
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9

Solicitation/Recommendation Statement
Under Section 14(d)(4) of the Securities Exchange Act of 1934
(Amendment No. 42)

NRG Energy, Inc.

(Name of Subject Company)

NRG Energy, Inc.

(Name of Person Filing Statement)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

629377508

(CUSIP Number of Class of Securities)

Michael R. Bramnick
Senior Vice President and General Counsel
NRG Energy, Inc.
211 Carnegie Center
Princeton, New Jersey 08540
(609) 524-4500

(Name, address and telephone number of person authorized to receive notices and communications on behalf of the persons filing statement)

With copies to:

Stephen Fraidin
Thomas W. Christopher
Kirkland & Ellis LLP
153 East 53rd Street
New York, New York 10022
(212) 446-4800

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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This Amendment No. 42 to Schedule 14D-9 amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 (as amended from time to time, the “*Statement*”) originally filed by NRG Energy, Inc., a Delaware corporation (“*NRG*”), with the Securities and Exchange Commission (the “*SEC*”) on November 24, 2008, relating to the unsolicited offer by Exelon Corporation, a Pennsylvania corporation (“*Exelon*”), through its wholly-owned subsidiary, Exelon Xchange Corporation, a Delaware corporation, to exchange all outstanding shares of NRG common stock for shares of Exelon common stock. Except as specifically noted herein, the information set forth in the Statement remains unchanged.

Item 1. Subject Company Information.

“Item 1. Subject Company Information — Securities” on page 2 of the Statement is hereby amended and restated in its entirety as follows:

The title of the class of equity securities to which this Statement relates is NRG’s common stock, par value \$0.01 per share (“*NRG Common Stock*”). As of July 7, 2009, there were 265,300,015 shares of NRG Common Stock outstanding, an additional 12,523,953 shares of NRG Common Stock reserved for issuance under NRG’s equity compensation plans, of which 5,201,720 shares of NRG Common Stock were issuable upon the exercise of outstanding options granted pursuant to such plans (of which 2,862,448 were then exercisable), and 1,904,249 shares of NRG Common Stock were issuable or otherwise deliverable in connection with the exercise or vesting of other equity awards of NRG. In addition, as of July 7, 2009, NRG had 250,000 shares of 3.625% Convertible Perpetual Preferred Stock (the “*3.625% Preferred Stock*”) and 419,769 shares of 4% Convertible Perpetual Preferred Stock (the “*4% Preferred Stock*”). Both series of NRG preferred stock are convertible into NRG Common Stock, subject to the terms and conditions applicable to each such series.

Item 2. Identity and Background of Filing Person.

“Item 2. Identity and Background of Filing Persons — Offer” on pages 2 to 7 of the Statement is hereby amended and restated in its entirety as follows:

Offer

The Original Offer

On November 12, 2008, Exelon, through its wholly owned subsidiary, Exelon Xchange Corporation (“*Exelon Exchange*”), commenced an unsolicited offer (the “*Original Offer*”) to exchange each outstanding share of NRG Common Stock for 0.485 of a share of Exelon common stock, without par value (the “*Exchange Ratio*”), upon the terms and subject to the conditions set forth in (1) the Preliminary Prospectus/Offer to Exchange, originally dated November 12, 2008 (as amended and supplemented to date, the “*Exchange Offer*”) and (2) the related Letter of Transmittal. In addition, holders of NRG Common Stock whose shares are exchanged in the Original Offer will receive cash instead of any fractional shares of Exelon Common Stock to which they may be entitled. Exelon and Exelon Xchange filed a Tender Offer Statement on Schedule TO (as amended and supplemented to date, the “*Schedule TO*”) with the SEC on November 12, 2008 and a Registration Statement on Form S-4 (as amended and supplemented to date, the “*Registration Statement*”) relating to securities to be issued in connection with the Original Offer, to which the Exchange Offer forms a part. The Original Offer was initially scheduled to expire on January 6, 2009, but Exelon extended the expiration date to February 25, 2009, then to June 26, 2009, and most recently to August 21, 2009.

The Revised Offer

On July 2, 2009, Exelon issued a press release and held a conference call announcing that it had increased the Exchange Ratio to 0.545 of a share of Exelon common stock (the “*Revised Offer*”). The Revised Offer is otherwise subject to the same terms and conditions as the Original Offer. Either the Original Offer or the Revised Offer is referred to in this Statement as the Offer.

Purpose of the Offer

The purpose of the Offer as stated by Exelon is to acquire control of, and ultimately the entire equity interest in, NRG. Exelon has also indicated that it intends, as soon as practicable after the consummation of the Offer, to seek to consummate a merger of Exelon Xchange or another wholly-owned subsidiary of Exelon with and into NRG (the “*Second-Step Merger*”). Under the Delaware General Corporation Law (“*DGCL*”), if Exelon acquires, pursuant to the Offer or otherwise, at least 90% of the outstanding shares of each class of capital stock of NRG entitled to vote on the Second-Step Merger, including the 4% Preferred Stock, Exelon would be able to approve the Second-Step Merger without a vote of the board of directors of NRG (the “*NRG Board*”) or the other stockholders of NRG. If Exelon does not acquire at least 90% of the outstanding shares of each class of capital stock of NRG entitled to vote on the Second-Step Merger, subject to Section 203 of the DGCL, the Second-Step Merger must be approved by the NRG Board and the affirmative vote of stockholders of NRG holding a majority of the outstanding shares of NRG capital stock entitled to vote on such merger, including NRG Common Stock and any shares of NRG preferred stock entitled to vote with NRG Common Stock on such merger. Subject to Section 203 of the DGCL, if Exelon acquires, pursuant to the Offer or otherwise, at least a majority of the outstanding shares of NRG capital stock entitled to vote on the Second-Step Merger, Exelon would, subject to approval of the NRG Board, have sufficient voting power to approve the Second-Step Merger without the affirmative votes of any other stockholder of NRG. Exelon has also indicated that, the Second-Step Merger will be followed by a merger of NRG, the surviving corporation in the Second-Step Merger, with and into Exelon or a wholly-owned subsidiary of Exelon, unless Sidley Austin LLP, counsel to Exelon, is able to render an opinion at the time of the Second-Step Merger that the Offer and the Second-Step Merger, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Conditions to the Offer

According to the Exchange Offer, Exelon’s obligation to exchange shares of Exelon common stock for NRG Common Stock pursuant to the Offer is subject to numerous conditions, including the following:

- the “Minimum Tender Condition” — stockholders of NRG shall have validly tendered and not withdrawn prior to the expiration of the Offer a number of shares of NRG Common Stock that, when added to the shares of NRG Common Stock then owned by Exelon, Exelon Xchange and Exelon’s other subsidiaries, shall constitute at least a majority of the then outstanding shares of NRG Common Stock on a fully-diluted basis;
- the “Section 203 Condition” — the NRG Board shall have approved, in a manner reasonably satisfactory to Exelon, the Offer and the Second-Step Merger or any other business combination between NRG and Exelon (and/or any of Exelon’s subsidiaries) pursuant to the requirements of Section 203 of the DGCL or Exelon shall be satisfied that Section 203 of the DGCL does not apply to or otherwise restrict the Offer, the Second-Step Merger or any such business combination;
- the “Competition Condition” — any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “*HSR Act*”), shall have expired or shall have been terminated prior to the expiration of the Offer; further, the Offer shall not be the subject of any injunction or order secured by the Department of Justice, Federal Trade Commission, or any other governmental authority barring the acceptance of shares of NRG Common Stock for exchange in the Offer;
- the “Regulatory Approvals Condition” — final orders of each of Federal Energy Regulatory Commission under the Federal Power Act, the Nuclear Regulatory Commission under the Atomic Energy Act, the Pennsylvania Public Utility Commission, the New York Public Service Commission, the California Public Utilities Commission and the Public Utility Commission of Texas approving the consummation of the Offer and, in some jurisdictions, the Second-Step Merger, and siting approvals, if required in other states, shall have been obtained by Exelon prior to the expiration of the Offer;

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- the “Registration Statement Condition” — the Registration Statement shall have become effective under the Securities Act of 1933, as amended (the “*Securities Act*”), no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC and Exelon shall have received all necessary state securities law or “blue sky” authorizations;
- the “Shareholder Approval Condition” — the shareholders of Exelon shall have approved the issuance of shares of Exelon common stock pursuant to the Offer and the Second-Step Merger in accordance with the rules of the New York Stock Exchange (the “*NYSE*”);
- the “Preferred Stock Condition” — Exelon or one of its affiliates shall have made or entered into arrangements that, in the reasonable judgment of Exelon, ensure that at least 6 2/3% of the shares of NRG’s 3.625% Preferred Stock will vote in favor of the Second-Step Merger and/or any other business combination involving NRG and Exelon and/or one of its affiliates or otherwise be reasonably satisfied that none of the shares of NRG’s 3.625% Preferred Stock will be outstanding as of the record date to vote on the Second-Step Merger and/or any other business combination involving NRG and Exelon; and
- the “NYSE Listing Condition” — the shares of Exelon common stock to be issued to stockholders of NRG in the Offer shall have been authorized for listing on the NYSE, subject to official notice of issuance.

The Exchange Offer states that notwithstanding any other provision of the Offer and in addition to (and not in limitation of) Exelon’s and Exelon Xchange’s right to extend and amend the Offer at any time, in their discretion, neither Exelon nor Exelon Xchange shall be required to accept for exchange any shares of NRG Common Stock tendered pursuant to the Offer or, subject to any applicable rules and regulations of the SEC (including Rule 14e-1(c) under the Exchange Act (relating to Exelon’s and Exelon Xchange’s obligation to exchange for or return tendered shares of NRG Common Stock promptly after termination or expiration of the offer)), make any exchange for shares of NRG Common Stock, and may extend, terminate or amend the Offer, if (i) immediately prior to the expiration of the offer, in the reasonable judgment of Exelon, any one or more of the Minimum Tender Condition, the Section 203 Condition, the Competition Condition, the Regulatory Approval Condition, the Preferred Stock Condition or the NYSE Listing Condition shall not have been satisfied, or (ii) at any time on or after November 12, 2008 and prior to the expiration of the Offer, any of the conditions described in paragraphs (a) through (f) below exists:

(a) together with paragraph (c) below, the “Legal Condition” — there shall have been threatened, instituted or be pending any litigation, suit, claim, action, proceeding or investigation before any supra-national, national, state, provincial, municipal or local government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any court, tribunal or judicial or arbitral body or any regional transmission organization (each of which is referred to in this Statement as a “*Governmental Authority*”): (1) challenging or seeking to make illegal, to delay or otherwise, directly or indirectly, to restrain or prohibit the making of or terms of the Offer, the acceptance for exchange of any or all of the shares of NRG Common Stock by Exelon, Exelon Xchange or any affiliate of Exelon or the terms of any arrangements with holders of NRG’s 3.625% Preferred Stock or any actions contemplated thereby; (2) seeking to obtain material damages in connection with the offer or the Second-Step Merger; (3) seeking to, or which in the reasonable judgment of Exelon is reasonably likely to, individually or in the aggregate, prohibit or limit the full rights of ownership or operation by NRG, Exelon or any of their affiliates of all or any of the business or assets of NRG, Exelon or any of their affiliates (including in respect of the capital stock or other equity of their respective subsidiaries) or to compel NRG, Exelon or any of their subsidiaries to dispose of or to hold separate all or any portion of the business or assets of NRG, Exelon or any of their affiliates (other than any shares of NRG Common Stock or any assets that may be divested in accordance with Exelon’s regulatory divestiture plan, which contemplates the divestiture of generation plants in ERCOT and PJM East totaling approximately 3,400 MW of generation capacity and approximately 1,200 MW of generation capacity under power purchase agreements in an effort to address any concern relating to the market power of the combined company); (4) seeking, or

which in the reasonable judgment of Exelon is reasonably likely to result in, individually or in the aggregate, any significant diminution in the benefits expected to be derived by Exelon, Exelon Xchange or any affiliate of Exelon as a result of the transactions contemplated by the Offer, the Second-Step Merger or any other business combination with NRG; or (5) which in the reasonable judgment of Exelon may otherwise prevent, adversely affect or materially delay consummation of the offer, the Second-Step Merger or the ability of Exelon to conduct the Proxy Solicitation;

(b) the “No Diminution of Benefits Condition” — any final order, approval, permit, authorization, waiver, determination, favorable review or consent of any Governmental Authority shall contain terms that, in the reasonable judgment of Exelon, results in, or is reasonably likely to result in, individually or in the aggregate with such other final orders, approvals, permits, authorizations, waivers, determinations, favorable reviews or consents, a significant diminution in the benefits expected to be derived by Exelon or any affiliate of Exelon as a result of the transactions contemplated by the Offer, the Second-Step Merger or any other business combination with NRG; or (2) any final order, approval, permit, authorization, waiver, determination, favorable review or consent of any Governmental Authority other than those referred to or described in the Registration Statement in the section captioned “The Offer — Regulatory Approvals” shall not have been obtained, and the failure to obtain such final order, approval, permit, authorization, waiver, determination, favorable review or consent, in the reasonable judgment of Exelon, results in, or is reasonably likely to result in, individually or in the aggregate, a significant diminution in the benefits expected to be derived by Exelon or any affiliate of Exelon as a result of the transactions contemplated by the Offer, the Second-Step Merger or any other business combination with NRG;

(c) there shall have been action taken, or any statute, rule, regulation, legislation, order, decree or interpretation enacted, enforced, promulgated, amended, issued or deemed, or which becomes, applicable to (1) Exelon, NRG or any subsidiary or affiliate of Exelon or NRG or (2) the Offer, the Second-Step Merger or any other business combination with NRG, by any legislative body or Governmental Authority with appropriate jurisdiction, other than those referred to or described in the Registration Statement in the section captioned “The Offer — Regulatory Approvals”, that in the reasonable judgment of Exelon is reasonably likely to result, directly or indirectly, individually or in the aggregate, in any of the consequences referred to in clauses (1) through (5) of paragraph (a) above;

(d) the “No Material Adverse Effect Condition” — any event, condition, development, circumstance, change or effect shall have occurred or be threatened that, individually or in the aggregate with any other events, conditions, developments, circumstances, changes and effects occurring after November 12, 2008, that is or may be materially adverse to the business, properties, condition (financial or otherwise), assets (including leases), liabilities, capitalization, stockholders’ equity, licenses, franchises, operations, results of operations or prospects of NRG or any of its affiliates;

(e) the “No Material Change Condition” — NRG or any of its subsidiaries has (1) split, combined or otherwise changed, or authorized or proposed the split, combination or other change of, the shares of NRG Common Stock or its capitalization, (2) acquired or otherwise caused a reduction in the number of, or authorized or proposed the acquisition or other reduction in the number of, outstanding shares of NRG Common Stock or other securities, (3) issued, distributed or sold, or authorized or proposed the issuance, distribution or sale of, any additional shares of NRG Common Stock, shares of any other class or series of capital stock, other voting securities or any securities convertible into, or options, rights or warrants, conditional or otherwise, to acquire, any of the foregoing (other than the issuance of shares of NRG Common Stock pursuant to, and in accordance with, the publicly disclosed terms in effect prior to November 12, 2008 of employee stock options or other equity awards or NRG preferred stock, in each case publicly disclosed by NRG as outstanding prior to November 12, 2008), or any other securities or rights in respect of, in lieu of, or in substitution or exchange for any shares of its capital stock, (4) permitted the issuance or sale of any shares of any class of capital stock or other securities of any subsidiary of NRG, (5) other than cash dividends required to be paid on the shares of NRG preferred stock that have been publicly disclosed by NRG as outstanding prior to November 12, 2008, solely as required by the terms of such preferred stock as publicly disclosed prior to November 12, 2008, declared,

paid or proposed to declare or pay any dividend or other distribution on any shares of capital stock of NRG including by adoption of a stockholders rights plan which has not otherwise been terminated or rendered inapplicable to the Offer and the Second-Step Merger prior to the expiration of the offer, (6) altered or proposed to alter any material term of any outstanding security, issued or sold, or authorized or proposed the issuance or sale of, any debt securities or otherwise incurred or authorized or proposed the incurrence of any debt other than in the ordinary course of business consistent with past practice or any debt containing, in the reasonable judgment of Exelon, burdensome covenants or security provisions, (7) authorized, recommended, proposed, announced its intent to enter into or entered into an agreement with respect to or effected any merger, consolidation, recapitalization, liquidation, dissolution, business combination, acquisition of assets, disposition of assets or release or relinquishment of any material contract or other right of NRG or any of its subsidiaries or any comparable event not in the ordinary course of business consistent with past practice, (8) authorized, recommended, proposed, announced its intent to enter into or entered into any agreement or arrangement with any person or group that, in Exelon's reasonable judgment, has or may have material adverse significance with respect to either the value of NRG or any of its subsidiaries or affiliates or the value of the shares of NRG Common Stock to Exelon or any of its subsidiaries or affiliates, or (9) amended, or authorized or proposed any amendment to, its certificate of incorporation or bylaws (or other similar constituent documents) or Exelon becomes aware that NRG or any of its subsidiaries shall have amended, or authorized or proposed any amendment to, its certificate of incorporation or bylaws (or other similar constituent documents) which has not been publicly disclosed prior to November 12, 2008 and such amendment would adversely affect Exelon's ability to consummate the offer or limit Exelon's full rights of ownership or operation of NRG or one of its subsidiaries following completion of the offer or the second-step merger; or

(f) Exelon or any of its affiliates enters into a definitive agreement or announces an agreement in principle with NRG providing for a merger or other business combination with NRG or any of its subsidiaries or the purchase or exchange of securities or assets of NRG or any of its subsidiaries, or Exelon and NRG reach any other agreement or understanding, in either case, pursuant to which it is agreed that the offer will be terminated.

The Exchange Offer also states that the conditions described above are for the sole benefit of Exelon and Exelon Xchange and may be asserted by Exelon and Exelon Xchange regardless of the circumstances giving rise to any such condition or, other than the Competition Condition, the Regulatory Approval Condition, the Shareholder Approval Condition, the Registration Statement Condition, and the NYSE Listing Condition, may be waived by Exelon or Exelon Xchange in whole or in part at any time and from time to time prior to the expiration of the Offer in its discretion. To the extent Exelon or Exelon Xchange waives any of the conditions described above with respect to one tender, it will waive that condition with respect to all other tenders. The failure by Exelon or Exelon Xchange at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time until the expiration of the offer. Any determination by Exelon or Exelon Xchange concerning any condition or event described in the Registration Statement shall be final and binding on all parties to the fullest extent permitted by law.

The Exchange Offer further states that for purposes of determining whether any final order, approval, permit, authorization, waiver, determination, favorable review or consent of any Governmental Authority, any litigation, suit, claim, action, proceeding or investigation or any other matter has, or is reasonably likely to result in, individually or in the aggregate, a significant diminution in the benefits expected to be derived by Exelon, Exelon Xchange or any other affiliate of Exelon as a result of the transactions contemplated by the Offer, the Second-Step Merger or any other business combination with NRG, Exelon will not deem any divestitures consistent with the terms of Exelon's regulatory divestiture plan to, in and of themselves, have such a significant diminution; however, Exelon may take such divestitures and the impact thereof into account in determining whether any such divestitures, together with any one or more other final orders, approvals, permits, authorization, waivers, determinations, favorable reviews or consents of any Governmental Authority,

litigation, suits, claims, actions, proceedings or investigations or other matters, individually or in the aggregate, have resulted in, or are reasonably likely to result in, such a significant diminution.

