
Total Cash and Funds Deposited	**$ 2,769**	**$ 2,264**
Synthetic LC Availability	**784**	**860**
Revolver Availability	**941**	**1,000**
Total Liquidity	**$ 4,494**	**$ 4,124**
Less: Funds Deposited as Collateral by Hedge Counterparties	(468)	(760)
Total Current Liquidity	**$ 4,026**	**$ 3,364**

Dec. 31, 2008 Cash	**$ 1,510**
CFO	722
Net Debt Issuance	587
MIBRAG Net Proceeds	260
CapEx	(374)
Acquisition of Reliant Energy	(345)
Equity Investments	(40)
Preferred Dividends	(21)
Other	2
June 30, 2009 Cash	**$ 2,301**

Lien Structure* (MWs & %) @ 7/23/2009



* Represents 80% of energy hedged under the Lien structure for rolling 60 months and 60% for the following 12 months. 2009 represents August through December.

Lien Structure provides an additional source of liquidity:

Total 162 TWhs of hedging capacity available 2009-2014

Ample and diverse sources of liquidity supports balanced capital allocation program

2009 Guidance

$ in millions	Guidance Issued 7/8/2009	4/30/2009
Updated Adjusted EBITDA Guidance, excl. MtM	**$ 2,500**	**$ 2,175**
Interest Payments	(631)	(566)
Income Tax	(100)	(100)
Anticipated Permanent Retail Collateral	(300)	-
Collateral Payments/working capital/other	(94)	(34)
Cash from Operations	**$ 1,375**	**$ 1,475**
Maintenance CapEx	(264)	(262)
Preferred Dividends	(33)	(33)
Anticpated Permanent Retail Collateral	300	-
Free Cash Flow - Recurring Ops	**$ 1,378**	**$ 1,180**
Environmental CapEx	(261)	(249)
Reliant Integration Capital	(31)	-
Repowering NRG:		
Gross Investments	(447)	(471)
Estimated Project Funding	290	317
Total, Net of Project Funding	$ (157)	$ (154)

Note: Adjusted EBITDA Guidance excludes Exelon defense costs and Reliant retail transaction and integration expenses

Recurring Free Cash Flow Yield

19%

Note: Cash Flow Yield based on common stock share price of $26.48 as of July 29, 2009

Recurring Free Cash Flow Per Share

$5.13

Note: Calculated by adding back preferred dividends and dividing by the weighted average number of common diluted shares of 275 million

Record Financial Performance in 2009

Prudent Balance Sheet Management

Liquidity

- Hedging
  - Cash
  - LC's
  - 1st lien
- Repowering Projects

- ✓ Maintain appropriate liquidity to capitalize on market opportunities
- ✓ Collateral light structures support hedging strategy
- ✓ Non recourse project financings protect and preserve corporate liquidity
- ✓ Appropriate risk assessment to protect balance sheet

Capital Structure

- Maintain corporate credit targets
- Balanced capital structure

- ✓ S&P upgrade to BB- on bonds and corporate credit rating, BB+ on 1st lien facilities
- ✓ Moody's upgrade on 1st lien facilities to Baa3 (investment grade)
- ✓ Net Debt to Capitalization: 44.3% at 6/30/09, low end of target (45-55%)

Debt Compliance

- Indenture and Credit Agreements baskets are both approximately $850 million

- ✓ New bond issuance creates a benchmark for less restrictive covenant package (currently 70-80bps premium)
- ✓ 2014 bonds call date of 2/1/2010 allows NRG to call at 103.625%
- ✓ Early unwind of the sleeve will add approximately $550 million to the Credit Agreement baskets

NRG's balanced approach to capital management has resulted in credit rating upgrades while repurchasing shares and investing in growth opportunities

Capital Allocation – 2009 Plan

Business Reinvestment

- Maintenance
  - Safety
  - Reliability
- Environmental CapEx

- ✓ YTD Maintenance CapEx of $107M
- ✓ YTD Environmental CapEx of $86M
- ❑ Maintenance & Integration CapEx
- ❑ Environmental CapEx

Capital Management

- Maintain corporate credit targets
- Term Loan B paydown

- ✓ $233M in debt repayments
- ✓ $700M bond offering in June
- ❑ $193M expected debt repayments, primarily CSFII
- ❑ Early termination of Retail credit sleeve

Capital Return to Shareholders

- Annual target of $250M-$300M
- Accomplished through common share purchases

- ❑ $500M of share repurchases

Growth

- ✓ Acquisition of Reliant Energy retail business
- ✓ Cedar Bayou 4 online ahead of schedule
- ✓ Started construction of GenConn project
- ❑ eSolar investment – PPAs with El Paso Electric and PG&E
- ❑ Complete Langford

★ NRG has ample liquidity and commitment to complete $500M of share repurchases in 2009 ★

Closing Remarks and Question and Answer Session

NRG Balance of Year 2009 Plan

- Meet or exceed increased guidance for remainder of FY2009
- Commence and complete $500mm share buyback
- Collapse Reliant retail ring fence structure; eliminate ML Sleeve
- Exceed *FOR*NRG 2.0 targets
- Successful sell-down of STP 3&4
- Achieve key nuclear milestones at DOE and NRC
- Success in Washington: "W-M Plus"
- Advance first eSolar Project (New Mexico)

Continuation of our 6 year focus on driving shareholder value

Appendix

Adjusted EBITDA by Region

	2nd Quarter 2009			2nd Quarter 2008		
$ in millions	Adj. EBITDA	Less: MtM Gain/(Loss) Impact	Net	Adj. EBITDA	Less: MtM Gain/(Loss) Impact	Net
Retail	$ 533	$ 303	$ 230	$ -	$ -	$ -
Texas	221	(125)	346	92	(423)	515
Northeast	86	(31)	117	(7)	(120)	113
South Central	15	(9)	24	18	-	18
West	21	7	14	18	-	18
International	24	9	15	23	-	23
Thermal	5	(2)	7	6	-	6
Corporate	(6)	-	(6)	(10)	-	(10)
Consolidated NRG	**$ 899**	**$ 152**	**$ 747**	**$ 140**	**$ (543)**	**$ 683**