Other

The Offer to Purchase states that the principal executive offices of Exelon are located at 10 South Dearborn Street, P.O. Box 805379, Chicago, Illinois 60680-5379.

Item 3. Past Contacts, Transactions, Negotiations and Agreements.

“Item 3. Past Contacts, Transactions, Negotiations and Agreements” on pages 7 to 8 of the Statement is hereby amended and restated in its entirety as follows:

Except as described in this Statement or in the excerpts from NRG’s Definitive Proxy Statement on Schedule 14A, dated and filed with the SEC on June 16, 2009, (the “2009 Proxy Statement”), relating to its 2009 Annual Meeting of Stockholders (the “2009 Annual Meeting”), which excerpts are filed as Exhibit (e)(11) to this Statement and incorporated herein by reference, or as otherwise incorporated herein by reference, to the knowledge of NRG after reasonable inquiry, as of the date of this Statement, there are no material agreements, arrangements, or understandings, nor any material actual or potential conflicts of interest, between NRG or its affiliates, on the one hand, and (i) NRG and any of NRG’s executive officers, directors or affiliates set forth on Annex A to this Statement or (ii) Exelon, Exelon Xchange and any of their executive officers, directors or affiliates set forth on Schedule I and Schedule II to the Exchange Offer, on the other hand. Exhibit (e)(11) is incorporated herein by reference and includes the following sections of the 2009 Proxy Statement: “Voting Stock Ownership of Directors, Named Executive Officers, and Certain Beneficial Owners” and “Executive Compensation.”

Relationship with Exelon

According to the Exchange Offer, as of May 20, 2008 (the date of the most recent amendment to the Registration Statement), Exelon was the beneficial owner of 500 shares of NRG Common Stock and Exelon Xchange was the beneficial owner of 500 shares of NRG Common Stock. The 1,000 shares of NRG Common Stock owned beneficially by Exelon and Exelon Xchange represent less than 1% of the outstanding shares of NRG Common Stock. According to the Exchange Offer, on October 20, 2008, Exelon purchased 1,000 shares of NRG Common Stock at \$24.38 per share through ordinary brokerage transactions on the open market and promptly thereafter, Exelon transferred 500 shares of NRG Common Stock to Exelon Xchange.

NRG and Exelon are involved in power and coal trading activities with each other in the ordinary course of business. In addition, NRG and Exelon are tenants in common of the Keystone and Conemaugh Generating Stations in Pennsylvania. Finally, NRG and Exelon participate in a number of industry groups, including, without limitation, the Association of Electric Companies of Texas, the United States Climate Action Partnership and the Electric Power Supply Association.

On November 24, 2008, NRG purchased 250 shares of Exelon common stock at \$51.08 per share through ordinary brokerage transactions on the open market.

Consideration Payable Pursuant to the Offer and the Second-Step Merger

If NRG’s directors and executive officers were to tender any shares of NRG Common Stock they own pursuant to the Revised Offer, they would receive Exelon common stock at the same exchange ratio and on the same terms and conditions as the other stockholders of NRG. If the directors and executive officers set forth on Annex A hereto were to tender all of the 599,955 shares of NRG Common Stock owned by them as of July 7, 2009 pursuant to the Revised Offer and each such share were exchanged for 0.545 of a share of Exelon common stock, such directors and executive officers would receive an aggregate of 326,975 shares of Exelon common stock. As discussed below under “Item 4. — The Solicitation or Recommendation”, to the knowledge of NRG, none of NRG’s directors or executive officers set forth on Annex A hereto currently intends to tender any of their shares of NRG Common Stock for purchase pursuant to the Revised Offer.

As of July 7, 2009, the directors and executive officers of NRG set forth on Annex A hereto held options to purchase 3,491,423 shares of NRG Common Stock, with exercise prices ranging from \$10.925 to \$44.87 and an aggregate weighted average exercise price of \$23.498 per share, of which 2,173,358 were vested and exercisable as of that date. Immediately upon a change of control of NRG such as would occur if the Revised Offer is consummated, unvested options to purchase 1,318,065 shares of NRG Common Stock and 1,007,587 shares of restricted stock (including restricted stock units, performance units and deferred stock units payable in NRG Common Stock) held by such directors and executive officers will fully vest.

Potential Severance and Change in Control Benefits

NRG's President and Chief Executive Officer, David Crane, pursuant to his employment agreement, and NRG's other named executive officers, pursuant to NRG's Executive and Key Management Change-in-Control and General Severance Plan, also referred to as the CIC Plan, are entitled to severance payments and benefits in the event of termination of employment under certain circumstances in connection with a change in control of NRG, as more fully described in Exhibit (e)(11) to this Statement and incorporated herein by reference. The Revised Offer, if consummated, would constitute a "change in control" under Mr. David Crane's employment agreement and the CIC Plan.

Item 4. The Solicitation or Recommendation.

"Item 4. The Solicitation or Recommendation" on pages 8-29 of the Statement is hereby amended and restated in its entirety as follows:

Solicitation/Recommendation

As described below, the NRG Board has carefully considered the Revised Offer in consultation with management and NRG's Legal Advisors and Financial Advisors and, based upon the terms and conditions of the Revised Offer, the NRG Board unanimously determined at meetings on July 6 and July 7, 2009 that the Revised Offer is inadequate and not in the best interests of NRG and its stockholders and that, in light of NRG's greater fundamental value and more attractive growth prospects, both in absolute terms and relative to those of Exelon, and in light of the extreme uncertainty of the Revised Offer due to its extraordinary conditionality, the interests of the stockholders will best be served by NRG continuing to pursue its long-term strategic plan. **Accordingly, the NRG Board has unanimously determined to recommend to NRG stockholders that they reject the Revised Offer and not tender their NRG Common Stock in the Revised Offer.**

If you have tendered your shares of NRG Common Stock, you can withdraw them. For assistance in withdrawing your shares, you can contact your broker or NRG's information agent, MacKenzie Partners, Inc., at the address, phone number and email address below.

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Tel: (800) 322-2885 (Toll-Free)
(212) 929-5500 (Collect)
Email: Nrg@mackenziepartners.com

See "Reasons for the Recommendation of the NRG Board to Reject the Revised Offer and Not Tender Shares of NRG Common Stock to Offeror in the Revised Offer" below for further detail.

Intent to Tender

In light of (i) Exelon's Revised Offer of 0.545 of a share of Exelon common stock for each share of NRG Common Stock and (ii) the NRG Board's recommendation, to NRG's knowledge after making reasonable inquiry, the executive officers and directors of NRG set forth on Annex A hereto do not currently intend to tender shares of NRG Common Stock held of record or beneficially owned by them to Exelon in the Revised Offer.

Background of the Offer

On January 6, 2009, Exelon extended the expiration date of the Offer to 5:00 p.m., New York City time, on February 25, 2009, unless further extended. On January 7, 2009, Exelon issued a press release announcing that as of the close of business on January 6, 2009, NRG stockholders had tendered 106,338,942 shares of NRG Common Stock in the Offer, representing 45.6% of the then outstanding shares of NRG Common Stock. The Offer was previously scheduled to expire at 5 p.m., New York City time, on January 6, 2009.

On January 30, 2009, Exelon delivered a notice to NRG regarding its intent to (i) nominate a slate of four individuals for election as Class III directors of NRG at its 2009 Annual Meeting, (ii) amend NRG's Bylaws to increase the size of the NRG Board to 19 members, (iii) elect five additional individuals nominated by Exelon to fill five of the seven newly created board seats if the Bylaw amendment is passed, and (iv) repeal any Bylaw amendments adopted by the NRG Board without stockholder approval after February 26, 2008 and prior to the effectiveness of the resolution effecting such repeal. According to the Registration Statement, Exelon intended to make these proposals, among others, in order to facilitate the consideration by the NRG Board of the Offer or a different negotiated business combination between NRG and Exelon.

On February 25, 2009, Exelon extended the expiration date of the Offer to 5:00 p.m., New York City time, on June 26, 2009, unless further extended. On February 26, 2009, Exelon issued a press release announcing the extension of the Offer and that as of 5:00 p.m., New York City time, on February 25, 2009, NRG stockholders had tendered 125,403,103 shares of NRG Common Stock, representing over 51% of the then outstanding shares of NRG Common Stock.

On March 17, 2009, Exelon filed a preliminary proxy statement with the SEC regarding the director nominations and proposals described above.

On March 23, 2009, the NRG Board appointed Mr. Kirbyjon H. Caldwell, a former director of Reliant Energy, Inc., as a Class I director of NRG, thereby increasing the size of the NRG Board to 13 members.

On March 26, 2009, David Crane, President and Chief Executive Officer of NRG, sent a letter to John Rowe, Chairman and Chief Executive Officer of Exelon, calling on Exelon to withdraw its proposal to expand the NRG Board. Mr. Crane's letter read as follows:

March 26, 2009

*Mr. John W. Rowe
Exelon Corporation
P.O. Box 805398
Chicago, IL 60680-5398*

Dear John:

We have reviewed the preliminary proxy statement filed by Exelon Corporation with the Securities and Exchange Commission on March 17, 2009, with respect to the NRG Energy, Inc. 2009 Annual Meeting of Stockholders. In the preliminary proxy statement, Exelon has proposed, among other things, (i) to expand the size of the NRG Board of Directors up to 19 members and (ii) if the Board expansion proposal is approved, to elect five director nominees proposed by Exelon to fill five of the six newly created directorships on the NRG Board. We are writing to you to request that Exelon withdraw both proposals.

As you are aware, under NRG's senior credit agreement and the indentures for its senior notes, the failure of a majority of the NRG directors to be "continuing directors" (as such term is defined in the indentures and credit agreement) could result in a put right by NRG's bond holders at 101% of par and an event of default under NRG's senior credit agreement which could lead to the immediate acceleration of all of NRG's approximately \$8 billion of corporate-level debt. If Exelon's Board expansion proposal is passed and all of its nominees are elected at the Annual Meeting, the NRG Board will consist of 18 members, nine of whom will be existing NRG directors who qualify as "continuing directors" and nine of whom will be directors nominated by Exelon who do not qualify as "continuing directors," with one vacancy remaining.

Given the current state of the credit market, it would be prohibitively expensive to refinance NRG's existing debt should it be accelerated. In fact, while Exelon has repeatedly stated that financing would not be an obstacle to its proposal to acquire NRG, we have yet to see any evidence of committed financing. In

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addition, even if the NRG Board fills the remaining vacancy on the NRG Board, resulting in current NRG directors holding a one vote majority, the change of control provisions may nonetheless be triggered by future events, such as the departure of any "continuing director" from the Board, for whatever reason.

We believe that your proposals to expand the Board and elect additional directors are highly irresponsible and could severely damage the interests of NRG and its stockholders. If Exelon fails to withdraw its proposals, the Board of Directors of NRG will act to expand the Board by one director to 14 directors before the Annual Meeting by adding a qualified, independent director. This will reduce, but not eliminate, the risk of NRG's debt acceleration provisions being triggered.

Sincerely,

*David Crane
President and Chief Executive Officer*

*Howard Cosgrove
Chairman of the Board*

*cc: Board of Directors of Exelon Corporation
c/o Corporate Secretary, Exelon Corporation*

In response to Mr. Crane's letter, Mr. Rowe sent the following letter to NRG on the same day:

March 26, 2009

*Mr. Howard Cosgrove,
Chairman of the Board
Mr. David Crane,
President and Chief Executive Officer
NRG Energy, Inc.
211 Carnegie Center
Princeton, NJ 08540*

Dear Howard and David:

I received your letter earlier today requesting that Exelon Corporation withdraw its proposals to expand the size of the NRG Board of Directors. Your statement that a change of control would occur under NRG's senior credit agreement and indentures in the case of "the failure of a majority of the NRG directors to be 'continuing directors' (as such term is defined in the indentures and the credit agreement)" is a misstatement of the terms of your debt instruments. These instruments actually provide that a change of control would occur if "a majority of the members of the Board of Directors of [NRG] are not Continuing Directors" (as defined in the indentures and senior credit agreement). An NRG Board of nine NRG incumbent directors and the nine independent nominees proposed by Exelon would not result in a change of control under the NRG indentures or senior credit agreement.

We agree that it would be irresponsible to allow the election of the independent nominees proposed by Exelon to result in a change of control under the NRG indentures and senior credit agreement. Because of our desire to avoid that result, Exelon proposed nominees to fill only five of the seven vacancies resulting from the expansion of the NRG Board with the expectation that NRG would propose a full competing slate. As a result of your appointment of Pastor Caldwell as a Director, the independent nominees proposed by Exelon will, at most, constitute 50.0% of the NRG Board and NOT a majority, even if you do not appoint an additional director.

Given that the election of the independent nominees proposed by Exelon will not constitute a change of control, I submit that it is unfair of you to seek to deprive your shareholders of the right to vote for such nominees.

We look forward to the opportunity to sit down with you and discuss the merits of our transaction and, should there be any remaining doubt, how the election of the independent nominees proposed by Exelon will not cause any acceleration of NRG debt.

Sincerely,

John W. Rowe

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cc: NRG Board of Directors
Exelon Board of Directors

On March 27, 2009, Mr. Crane sent the following letter to Mr. Rowe in response to Mr. Rowe's March 26 letter:

March 27, 2009

*Mr. John W. Rowe
Exelon Corporation
P.O. Box 805398
Chicago, IL 60680-5398*

Dear John:

We are in receipt of your March 26, 2009, letter. We believe your interpretation of our senior credit agreement and indentures is imprudent given the potential consequences of an evenly split NRG Board with respect to our debt. Nor do you address the severe harm that Exelon could cause to NRG and its shareholders in the future where NRG's Continuing Directors hold a one vote majority and an inadvertent change of control could occur as the result of the resignation of even one Continuing Director, for whatever reason. However, as it is clear from the direction of your letter that you do not intend to withdraw your Board expansion proposal, we will consider the alternatives within our authority to mitigate to the extent possible the risk to NRG shareholders of the acceleration of approximately \$8 billion of debt.

As we have stated many times, NRG remains entirely focused on protecting shareholder value and creating additional shareholder value. One important way in which we seek to protect shareholder value is by avoiding the substantial economic waste that would be associated with refinancing all or a major portion of our long term debt in this extraordinarily challenging capital market environment. In terms of creating shareholder value, we have been able to take advantage of the opportunity-rich environment to do value-enhancing transactions with eSolar and Reliant Energy and we have achieved further advances with our STP 3 and 4 nuclear development project.

We would be very pleased to sit down with you to explain the value created by NRG over recent weeks and to hear about what Exelon has been doing over that time period to create value. We welcome your recent decision to follow our lead on nuclear development through your selection of ABWR technology and believe we could be helpful to you in avoiding future missteps in this regard. As such, we would encourage you to put forward a new offer that constitutes a real value proposition to NRG shareholders, in contrast to your present offer which attempts to secure a severely unfair proportion of the benefit of the proposed combination for the current shareholders of Exelon.

Sincerely,

*David Crane
President and Chief Executive Officer*

*Howard Cosgrove
Chairman of the Board*

*cc: Board of Directors of Exelon Corporation
c/o Corporate Secretary, Exelon Corporation*

On April 24, 2009, the NRG Board appointed Mr. Gerald Luterman, the former Executive Vice President and Chief Financial Officer of KeySpan Corporation, as a Class II director of NRG. With the appointments of Mr. Caldwell and Mr. Luterman, the NRG Board currently consists of 14 members. If Exelon's Board Expansion Proposal passes, there would be five newly created board seats on the NRG Board.

On June 5, 2009, NRG announced that its 2009 Annual Meeting will be held on Tuesday, July 21, 2009, with a record date of Monday, June 15, 2009. On June 16, 2009, NRG filed a definitive proxy statement with the SEC concerning its 2009 Annual Meeting.

On June 17, 2009, Exelon filed a definitive proxy statement with the SEC regarding its director nominations and proposals. On the same day, Exelon extended the expiration date of the Offer to 5:00 p.m., New York City time, on August 21, 2009, unless further extended. Exelon announced that as of 4:30 p.m.,

New York City time, on June 16, 2009, NRG stockholders had tendered 33,028,179 shares of NRG Common Stock, representing over 12% of the then outstanding shares of NRG Common Stock.

In the morning of July 2, 2009, Exelon issued a press release and held a conference call announcing the Revised Offer.

In the afternoon of July 2, 2009, NRG issued a press release advising its stockholders not to take any action pending review of the Revised Offer by the NRG Board.

On July 6 and July 7, 2009, the NRG Board met telephonically with members of management and representatives of NRG's Advisors. At these meetings, NRG management briefed the NRG Board on the principal terms and conditions of the Revised Offer. NRG's Financial Advisors discussed with the NRG Board financial aspects of the Revised Offer and NRG's Legal Advisors reviewed certain other aspects of the Revised Offer. Thereafter, NRG's management recommended to the NRG Board that it reject the Revised Offer. NRG's Financial Advisors concurred with management's recommendation to reject the Revised Offer. NRG's Financial Advisors considered, among other things, the conditionality of the Revised Offer and strategic and tactical issues. The NRG Board asked various questions of management and NRG's Advisors. Upon further deliberation and careful consideration of the terms of the Revised Offer and its fiduciary duties, the NRG Board unanimously determined that the Revised Offer is inadequate and not in the best interests of NRG and its stockholders. **Accordingly, the NRG Board unanimously determined to recommend that NRG stockholders reject the Revised Offer and not tender their NRG Common Stock in the Revised Offer, and approved the filing of this Statement.**

On the morning of July 8, 2009, Mr. David Crane and Mr. Howard Cosgrove delivered the following letter to Mr. Rowe:

July 8, 2009

*Mr. John W. Rowe
Chairman and CEO
Exelon Corporation
P.O. Box 805398
Chicago, IL 60680-5398*

Dear Mr. Rowe:

The Board of Directors of NRG Energy, Inc., in consultation with its financial and legal advisors, has thoroughly reviewed and considered your revised offer, as detailed in your July 2nd news release, which as of yesterday's close represented \$27 per NRG Share. The Board unanimously has rejected your proposal as it determined that the revised offer is not in the best interest of NRG stockholders in that it continues to substantially undervalue NRG. Indeed, by any objective analysis, the increase in your offer fails to adequately compensate NRG stockholders even for the value created by NRG since your original offer was launched. The Board also rejected this proposal due to the revised offer's extraordinary conditionality which remains unchanged from Exelon's original offer made last fall.

While your revised offer is not acceptable as is, it certainly represents a step in the right direction and is a welcome development after more than eight months of the 0.485 offer. The fact that you were able to increase your offer largely through over \$200 million per year of newfound synergies identified by your consultants leaves open the possibility that, if you would properly recognize the value created by NRG itself, you would be able to increase your current 0.545 offer by a substantial amount.

To reiterate, these value creating actions by NRG include, but are not limited to, the following:

- ***NRG's Reliant Energy Acquisition — Worth \$4.50 Per Share in Value:***
Your economists ascribed less than \$1 per share to the value of Reliant Energy. You will note from NRG's revised guidance for 2009, we expect Reliant's adjusted earnings per share to approach \$1 per NRG share just in the last eight months of 2009. Reliant Energy's contribution to NRG's adjusted EBITDA over the same period is expected to be over \$400 million. The robust countercyclical earnings

power of Reliant's retail franchise is just one of several reasons why the Reliant acquisition is worth significantly more than \$1 per NRG share. We are confident, based solely on the earnings guidance released today, that Exelon's economists will see it the same way.

- **NRG's Unique Position in Leading the Nuclear Renaissance:**
In your most recent investor presentation, you explicitly ascribe zero value to NRG's nuclear development program. Yet Exelon has spent tens of millions of dollars over the past two years attempting to develop a greenfield nuclear plant in neighboring Victoria County. Surely Exelon, more than most, is in a position to appreciate and properly value our nuclear position in Texas, at the NRC and in the DOE loan guarantee program.
- **NRG's Repowering Initiative Advances Low and No Carbon Technologies:**
Cedar Bayou unit 4, NRG's new 550 megawatt combined cycle plant in ERCOT's Houston Zone, our new wind farms, GenConn and eSolar are just the current lead projects in RepoweringNRG and are representative of low carbon, asset-based EBITDA growth of a kind that is absent from the Exelon portfolio.
- **NRG's Significant Cost and Performance Improvements:**
Since 2005, NRG has executed on its FORNRG initiatives — NRG's Companywide, multi-year initiative to increase the return on invested capital (ROIC) through operational performance improvements. This project has seen considerable success with over \$150 million of after-tax savings through December 2008 and planned after-tax savings that we expect to result in approximately \$300 million of annual additional recurring free cash flow improvements by 2012.

These value enhancing developments add to NRG's financial strength which your revised offer does not yet appreciate or properly value. NRG is a Company that is on track to produce annual EBITDA for 2009 of \$2.5 billion, which represents a compound annual growth rate in EBITDA over the past six years of 21% with a recurring free cash flow yield of 23%. It is the unanimously held view of NRG's Board of Directors that such a company is worth significantly more than the \$27 per share that your July 2nd offer represents.

As we told you when we first met last September, NRG is open to any proposal that properly reflects NRG's fundamental value and extraordinary growth prospects. If you wish to pursue a possible combination with NRG in a more cooperative fashion, you should increase your July 2nd offer by an amount that properly reflects the specific value of the NRG initiatives, especially in light of the additional information provided today. Our management team then would be pleased to sit down with you or your economists and consultants to validate and quantify the combination synergies summarized in your July 2nd presentation and to demonstrate further the full value of NRG's exceptional operating franchise and its unique growth initiatives so that Exelon could provide a reasonable measure of that value to NRG's stockholders.

Sincerely,

*David Crane
President and Chief Executive Officer*

*Howard Cosgrove
Chairman of the Board*

*cc: Board of Directors of Exelon Corporation
c/o Corporate Secretary, Exelon Corporation*

Reasons for the Recommendation of the NRG Board to Reject the Revised Offer and Not Tender Shares of NRG Common Stock to Exelon in the Revised Offer

The NRG Board has carefully considered the Revised Offer in consultation with management and NRG's Advisors. In reaching the conclusions and making the recommendation described above, the NRG Board took into account a number of factors, including (but not limited to) the ones described in detail below. In view of the number of factors and complexity of these matters, the NRG Board did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weight to the specific factors it considered.

- **The NRG Board believes the Revised Offer undervalues NRG as it does not fully reflect the underlying fundamental value of NRG's assets, proven operations and strategic plan, including its strong market position and future growth prospects.**

- **The Revised Offer Undervalues NRG Stockholders' Cash Contribution:** Under Exelon's Revised Offer, NRG stockholders would only own approximately 18% of the combined company, yet NRG would be contributing an annual average of 30% of the combined recurring free cash flow any year in the short or long term. The NRG Board believes that 18% ownership in exchange for 30% cash contribution is simply unfair to NRG stockholders.
- **The Revised Offer fails to adequately compensate NRG stockholders for the significant increase in synergies that Exelon has publicly stated as the rationale for the Revised Offer:** Exelon has publicly stated that its estimate of annual synergies has increased over 84% from the Original Offer to a midpoint of \$443 million per year, with a midpoint net present value of \$3.8 billion or \$13.84 per share of NRG Common Stock. Exelon further indicated that all of these synergies would come from cost savings at NRG alone. It is difficult for the NRG Board to understand how it would be possible to achieve these synergies in the combined company because many of Exelon's proposed synergies exceed the total costs for the relevant operating area. Even if these synergies were achievable, because NRG stockholders would own only 18% of the combined company, they would receive only \$2.52 per share of the value resulting from the synergies, which is a highly disproportionate amount, in addition to the already unequal cash contribution implied by the Revised Offer.
- **The Revised Offer Fails to Adequately Compensate NRG Stockholders for NRG's Numerous Value-Creating Initiatives:** In spite of the recession and Exelon's hostile takeover attempt, NRG has successfully executed a number of value-creating initiatives during the eight months since the commencement of the Original Offer, including the following:
 - **NRG's Value and Cash Accretive Acquisition of Reliant Energy Retail:** In May 2009, NRG completed its \$287.5 million acquisition of the retail business of Reliant Energy, Inc. ("*Reliant*") which provides electricity service to more than 1.7 million customers in Texas. This acquisition has combined the complementary generation and retail portfolios of NRG and Reliant to create a stronger player in the Texas power market. In addition to promoting significant credit and collateral synergies, the Reliant retail acquisition is expected to add more than 15% of EBITDA during the remainder of 2009 and more than 10% to NRG's annual EBITDA on a mid-cycle basis. In addition, based on NRG's conservative estimate, the retail business of Reliant is worth approximately \$4.50 per share of NRG Common Stock (as opposed to approximately \$1.00 per share based on Exelon's estimate).
 - **NRG's Accelerating Value Creation from Leading Nuclear Development of STP 3&4:** NRG's nuclear development initiative, South Texas Project 3&4 (STP 3&4), was recently selected as one of only four nuclear development projects advanced by the Department of Energy in its nuclear loan guarantee program (out of 18 total applications). This initiative is being pursued through Nuclear Innovation North America LLC (NINA), NRG's 88%/12% joint venture with Toshiba Corporation.
 - **NRG's Carbon Reduction and Value Creation in Solar Development:** NRG has entered into an agreement with eSolar, a leading provider of modular, scalable solar thermal power technology, to develop solar power plants with a total generation capacity of up to 500 megawatts (MW) at sites in California and the Southwest with long term power sales agreements and potential for federal stimulus funding.
 - **NRG's Other Value-Creating Initiatives:**
 - Substantially hedged all baseload generation capacity (on volumetric and price basis) through 2011, largely insulating NRG from the current challenging economic conditions.
 - Pre-financed the permanent capital needs for the retail business acquired from Reliant, after only three weeks of ownership, through a \$700 million unsecured bond offering that was competitively priced and oversubscribed.

- Sold NRG's 50% ownership interest in MIBRAG, an integrated coal mining and power generating business located in central Germany, for approximately US\$260 million pre-tax, a price which was value accretive to NRG stockholders.
- Began construction of the 150MW Langford Wind Project and the 400MW GenConn peakers in Connecticut.
- Completed a \$534 million nonrecourse financing of the 400MW GenConn gas peaking facilities co-owned by NRG and United Illuminating.
- Completed the Elbow Creek wind project and the Cedar Bayou 4 CCGT project.

The NRG Board strongly believes that the benefit of the numerous value-creating actions implemented by NRG since Exelon launched its Offer belong fully to the NRG stockholders. Based on the closing price for both stocks on June 4, 2009, the Revised Offer represents a premium of only 7.9% to NRG stockholders based on the closing price of NRG Common Stock on July 1, 2009. The NRG Board believes that this low premium fails to reflect either NRG's fundamental value or its demonstrated growth potential.

- **A combination with Exelon may dilute, and possibly derail, NRG's continued growth.**
 - NRG has a strong development program with recently successful repowering projects in Texas and Connecticut, a thriving wind farm development program, and demonstration projects under development in post-combustion carbon capture technology and plasma gasification, among others. Under Exelon, at best, the benefits of NRG's growth program to its stockholders would likely be severely diluted and, at worst, NRG's growth prospects would be capital-starved as a result of Exelon's preoccupation with maintaining its investment grade rating and with debt repayment. The NRG Board has been unable to discern a track record of successful development of independent power plants either at Exelon or its predecessor utilities. In addition, while NRG is a large and complicated competitive power generation company, Exelon is a very traditional utility holding company and its management team is made up of utility veterans and executives from other industries. As such, the NRG Board has serious concerns as to whether Exelon's current management is best suited to manage NRG's assets. Exelon has failed to publicly disclose its business and management plan for the combined company.
 - NRG and Exelon have fundamentally different approaches to new nuclear development, which gives the NRG Board serious concerns that Exelon will fail to realize the value of NRG's nuclear development. This concern was magnified on July 1, 2009, when Exelon reported that it would delay plans to build a Texas nuclear plant, citing uncertainties in the economy and its inability to secure Federal loan guarantees. At the same time, NRG is one of only four finalists for receipt of Federal loan guarantees totaling \$18.5 billion for its Texas nuclear development.
- **The value of the consideration being offered pursuant to the Revised Offer is highly dependent on the value of Exelon common stock and Exelon's performance and outlook has declined.**
 - The value of the consideration to be received by NRG stockholders will decline if the market price of Exelon common stock declines, and there is no floor to such decline because Exelon's Offer is based on a fixed exchange ratio. Over the last eight months, Exelon's stock price has decreased by approximately 7%, resulting in a similar decrease in value for NRG stockholders under the Original Offer. More importantly, even though the Revised Offer presents a higher Exchange Ratio than the Original Offer, NRG stockholders remain exposed to further deterioration in Exelon's share price performance given the deteriorating prospects for Exelon's core businesses as indicated by the following factors over the past several months:
 - **Exelon's Reduced Earnings Guidance:** On March 10, 2009, Exelon provided new disclosures on its 2011 hedge position revealing that it was, in fact, only approximately 30-40% forward contracted, well below the 60-80% position it had previously highlighted. As a result of its reduced hedged position and the greater exposure to lower commodity prices, Exelon

decreased its estimated 2011 earnings per share from the range of \$5 to \$6 per share to \$4 to \$5 per share, causing several equity analysts to lower earnings estimates, valuation price targets and ratings for Exelon shares.

- ***Exelon’s Core Market Cash Flow Further Reduced by Renewables Penetration:*** NRG expects that over the next several years there will be a very substantial effort to tap the exceptional wind resources of the Upper Midwest combined with a build out of high voltage transmission lines to bring that renewable energy to the Chicago area, the closest major load center. The NRG Board believes that this trend would put considerable downward pressure on the earning power of Exelon’s existing generation assets in the Midwest and PJM western regions.
 - ***Exelon’s Lower Capacity Auction Results Negatively Impact Future Outlook:*** A recent capacity auction in Exelon’s core market, PJM, yielded a very weak outcome compared to prior auctions in the parts of the market where Exelon has a very substantial number of assets. Indeed, the NRG Board believes that the auction results suggest that Exelon will experience a capacity revenue drop of nearly 85% in 2012, 2013 from 2011, 2012 in that market zone.
 - ***Exelon’s Major Underfunded Pension Liability:*** Exelon’s unfunded pension and other post employment benefits obligations have increased materially by approximately \$4 billion since its initial proposal for NRG.
 - ***Exelon Faces Substantially Reduced Benefits from Carbon Legislation:*** Exelon has recently indicated that its uplift from current legislation being considered in the U.S. Congress, per \$1/ton carbon uplift, would be approximately 25% lower than what it previously disclosed, hence reducing the market’s expectation of a windfall from prospective federal climate change legislation. Exelon would only realize this lower uplift if the legislation is enacted in its present form without change by the Senate and, after it is ultimately implemented, if state and federal regulators permit Exelon to reap whatever benefit it does receive.
 - ***Exelon Equity Issuance Would Result in Dilution for NRG Stockholders:*** In an investor presentation issued on July 2, 2009, nearly eight months after the commencement of the Original Offer, Exelon confirmed that it will issue approximately \$1.1 billion of common or mandatory convertible equity to maintain its investment grade credit rating, if it completes the NRG acquisition. This would significantly dilute the value due to NRG stockholders in the acquisition.
- **The Offer and other efforts by Exelon are subject to numerous conditions, require NRG’s support, and create significant uncertainty.**
 - As described under Item 2 of this Statement, the Offer is subject to the following conditions:
 - Minimum Tender Condition;
 - Section 203 Condition;
 - Competition Condition;
 - Regulatory Approval Condition;
 - Registration Statement Condition;
 - Shareholder Approval Condition;
 - Preferred Stock Condition;
 - NYSE Listing Condition;
 - Legal Condition;

- No Diminution of Benefits Condition;
 - No Material Adverse Effect Condition; and
 - No Material Change Condition.
- These conditions are broadly drafted and many important conditions allow Exelon to make subjective determinations as to the occurrence of circumstances which would enable Exelon not to consummate the Offer. Thus, the conditions create substantial uncertainty as to whether Exelon would be required to consummate the Offer. Such uncertainty is of a particular concern because pursuing a transaction with Exelon would likely disrupt NRG’s business by causing uncertainty among current and potential employees, suppliers, customers, counterparties and other constituencies important to NRG’s success. This uncertainty creates significant downside risk to NRG and its stockholders if Exelon is unable to complete an acquisition of NRG. It also heightens the competitive risk to NRG if the Offer is not consummated. Most importantly, today, almost eight months after Exelon commenced its Original Offer, not a single one of these conditions has been satisfied.
 - The Competition Condition, the Regulatory Approval Condition, the Registration Statement Condition, the Shareholder Approval Condition and the NYSE Listing Condition are not waivable by Exelon or Exelon Xchange. Therefore, neither Exelon or Exelon Xchange can accept for exchange any shares of NRG Common Stock tendered in the Offer until all of these conditions are satisfied. Eight months have passed since the commencement of the Original Offer and yet none of these conditions is satisfied as of the date of this Statement, and it is uncertain when these conditions will be satisfied.
 - **The Offer may require refinancing of a significant amount of NRG’s existing indebtedness and yet Exelon has no committed financing, which presents real risks of non-consummation to NRG stockholders.**
 - While the “Conditions of the Offer” section of the Registration Statement does not contain a financing condition, disclosure set forth elsewhere in the Registration Statement makes it clear that Exelon’s ability to consummate the Offer is contingent on it having obtained sufficient funds to refinance a significant amount of NRG’s existing indebtedness. According to the Registration Statement, Exelon will require approximately \$8.4 billion to complete the Offer and the Second-Step Merger. In addition, Exelon will have to provide for the issuance of new letters of credit as a “backstop facility” in an aggregate principal amount of approximately \$1 billion due to the anticipated termination of NRG’s letter of credit facility arising from the consummation of the Offer. Even though Exelon publicly stated, prior to the commencement of the Original Offer, that it would have fully committed financing “in place over the next few days”, to date Exelon has not provided any evidence of committed financing for the Offer.
 - Shortly after Exelon’s announcement of its unsolicited offer for NRG, Standard & Poor’s Rating Services downgraded Exelon’s corporate credit rating from “BBB+” to “BBB”. Upon filing of the Registration Statement by Exelon, Moody’s Investors Service placed Exelon’s ratings under review for possible downgrade and Standard & Pooers Ratings Services placed Exelon’s ratings on CreditWatch with negative implications. In light of the current condition of the credit market, the cost of financing is likely to be higher than those under NRG’s current debt instruments. Given the aggregate amount of NRG debt that will have to be refinanced in connection with the Offer, every 100 basis point increase in interest rate will add approximately \$73 million to the interest burden on the combined company and its stockholders.
 - **Consummation of the Offer requires the receipt of numerous governmental and regulatory approvals and there is no assurance that the necessary approvals will be received, when they will be received or what conditions might attach to their receipt.**
 - As disclosed in the Exchange Offer and in Item 8 of this Statement, the Offer is conditioned on the receipt of a number of federal, state and foreign regulatory approvals, including antitrust approvals.

Certain governmental agencies may condition the grant of such approvals on the satisfaction of a variety of requirements by Exelon and/or NRG, including changes to the terms of the Offer, and could impose long-term restrictions on the business and operations of the combined company. For example, the transaction will likely involve a complex antitrust approval process with the potential for value loss from government-imposed divestitures. While Exelon indicated that it has formulated a regulatory divestiture plan, its disclosure of the plan lacks specificity and fails to provide NRG with sufficient information to evaluate whether such divestiture plan would adequately address any antitrust concerns relating to the proposed transaction. The scope and nature of the assets the governmental agencies may ultimately require Exelon and/or NRG to divest remain unknown at this time, and the timing of the antitrust clearance processes, the impact of any such potential divestitures on the results of operations of the combined company, and the synergies anticipated by Exelon are uncertain. Furthermore, additional regulatory approvals may be required if Exelon intends to pledge any utility-based assets in connection with any financing arrangement.

- Not only has Exelon conditioned the Offer on the receipt of the numerous governmental and regulatory approvals, Exelon has also reserved the right to decline to proceed with the Offer if any such approval contains terms that, in the reasonable judgment of Exelon, results in or is reasonably likely to result in “a significant diminution in the benefits expected to be derived by Exelon or any affiliate of Exelon as a result of the transactions contemplated by the Offer, the Second-Step Merger or any other business combination with NRG” (see description of the No Diminution of Benefits Condition on Pages 3 and 4 of this Statement). As Exelon has noted in the Exchange Offer, it cannot provide any assurance that the necessary approvals will be obtained or that there will not be any adverse consequences to Exelon’s or NRG’s business resulting from the failure to obtain these regulatory approvals or from conditions that could be imposed in connection with obtaining these approvals. Therefore, the conditions relating to regulatory approvals lead to significant uncertainties as to the timing and the ultimate outcome of the Offer.
- **Exelon’s Offer exposes NRG stockholders to unaddressed combination and transaction risks for which they are not adequately compensated.**
 - Even after the passage of eight months, Exelon has offered no business plan for the combined company or otherwise provided meaningful details with respect to its sources of debt financing, credit rating impacts, clarity on asset sales, size or timing of equity issuance, hedging or collateral plan, management team or approach to implementing NRG’s robust growth strategy. Exelon’s obvious difficulties on both the debt financing and credit rating front since the public disclosure of its proposal, together with the absence of any clear plan for the combined company, support the NRG Board’s conclusion that, even apart from the Offer’s substantial undervaluation of NRG, the Offer is so highly conditional and not fully developed that it has severe implementation risk for which NRG stockholders are in no way compensated. The NRG Board believes that the numerous and significant conditions to the Offer and the lack of committed financing to complete the Offer, taken together, strongly suggests that Exelon is seeking to maintain an option to acquire NRG over the next six months rather than to consummate a transaction designed to create value for stockholders of both companies.
 - Finally, according to the Registration Statement, in the event the Offer is completed but the Second-Step Merger does not occur, the Offer would be a taxable transaction for NRG stockholders who have tendered their shares of NRG Common Stock in exchange for Exelon common stock. The possibility of the Offer being a taxable transaction adds another level of uncertainty to the actual value to be received by NRG stockholders in the Offer.
- **NRG’s Financial Advisors concurred with NRG management’s recommendation to reject the Revised Offer.**
 - The Financial Advisors considered, among other things, the conditionality of the Revised Offer and strategic and tactical issues.