	YTD 2009			YTD 2008		
$ in millions	Adj. EBITDA	Less: MtM Gain/(Loss) Impact	Net	Adj. EBITDA	Less: MtM Gain/(Loss) Impact	Net
Retail	$ 533	$ 303	$ 230	$ -	$ -	$ -
Texas	740	74	666	246	(561)	807
Northeast	339	116	223	93	(152)	245
South Central	39	(14)	53	81	-	81
West	22	6	16	35	-	35
International	38	-	38	47	-	47
Thermal	12	(1)	13	15	-	15
Corporate	(15)	-	(15)	(22)	-	(22)
Consolidated NRG	**$ 1,708**	**$ 484**	**$ 1,224**	**$ 495**	**$ (713)**	**$ 1,208**

Note: MtM impacts reflect the net change in fair value of asset-backed forward supply/sales contracts and ineffectiveness.

Year to Date & Full Year 2009 Capital Expenditures

$ in millions	Maintenance	Environmental	*Repowering* NRG	Total
Year to Date 2009				
Northeast	$ 17	$ 86	$ 5	**108**
Texas	78	-	89	**167**
South Central	2	-	-	**2**
West	3	-	1	**4**
Retail	2	-	-	**2**
NINA	-	-	78	**78**
Other	5	-	-	**5**
Total CapEx	**$ 107**	**$ 86**	**$ 173**	**$ 366**
Repowering Equity Investments	-	-	35	**35**
Accrual Impacts	(10)	27	(9)	**8**
Gross Investments	**$ 97**	**$ 113**	**$ 199**	**$ 409**
Project Funding	-	-	(120)	**(120)**
Total, Net of Project Funding	**$ 97**	**$ 113**	**$ 79**	**$ 289**
Full Year 2009 Guidance				
Northeast	$ 33	$ 249	$ 5	**287**
Texas	174	-	142	**316**
South Central	13	-	-	**13**
West	5	-	3	**8**
Retail	46	-	-	**46**
NINA	-	-	193	**193**
Other	24	12	43	**79**
Total CapEx	**$ 295**	**$ 261**	**$ 386**	**$ 942**
Repowering Equity Investments	-	-	61	**61**
Gross Investments	**$ 295**	**$ 261**	**$ 447**	**$ 1,003**
Estimated Project Funding	-	-	(290)	**(290)**
Total, Net of Project Funding	**$ 295**	**$ 261**	**$ 157**	**$ 713**

Q2 Generation Sold & Availability

(in thousands MWh except otherwise stated)	2009	2008	Change	%	2009 EAF[1]	2009 NCF[2]	2008 EAF[1]	2008 NCF[2]
Texas	12,333	12,675	(342)	(3)	92%	50%	90%	53%
Northeast	1,634	3,245	(1,611)	(50)	86	9	86	19
South Central	2,792	2,977	(185)	(6)	90	38	92	42
West	183	327	(144)	(44)	79	5	91	7
Total	**16,942**	**19,224**	**(2,282)**	**(12)**	**89%**	**32%**	**89%**	**37%**
Texas Nuclear	2,553	2,186	367	17	100%	100%	86%	85%
Texas Coal	7,808	8,608	(800)	(9)	95	86	97	96
NE Coal	1,309	2,683	(1,374)	(51)	77	28	75	62
SC Coal	2,350	2,607	(257)	(10)	85	73	85	81
Baseload	**14,020**	**16,084**	**(2,064)**	**(13)**	**90%**	**74%**	**89%**	**85%**
Elbow Creek	80	-	80		n/a	30%	-	-
Wind	**80**	**-**	**80**		**n/a**	**30%**	**-**	**-**
Oil	13	131	(118)	(90)	91%	0%	81%	6%
Gas - Texas	1,478	1,706	(228)	(13)	87	12	85	14
Gas - NE	312	431	(119)	(28)	88	3	90	5
Gas - SC	36	9	27	300	95	1	98	0
Gas - West	183	327	(144)	(44)	79	5	91	7
Intermediate/Peaking	**2,022**	**2,604**	**(582)**	**(22)**	**87%**	**7%**	**89%**	**9%**
Purchased Power	**820**	**536**	**284**	**53**				
Total	**16,942**	**19,224**	**(2,282)**	**(12)**				

[1] Equivalent Availability Factor

[2] Net Capacity Factor

YTD Generation Sold & Availability

(in thousands MWh except otherwise stated)	2009	2008	Change	%	2009 EAF[1]	2009 NCF[2]	2008 EAF[1]	2008 NCF[2]
Texas	22,506	23,706	(1,200)	(5)	88%	47%	87%	49%
Northeast	4,272	6,836	(2,564)	(38)	89	12	90	20
South Central	5,961	6,065	(104)	(2)	90	41	94	45
West	352	468	(116)	(25)	78	5	87	6
Total	**33,091**	**37,075**	**(3,984)**	**(11)**	**88%**	**31%**	**89%**	**36%**
Texas Nuclear	5,125	4,729	396	8	100%	100%	91%	92%
Texas Coal	14,774	16,098	(1,324)	(8)	92	82	91	90
NE Coal	3,713	5,937	(2,224)	(37)	84	42	83	69
SC Coal	5,034	5,617	(583)	(10)	89	78	91	87
Baseload	**28,646**	**32,381**	**(3,735)**	**(12)**	**91%**	**76%**	**89%**	**85%**
Elbow Creek	182	-	182		n/a	34%	-	-
Wind	**182**	**-**	**182**		**n/a**	**34%**	**-**	**-**
Oil	83	195	(112)	(57)	91%	2%	87%	5%
Gas - Texas	1,911	2,429	(518)	(21)	83	8	82	10
Gas - NE	476	704	(228)	(32)	89	3	92	4
Gas - SC	59	24	35	146	90	1	97	0
Gas - West	352	468	(116)	(25)	78	5	87	6
Intermediate/Peaking	**2,881**	**3,820**	**(939)**	**(25)**	**86%**	**5%**	**88%**	**6%**
Purchased Power	**1,382**	**874**	**508**	**58**				
Total	**33,091**	**37,075**	**(3,984)**	**(11)**				