The foregoing discussion of the information and factors considered by the NRG Board is not meant to be exhaustive, but includes the material information and factors considered by the NRG Board in reaching its conclusions and recommendations. The members of the NRG Board evaluated the various factors listed above in light of their knowledge of the business, financial condition and prospects of NRG. In light of the number and variety of factors that the NRG Board considered, the members of the NRG Board did not find it practicable to assign relative weights to the foregoing factors. However, the recommendation of the Board was made after considering the totality of the information and factors involved. In addition, individual members of the NRG Board may have given different weight to different factors.

Accordingly, the NRG Board unanimously recommends that NRG stockholders reject the Revised Offer and not tender their shares in the Revised Offer.

Item 5. *Persons/Assets, Retained, Employed, Compensated or Used.*

“Item 5. Persons/Assets, Retained, Employed, Compensated or Used” on pages 29 and 30 of the Statement is hereby amended and supplemented by adding the following paragraph:

In addition to Citi and Credit Suisse, NRG has also retained Morgan Stanley & Co. Incorporated (“*Morgan Stanley*”) to act as NRG’s financial advisor in connection with the Offer and related matters. NRG has agreed to pay Morgan Stanley a customary fee for its services, portions of which became payable upon its engagement or will become payable during the course of its engagement no later than the second business day after NRG’s 2009 annual meeting and a significant portion of which is contingent upon consummation of a change of control of NRG, including upon consummation of the Offer, or upon consummation of a sale of all or substantially all of NRG’s assets. NRG also has agreed to reimburse Morgan Stanley for all reasonable expenses incurred by it, including fees and expenses of legal counsel, and to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of such engagement.

Morgan Stanley is a full service securities firm engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. In the ordinary course of business, Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for it and its affiliates’ own accounts and the accounts of customers, in equity or debt securities, or loans of NRG, Exelon, their respective affiliates and any other entities, or any currency or commodity that may be involved in the Offer, or any related derivative instrument.

Item 6. Interest in Securities of the Subject Company

“Item 6. Interest in Securities of the Subject Company” on page 31 of the Statement is hereby amended and restated in its entirety as follows:

No transactions with respect to shares of NRG Common Stock have been effected by NRG or, to NRG’s knowledge after making reasonable inquiry, by any of its executive officers, directors, affiliates or subsidiaries during the past 60 days, except as described below:

<u>Name</u>	<u>Date of Transaction</u>	<u>Nature of Transaction</u>	<u>Number of Shares</u>	<u>Price</u>
Howard E. Cosgrove	6/1/2009	Equity Award(a)	6,851	N/A
Kirbyjon H. Caldwell	6/1/2009	Equity Award(a)	3,795	N/A
John F. Chlebowski	6/1/2009	Equity Award(a)	3,795	N/A
Lawrence S. Coben	6/1/2009	Equity Award(a)	4,216	N/A
Stephen L. Cropper	6/1/2009	Equity Award(a)	3,795	N/A
William E. Hantke	6/1/2009	Equity Award(a)	4,533	N/A
Paul W. Hobby	6/1/2009	Equity Award(a)	4,216	N/A
Gerald Luterman	6/1/2009	Equity Award(a)	3,795	N/A
Kathleen McGinty	6/1/2009	Equity Award(a)	3,795	N/A
Anne C. Schaumburg	6/1/2009	Equity Award(a)	4,216	N/A
Herbert H. Tate	6/1/2009	Equity Award(a)	4,216	N/A
Thomas H. Weidemeyer	6/1/2009	Equity Award(a)	4,216	N/A
Walter R. Young	6/1/2009	Equity Award(a)	3,795	N/A
David Crane	6/30/2009	Acquisition(b)	906.21	\$22.07
Jonathan Baliff	6/30/2009	Acquisition(b)	860.90	\$22.07
Robert C. Flexon	6/30/2009	Acquisition(b)	747.63	\$22.07
Steve Hoffman	6/30/2009	Acquisition(b)	305.85	\$22.07
J. Andrew Murphy	6/30/2009	Acquisition(b)	430.45	\$22.07

(a) Deferred Stock Units issued by NRG under its Long Term Incentive Plan. Each Deferred Stock Unit was equivalent in value to one share of NRG Common Stock. On June 1, 2009, each NRG director (other than Mr. David Crane) received from NRG one such share of NRG Common Stock in exchange for each Deferred Stock Unit he or she was issued on that same date.

(b) Purchases under NRG’s Employee Stock Purchase Plan.

Item 7. Purpose of the Transaction and Plans or Proposals

“Item 7. Purpose of the Transaction and Plans or Proposal” on page 31 of the Statement is hereby amended and restated in its entirety as follows:

For the reasons discussed in Item 4 above, the NRG Board unanimously determined that the Revised Offer is inadequate and not in the best interests of NRG and its stockholders and that, in light of NRG’s greater fundamental value and more attractive growth prospects, both in absolute terms and relative to those of Exelon, and due to the extreme uncertainty of the Revised Offer as a result of its extraordinary conditionality, the interests of the stockholders and other stakeholders will be best served by NRG continuing to pursue its strategic plan.

Except as described in this Statement (including in the Exhibits to this Statement) or as incorporated in this Statement by reference, NRG is not currently undertaking or engaged in any negotiations in response to the Offer that relate to or would result in (i) a tender offer for, or other acquisition of, shares of NRG Common Stock by NRG, any of its subsidiaries, or any other person, (ii) any extraordinary transaction, such as a merger, reorganization or liquidation, involving NRG or any of its subsidiaries, (iii) any purchase, sale or

transfer of a material amount of assets of NRG or any of its subsidiaries or (iv) any material change in the present dividend rate or policy, or indebtedness or capitalization, of NRG.

Except as described in this Statement (including in the Exhibits to this Statement) or as incorporated in this Statement by reference, there are no transactions, resolutions of the NRG Board, agreements in principle or signed agreements in response to the Revised Offer that relate to or would result in one or more of the events referred to in the preceding paragraph.

Notwithstanding the foregoing, NRG may in the future engage in negotiations in response to the Revised Offer that could have one of the effects specified in the first paragraph of this Item 7, and it has determined that disclosure with respect to the parties to, and the possible terms of, any transactions or proposals of the type referred to in the first paragraph of this Item 7 might jeopardize the discussions or negotiations that NRG may conduct. Accordingly, if appropriate, the NRG Board will adopt a resolution instructing management not to disclose the possible terms of any such transactions or proposals, or the parties thereto, unless and until an agreement in principle relating thereto has been reached or, upon the advice of counsel, as may otherwise be required by law.

Item 8. Additional Information

“Item 8. Additional Information — Legal Proceedings” on pages 31 to 32 of the Statement is hereby amended and restated in its entirety as follows:

Legal Proceedings

Evelyn Greenberg, on Behalf of Herself and All Others Similarly Situated v. David Crane, et al., (filed October 20, 2008); Walter H. Stansbury Individually and on behalf of All Others Similarly Situated v. NRG Energy, Inc., et al., (filed October 24, 2008); Joel A. Gerber and Raphael Nach & Jaqueline Nach Co-Trustee The Nach Family Trust U/A, Individually and on behalf of All Others Similarly Situated v. NRG Energy, Inc., et al. (filed November 10, 2008), Superior Court of New Jersey, Civil Division, Mercer County, Docket No. MER-L-2665-08). In connection with Exelon’s unsolicited offer, three plaintiffs filed suit against NRG in New Jersey: (i) Greenberg, et al. v. NRG Energy, Inc. et al. was filed on October 20, 2008, (ii) Stansbury v. NRG Energy, Inc. et al. was filed on October 23, 2008, and (iii) Gerber v. NRG Energy, Inc. et al. was filed on November 10, 2008. On November 19, 2008, NRG and the NRG Board filed a motion to consolidate all three cases in the Civil Division of the Mercer County Superior Court. The court granted the motion, and the actions were consolidated on December 24, 2008. All Plaintiffs are purportedly holders of NRG stock. Plaintiffs’ Consolidated Class Action Complaint contains only one cause of action, which alleges that NRG’s directors have breached their fiduciary duties by failing to give due consideration and take appropriate action in response to the acquisition proposal announced by Exelon on October 19, 2008, in which Exelon offers to acquire all of the outstanding shares of NRG Common Stock at an exchange ratio of 0.485 shares of Exelon common stock for each share of NRG Common Stock. The Plaintiffs seek injunctive relief directing the NRG Board to negotiate with Exelon or pursue a similar change of control transaction. On February 20, 2009, NRG filed a motion to dismiss the complaint on the grounds that it failed to state a claim upon which relief can be granted. In the same motion, NRG alternatively moved for a stay of the consolidated class action complaint in New Jersey in favor of the litigation currently pending in Delaware. Briefing on NRG’s motion has been completed. The court heard oral argument on April 17, 2009 and May 7, 2009 and then took the motion under advisement. The court issued its ruling on June 24, 2009, granting NRG’s motion in part by staying the consolidated class action complaint in New Jersey and staying NRG’s motion to dismiss, pending the resolution of the Louisiana Sheriffs’ Pension Fund class action in Delaware.

Exelon Corporation and Exelon Xchange Corporation v. Howard E. Cosgrove et al., Court of Chancery of the State of Delaware, Case No. 4155-VCL (filed November 11, 2008). Exelon and Exelon Xchange filed a complaint against NRG and the NRG Board alleging, among other things, that the NRG Board has failed to give due consideration and take appropriate action in response to the acquisition proposal announced by Exelon on October 19, 2008, in which Exelon offers to acquire all of the outstanding shares of NRG common stock at an exchange ratio of 0.485 Exelon shares for each share of NRG common stock. On November 14,

2008, NRG and the NRG Board filed a motion to dismiss Exelon's complaint on the grounds that it fails to state a claim upon which relief can be granted. On January 28, 2009, NRG filed its memorandum of law in support of its motion to dismiss. On March 16, 2009, Exelon filed an amended complaint with the court containing the allegations in its original complaint and additionally alleging, among other things, that NRG made material misstatements and omissions in its Schedule 14D-9 and that NRG improperly interfered with regulatory proceedings relating to Exelon's proposal. On April 17, 2009, NRG and the NRG Board filed a partial motion to dismiss Exelon's amended complaint on the grounds that portions of it fail to state a claim upon which relief can be granted. As required by the briefing schedule set by the court, NRG filed its opening brief on June 12, 2009. Based on the facts known to date and the allegations in the complaint, we believe the claims asserted in both the original and amended complaints are without merit and we intend to vigorously defend against them.

NRG Energy, Inc. v. Exelon Corporation and Exelon Xchange Corporation, U.S. District Court for the Southern District of New York, Case No. 99 cv 2448 (filed March 17, 2009). NRG has filed a suit against Exelon and Exelon Xchange alleging that the registration statement filed by Exelon in connection with the Offer contains a number of materially false and misleading statements. Specifically, NRG alleged that, among other things, the registration statement fails to adequately disclose that Exelon has no intention of consummating the Offer, but rather is using the Offer to apply pressure on the NRG Board to do a consensual deal with Exelon, thereby falsely stating the total number and class of securities sought and the stated purpose of the Offer. On March 19, 2009, NRG filed an order to show cause for expedited discovery. At a hearing on April 2, 2009, the Court denied NRG's request for expedited discovery but ordered expedited briefing and argument on Exelon's proposed motion to dismiss the Complaint. As ordered by the Court, Exelon filed its motion to dismiss on April 6, 2009; NRG filed its opposition on April 13, 2009 and Exelon filed its reply on April 17, 2009. A hearing on the motion to dismiss took place on April 22, 2009, at which the Court issued an oral decision denying Exelon's motion. A trial on the merits of NRG's complaint took place on June 1 and 3, 2009. The court issued its decision on June 22, 2009, ruling on the basis of the record before it that Exelon satisfied the minimal requirement of having an intent to close the Exchange Offer if the conditions to consummating the transaction are met.

Louisiana Sheriffs' Pension & Relief Fund and City of St. Clair Shores Police and Fire Retirement System v. David Crane et al., Court of Chancery of the State of Delaware, Case No. 4193-VCL (filed November 25, 2008). Louisiana Sheriffs' Pension & Relief Fund filed a complaint against NRG and the NRG Board alleging, among other things, that the NRG Board has failed to give due consideration and take appropriate action in response to the acquisition proposal announced by Exelon on October 19, 2008, in which Exelon offers to acquire all of the outstanding shares of NRG Common Stock at an exchange ratio of 0.485 shares of Exelon common stock for each share of NRG Common Stock. On November 25, 2008, NRG and the NRG Board filed a motion to dismiss Exelon's complaint on the grounds that it fails to state a claim upon which relief can be granted. As required by the briefing schedule set by the court, NRG filed its memorandum of law in support of its motion to dismiss on January 28, 2009. On March 16, 2009, Louisiana Sheriffs' Pension & Relief Fund filed an amended complaint with the court containing the allegations in its original complaint and additionally alleging, among other things, that NRG improperly interfered with regulatory proceedings relating to Exelon's proposal. On April 17, 2009, NRG and the NRG Board filed a motion to dismiss the Louisiana Sheriffs' Pension & Relief Fund's amended complaint on the grounds that it fails to state a claim upon which relief can be granted. As required by the briefing schedule set by the court, NRG filed its opening brief on June 11, 2009. In addition, NRG filed a motion for protective order and stay of discovery on May 29, 2009, in response to the plaintiffs' demand for discovery. On June 1, 2009, plaintiffs filed a cross-motion to compel discovery. In accordance with a scheduling order entered by the court, NRG filed its motion for protective and stay of discovery on June 9, 2009, plaintiffs filed their memorandum in further support of their motion to compel and in opposition to NRG's motion for a protective order on June 16, 2009, and NRG filed its reply on June 23, 2009. Based on the facts known to date and the allegations in the complaint, we believe the claims asserted in both the original and amended complaints are without merit and we intend to vigorously defend against them. Likewise, we believe the bases for plaintiffs' motion to compel is without merit and we intend to vigorously defend against it.

“Item 8. Additional Information — Regulatory Approvals” on pages 33 to 37 of the Statement is hereby amended and restated in its entirety as follows:

Regulatory Approvals

U.S. Antitrust Approval

Under the provisions of the HSR Act applicable to the Offer, the acquisition of shares of NRG Common Stock pursuant to the Offer may be consummated following the expiration of a 30-day waiting period following the filing by Exelon of a Premerger Notification and Report Form with respect to the Offer, unless Exelon receives a request for additional information or documentary material from the Department of Justice, Antitrust Division (the “*Antitrust Division*”) or the Federal Trade Commission (“*FTC*”) or unless early termination of the waiting period is granted. If, within the initial 30-day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material concerning the Offer, the waiting period will be extended through the thirtieth day after the date of substantial compliance by all parties receiving such requests. Complying with a request for additional information or documentary material may take a significant amount of time.

At any time before or after Exelon’s acquisition of shares of NRG Common Stock pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws as either deems necessary or desirable in the public interest, including seeking to enjoin the purchase of shares of NRG Common Stock pursuant to the Offer or the consummation of the second-step merger, or seeking the divestiture of shares of NRG Common Stock acquired by Exelon or the divestiture of substantial assets of NRG or its subsidiaries or Exelon or its subsidiaries. State attorneys general may also bring legal action under both state and federal antitrust laws, as applicable. Private parties may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Offer and/or the consummation of the second-step merger on antitrust grounds will not be made, or, if such a challenge is made, of the result thereof.

If any waiting period under the HSR Act applicable to the Offer has not expired or been terminated prior to the expiration date of the Offer, Exelon will not be obligated to proceed with the Offer or the purchase of any shares of NRG Common Stock not theretofore purchased pursuant to the Offer.

Pursuant to the requirements of the HSR Act, on December 17, 2008 Exelon filed a Notification and Report Form with respect to the offer with the antitrust agencies. On January 16, 2009, Exelon received a request for additional information and documentary material from the Antitrust Division of the DOJ (the “*Second Request*”). According to Exelon’s filings with the SEC, it responded to the Second Request for additional information on March 30, 2009. NRG substantially complied with the Second Request on June 15, 2009, although NRG continues to receive and respond to questions from the DOJ in its investigation of the proposed transaction. The Second Request extended the waiting period under the HSR Act, and the period of DOJ review of the offer, for a period of 30 days after Exelon substantially complied with the Second Request. NRG does not know whether the HSR waiting period has expired, although Exelon has indicated in a public filing that the HSR waiting period expired on April 30, 2009. Even if the HSR waiting period did expire on April 30, 2009, however, the DOJ may continue to investigate the proposed transaction and raise objections, if any, to the transaction in whole or in part at any time.

Foreign Antitrust Approvals

NRG indirectly holds several subsidiaries and participations in Germany. Under the provisions of the German Act against Restraints on Competition (Gesetz gegen Wettbewerbsbeschränkungen, or the “*GWB*”), notification to the German Federal Cartel Office (“*German Cartel Office*”) regarding the acquisition of shares of NRG Common Stock pursuant to the Offer must be made if, among other things, certain turnover thresholds are exceeded with the turnover achieved by the German business of NRG and its subsidiaries and participations. These thresholds will be exceeded in the Offer.

The Offer may be consummated only if the acquisition is approved or deemed to be approved by the German Cartel Office, either by written approval or by expiration of a one-month waiting period commenced by the filing of a notification with respect to the transaction, unless the German Cartel Office gives notice within the one-month waiting period of the initiation of an in-depth investigation. If the German Cartel Office initiates an in-depth investigation, the acquisition of shares under the Offer may be consummated only if the acquisition is approved or deemed to be approved by the German Cartel Office, either by written approval or by expiration of a four-month waiting period, unless the German Cartel Office notifies Exelon within the four-month waiting period that the acquisition satisfies the conditions for a prohibition and may not be consummated.

Federal Energy Regulatory Commission (“FERC”)

Each of NRG and Exelon has public utility subsidiaries subject to the jurisdiction of FERC under the Federal Power Act. Section 203 of the Federal Power Act requires approval for direct or indirect transfers of control over FERC-jurisdictional facilities and further provides that no holding company in a holding company system that includes a transmitting utility or an electric utility may merge or consolidate with a holding company system that includes a transmitting utility or electric utility company without first having obtained authorization from FERC.

FERC will approve a transaction for which Section 203 approval is requested if it finds that the transaction is consistent with the public interest. FERC has stated in its 1996 utility merger policy statement that, in analyzing a merger under Section 203 of the Federal Power Act, it will evaluate the following criteria:

- the effect of the merger on competition in wholesale electric power markets, utilizing an initial screening approach derived from the Department of Justice/Federal Trade Commission-Initial Merger Guidelines to determine if a merger will result in an increase in an applicant’s market power;
- the effect of the merger on the applicants’ FERC jurisdictional ratepayers; and
- the effect of the merger on state and federal regulation of the applicants.

In addition, as amended by the Energy Power Act of 2005, Section 203 of the Federal Power Act also requires that FERC, before granting approval under Section 203, determine the transaction will not result in the cross-subsidization by public utility subsidiaries of other subsidiaries or improper encumbrances or pledges of utility assets and, if such cross-subsidization or encumbrances were to occur, whether they are in the public interest.

On December 18, 2008, Exelon made its initial filing for approval with FERC. FERC approved Exelon’s application in an order issued May 21, 2009. NRG filed a request for rehearing, or in the alternative, clarification, of FERC’s May 21 order on June 22, 2009. In addition, Public Citizen filed a request for rehearing of the May 21 order. FERC has not ruled on either request at this time.

Nuclear Regulatory Commission (the “NRC”)

Section 184 of the Atomic Energy Act of 1954, as amended, provides that an NRC license may not be transferred or, in any manner disposed of, directly or indirectly, through a transfer of control of any license unless the NRC finds that the transfer complies with the Atomic Energy Act and consents in writing to the transfer. The NRC’s regulations in 10 C.F.R. 50.80 implement the statutory requirement for prior NRC consent to a proposed transfer of control of any license. Therefore, at a minimum, the consummation of the Offer requires NRC’s prior written consent to the indirect transfer of control of NRG’s 44% interest in the South Texas Project Units 1 and 2 and its licensed operator, STP Nuclear Operating Company. Under the standards of 10 C.F.R. 50.80, the NRC will consent to a proposed transfer if it determines that:

- the proposed transferee is qualified to be the holder of the licenses; and
- the transfer of the licenses is otherwise consistent with applicable provisions of laws, regulations and orders of the NRC.

Because the objective of the statute and regulations is to allow the NRC to address changes in control before they occur, there is a risk that the NRC will determine that Exelon cannot proceed with its Offer or any change of control of the NRG Board without first obtaining NRC approval.

By letter dated January 29, 2009, Exelon made its filing with the NRC for approval of the indirect transfer of NRC licenses for the NRG nuclear stations and, if required, Exelon Generation's nuclear stations. Exelon has requested NRC approval by September 30, 2009.

State Regulatory Approvals

Public Utility Commission of Texas (the "PUCT"). The proposed transaction requires prior review and approval by the PUCT. If the PUCT finds that the transaction as proposed would result in the combined company owning and controlling more than 20% of the installed generation capacity located in, or capable of delivering electricity to, the ERCOT power region, the PUCT may condition approval of the transaction on adoption of reasonable modifications to the transaction to mitigate potential market power abuse. Mitigation procedures for exceeding the 20% threshold may be submitted to the PUCT and may include the divestiture of assets or auctioning of capacity. The Texas Public Utility Act requires that the approval be requested at least 120 days before the proposed closing. Because the objective of the statute is to allow the PUCT to address consolidations and market power issues before they occur, there is a risk that the PUCT will determine that Exelon cannot proceed with its Offer or any change of control of the NRG Board without first obtaining PUCT approval. On April 30, 2009, the Administrative Law Judge issued an order that deems Exelon's application sufficient and sets a hearing for approval of Exelon's application to acquire NRG. The hearing is currently set for October 15, 2009.

Additionally, NRG owns a retail electric provider ("REP"), which was created to sell electricity at retail in the ERCOT competitive retail market solely to its affiliate NRG Texas Power. NRG also closed on the purchase of the retail electric business, which includes several REPs, of RRI Energy, Inc. (formerly Reliant Energy) on May 1, 2009. To provide retail electric service, a REP must obtain certification from the PUCT and transfer of a certificate requires notice to the PUCT.

Finally, NRG currently maintains two nuclear decommissioning trusts related to its ownership interest in the South Texas Project. The PUCT's Substantive Rules require that prior to the closing of any transaction involving the transfer of nuclear decommissioning trust funds, the collecting utility, the transferor company and the transferee company shall jointly submit for the PUCT's review the proposed decommissioning funds collection agreements and the proposed agreements with the institutional trustee and investment managers of the decommissioning trusts. The transferee company may also request the transfer of responsibility for administration of the nuclear decommissioning trust funds to the transferee company in a contested case proceeding. The PUCT staff is required to recommend approval, amendment or disapproval of the proposed agreements within 60 days of the receipt of the request for review. If the PUCT staff recommends denial, if the applicants request a hearing, or if the applicants do not file amended agreements incorporating the PUCT's recommendations, the request shall be docketed as a contested case to approve, modify or reject the agreements. The PUCT will issue an order within 120 days of the initiation of such a contested case proceeding.

Pennsylvania Public Utility Commission (the "PAPUC"). NRG has two subsidiaries in Pennsylvania that provide steam heating services to the public and that are, therefore, subject to regulation by the PAPUC. One of the subsidiaries also provides PAPUC-regulated chilled water service. Pennsylvania law requires prior PAPUC approval for any transaction by which any person or corporation will acquire control of the facilities of a public utility. Because Exelon will acquire control of NRG's steam and chilled water facilities, PAPUC approval is required. Under Pennsylvania law, the public utility and the proposed owner must apply and obtain a certificate of public convenience approving the change in control. The standard for approval is whether the transaction is necessary and proper for the service, accommodation, convenience or safety of the public. This standard has been applied by the PAPUC to require that applicants demonstrate that the new owner is technically, legally and financially fit and that the transaction will affirmatively promote the public interest in some substantial way. Because the objective of the statute is to allow the PAPUC to address changes in control

before they occur, there is a risk that the PAPUC will determine that Exelon cannot proceed with its Offer or any change of control of the NRG Board without first obtaining PAPUC approval, which may require the cooperation of NRG. On February 26, 2009, Exelon made its initial filing for approval with the PAPUC. Hearings on the application are currently scheduled for July 15-17, 2009, but the schedule may be revised in response to Exelon's modification of its Offer.

California Energy Commission (the "CEC"). Operation of a thermal electric generation facility with a capacity of greater than 50 MW in California requires a siting certificate to be issued by the CEC. Several of NRG's California generation facilities require, and possess, such certificates. The CEC has issued an order that indicated that no CEC approval is required in connection with Exelon's proposed acquisition of NRG. Additionally, 90 days notice of a transfer of generation facilities in California must be provided to the California Public Utilities Commission ("CPUC"), but there is no approval by the CPUC required with respect to NRG's generation facilities.

NRG also has a subsidiary that owns a steam heating facility in California, which is a utility under California law. The California Public Utilities Code requires CPUC approval before any person shall "merge, acquire, or control either directly or indirectly any public utility . . ." The CPUC will review the transaction and "take such action as the public interest may require." Generally, such public interest review will consider whether the acquiror has the financial and technical wherewithal to operate the utility business, and whether customers will be adversely impacted by the transaction, but the CPUC may review the broader transaction. Because the objective of the statute is to allow the CPUC to address changes in control before they occur, there is a risk that the CPUC will determine that Exelon can not proceed with its tender offer or any change of control of the NRG Board without first obtaining CPUC approval, which may require the cooperation of NRG. Transactions subject to the referenced Code provision for which prior approval have not been obtained are "void and of no effect" and the CPUC has imposed monetary penalties in such cases. On February 17, 2009, Exelon submitted to the CPUC an application for authority to acquire indirect control and ownership of NRG Energy Center San Francisco, LLC (Energy Center), an indirect wholly-owned subsidiary of NRG. By letter dated April 2, 2009, the CPUC advised Exelon that the application was accepted as filed on April 2, 2009. A prehearing conference with the CPUC took place on July 2, 2009, which is scheduled to continue on September 16, 2009.

New York State Public Service Commission (the "NYPSC"). NRG's portfolio includes five electric plants in New York State, each owned, operated and managed by an affiliated electric corporation. NRG itself is subject to regulation as an electric corporation holding company. NYPSC approval is generally required for certain acquisitions of stock in an electric corporation, and in particular, for the transfer to any stock corporation of more than 10% of the voting capital stock issued by any electric corporation organized or existing under or by virtue of the laws of New York. Although it appears that NRG and its subsidiaries in New York are subject to "reduced scrutiny" and are "lightly regulated utilities," approvals for such transfers nonetheless are subject to a "public interest" standard which is set forth in the New York Public Service Law. In conducting this review, the NYPSC may examine, among other things, any affiliations with electric market participants that might afford opportunities for the exercise of market power, and consider any other potential detriments to captive ratepayer interests. In recent orders reviewing acquisitions of upstream owners of traditional regulated electric corporations, the NYPSC has applied a positive benefits test. In addition, if full review is necessary, the NYPSC must assess whether the environmental impact of the transfer is significant based upon information provided in a required environmental assessment form. Because the statute requires NYPSC consent prior to the transfer of more than 10% of the voting capital stock in any electric corporation to any stock corporation and provides that any transfer or agreement to transfer any stock in violation of the Public Service Law "shall be void and of no effect," there is a risk that the NYPSC will not approve the proposed transfer after-the-fact and that the transaction will remain vulnerable to the legal withdrawal of participating parties thereto from the time of transfer up until the point of approval. On December 22, 2008, Exelon made its filing for approval with the NYPSC.

Massachusetts Department of Public Utilities (the "MDPU"). Massachusetts law require electric generation facilities to obtain siting certificates. On April 3, 2009, Exelon filed a petition requesting that the MDPU issue an advisory opinion confirming that no regulatory approval is required in connection with the

proposed acquisition of NRG by Exelon. On June 10, 2009, NRG filed comments in response to the Exelon request seeking clarity as to whether the plain reading of the Massachusetts statute requires the MDPU to review the transaction. In addition, Massachusetts state legislators filed comments in the proceeding stating that the intent of the Massachusetts statute is to review this type of transaction. The MDPU has not yet ruled on Exelon's request. If the MDPU determines that the Massachusetts statute applies in its entirety, it would require that Exelon's acquisition of NRG pursuant to the Offer be approved at a meeting by two-thirds of holders of each class of NRG stock entitled to vote.

Other State Approvals. The Offer and the Second-Step Merger may also be subject to review by the governmental authorities of various other states under the various antitrust and utility regulation laws of those states.

Forward Looking Statements

This Schedule 14D-9 contains forward-looking statements that may state NRG's or its management's intentions, hopes, beliefs, expectations or predictions for the future. In this Schedule 14D-9, statements containing words such as "projects", "anticipates", "plans", "expects", "intends", "estimates" or similar words are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause NRG's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors, risks and uncertainties include the factors described under Risks Related to NRG in Part I, Item 1A, of NRG's Annual Report on Form 10-K, for the year ended December 31, 2007 (it being understood that while certain statements included in the aforementioned section of NRG's Annual Report on Form 10-K are within the meaning of "forward-looking statements" under Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the safe harbor provided by Section 21E of the Exchange Act does not apply to any forward looking statements made in connection with the Offer, including the forward looking statements contained in this Schedule 14D-9), including the following:

- General economic conditions, changes in the wholesale power markets and fluctuations in the cost of fuel;
- Hazards customary to the power production industry and power generation operations such as fuel and electricity price volatility, unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that NRG may not have adequate insurance to cover losses as a result of such hazards;
- The effectiveness of NRG's risk management policies and procedures, and the ability of NRG's counterparties to satisfy their financial commitments;
- Counterparties' collateral demands and other factors affecting NRG's liquidity position and financial condition;
- NRG's ability to operate its businesses efficiently, manage capital expenditures and costs tightly, and generate earnings and cash flows from its asset-based businesses in relation to its debt and other obligations;
- NRG's ability to enter into contracts to sell power and procure fuel on acceptable terms and prices;
- The liquidity and competitiveness of wholesale markets for energy commodities;
- Government regulation, including compliance with regulatory requirements and changes in market rules, rates, tariffs and environmental laws and increased regulation of carbon dioxide and other greenhouse gas emissions;

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- Price mitigation strategies and other market structures employed by independent system operators, or ISOs, or regional transmission organizations, or RTOs, that result in a failure to adequately compensate NRG's generation units for all of its costs;
- NRG's ability to borrow additional funds and access capital markets, as well as NRG's substantial indebtedness and the possibility that NRG may incur additional indebtedness going forward;
- Operating and financial restrictions placed on NRG and its subsidiaries that are contained in the indentures governing NRG's outstanding notes, in NRG's senior credit facility, and in debt and other agreements of certain of NRG's subsidiaries and project affiliates generally;
- NRG's ability to implement its Repowering NRG strategy of developing and building new power generation facilities, including new nuclear units and wind projects;
- NRG's ability to implement its econrg strategy of finding ways to meet the challenges of climate change, clean air and protecting our natural resources while taking advantage of business opportunities; and
- NRG's ability to achieve its strategy of regularly returning capital to shareholders.

Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in NRG's filings with the SEC.

Item 9. Exhibits.

Item 9 is hereby amended and supplemented by adding the following exhibit:

Exhibit No.	
(e)(11)	Excerpts from NRG's Definitive Proxy Statement on Schedule 14A relating to the 2009 Annual Meeting of Stockholders as filed with the SEC on June 16, 2009
(e)(12)	Amended and Restated Employment Agreement, dated as of December 4, 2008, between NRG and David Crane*
(e)(13)	NRG Energy, Inc. Executive Change-in-Control and General Severance Agreement, amended and restated as of December 9, 2008*

* Incorporated herein by reference to NRG's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the SEC on February 12, 2009.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NRG ENERGY, INC.

By: /s/ Michael R. Bramnick

Name: Michael R. Bramnick
Title: Senior Vice President and
General Counsel

Dated: July 8, 2009

Annex A

Executive Officers, Directors and Affiliates of NRG Energy, Inc.

Executive Officers:

Name:

David Crane	President and Chief Executive Officer
Robert C. Flexon	Executive Vice President and Chief Financial Officer
Jonathan Baliff	Executive Vice President, Strategy
Michael Bramnick	Senior Vice President, General Counsel
Jeffrey M. Baudier	Senior Vice President and Regional President, South Central
Mauricio Gutierrez	Senior Vice President, Commercial Operations
Steve Hoffmann	Senior Vice President and Regional President, West
Kevin T. Howell	Executive Vice President and Regional President, Texas
James Ingoldsby	Vice President and Chief Accounting Officer
Michael Liebelson	Executive Vice President, Low-Carbon Technologies
J. Andrew Murphy	Executive Vice President and Regional President, Northeast Region
John W. Ragan	Executive Vice President and Chief Operating Officer
Denise Wilson	Executive Vice President and Chief Administrative Officer

Directors

Howard E. Cosgrove
Kirbyjon H. Caldwell
John F. Chlebowski
Lawrence S. Coben
David Crane
Stephen L. Cropper
William E. Hantke
Paul W. Hobby
Gerald Luterman
Kathleen McGinty
Anne C. Schaumburg
Herbert H. Tate
Thomas H. Weidemeyer
Walter R. Young

Excerpts from NRG Energy, Inc's Definitive Proxy Statements on Schedule 14A relating to the 2009 Annual meeting of Stockholders as filed with the SEC on June 16, 2009.

Review, Approval or Ratification of Transactions with Related Persons

The Board has adopted written policies and procedures to address potential or actual conflicts of interest and the appearance that decisions are based on considerations other than the best interests of NRG that may arise in connection with transactions with certain persons or entities (the "Policy"). The Policy operates in conjunction with NRG's Code of Conduct and is applicable to all transactions, arrangements or relationships in which: (a) the aggregate amount involved will or may be expected to exceed \$50,000 in any calendar year; (b) the Company is a participant; and (c) any Related Person (as that term is defined in Item 404 under Regulation S-K of the Securities Act of 1933, as amended) has or will have a direct or indirect interest (a "Related Person Transaction").

A Related Person Transaction is subject to review and approval or ratification by the Governance and Nominating Committee. If the aggregate amount involved is expected to be less than \$500,000, the transaction may be approved or ratified by the Chair of the Committee. As part of its review of each Related Person Transaction, the Governance and Nominating Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than the terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction. This Policy also provides that certain transactions, based on their nature and/or monetary amount, are deemed to be pre-approved or ratified by the Committee and do not require separate approval or ratification.

Transactions involving ongoing relationships with a Related Person will be reviewed and assessed at least annually by the Committee to ensure that such Related Person Transactions remain appropriate and in compliance with the Committee's guidelines. The Committee's activities with respect to the review and approval or ratification of all Related Person Transactions are reported periodically to the Board of Directors.

There were no Related Person Transactions for the year ended December 31, 2008.

**VOTING STOCK OWNERSHIP OF DIRECTORS, NAMED EXECUTIVE OFFICERS,
AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth information concerning beneficial ownership of the Company's Common Stock as of June 15, 2009, for: (a) each director and the nominees for director; (b) named executive officers set forth in the Summary Compensation Table; and (c) the directors and executive officers as a group. For each person known to the Company to own more than five percent of the Company's Common Stock, the information provided is as of the date of their most recent filing with the SEC. None of the directors, nominees for director or named executive officers own any of the Company's preferred stock, and the Company is not aware of any person who owns more than five percent of the Company's preferred stock. Unless otherwise indicated, each person has sole investment and voting power with respect to the shares set forth in the following table.

Except as noted below, the address of the beneficial owners is NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540.

Name of Beneficial Owner	Percent of Class**	Shares
David Crane	*	1,796,820(2)
Robert C. Flexon	*	333,440(3)
Kevin T. Howell	*	280,452(4)
J. Andrew Murphy	*	66,326(5)
Clint C. Freeland	*	23,298(6)
Howard E. Cosgrove	*	66,891(7)
Kirbyjon H. Caldwell	*	8,798(8)
John F. Chlebowski	*	33,893(8)
Lawrence S. Coben	*	39,601(9)
Stephen L. Cropper	*	33,175(10)
William E. Hantke	*	6,768(11)
Paul W. Hobby	*	16,427
Gerald Luterman	*	8,995(8)
Kathleen McGinty	*	8,399(8)
Anne C. Schaumburg	*	18,928(8)
Herbert H. Tate	*	24,172(12)
Thomas H. Weidemeyer	*	28,664(13)
Walter R. Young	*	48,990
All Directors and Executive Officers (26 people)	1.1%	3,148,706(14)
FMR LLC	9.9%	23,316,571(15)
82 Devonshire Street Boston, Massachusetts 02109		
Janus Capital Management LLC	9.1%	21,126,269(16)
151 Detroit Street Denver, Colorado 80206		
Massachusetts Financial Services Company	5.8%	13,605,732(17)
500 Boylston Street Boston, Massachusetts 02116		
Prudential Financial, Inc.	5.2%	12,042,871(18)
751 Broad Street Newark, New Jersey 07102-3777		
Solus Alternative Asset Management LP	6.0%	14,025,000(19)
430 Park Avenue, 9th Floor New York, New York 10022		
T. Rowe Price Associates, Inc.	9.1%	21,512,091(20)
100 E. Pratt Street Baltimore, Maryland 21202		

* Less than one percent of outstanding Common Stock.