[1] Equivalent Availability Factor

[2] Net Capacity Factor

Fuel Statistics

Domestic	2nd Quarter 2009	2nd Quarter 2008	Year to Date 2009	Year to Date 2008
Cost of Gas ($/mmBTU)	$ 3.80	$ 11.60	$ 3.98	$ 10.53
Coal Consumed (mm Tons)	7.4	8.8	15.1	17.3
PRB Blend	78%	75%	79%	75%
Northeast	78%	64%	71%	63%
South Central	100%	100%	100%	100%
Texas	72%	70%	74%	70%
Coal Costs (mm BTU)	$ 1.78	$ 1.84	$ 1.84	$ 1.85
Northeast	2.77	3.08	2.99	2.99
South Central	1.83	1.76	1.93	1.81
Texas	1.62	1.51	1.57	1.48
Coal Costs ($/Tons)	$ 28.72	$ 29.91	$ 30.05	$ 30.35
Northeast	51.92	60.65	56.26	58.57
South Central	30.29	28.07	31.70	28.82
Texas	25.42	23.47	24.76	23.20

Q2 Operating Revenues

$ in millions

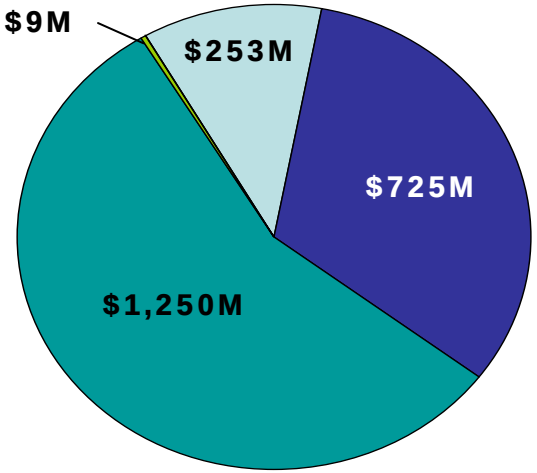
By Type

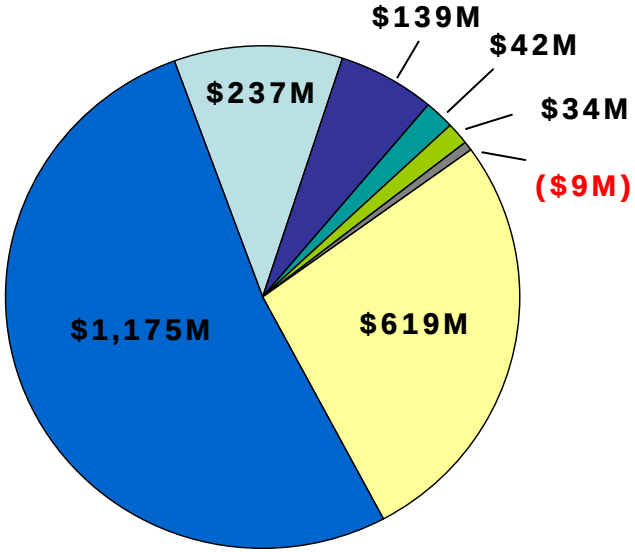
- Capacity
- Retail
- Energy
- Other

By Segment

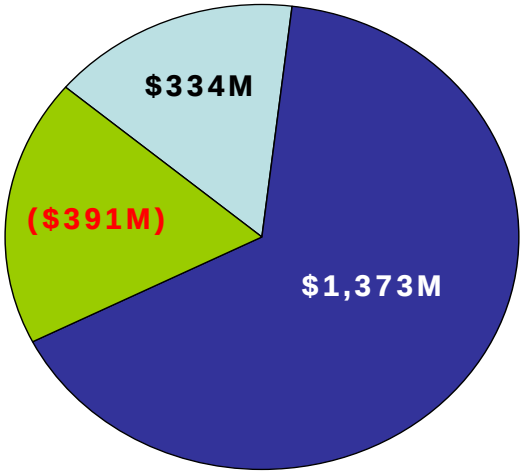
- Texas
- Retail
- Northeast
- South Central
- West
- International
- Thermal & other