** Percentage ownership of 5%+ stockholders is provided as of December 31, 2008.

- (1) The number of shares beneficially owned by each person or entity is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, each person or entity is considered the beneficial owner of any: (a) shares to which such person or entity has sole or shared voting power or investment power and (b) shares that such person or entity has the right to acquire within 60 days through the exercise of stock options or similar rights. Unless otherwise indicated, each person or entity has sole investment and voting power (or such person shares such powers with his or her spouse) with respect to the shares set forth in the table above.
- (2) Includes 1,562,416 shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options. Mr. Crane also owns 38,142 deferred stock units (“DSUs”). Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock. Mr. Crane will receive one such share of Common Stock for each deferred stock unit he owns six months from the date of his termination of employment with NRG.
- (3) Includes 243,930 shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options. Mr. Flexon also owns 11,360 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock. Mr. Flexon will receive one such share of Common Stock for each deferred stock unit he owns six months from the date of his termination of employment with NRG.
- (4) Includes 56,730 shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options.
- (5) Includes 64,797 shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options.
- (6) Includes 18,298 shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options.
- (7) Includes 20,000 shares held by Mr. Cosgrove’s spouse and 46,891 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock, payable in the event Mr. Cosgrove ceases to be a member of the Board. Mr. Cosgrove also owns 12,959 DSUs that will be exchanged for shares of NRG’s Common Stock on a one-to-one basis on the following schedule: (i) 5,843 twelve months from the date of termination and (ii) 7,116 twenty-four months from the date of termination.
- (8) Represents DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock, payable in the event the director ceases to be a member of the Board.
- (9) Includes 37,149 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock, payable in the event Mr. Coben ceases to be a member of the Board.
- (10) Includes 26,175 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock, payable in the event Mr. Cropper ceases to be a member of the Board.
- (11) Mr. Hantke also owns 9,076 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock. The 4,120 DSUs issued to him will be exchanged for such Common Stock on a one-to-one basis on the following schedule: (i) 1,014 on March 1, 2010; (ii) 1,168 on June 1, 2010; (iii) 1,779 on June 2, 2010, (iv) 423 on June 1, 2011, (v) 1,779 on June 2, 2011, (vi) 1,779 on June 2, 2012 and (vii) 1,134 on June 2, 2013.
- (12) Includes 10,794 DSUs. Each deferred stock unit is equivalent in value to one share of NRG’s Common Stock, payable in the event Mr. Tate ceases to be a member of the Board.
- (13) Includes 26,664 DSUs payable in the event Mr. Weidemeyer ceases to be a member of the Board.
- (14) Consists of the total holdings of directors, named executive officers, and all other executive officers as a group. Includes shares that may be acquired at or within 60 days of June 15, 2009, pursuant to the exercise of options, the vesting of restricted stock units (“RSUs”), or the exchange of DSUs. Each RSU and DSU is equivalent in value to one share of NRG’s Common Stock.
- (15) Based on information set forth in the Schedule 13G/A filed jointly on February 17, 2009 by FMR LLC and Edward C. Johnson 3d. Fidelity Management & Research Company (“Fidelity”) is a wholly owned subsidiary of FMR LLC and as a result of acting as an investment adviser is the beneficial owner of 20,816,307 shares. FMR LLC and Edward C. Johnson 3d each have sole power to dispose of the shares

owned by Fidelity. FMR LLC has the sole power to vote 2,794,339 shares, and sole dispositive power over 23,306,571 shares. Edward C. Johnson 3d has sole dispositive power over 23,306,571 shares.

- (16) Based on information set forth in the Schedule 13G/A filed on February 17, 2009 by Janus Capital Management LLC (“Janus”). Janus has a direct ownership stake in INTECH Investment Management and Perkins Investment Management LLC. Due to the ownership structure, Janus may be deemed to have sole dispositive and voting power over 20,646,383 shares and shared voting and dispositive power over 479,886 shares.
- (17) Based upon information set forth in the Schedule 13G/A filed on February 2, 2009 by Massachusetts Financial Services Company (“MFS”), which includes shares beneficially owned by other non-reporting entities as well as MFS.
- (18) Based upon information set forth in the Schedule 13G/A filed on February 6, 2009 by Prudential Financial, Inc. (“Prudential”). Prudential has sole dispositive and voting power over 1,061,800 shares, and shared dispositive and voting power over 10,564,971 shares which are held for the benefit of its clients by its separate accounts, externally managed accounts, registered investment companies, subsidiaries and/or other affiliates. Prudential indirectly owns 100% of equity interests of Jennison Associates LLC. As a result, Prudential may be deemed to have shared dispositive power over the 11,982,798 shares reported on Jennison’s Schedule 13G filed on February 17, 2009. Jennison does not file jointly with Prudential, as such, shares included in Jennison’s 13G may also be included in the shares reported on the 13G/A filed by Prudential.
- (19) Based upon information set forth in the Schedule 13D filed jointly on February 3, 2009 by Solus Alternative Asset Management LP (“Solus”), Solus GP LLC and Christopher Pucillo (collectively, the “Reporting Persons”). Solus is the investment manager to Sola Ltd (“Sola”) and Solus Core Opportunities Master Market Fund Ltd (“Core”), each of which directly owns shares; Solus GP LLC is the general partner of Solus; and Christopher Pucillo is the managing member of Solus GP LLC. As a result, each of the Reporting Persons may be deemed to have shared voting and dispositive power of the shares held by Core and Sola.
- (20) Based upon information set forth in the Schedule 13G filed on February 12, 2009 by T. Rowe Price Associates, Inc (“T. Rowe”). T. Rowe has the sole power to vote 6,701,555 shares and sole dispositive power over 21,435,291 shares.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement required by Item 402(b) of Regulation S-K with management and, based upon such review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee:

Thomas H. Weidemeyer, Chair
John F. Chlebowski
Walter R. Young

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis is focused on our executive compensation program as it relates to NRG's Named Executive Officers ("NEOs"). The NEOs are the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer serving as executive officers at the end of the 2008 fiscal year. For 2008, our NEOs were:

Name:

David Crane	President and Chief Executive Officer
Robert C. Flexon	Executive Vice President and Chief Operating Officer
Kevin T. Howell	Executive Vice President and Regional President, Texas
J. Andrew Murphy	Executive Vice President and General Counsel
Clint C. Freeland	Senior Vice President and Chief Financial Officer

From January 1 to March 1, 2008, Mr. Flexon served as Executive Vice President and Chief Financial Officer, Mr. Freeland served as Vice President and Treasurer, and Mr. Howell served as Executive Vice President, Commercial Operations. Mr. Howell also served as Executive Vice President and Chief Administrative Officer during 2008. In February 2009, Mr. Flexon was renamed Chief Financial Officer, Mr. Murphy was named Regional President, Northeast, and Mr. Freeland was named Senior Vice President, Strategy, Financial Structure.

The discussion and analysis below is based on the following outline:

- the objectives of the executive compensation program at NRG;
- what the executive compensation program is designed to reward;
- all elements of compensation provided under the program, including:
 - the reasons why these elements of compensation have been selected;
 - how the amounts of each element are determined; and
 - how and why each element and decision fits into NRG's overall objectives.

Objectives of NRG's executive compensation program

The Compensation Committee of the Board, referred to as the Committee for purposes of this CD&A, is responsible for the development and implementation of NRG's executive compensation program. The objectives of this program are based on the Committee's philosophy that executive compensation should be aligned with stockholder value and improvements in corporate performance.

These objectives are achieved through the use of both short- and long-term incentives. Therefore, the program strives to effectively use elements of compensation under a total reward philosophy that combines

annual and multi-year reward opportunities. The intent of NRG's compensation program is to reward the achievement of the Company's annual goals and objectives while supporting the Company's long-term business strategy.

What NRG's executive compensation program is designed to reward

Stockholder value and corporate performance are realized through the Company's ongoing business strategy to consistently optimize the value of our generation assets, which results in growth and enhanced financial performance. These results are attained by maintaining and enhancing the Company's position as a leading wholesale independent power generation company in a cost-effective and risk-mitigating manner. This strategy consists of:

- pursuing additional growth opportunities at existing sites;
- increasing value from existing assets;
- maintaining financial strength and flexibility;
- positioning the Company's portfolio for success in a period of increasing environmental constraints, particularly with respect to greenhouse gas emissions;
- reducing the volatility of cash flows through asset-based commodity hedging activities;
- positioning the Company to benefit from industry consolidation; and
- optimizing the Company's capital allocation strategy, particularly with respect to the return of capital to stockholders.

Our executive compensation program promotes this strategy by:

- attracting, retaining and rewarding top executive talent;
- encouraging performance that results in enhanced stockholder value over the long-term and attainment of our business goals and objectives, both financial and non-financial; and
- rewarding strong individual performance.

2008 Compensation Approved by the Compensation Committee

The table below identifies each element of compensation approved by the Committee and paid or awarded to the NEOs for 2008. Each element is described in more detail throughout the remainder of the CD&A and as part of the Summary Compensation Table on page 66 that was prepared in accordance with SEC rules. The table below is not intended to replace the summary compensation table required by the SEC.

Named Executive Officer	Base Salary Earnings (S)	Annual Incentive Payment (S)	Value of Restricted Stock Units (S)(1)	Value of Stock Options (S)(2)	Value of Performance Units (S)(2)	Benefits (S)	Total (S)
David Crane	1,097,693	1,923,706	817,862	2,153,414	1,087,401	59,905	7,139,981
Robert C. Flexon	648,154	908,226	564,149	1,431,115	717,053	37,748	4,306,445
Kevin T. Howell	468,846	619,463	478,745(3)	407,002(3)	—	38,989	2,013,045
J. Andrew Murphy	419,539	396,857	111,332	287,122	146,550	33,661	1,395,061
Clint C. Freeland	329,462	286,940	113,115	293,909	147,018	16,254	1,186,698

(1) Reflects the grant date fair value based on the closing share price as reported on the New York Stock Exchange on January 2, 2008 of \$42.82 and in the case of Messrs. Flexon, Howell and Freeland the closing share price on March 3, 2008 of \$41.63.

(2) Reflects the grant date fair value as of January 2, 2008. The assumptions made in these valuations are discussed in the Company's 2008 Form 10-K in Item 15 — Consolidated Financial Statements.

(3) Represents Phantom Restricted Stock Units and Phantom Non-Qualified Units.

Elements of compensation provided under NRG's executive compensation program

The Committee is authorized to engage, at the expense of the Company, a compensation consultant to provide independent advice, support, and expertise to support the Committee in overseeing and reviewing the Company's overall compensation strategy, structure, policies and programs, and to assess whether the Company's compensation structure establishes appropriate incentives for management and employees.

From 2004 to July 2008, Mercer Consulting provided advice to the Committee. On July 30, 2008, the Committee ended its arrangement with Mercer Consulting and commenced a new relationship with Frederic W. Cook ("Cook") to assist with executive pay decisions. In their new role, Cook will work with the Committee independent of any Company management to formulate 2009 compensation decisions.

Annually, the Committee reviews all elements of executive compensation individually and in the aggregate against market data for companies with which NRG competes for executive talent. The Committee evaluates NRG's executive compensation based on competitive market information provided by the consultancies via the development of a "peer group" of 12 to 20 companies. The composition of the peer group is targeted towards publicly-traded, independent power producers and utilities with power generation operations that had revenues of approximately 50% to 200% of NRG's projected revenue, similar generation capacity, or geographic similarity. Each of these characteristics may not be met for every company in the peer group.

The Committee and management review the composition of the peer group on an annual basis. The Company aims to compare its executive compensation program to a consistent peer group year to year, but given the extremely dynamic nature of the industry and the companies in it, the Company occasionally must alter the list to best represent the Company's industry peers from one year to the next. For 2008, the peer group consisted of:

2008 Peer Group

AES Corporation (NYSE: AES)
Allegheny Energy, Inc. (NYSE: AYE)
Calpine Corporation (NYSE: CPN)
CenterPoint Energy Inc. (NYSE: CNP)
CMS Energy Corporation (OTC: CMSRL)
Constellation Energy Group (NYSE: CEG)
DTE Energy Company (NYSE: DTE)
Dynergy Inc. (NYSE: DYN)
El Paso Corporation (NYSE: EP)
Mirant Corporation (NYSE: MIR)
PPL Corporation (NYSE: PPL)
Reliant Energy, Inc. (NYSE: RRI)
Sempra Energy (NYSE: SRE)
TXU Corporation (formerly NYSE: TXU)

The various elements of NRG's executive compensation program for 2008 were benchmarked relative to the compensation provided to executives of this peer group, as well as other published survey data. For the survey analysis, the Committee benchmarked NRG's NEOs to survey data based on functional job responsibility, using energy industry data where available and supplementing it with general industry data. NRG's incentive plan design, plan features, and level of participation were also considered during the benchmarking exercise.

In conjunction with the analysis of NRG's peer group, the Committee aims to emphasize performance-based pay while balancing short- and long-term results through the use of an effective mix of cash, equity and other benefits. By implementing this compensation structure, the Committee believes that the interests of the

Company are aligned with the interests of the stockholders, while continuing to emphasize the achievement of the Company's business goals and objectives.

Based on the analysis of NRG's peer group and the Company's objectives described above, the Committee affirmed the following six components of NRG's executive compensation program:

- Base salary;
- Annual incentive compensation;
- Long-term incentive compensation, including restricted stock units, non-qualified stock options and performance units;
- Benefits;
- Discretionary payments; and
- Severance and change in control benefits.

For each element, and in the aggregate, NRG targeted reward values for the Company's NEOs between the median and the 75th percentile based on the results of the competitive analysis for its NEOs for both total cash compensation (base salary plus annual cash incentives) and for total direct compensation (total cash compensation plus expected value of long-term incentives). NRG's size and complexity has grown relative to the industry, and in recent years, NRG's financial and operating performance has been above the median with regard to selected financial business measures as well as significant merger and acquisition activity. As a result, our management team has been subject to competitive career opportunities. Accordingly, we currently target pay levels above the median.

Base Salary

Annual base salary is designed to compensate NEOs for their level of experience and continued expectation of superior performance. Base salary is expected to increase year-on-year in relation to market competitiveness and individual performance. Increases in base salary affect other elements of compensation:

- As base salary increases, the resulting Annual Incentive Plan ("AIP") dollars will increase (assuming equal percentage participation).
- NRG's long term incentive compensation, delivered through the Long Term Incentive Plan ("LTIP"), is awarded as a multiple of base salary. As base salary increases, the value of the equity award increases.
- Certain life insurance benefits, severance benefits, and change in control benefits are valued as a function of base salary and increase in value commensurate with growth in base salary.

In addition to targeting base salary levels above the median, the base salary recommendations also incorporate the NEO's individual performance, the general contributions of the NEO to overall corporate performance, and the level of responsibility of the NEO with respect to his or her specific position. In general, in January 2008, base salary levels for NEOs were increased by 5% to 10% to reflect the criteria discussed above. Certain NEOs' base salary increased by a larger percentage due to a change in the competitive market and as a result of NRG's desire to retain those executives to support planned succession. Salary increases, in the case of certain NEOs, also reflect the fact that such NEOs simultaneously serve in more than one executive capacity. On occasion, it may become necessary to make adjustments to the salary of an NEO based on exceptional individual performance or due to a change in the competitive market. In addition to the annual salary increase, further adjustments were made for certain NEOs, ranging from 9% to 46%, in March 2008 as part of the management restructuring and promotions that expanded officer responsibilities.

For 2008, the base salary earnings for each NEO were as follows:

Named Executive Officer:	2008 Base Salary Earnings (\$):
David Crane	1,097,693
Robert C. Flexon	648,154
Kevin T. Howell	468,846
J. Andrew Murphy	419,539
Clint C. Freeland	329,462

Annual Incentive Compensation

Overview — Annual incentive compensation is designed to compensate NEOs for meeting specific individual and Company goals, and to reward individuals for meeting financial and non-financial goals and objectives established as part of the Company's annual business plan. Annual incentive compensation is determined as a percentage of each NEO's annual base salary. The AIP design is based on best practices and market competitiveness as benchmarked with NRG's peer group.

The AIP is calculated using actual performance results from a weighted percentage of performance criteria. These criteria are chosen to align each NEO's responsibilities with available quantitative financial measures and qualitative measures that NRG values in the leadership of the business, such as safety, budget control, staff development, and individual performance compared to the Company's goals. Annually, quantitative and qualitative performance goals are recommended by the NRG Senior Management Team for approval by the Committee. These criteria were chosen as the primary short-term benchmarks with respect to the strategies chosen for attaining the Company's business objectives of increasing stockholder value and the improvement in corporate performance.

AIP Performance Criteria — The following tables provide the 2008 performance criteria established for the NEOs and, for each NEO, the weight each criterion is given with respect to individual NEO performance. The criteria are used in determining the AIP payment as described in more detail below and are designed to achieve the Company's primary short-term goals and long-term business objectives, such as maintaining financial strength and stability, reducing the volatility of cash flows, increasing value at existing sites, positioning the Company for success under increasing environmental constraints, and optimizing the Company's capital allocation strategy.

2008 Performance Criteria

Performance Criteria

Consolidated Adjusted EBITDA	Net Income before Income Tax, Depreciation, and Amortization — as calculated from NRG's Statement of Operations as found in Item 15 — Consolidated Financial Statements to the Company's Annual Report on Form 10-K filed on February 12, 2009, or the 2008 Form 10-K, and as further adjusted for certain non-recurring items
Regional Adjusted EBITDA	Regional Net Income before Income Tax, Depreciation, and Amortization — as calculated from NRG's Statement of Operations as found in Item 15 — Consolidated Financial Statements to the 2008 Form 10-K, and as further adjusted for certain non-recurring items
Consolidated Adjusted Free Cash Flow	Cash Flow from Operations less Capital Expenditures — as calculated from NRG's Statement of Cash Flows as found in Item 15 — Consolidated Financial Statements to the 2008 Form 10-K

Performance Criteria

Corporate Safety/Environmental	Applied safety practices at plant and office locations and qualitative and/or quantitative assessment of environmental compliance and initiatives
“FORNRG” Contributions and Budget Expense Improvement	Continuous improvement initiative to maximize return on invested capital and improve profitability, determined in incremental adjusted EBITDA
Strategic Development/Business Development	Development and dissemination of corporate strategy at Company and regional levels
Staff Development and Retention	Personnel recruitment, education and advancement
Trading and Hedging	Maximizing operating income through the efficient procurement and management of fuel supplies and maintenance services, and the sale of energy, capacity and ancillary services into attractive spot, intermediate and long-term markets
Capital Allocation	Achievement of 2008 objectives and advancement of longer term plan
Control Environment	Achievement of 2008 audit plan as approved by the Company’s Audit Committee, including effective Sarbanes Oxley controls and the advancement of Engineering, Procurement and Construction control framework
Individual Performance/Goal Achievement	Individual Performance versus mutually agreed-upon annual goals plus manner of achieving goals (in accordance with corporate values)

NEO Weighted Performance Criteria (%)

Performance Criteria	David Crane	Robert C. Flexon	Kevin T. Howell	J. Andrew Murphy	Clint C. Freeland
Consolidated Adjusted EBITDA	30.0%	20.0%	15.0%	15.0%	20.0%
Regional Adjusted EBITDA	—	—	15.0%	—	—
Consolidated Adjusted Free Cash Flow	30.0%	20.0%	15.0%	15.0%	20.0%
Corporate Safety/Environmental	10.0%	15.0%	10.0%	—	—
“FORNRG” Contributions and Budget Expense Improvement	—	20.0%	—	15.0%	—
Strategic Development/Business Development	15.0%	—	15.0%	10.0%	10.0%
Staff Development and Retention	15.0%	5.0%	10.0%	15.0%	10.0%
Trading and Hedging	—	20.0%	—	—	—
Capital Allocation	—	—	—	—	10.0%
Control Environment	—	—	—	—	10.0%
Individual Performance/Goal Achievement	—	—	20.0%	30.0%	20.0%
TOTAL:	100.0%	100.0%	100.0%	100.0%	100.0%

AIP Incentive Opportunity — The Chief Executive Officer is accountable for developing the goals for all other NEOs, while the Committee, with input from the Chief Executive Officer, determines the goals for the Chief Executive Officer. These goals are established at the beginning of each fiscal year. For the fiscal year 2008, these goals were reviewed and approved by the Committee on February 25, 2008. Based on the targeted

benchmarks for the fiscal year 2008, the target annual incentive opportunity for NEOs ranged from 75% to 100% of base salary and an additional maximum opportunity was established for each NEO ranging from 37.5% to 100% of base salary above the target opportunity. The AIP plan design, as displayed in the table below, is consistent with market practice both in terms of target percentages and range of opportunity.

The threshold, target and maximum incentive opportunities for the NEOs for 2008 were as follows:

Named Executive Officer	Threshold	Target	Maximum
David Crane	50.0%	100.0%	200.0%
Robert C. Flexon	50.0%	100.0%	150.0%
Kevin T. Howell	50.0%	100.0%	150.0%
J. Andrew Murphy	37.5%	75.0%	112.5%
Clint C. Freeland	37.5%	75.0%	112.5%

AIP Targets and Calculation — Payment of the AIP is contingent on attaining the AIP Threshold, which is based on the Company’s Adjusted Free Cash Flow. For fiscal year 2008, the AIP Threshold was set at \$700M of Adjusted Free Cash Flow, a level appropriate for an acceptable level of Company financial performance. If the AIP Threshold was not achieved, no annual incentives would have been paid for 2008 performance. If the AIP Threshold is met or exceeded, the annual incentive payment is calculated in two steps:

Step 1: A percentage up to the Target level based on the weight of each performance criterion identified in the table above. If all elements are achieved at the Target level, an NEO will realize Target level participation.

Step 2: A percentage above the Target level based on an equal 50/50 weighting of Adjusted Free Cash Flow and Consolidated Adjusted EBITDA. This second calculation is only performed in the event Adjusted Free Cash Flow or Consolidated Adjusted EBITDA exceeds its respective Target level.

The sum of the two pieces (the Threshold to the Target components (Step 1) + the Target to the Maximum components (Step 2)) equals the incentive earned under the AIP. For fiscal year 2008, the AIP Target was set at \$850M of Consolidated Adjusted Free Cash Flow and \$2,200M of Consolidated Adjusted EBITDA. Payments above the AIP Target will only be possible if the Adjusted Free Cash Flow or the Consolidated Adjusted EBITDA Targets are surpassed, in which case the NEO is eligible to receive a portion of the incentive opportunity between Target and Maximum.

The AIP Maximum percent payout can only be achieved if the Maximum level of Adjusted Free Cash Flow and Consolidated Adjusted EBITDA are met or surpassed. In the event that these financial performance criteria exceed maximum levels, the NEOs are still capped at their maximum. The Company has established the Maximum at a level that can only be achieved with exceptional Company performance. While the Company strives for this level of performance every year, the Company expects that over time the Maximum level will not be reached a significant percentage of the time. For example, despite very strong Company performance in 2007 and record Company performance in 2008, the Company did not reach the Maximum compensation level in either year.

Results for 2008 AIP — As defined, the Company’s AIP Threshold and AIP Target levels are based on the Company’s audited financial statements. The achievement towards the threshold and targets described in the table above is calculated beginning with the Company’s audited financial statements and is adjusted based on the impact of non-recurring events that may impact Adjusted Free Cash Flow and/or Consolidated Adjusted EBITDA, but have a positive impact on the Company’s business objectives of increasing stockholder value and improving corporate performance. Alternatively, transactions may occur throughout the year that may impact Adjusted Free Cash Flow and/or Consolidated Adjusted EBITDA positively or negatively but were not due to direct Company management. The Committee approved adjustments to ensure the composition of the asset portfolio is consistent with AIP targets. These portfolio adjustments consist of the announcement of the ITISA sale for \$43 million and \$38 million to increase the calculation of Adjusted Free Cash Flow (“FCF”) and Consolidated Adjusted EBITDA criteria, respectively. The Committee also approved an adjustment to increase the Adjusted Free Cash Flow Target by \$147 million to reflect the delay in budgeted environmental capital

expenditures due to changes in regulations. The Committee further approved a \$267 million reduction in the 2008 Adjusted Free Cash Flow computation to align the cash movements on option premiums with the 2009 settlements of related transactions, along with an increase in 2008 Adjusted Free Cash Flow for \$35 million to offset a partial prefunding of the pension trusts for payments due by March 2009. The net impact of these four Adjusted Free Cash Flow adjustments decreased 2008 performance compared to the AIP Target level by \$336 million.

Based on the calculations described above, both the Adjusted Free Cash Flow and Consolidated Adjusted EBITDA AIP Targets were exceeded for 2008. The Chief Executive Officer provided documentation to the Committee and the Board regarding the qualitative and quantitative achievement for each NEO. The Committee evaluated the performance of the Chief Executive Officer based on his achievement compared to goals established for him for 2008. Subsequently, the Committee reviewed and approved the annual incentive awards for the NEOs based on individual performance goals along with the Adjusted Free Cash Flow and Consolidated Adjusted EBITDA criteria. Bonus payments were paid after the release of the Company's audited financial results for 2008. The annual incentives awarded to each of the NEOs for 2008, expressed as a percentage of base salary and in dollars, were as follows:

Named Executive Officer:	Percentage of Base Salary (%)	Annual Incentive Payment (\$)
David Crane	175.3%	1,923,706
Robert C. Flexon	140.1%	908,226
Kevin T. Howell	132.1%	619,463
J. Andrew Murphy	94.6%	396,857
Clint C. Freeland	87.1%	286,940

Long-Term Incentive Compensation

The Long-Term Incentive Plan, or LTIP, is designed to align compensation of NEOs with long-term stockholder value. The value of an LTIP award depends exclusively on NRG's stock price and, in the case of Performance Units, the share price movement over time.

Types of Awards— NRG's LTIP is comprised of the following types of awards:

- *Non-qualified Stock Option ("NQSOs")* — Each NQSO represents the right to purchase one share of Common Stock at a price equal to the closing market price of the Common Stock on the date of grant. Options vest and become exercisable equally over a three-year vesting schedule and have a term of six years. Grants prior to August 1, 2005 have 10-year terms. Vesting schedules and term lengths for new grants are reviewed periodically by the Committee.
- *Performance Units ("PUs")* — Each PU represents the right to receive a certain number of shares of Common Stock after the completion of three years of service from the date of grant, provided the price per share of the Company's Common Stock equals or exceeds the target price set under the award as of the date of vesting. The number of shares of Common Stock to be paid as of the vesting date for each performance unit is equal to: (i) one share of Common Stock, if the target price is met; (ii) a prorated amount in between one and two shares of Common Stock, if the target price is exceeded but is less than the maximum price set under the award, and (iii) two shares if the maximum price is met or exceeded. If the target price is not met, no shares will be awarded.

The design of PUs is intended to reward NEOs based on total stockholder return over the three-year vesting period relative to the Company's total cost of equity over this period. The target price of the award is based on an annual projected cost of equity established at the start of each three-year vesting period. The Committee will approve a target stock price based on a compounding share price growth factor over the vesting period. The maximum share price growth factor represents 150% of the compounded target share price growth factor. PUs granted on January 2, 2008 held a target price of \$60.16 per share, which represents an approximate 40% growth rate, and the maximum price of \$73.35 per share, which represents an approximate 64% growth rate.

In December 2008, the Committee approved a threshold price for PUs effective for grants starting in January 2009, which represents an approximate 30% growth rate.

- *Restricted Stock Units (“RSUs”)* — Each RSU represents the right to receive one share of Common Stock after the completion of three years of service from the date of grant. From time-to-time, the Committee will use alternate RSU vesting periods, but only on an exception-basis, such as for a new-hire with a specific skill set or to serve as an enhanced retention tool.
- *Deferred Stock Units (“DSUs”)* — Each deferred stock unit represents the right of a participant to be paid one share of NRG’s Common Stock at the end of a deferral period established under the award by the Committee or elected by the participant under the terms of an award and the tax rules applicable to nonqualified deferred compensation plans under Section 409A of the Code. Unless otherwise provided under an award, during the applicable deferral period, a participant will not have any rights as a stockholder of the Company. However, unless otherwise provided, once the deferral period ends, the participant will be entitled to receive accumulated dividends and distributions with respect to the corresponding number of shares of Common Stock underlying each deferred stock unit. Except in cases of death where DSUs convert immediately to Common Stock, DSUs convert to Common Stock six months following termination. While certain NEOs currently hold DSUs, there have not been any DSUs awarded to an executive officer of the Company since 2005.

Range of LTIP compensation — The aggregate expected value of equity awards granted to each NEO for the fiscal year 2008 was based on a review of the expected value of equity grants made to NEOs in NRG’s peer group, expressed as a percentage of base salary. Mercer Consulting provided equity benchmark data for the peer group and provided recommendations as a percentage of base salary to the Committee. For grants in January 2008, these percentages were 400% of base salary for Mr. Crane, 225% of base salary for Mr. Flexon, 150% of base salary for Mr. Murphy, and 65% of base salary for Mr. Freeland. The Company’s practice is to issue annual equity awards on the first business day of the calendar year. For fiscal year 2008, the grant date was January 2, 2008. The price per share of the Company’s stock on the grant date was \$42.82 per share. As part of the management restructuring in March 2008 certain NEOs received additional equity awards equal to 300% of base salary for Mr. Flexon and 150% of base salary for Mr. Freeland. The grant date was March 3, 2008 and the price per share of the Company’s stock on the grant date was \$41.63 per share. In lieu of receiving LTIP equity awards, on March 3, 2008 Mr. Howell received a grant of Phantom Non-Qualified Units and Phantom Restricted Stock Units from the Company, each as described below under “Phantom Equity Plan”.

Blended annual allocation — The Company employs a blended allocation of award type, with a heavier weighting to PUs and NQSOs in order to align the NEOs with stockholders through share price appreciation. NQSOs and PUs directly align the NEOs’ interests with the performance of NRG’s Common Stock reflecting the importance of share price appreciation to the Company’s total stockholder return. Allocation of RSUs reflects market trends favoring increased usage of restricted stock over stock options as a retention incentive. The allocation by equity type is reviewed annually by the Committee based on the Company’s overall strategy and existing market best practices.

For fiscal year 2008, the Committee approved equity compensation grants allocated among the types of awards as follows:

- 50 percent of the target expected value in the form of NQSOs;
- 33 percent of the target expected value in the form of PUs; and
- 17 percent of the target expected value in the form of RSUs.

The types of equity awards made to the NEOs in January and March 2008 and the total grant date fair value for such awards are shown below.

Named Executive Officer:	Restricted Stock Units (\$)	Non-Qualified Stock Options (\$)	Performance Units (\$)
David Crane	817,862	2,153,414	1,087,401
Robert C. Flexon	564,149	1,431,115	717,053
Kevin T. Howell	478,745(1)	407,002(1)	—
J. Andrew Murphy	111,332	287,122	146,550
Clint C. Freeland	113,115	293,909	147,018

(1) Represents Phantom Restricted Stock Units and Phantom Non-Qualified Units.

Phantom Equity Plan

As previously disclosed, the Compensation Committee approved, effective March 1, 2008, a cash-based phantom-equity program (the “Phantom Plan”) for Mr. Howell that vests in full for all grants on August 1, 2010. This arrangement is designed to retain Mr. Howell through August 1, 2010, at a minimum, while continuing to align Mr. Howell’s compensation with stockholder value and improvements in corporate performance.

The Phantom Plan contains two elements:

- Phantom Non-Qualified Units (“PNQUs”) that track the performance of the NRG stock listed on the New York Stock Exchange and reward Mr. Howell in a similar manner as would a Non-Qualified Stock Option granted under the Company’s LTIP. Each of the first and second grants of PNQUs was valued at the time of award, March 3, 2008 and March 3, 2009, at \$41.63 and \$17.45, respectively. Each valuation price will be compared to the average closing price of the NRG stock for the 20 trading days prior to August 1, 2010. The gain in the stock price (if any) will be multiplied by the number of PNQUs and paid in the form of cash as soon as practicable after August 1, 2010.
- Phantom Restricted Stock Units (“PRSUs”) will also track the performance of the NRG stock listed on the New York Stock Exchange. A cash award will be made as soon as practicable after August 1, 2010 that reflects the number of PRSUs multiplied by the average closing price for the 20 trading days prior to August 1, 2010.

Mr. Howell’s participation in the Phantom Plan precludes him from receiving additional equity awards under the LTIP that is otherwise in effect for the Company’s other executive officers. The Company anticipates awarding Mr. Howell with additional grants under the Phantom Program on March 3, 2010 at a level of 2x base salary multiple. This multiple equals what would otherwise be his participation level in the LTIP. The value of all awards will be divided equally between PNQUs and PRSUs.

Benefits

Benefits — NEOs participate in the same retirement, life insurance, health and welfare plans as other salaried employees of the Company. To generally support more complicated financial planning and estate planning matters, NEOs are provided personal financial services up to \$10,300 each year to assist with financial planning and tax counseling. Survey data indicates that participation in this form of benefit is consistent with market practice at the executive level and that \$10,300 is a reasonable level of benefit for this type of service.

Pursuant to the terms of his negotiated employment agreement which allows for the continuation of previously awarded personal life and disability insurance, in 2008, Mr. Crane received additional benefits in the form of a \$12,000 life insurance premium reimbursement and \$10,120 disability insurance premium reimbursement. NRG paid Mr. Crane a tax gross-up of these amounts totaling \$12,147.

Discretionary Payments

From time-to-time, the Committee will make off-cycle cash and/or equity awards to reward key personnel for reasons such as extraordinary achievement, the hiring of a new executive, promotion, or recognition. Such rewards are rarely made at the NEO level and all such discretionary payments are subject to review and

approval by the Chief Executive Officer. In cases of discretionary payments for certain designated officers, both Chief Executive Officer and Committee approval is required.

Potential Severance and Change in Control Benefits

Mr. Crane, pursuant to his employment agreement, and the other NEOs, pursuant to the Company’s Executive and Key Management Change-in-Control and General Severance Plan, also referred to as the CIC Plan, are entitled to severance payments and benefits in the event of termination of employment under certain circumstances, including following a change-in-control. NRG chooses to pay severance and change-in-control benefits to assist with career transitions of executives of the Company as well as to create an environment that provides for adequate business transition and knowledge transfer during times of change.

Change-in-control agreements are considered market practice among publicly-held companies. Most often, agreements are utilized to encourage executives to remain with the Company during periods of extreme job uncertainty. In order to enable a smooth transition during the interim period, change-in-control agreements provide a defined level of security for the executive, and the Company, to follow through on the implementation of a particular acquisition, asset sale/purchase, and integration.

For a more detailed discussion, including the quantification of potential payments, please see the section entitled “Severance and Change-in-Control” following the executive compensation tables below.

Stock Ownership Guidelines

The Committee and the Board require the Chief Executive Officer to hold Company stock with a value equal to six times his base salary until termination from the Company. The Chief Operating Officer is encouraged to hold equity instruments with a value equal to three times his base salary until termination from the Company. Other NEOs are encouraged to hold equity instruments with a value equal to 2.5 times their base salary, or in the case of Mr. Freeland, 2.0 times his base salary, until termination from the Company. Only vested shares count towards the ownership multiple. As NRG has experienced a limited number of LTIP grant opportunities, many NEOs have not yet achieved expected stock ownership multiples. It is anticipated, however, that NEOs will achieve expected ownership multiple thresholds over the course of a series of upcoming LTIP grants. The current stock ownership for NEOs as of June 15, 2009 is shown below:

Named Executive Officer	Target Ownership Multiple	Actual Ownership Multiple
David Crane	6.0	18.9
Robert C. Flexon	3.0	5.1
Kevin T. Howell	3.0	10.9
J. Andrew Murphy	2.5	0.1
Clint C. Freeland	2.0	0.5

Dilution concerns and other limitations

NRG and the Committee work to ensure that NRG’s equity awards balance both the interests of stockholders in controlling dilution and NRG’s business need to attract, motivate, and retain the level of executive talent needed to execute its business strategy. Observing established dilution rates help stockholders preserve anticipated share ownership percentages in NRG. The dilution interests are tracked by way of:

- Dilution rate — NQSOs already awarded plus additional shares reserved for potential distribution — divided by shares outstanding; and
- Run rate — amount of NQSOs and RSUs actually distributed in 2008.

The Committee remains focused on maintaining market prevailing dilution rates of less than 15%, as well as a three-year average run rate at or below 2%. NRG’s potential dilution rate at the end of 2008 was approximately 7.2%, with an actual dilution rate of 4.3% reflecting shares granted at year-end. The run rate was less than 1%.

Tax and Accounting Considerations

The Committee has considered the implications of Section 162(m) of the Code, which precludes the Company (as a public company) from taking a tax deduction for individual compensation in excess of \$1 million for any of the NEOs, subject to certain exemptions. The Committee has also considered the exemptions to such limitation, which are also provided in Section 162(m) and specifically the exemption for compensation that is “performance based” within the meaning of Section 162(m). The Committee believes tax deductibility of compensation is an important consideration and, where possible and considered appropriate, intends to preserve the deductibility of compensation to NEOs under Section 162(m). However, the Committee also believes that it is important to retain flexibility in designing compensation programs, and as a result, has not adopted a policy that any particular amount of compensation must be deductible to NRG under Section 162(m). The Committee also takes into account tax consequences to NEOs in designing the various elements of the Company’s compensation program, such as designing the terms of awards to defer immediate income recognition in accordance with Section 409A of the Code. The Committee remains informed of the accounting implications of its compensation programs, however, and approves programs based on their total alignment with the Company’s strategy and long-term goals.

Executive Compensation Tables
Summary Compensation Table
Fiscal Year Ended December 31, 2008

Name and Principal Position	Year	Salary (S)	Bonus (S)	Stock Awards (S)	Option Grants	Non-Equity Incentive Plan Compensation (S)(20)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (S)	Total (S)
							(S)		
David Crane	2008	1,097,693	—	2,193,884	1,991,556	1,923,706	16,813	59,905	7,283,557
President, Chief Executive Officer and Director	2007	1,000,000	—	1,258,752	1,273,476	1,801,500	13,019	52,629	5,399,376
	2006	998,131	—	1,673,862	1,520,360	1,267,626	16,561	51,990	5,528,530
Robert C. Flexon	2008	648,154	—	834,874	746,274	908,226	—	37,748	3,175,276
Executive Vice President and Chief Operating Officer(1)	2007	548,269	—	438,359	379,091	736,668	—	32,500	2,134,887
	2006	474,423	—	431,604	407,057	451,888	—	65,168	1,830,140
Kevin T. Howell	2008	468,846	—	1,283,219(3)	212,284(4)	619,463	—	38,989	2,622,801
Executive Vice President and Chief Administrative Officer(2)	2007	399,539	—	1,822,100	169,752	425,733	—	23,675	2,840,799
	2006	379,653	—	2,350,625	84,132	323,180	—	20,300	3,157,890
J. Andrew Murphy	2008	419,539	—	379,748	334,752	396,857	—	33,661	1,564,556
Executive Vice President and General Counsel(5)	2007	400,000	400,000(6)	230,675	239,004	384,225	—	37,970	1,691,874
Clint C. Freeland	2008	329,462	—	165,833	127,234	286,940	—	16,254	925,723
Senior Vice President and Chief Financial Officer(7)									

- (1) As of February 18, 2009, Mr. Flexon is Executive Vice President and Chief Financial Officer.
- (2) As of February 18, 2009, Mr. Howell is Executive Vice President and Regional President, Texas.
- (3) Expense for PRSUs valued at \$92,516 is included in Stock Awards.
- (4) Expense for PNQUs valued at \$42,532 is included in Option Grants.
- (5) As of February 18, 2009, Mr. Murphy is Executive Vice President and Regional President, Northeast.
- (6) This amount represents a sign-on bonus.
- (7) As of February 18, 2009, Mr. Freeland is Senior Vice President, Strategy, Financial Structure.