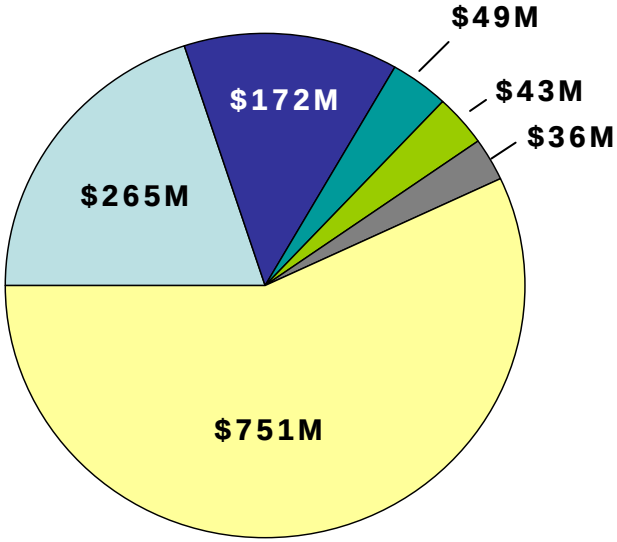
Q2 09: $2,237M





Q2 08: $1,316M





YTD Operating Revenues

$ in millions

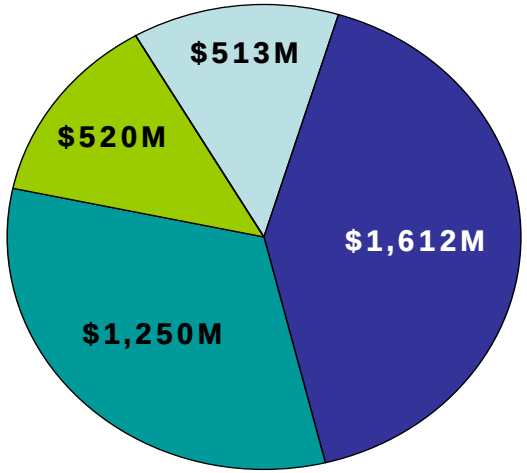
By Type

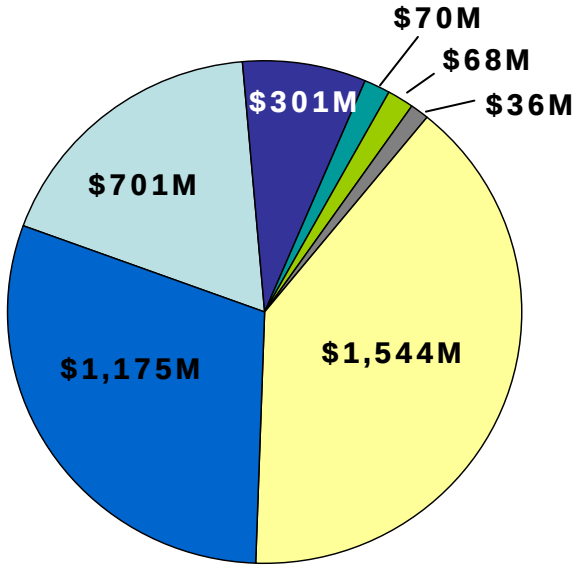
- Capacity
- Retail
- Energy
- Other

By Segment

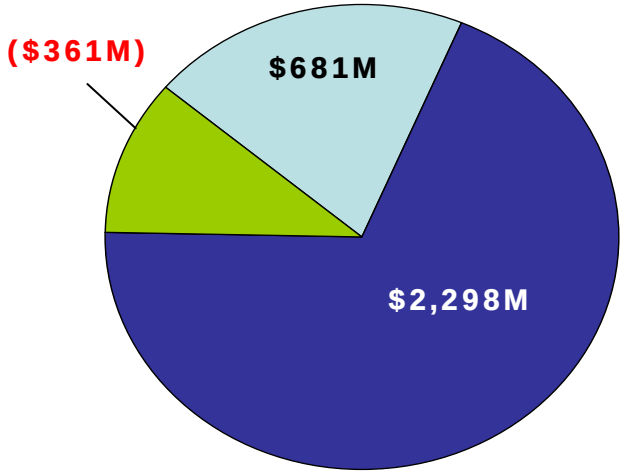
- Texas
- Retail
- Northeast
- South Central
- West
- International
- Thermal & other

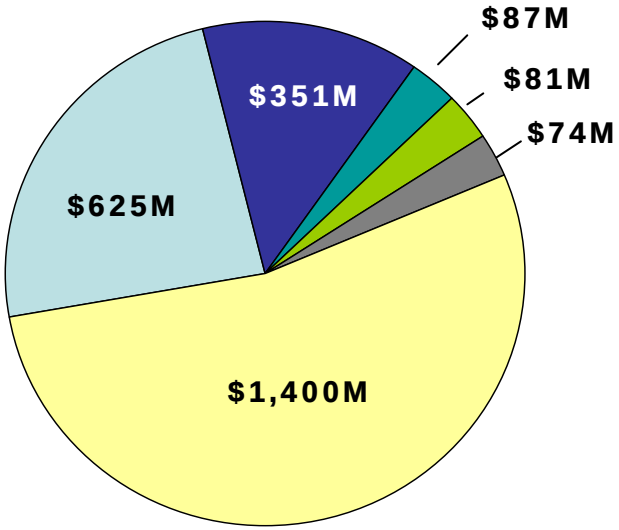
YTD 09: $3,895M





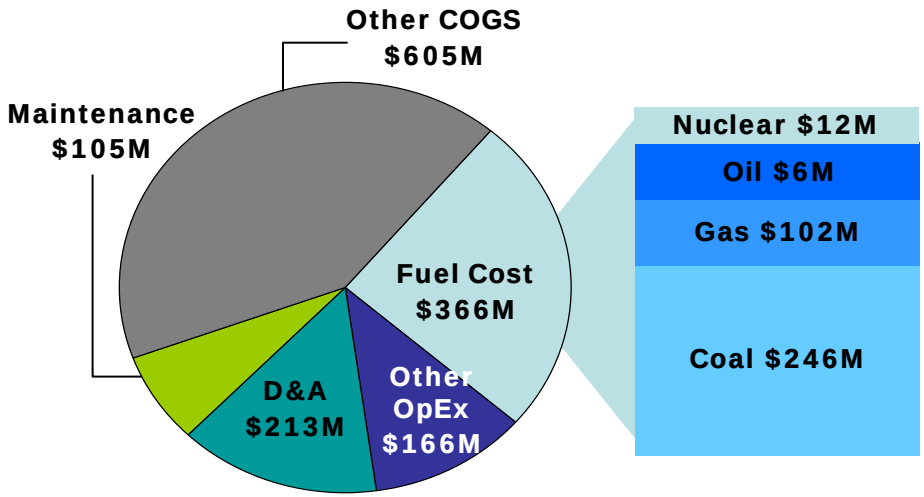
YTD 08: $2,618M



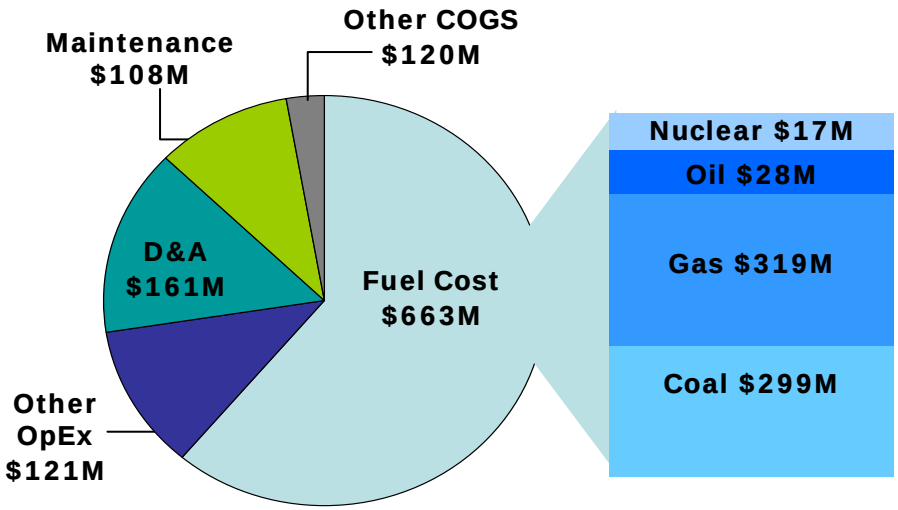


Operating Expenses and Depreciation

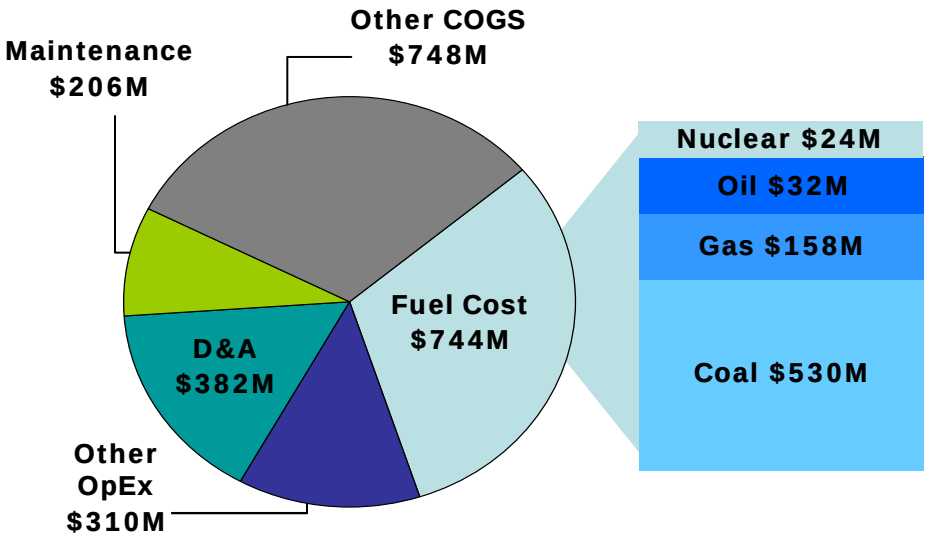
Q2 09: $1,455M



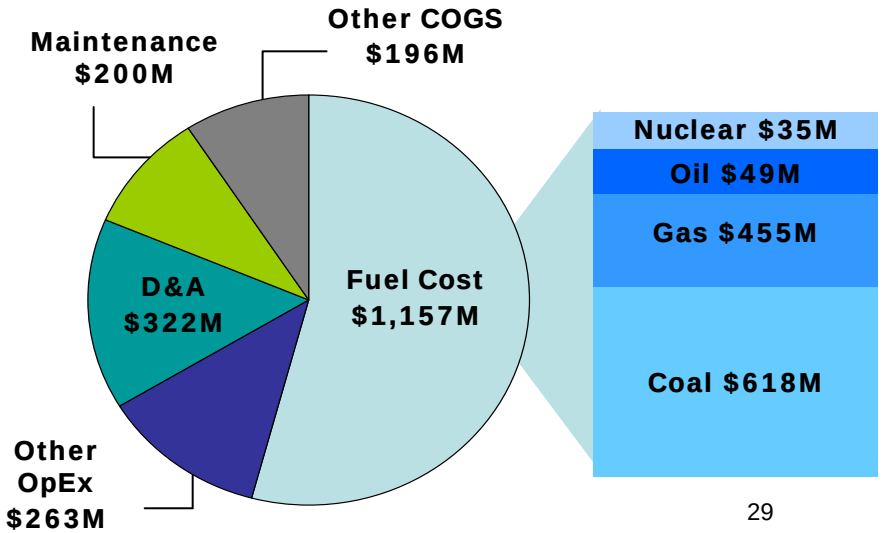
Q2 08: $1,173 M



YTD 09: $2,390M

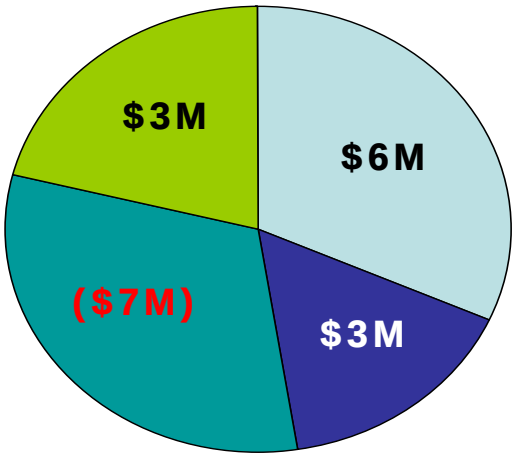


YTD 08: $2,138M

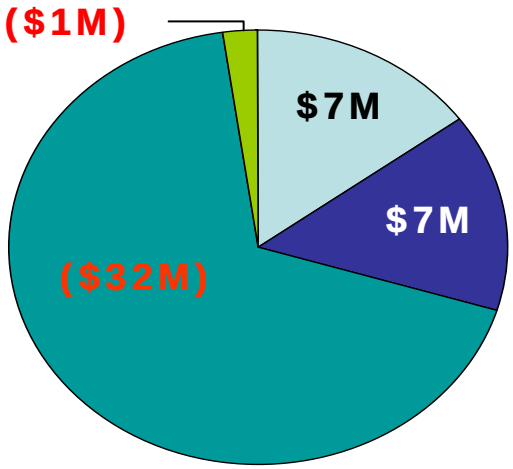


Equity Earnings

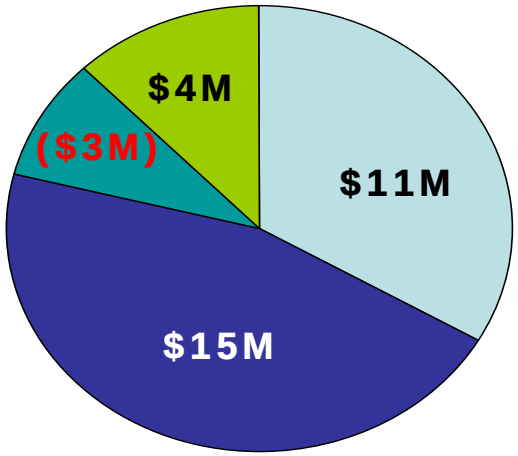
Q2 09: $5M



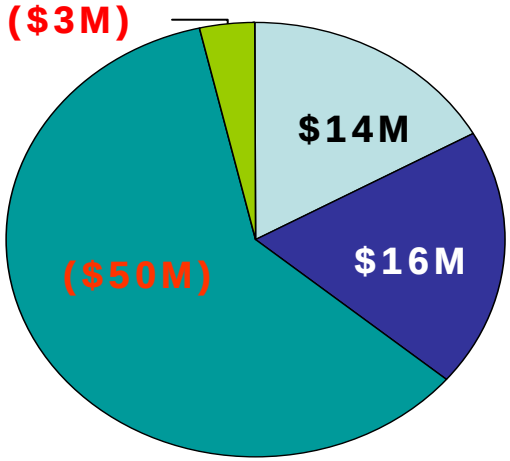
Q2 08: ($19M)



YTD 09: $27M



YTD 08: ($23M)



Gladstone | MIBRAG | Saguaro | Sherbino

Forecast Non-Cash Contract Amortization Schedules: 2008-2011

($M)	2008					2009				
Revenues	Q1A	Q2A	Q3A	Q4A	Year	Q1A	Q2A	Q3E	Q4E	Year
Power contracts / gas swaps[1]	75	92	83	48	**298**	47	(43)	(49)	(68)	**(113)**
Fuel Expense	Q1A	Q2A	Q3A	Q4A	Year	Q1A	Q2A	Q3E	Q4	Year
Fuel out-of market contracts[2]	8	3	13	10	**34**	5	19	30	27	**81**
Fuel in-the market contracts[3]	5	8	4	4	**21**	5	8	18	7	**38**
Emission Allowances (NOX & SO2)	10	10	10	10	**40**	10	10	10	10	**40**
Total Net Expense	7	15	1	4	**27**	10	(1)	(2)	(10)	**(3)**

Increase / (Decreases) Revenue

Reduce Cost

Increase Cost

Increase Cost

($M)	2010E					2011E				
Revenues	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4A	Year
Power contracts / gas swaps[1]	(32)	(38)	(9)	(38)	**(117)**	(32)	(32)	(8)	(35)	**(107)**
Fuel Expense	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Fuel out-of market contracts[2]	12	12	13	9	**46**	5	3	1	2	**11**
Fuel in-the market contracts[3]	1	1	2	3	**7**	-	1	2	0	**3**
Emission Allowances (NOX & SO2)	13	13	13	13	**52**	13	13	13	13	**52**
Total Net Expense	2	2	2	7	**13**	8	11	14	11	**44**

Increase / (Decreases) Revenue

Reduce Cost

Increase Cost

Increase Cost

[1] Amortization of power contracts occurs in the revenue line.

[2] Amortization of fuel contracts occurs in the fuel cost line; includes coal.

[3] Amortization of fuel contracts occurs in the fuel cost line; includes coal, nuclear, gas and water.

Note: Detailed discussion of these above reference in-the-money and out-of-the money contracts can be found in NRG 2008 10K

Capacity Revenue Sources: Generation Asset Overview

In addition to our baseload hedging program, NRG revenues and free cash flows benefit from capacity sources originating from either market clearing capacity prices, Reliability Must Run (RMR)/Resource Adequacy (RA) contracts and tolling arrangements. While ERCOT (Texas) region does not have a capacity market, Texas capacity revenues reflect bilateral transactions. Prior to NRG's acquisition of Texas Genco, the Public Utility Commission of Texas (PUCT) regulations required that Texas generators sell 15% of their capacity by auction at reduced rates. In March 2006, the PUCT accepted NRG's request to no longer participate in these auctions and that capacity is now being sold in the merchant market. In addition to the PUCT mandated auctions, the prior owners of Texas Genco also participated in voluntary auctions. These capacity contracts will expire in 2009. In South Central[2], NRG earns significant capacity revenue from its long-term contracts. NRG has long-term all-requirements contracts with 11 Louisiana distribution cooperatives, which are not unit specific. The agreements are standardized into three types and have expirations and estimated customer loads as follows: Forms A and B expire in March 2025 and December 2024, respectively, and account for approximately 45% of the region's load; Form C expires March 2009-2014 and accounts for approximately 42% of the region's load. NRG also has long-term contracts with the Municipal Agency of Mississippi, South Mississippi Electric Power Association, and Southwestern Electric Power Company, which collectively comprise an additional 13% of contract load. The table below reflects the plants and relevant capacity revenue sources for the Northeast, West and Thermal business segments:

Region and Plant	Zone	MW	Sources of Capacity Revenues: Market Capacity, Reliability Must Run (RMR) and Tolling Arrangements	Tenor
NORTHEAST:				
NEPOOL (ISO NE):				
Devon	SWCT	140	LFRM/FCM	
Connecticut Remote Turbines[3]	SWCT	145	LFRM/FCM	
Montville	CT - ROS	500	RMR[1]/FCM	RMR until June 2010
Somerset Power[4]	SE - MASS	125	LFRM/FCM	
Middletown	CT - ROS	770	RMR[1]/FCM	RMR until June 2010
Norwalk Harbor	SWCT	340	RMR[1]/FCM	RMR until June 2010
PJM:				
Indian River[5]	PJM - East	740	DPL- South	
Vienna	PJM - East	170	DPL- South	
Conemaugh	PJM - West	65	PJM- MAAC	
Keystone	PJM - West	65	PJM- MAAC	
New York (NYISO):				
Oswego	Zone C	1635	UCAP - ROS	
Huntley	Zone A	380	UCAP - ROS	
Dunkirk	Zone A	530	UCAP - ROS	
Astoria Gas Turbines	Zone J	550	UCAP - NYC	
Arthur Kill	Zone J	865	UCAP - NYC	
California (CAISO):				
Encina	SP-15	965	Toll	Expires 12/31/2009
Cabrillo II	SP-15	190	RA Capacity[6]	
El Segundo	SP-15	670	RA Capacity[7]	
Long Beach[8]	SP-15	260	Toll	Expires 8/1/2017
Thermal:				
Dover	PJM - East	104	DPL- South	
Paxton Creek	PJM - West	12	PJM- MAAC	

1 Per the terms of the RMR agreement, any FCM transition capacity payments are offset against approved RMR payment. RMR agreements will expire June 1, 2010, the first day of the First Installed Capacity Commitment Period of the Forward Capacity Market

2 South Central includes Rockford I and II, which is in PJM

3 Includes 38 MW from 2nd quarter 2008 repowering project

4 Somerset has entered into an agreement with the Massachusetts Department of Environmental Protection, or MADEP, to retire or repower the remaining coal-fired unit at Somerset by the end of 2009. In connection with a repowering proposal approved by the MADEP, the date for the shut-down of the unit was extended to September 30, 2010

5 Indian River Unit 1 will be retired by May 1, 2011 and Indian River Unit 2 will be retired by May 1, 2010

6 The RMR agreement covering 160 MW expired on 12/31/2008 and was replaced by RA contracts covering the entire Cabrillo II portfolio during 2009 (RA contracts for 88 MW run through November 30, 2013)

7 El Segundo includes approximately 670MW economic call option and 548MW of RA contracts for 2009

8 NRG has purchased back energy and ancillary service value of the toll through July 31, 2011

Appendix:
Reg. G Schedules

Reg. G

Appendix Table A-1: Second quarter 2009 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(Amounts in millions)	Reliant Energy	Texas	Northeast	South Central	West	International	Thermal	Corporate	Total
Net Income/(Loss)	$ 233	$ 99	$ 42	$ (9)	$ 19	$ 125	$ -	$ (76)	$ 433
Plus:									
Income Tax	181	9	-	-	-	3	-	(43)	150
Interest Expense	14	(1)	13	12	-	4	2	105	149
Amortization of Finance Costs	-	-	-	-	-	-	-	8	8
Amortization of Debt (Discount)/Premium	-	-	-	-	-	-	-	3	3
Depreciation Expense	43	117	30	17	2	-	3	1	213
ARO Accretion Expense	-	1	1	-	-	-	-	-	2
Amortization of Power Contracts	75	(17)	-	(5)	-	-	-	-	53
Amortization of Fuel Contracts	(13)	3	-	-	-	-	-	-	(10)
Amortization of Emission Allowances	-	10	-	-	-	-	-	-	10
EBITDA	533	221	86	15	21	132	5	(2)	1,011
Exelon Defense Cost	-	-	-	-	-	-	-	4	4
Integration Cost	-	-	-	-	-	-	-	23	23
FX Loss on MIBRAG Sale Proceeds	-	-	-	-	-	20	-	-	20
Settlement of Pre-Existing Relationship with Reliant Energy	-	-	-	-	-	-	-	(31)	(31)
Gain on Sale of Equity Method Investment	-	-	-	-	-	(128)	-	-	(128)
Adjusted EBITDA	533	221	86	15	21	24	5	(6)	899
Less MTM Forward Position Accruals	93	(120)	(17)	(9)	7	9	(1)	-	(38)
Add. Prior Period MtM Reversals	(210)	3	13	-	-	-	1	-	(193)
Less: Hedge Ineffectiveness	-	(2)	(1)	-	-	-	-	-	(3)
Adjusted EBITDA, excluding MtM	$ 230	$ 346	$ 117	$ 24	$ 14	$ 15	$ 7	$ (6)	$ 747

Reg. G

Appendix Table A-2: Second quarter 2008 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(Amounts in millions)	Texas	Northeast	South Central	West	International	Thermal	Corporate	Total
Net Income/(Loss)	$ 13	$ (45)	$ (6)	$ 13	$ 186	$ 2	$ (36)	$ 127
Plus:								
Income Tax	1	-	-	-	5	-	(59)	(53)
Interest Expense	32	14	12	1	-	2	73	134
Amortization of Finance Costs	-	-	-	-	-	-	5	5
Amortization of Debt (Discount)/Premium	-	-	-	-	-	-	6	6
Depreciation Expense	113	25	17	3	-	2	1	161
ARO Accretion Expense	1	(1)	-	1	-	-	-	1
Amortization of Power Contracts	(83)	-	(5)	-	-	-	-	(88)
Amortization of Fuel Contracts	5	-	-	-	-	-	-	5
Amortization of Emission Allowances	10	-	-	-	-	-	-	10
EBITDA	92	(7)	18	18	191	6	(10)	308
Income from Discontinued Operations	-	-	-	-	(168)	-	-	(168)
Adjusted EBITDA	92	(7)	18	18	23	6	(10)	140
Less MTM Forward Position Accruals	(101)	(94)	-	-	-	-	-	(195)
Add. Prior Period MtM Reversals	9	6	-	-	-	-	-	15
Less: Hedge Ineffectiveness	(313)	(20)	-	-	-	-	-	(333)
Adjusted EBITDA, excluding MtM	$ 515	$ 113	$ 18	$ 18	$ 23	$ 6	$ (10)	$ 683

Reg. G

Appendix Table A-3: Year-to-Date 2009 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(Amounts in millions)	Reliant Energy	Texas	Northeast	South Central	West	International	Thermal	Corporate
Net Income/(Loss)	$ 233	$ 316	$ 253	$ (8)	$ 16	$ 137	$ 4	$ (320)
Plus:								
Income Tax	181	170	-	-	-	5	-	92
Interest Expense	14	28	26	24	1	4	3	176
Amortization of Finance Costs	-	-	-	-	-	-	-	14
Amortization of Debt (Discount)/Premium	-	-	-	-	-	-	-	7
Depreciation Expense	43	234	59	34	4	-	5	3
ARO Accretion Expense	-	2	1	-	1	-	-	-
Amortization of Power Contracts	75	(32)	-	(11)	-	-	-	-
Amortization of Fuel Contracts	(13)	3	-	-	-	-	-	-
Amortization of Emission Allowances	-	19	-	-	-	-	-	-
EBITDA	$ 533	$ 740	$ 339	$ 39	$ 22	$ 146	$ 12	$ (28)
Exelon Defense Cost	-	-	-	-	-	-	-	9
Integration Cost	-	-	-	-	-	-	-	35
FX Loss on MIBRAG Sale Proceeds	-	-	-	-	-	20	-	-
Settlement of Pre-Existing Relationship with Reliant Energy	-	-	-	-	-	-	-	(31)
Gain on Sale of Equity Method Investment	-	-	-	-	-	(128)	-	-
Adjusted EBITDA	$ 533	$ 740	$ 339	$ 39	$ 22	$ 38	$ 12	$ (15)
Less MTM Forward Position Accruals	93	85	136	(14)	6	-	1	-
Add. Prior Period MtM Reversals	(210)	12	20	-	-	-	2	-
Less: Hedge Ineffectiveness	-	1	-	-	-	-	-	-
Adjusted EBITDA, excluding MtM	$ 230	$ 666	$ 223	$ 53	$ 16	$ 38	$ 13	(15)

Reg. G

Appendix Table A-4: YTD 2008 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(Amounts in millions)	Texas	Northeast	South Central	West	International	Thermal	Corporate	Total
Net Income/(Loss)	$ 50	$ 14	$ 33	$ 25	$ 210	$ 7	$ (163)	$ 176
Plus:								
Income Tax	31	-	-	-	9	-	(39)	1
Interest Expense	62	28	25	4	-	3	158	280
Amortization of Finance Costs	-	-	-	-	-	-	11	11
Amortization of Debt (Discount)/Premium	-	-	-	-	-	-	9	9
Depreciation Expense	226	51	34	4	-	5	2	322
ARO Accretion Expense	1	-	-	2	-	-	-	3
Amortization of Power Contracts	(146)	-	(11)	-	-	-	-	(157)
Amortization of Fuel Contracts	2	-	-	-	-	-	-	2
Amortization of Emission Allowances	20	-	-	-	-	-	-	20
EBITDA	246	93	81	35	219	15	(22)	667
Income from Discontinued Operations	-	-	-	-	(172)	-	-	(172)
Adjusted EBITDA	246	93	81	35	47	15	(22)	495
Less MTM Forward Position Accruals	(188)	(122)	-	-	-	-	-	(310)
Add. Prior Period MtM Reversals	16	9	-	-	-	-	-	25
Less: Hedge Ineffectiveness	(357)	(21)	-	-	-	-	-	(378)
Adjusted EBITDA, excluding MtM	$ 807	$ 245	$ 81	$ 35	$ 47	$ 15	$ (22)	$ 1,208

Reg. G

Appendix Table A-5: Net Debt to Total Capital Reconciliation ($mm)
The following table summarizes the calculation of Net Debt to Total Capital

	June 30, 2009
Numerator:	
Gross Debt	$8,747
Total Cash	2,301
Net Debt	6,446
Denominator:	
Net Debt	6,446
Preferred stock	653
Book Value of Common Equity	7,437
Capital	$14,536
Net Debt to Capital	**44.3%**

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- EBITDA, adjusted EBITDA, free cash flow and adjusted cash flow from operations are nonGAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.

- EBITDA represents net income before interest, taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:
  - EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
  - EBITDA does not reflect changes in, or cash requirements for, working capital needs;
  - EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt;
  - Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
  - Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.

- Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only supplementally.

- Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for discontinued operations, legal settlements and write downs and gains or losses on the sales of equity method investments and other assets, Exelon defense costs and Texas retail acquisition, settlement of pre-existing relationships and integration costs; factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release. Adjusted EBITDA, excluding mark-to-market (MtM) adjustments, is provided to further supplement adjusted EBITDA by excluding the impact of unrealized MtM adjustments included in EBITDA for hedge contracts that are economic hedges but do not qualify for hedge accounting treatment in accordance with SFAS No. 133 *Accounting for Derivative Instruments and Hedging Activities,* as well as the ineffectiveness impact of economic hedge contracts that qualify for hedge accounting treatment. Adjusted EBITDA, excluding MtM adjustments, is a supplemental measure provided to illustrate the impact of MtM movements on adjusted EBITDA resulting from commodity price movements for economic hedge contracts while the underlying hedged commodity has not been subject to MtM adjustments.

- Free cash flow – recurring operations is cash flow from operations less maintenance capital expenditures and preferred stock dividends and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. In addition, in evaluating free cash flow – recurring operations, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this presentation.