The amounts provided in the Stock Awards column represent compensation expense recorded in the income statement for fiscal year 2008 as described in Statement of Financial Accounting Standard No. 123 (revised 2004), "Share-Based Payment", or FAS123R, for the RSUs, PRSUs, and PUs listed in the table below. The assumptions made in these valuations are discussed in the Company's 2008, 2007 and 2006 Forms 10-K in Item 15 — Consolidated Financial Statements.

David Crane	• \$362,472 for January 2008 PUs	• \$327,672 for January 2007 PUs	• \$382,248 for January 2006 PUs
	• \$272,616 for January 2008 RSUs	• \$253,092 for January 2007 RSUs	• \$271,716 for January 2006 RSUs
	• \$501,512 for January 2007 PUs	• \$406,272 for January 2006 PUs	• \$1,019,898 for December 2003 RSUs
	• \$253,092 for January 2007 RSUs	• \$271,716 for January 2006 RSUs	
	• \$532,476 for January 2006 PUs		
	• \$271,716 for January 2006 RSUs		
Robert C. Flexon	• \$116,140 for March 2008 PUs	• \$88,121 for January 2007 PUs	• \$84,564 for January 2006 PUs
	• \$93,670 for March 2008 RSUs	• \$50,247 for January 2007 RSUs	• \$59,136 for January 2006 RSUs
	• \$99,660 for January 2008 PUs	• \$89,876 for January 2006 PUs	• \$59,736 for August 2005 PUs
	• \$75,648 for January 2008 RSUs	• \$59,136 for January 2006 RSUs	• \$38,796 for August 2005 RSUs
	• \$134,886 for January 2007 PUs	• \$64,856 for August 2005 PUs	• \$189,372 for March 2004 RSUs
	• \$66,996 for January 2007 RSUs	• \$38,796 for August 2005 RSUs	
	• \$117,784 for January 2006 PUs	• \$47,327 for March 2004 RSUs	
	• \$59,136 for January 2006 RSUs		
	• \$48,323 for August 2005 PUs		
	• \$22,631 for August 2005 RSUs		

Kevin T. Howell	<ul style="list-style-type: none"> • \$92,516 for March 2008 PRSUs • \$72,186 for January 2007 PUs • \$35,364 for January 2007 RSUs • \$72,601 for January 2006 PUs • \$35,160 for January 2006 RSUs • \$975,392 for August 2005 RSUs 	<ul style="list-style-type: none"> • \$47,165 for January 2007 PUs • \$35,364 for January 2007 RSUs • \$55,408 for January 2006 PUs • \$35,160 for January 2006 RSUs • \$1,649,003 for August 2005 RSUs 	<ul style="list-style-type: none"> • \$52,128 for January 2006 PUs • \$35,160 for January 2006 RSUs • \$2,263,337 for August 2005 RSUs
J. Andrew Murphy	<ul style="list-style-type: none"> • \$48,852 for January 2008 PUs • \$37,116 for January 2008 RSUs • \$75,988 for January 2007 PUs • \$37,224 for January 2007 RSUs • \$119,824 for December 2006 PUs • \$60,744 for December 2006 RSUs 	<ul style="list-style-type: none"> • \$49,651 for January 2007 PUs • \$37,224 for January 2007 RSUs • \$83,056 for December 2006 PUs • \$60,744 for December 2006 RSUs 	Not applicable because Mr. Murphy was not an NEO in 2006.
Clint C. Freeland	<ul style="list-style-type: none"> • \$31,070 for March 2008 PUs • \$24,280 for March 2008 RSUs • \$11,724 for January 2008 PUs • \$8,568 for January 2008 RSUs • \$18,685 for May 2007 PUs • \$11,376 for May 2007 RSUs • \$15,192 for January 2007 PUs • \$7,440 for January 2007 RSUs • \$29,952 for February 2006 RSUs • \$7,546 for August 2005 RSUs 	Not applicable because Mr. Freeland was not an NEO in 2007.	Not applicable because Mr. Freeland was not an NEO in 2006.

The amounts provided in the Option Grants column represent compensation expense recorded in the income statement for fiscal year 2008 as described in FAS123R for the NQSOs listed in the table below. The assumptions made in these valuations are discussed in the Company's 2008, 2007 and 2006 Forms 10-K in Item 15 — Consolidated Financial Statements.

David Crane	<ul style="list-style-type: none"> • \$718,080 for January 2008 NQSOs • \$602,052 for January 2007 NQSOs • \$671,424 for January 2006 NQSOs 	<ul style="list-style-type: none"> • \$602,052 for January 2007 NQSOs • \$671,424 for January 2006 NQSOs 	<ul style="list-style-type: none"> • \$671,424 for January 2006 NQSOs • \$848,936 for December 2003 NQSOs
Robert C. Flexon	<ul style="list-style-type: none"> • \$233,000 for March 2008 NQSOs • \$197,472 for January 2008 NQSOs • \$160,872 for January 2007 NQSOs • \$138,648 for January 2006 NQSOs • \$16,282 for August 2005 NQSOs 	<ul style="list-style-type: none"> • \$160,872 for January 2007 NQSOs • \$138,648 for January 2006 NQSOs • \$52,332 for August 2005 NQSOs • \$27,239 for March 2004 NQSOs 	<ul style="list-style-type: none"> • \$138,648 for January 2006 NQSOs • \$118,608 for August 2005 NQSOs • \$149,801 for March 2004 NQSOs
Kevin T. Howell	<ul style="list-style-type: none"> • \$42,532 for March 2008 PNQUs • \$85,620 for January 2007 NQSOs • \$84,132 for January 2006 NQSOs 	<ul style="list-style-type: none"> • \$85,620 for January 2007 NQSOs • \$84,132 for January 2006 NQSOs 	<ul style="list-style-type: none"> • \$84,132 for January 2006 NQSOs
J. Andrew Murphy	<ul style="list-style-type: none"> • \$95,748 for January 2008 NQSOs • \$90,528 for January 2007 NQSOs • \$148,476 for December 2006 NQSOs 	<ul style="list-style-type: none"> • \$90,528 for January 2007 NQSOs • \$148,476 for December 2006 NQSOs 	Not applicable because Mr. Murphy was not an NEO in 2006.
Clint C. Freeland	<ul style="list-style-type: none"> • \$61,690 for March 2008 NQSOs • \$23,940 for January 2008 NQSOs • \$22,512 for May 2007 NQSOs • \$19,092 for January 2007 NQSOs 	Not applicable because Mr. Freeland was not an NEO in 2007.	Not applicable because Mr. Freeland was not an NEO in 2006.

The amounts provided in the Non-Equity Incentive Plan Compensation column represent values earned under NRG's 2008, 2007 and 2006 AIP payable in March 2009, March 2008 and March 2007, respectively. NEOs were provided the opportunity to earn a cash incentive payment based on the attainment of certain pre-established Company and individual goals for fiscal years 2008, 2007 and 2006. The performance criteria and weight given to each NEO are described in detail in the CD&A above. The dollar amounts in the Table represent payouts for actual 2008, 2007 and 2006 Company performance.

Only one NEO, David Crane, participates in the NRG Pension Plan, which was closed to new employees hired on, or after, December 5, 2003. The values shown in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column represent the 2008, 2007 and 2006 year-on-year increases in the value of the defined benefit pension plan.

The amounts provided in the All Other Compensation column represent the additional benefits payable by NRG and include insurance benefits, the employer match under the 401(k) plan, relocation expenses, financial counseling services up to \$10,300, and the amount payable under NRG's all-employee discretionary match to the 401(k) plan. The following table identifies the additional compensation for each NEO.

Name	Year	Life Insurance Reimbursement (\$)	Disability Insurance (\$)	Financial Advisor Services (\$)	401(k) Employer Matching Contribution (\$)	401(k) Discretionary Contribution (\$)	Relocation Expenses (\$)	Total Taxable Grossed Up Expenses (\$)(1)	Total (\$)
David Crane	2008	12,000	10,120	10,610	9,200	—	—	17,975	59,905
	2007	12,000	10,120	10,300	8,874	—	—	11,334	52,628
	2006	12,000	10,120	8,335	4,540	—	—	16,995	51,990
Robert C. Flexon	2008	—	—	10,610	9,200	13,500	—	4,438	37,748
	2007	—	—	10,300	9,000	13,200	—	—	32,500
	2006	—	—	8,335	8,800	12,600	—	35,433	65,168
Kevin T. Howell	2008	—	—	1,085	8,050	13,500	11,942	4,412	38,989
	2007	—	—	2,600	7,875	13,200	—	—	23,675
	2006	—	—	—	7,700	12,600	—	—	20,300
J. Andrew Murphy	2008	—	—	7,075	9,200	13,500	—	3,886	33,661
	2007	—	—	7,725	9,000	461	—	20,783	37,969
Clint C. Freeland	2008	—	—	—	2,754	13,500	—	—	16,254

- (1) Total Taxable Grossed Up Expenses consists of gross ups on life insurance premium reimbursements and disability insurance premium reimbursements for David Crane, pursuant to his employment contract, and gross ups for financial services for all executive officers of the Company paid in 2008. In connection with a review of its executive compensation practices, the Company has determined that it will no longer pay tax gross ups with respect to financial services for its executive officers.

Employment Agreements

Mr. Crane serves as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement with the Company that was amended and restated in order to ensure compliance with Section 409A of the Code, effective December 4, 2008. The initial term of the amended and restated employment agreement will end on December 31, 2009. The agreement will be renewed automatically for successive one-year terms on the same terms and conditions unless either party provides the other with notice to the contrary at least 90 days prior to the end of the initial term or any subsequent one-year term.

Effective December 4, 2008 through December 31, 2009, the amended and restated employment agreement provides for an annual base salary of \$1,100,000. For each one-year period thereafter, Mr. Crane's base salary will be reviewed and may be increased by the Board. Beginning with the 2008 fiscal year, Mr. Crane is entitled to an annual bonus with a target amount of up to 100 percent of his base salary, based upon the achievement of criteria determined at the beginning of the fiscal year by the Board, with input from Mr. Crane, for that fiscal year. In addition, beginning with the 2008 fiscal year, Mr. Crane is also entitled to a maximum annual bonus up to an additional 100 percent of his base salary, based upon the achievement of Adjusted Free Cash Flow and Adjusted EBITDA criteria for that fiscal year.

In addition to salary and bonuses, the employment agreement provides that Mr. Crane is eligible to participate in the Company's LTIP in accordance with its terms. Mr. Crane is also entitled to health, welfare and retirement benefits, term life insurance of \$7.75 million, five weeks paid vacation, and coverage under the Company's director and officer liability insurance coverage, in addition to reimbursement of reasonable business expenses and reimbursement of reasonable expenses for financial planning. Mr. Crane's employment agreement also entitles him to certain severance payments and benefits in the event his employment terminates under certain circumstances. These severance payments and benefits are described and quantified under the section "Severance and Change-in-Control" below.

The Company has not entered into employment agreements with NEOs other than Mr. Crane.

**Grants of Plan-Based Awards
Fiscal Year Ended December 31, 2008**

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)		All Other Stock Awards: Number of Shares or Units (#)(3)	All Other Option Awards: Number of Securities Underlying Options (#)(4)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(5)
			Threshold (\$)	Target (\$)	Maximum (\$)	Target (#)	Maximum (#)				
David Crane	—	—	548,846	1,097,693	2,195,385	—	—	—	—	—	—
	1/2/2008	12/8/2007	—	—	—	—	—	—	192,000	42.82	2,153,414
	1/2/2008	12/8/2007	—	—	—	—	—	19,100	—	—	817,862
Robert C. Flexon	1/2/2008	12/8/2007	—	—	—	37,100	74,200	—	—	—	1,087,401
	—	—	324,077	648,154	972,231	—	—	—	—	—	—
	1/2/2008	12/21/2007	—	—	—	—	—	—	52,800	42.82	592,189
	1/2/2008	12/21/2007	—	—	—	—	—	5,300	—	—	226,946
	1/2/2008	12/21/2007	—	—	—	10,200	20,400	—	—	—	298,962
	3/3/2008	12/21/2007	—	—	—	—	—	—	81,200	41.63	838,926
Kevin T. Howell	3/3/2008	12/21/2007	—	—	—	—	—	8,100	—	—	337,203
	3/3/2008	12/21/2007	—	—	—	15,700	31,400	—	—	—	418,091
	—	—	234,423	468,846	703,269	—	—	—	—	—	—
	3/3/2008	12/21/2007	—	—	—	—	—	—	39,400	41.63	407,002
J. Andrew Murphy	3/3/2008	12/21/2007	—	—	—	—	—	11,500	—	—	478,745
	—	—	157,327	314,654	471,981	—	—	—	—	—	—
	1/2/2008	12/21/2007	—	—	—	—	—	—	25,600	42.82	287,122
Clint C. Freeland	1/2/2008	12/21/2007	—	—	—	—	—	2,600	—	—	111,332
	1/2/2008	12/21/2007	—	—	—	5,000	10,000	—	—	—	146,550
	—	—	123,548	247,096	370,644	—	—	—	—	—	—
	1/2/2008	12/21/2007	—	—	—	—	—	—	6,400	42.82	71,780
	1/2/2008	12/21/2007	—	—	—	—	—	600	—	—	25,692
	1/2/2008	12/21/2007	—	—	—	1,200	2,400	—	—	—	35,172
Clint C. Freeland	3/3/2008	12/21/2007	—	—	—	—	—	—	21,500	41.63	222,129
	3/3/2008	12/21/2007	—	—	—	—	—	2,100	—	—	87,423
	3/3/2008	12/21/2007	—	—	—	4,200	8,400	—	—	—	111,846

- (1) Represents estimated payouts under the AIP as discussed in the CD&A above.
- (2) Represents PUs issued under the LTIP as discussed in the CD&A above.
- (3) Represents RSUs issued under the LTIP, or in the case of Mr. Howell only, PRSUs issued under the Phantom Plan, each as discussed in the CD&A above.
- (4) Represents NQSOs issued under the LTIP, or in the case of Mr. Howell only, PNQUs issued under the Phantom Plan, each as discussed in the CD&A above.
- (5) The assumptions made in these valuations are discussed in the Company's 2008 Form 10-K in Item 15 — Consolidated Financial Statements.

2008 Annual Incentive Plan

NEOs were provided the opportunity to earn an AIP payment based on the attainment of certain pre-established Company and individual goals for fiscal year 2008. The performance criteria and weight given to each are described in detail in the CD&A above. The dollar amount of the possible payouts for achieving the threshold, target or maximum levels of performance during 2008 are shown in the above table.

2008 Long-Term Equity Incentives

For 2008, the NEOs were provided long-term incentives through grants of the following types of equity awards as indicated in the above table: (i) NQSOs; (ii) RSUs; and (iii) PUs. Consistent with our policy, these awards were granted to NEOs as of the first business day of the fiscal year, *i.e.* January 2, 2008.

Each NQSO represents the right to purchase one share of Common Stock at a price equal to the fair market value of the stock determined as of the date of grant. NQSOs granted in 2008 have a term of six years and vest in equal annual installments over a three year vesting schedule. Upon termination of service by reason of death, the NQSO shall vest in full and shall be exercisable by the executor or administrator of participant's estate (or any person to whom the NQSO is transferred by will or the laws of descent and distribution) until the earlier of the expiration date or 12 months after the date of such termination of service, and thereafter the NQSO shall terminate and cease to be exercisable. Upon termination of service by reason of disability, the participant shall have the right until the earlier of the expiration date or 12 months after the date of such termination of service to exercise only that portion of the NQSO that was exercisable as of the date of such termination of service, and thereafter the option shall terminate and cease to be exercisable.

Each RSU represents the right to receive one share of Common Stock as of the vesting date for the award. RSUs granted in 2008 will become 100% vested as of the third anniversary of the date of grant provided the NEO is still employed with the company as of that date. Upon termination of service by reason of death, the RSU shall vest in full and the Common Stock underlying the RSU shall be issued and delivered to the participant's legal representatives, heirs, legatees, or distributees.

Each PU represents the right to receive a certain number of shares of Common Stock after the completion of three years of service from the date of grant, provided the price per share of Common Stock as of the date of vesting equals or exceeds the target price set under the award. The number of shares of Common Stock to be paid as of the vesting date is equal to: (i) one share if the target price is met; (ii) a pro rata amount between one and two shares if the target price is exceeded but the maximum price set under the award is not met; and (iii) two shares if the maximum price is met or exceeded. For PUs granted on January 2, 2008 the target price is \$60.16 and the maximum price is \$70.35. Upon termination of service by reason of death, the PU shall vest in full and the Common Stock underlying the PU shall be issued and delivered to the participant's legal representatives, heirs, legatees, or distributees.

**Outstanding Equity Awards at Fiscal Year-End
Fiscal Year Ended December 31, 2008**

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards	
							Number of Unearned Shares that Have Not Vested (#)	Market Value of Unearned Shares that Have Not Vested (\$)
David Crane	1,065,502	—	12.02	12/5/2013	80,300(1)	1,873,399	155,900(2)	0(3)
	190,476	95,238(4)	23.98	1/3/2012	—	—	—	—
	73,600	147,200(5)	27.92	1/3/2013	—	—	—	—
	—	192,000(6)	42.82	1/2/2014	—	—	—	—
Robert C. Flexon	90,000	—	10.93	3/29/2014	28,000(7)	653,240	54,700(8)	0(3)
	38,000	—	19.40	8/1/2011	—	—	—	—
	39,333	19,667(9)	23.98	1/3/2012	—	—	—	—
	19,666	39,334(10)	27.92	1/3/2013	—	—	—	—
	—	52,800(11)	42.82	1/2/2014	—	—	—	—
	—	81,200(12)	41.63	3/3/2014	—	—	—	—
Kevin T. Howell	23,866	11,934(13)	23.98	1/3/2012	88,200(14)	2,057,706	—	—
	10,466	20,934(16)	27.92	1/3/2013	—	—	16,600(15)	0(3)
	—	39,400(17)	41.63	8/1/2010	11,500(18)	254,955(19)	—	—
J. Andrew Murphy	34,133	17,067(20)	28.93	12/18/2012	12,900(21)	300,957	25,200(22)	0(3)
	11,066	22,134(23)	27.92	1/3/2013	—	—	—	—
	—	25,600(24)	42.82	1/2/2014	—	—	—	—
Clint C. Freeland	2,333	4,667(25)	27.92	1/3/2013	8,120(26)	189,440	8,600(27)	0(3)
	2,166	4,334(28)	41.61	5/16/2013	—	—	—	—
	—	6,400(29)	42.82	1/2/2014	—	—	—	—
	—	21,500(30)	41.63	3/3/2014	—	—	—	—

- (1) This amount represents 34,000 RSUs that will vest on January 3, 2009; 27,200 RSUs that will vest on January 3, 2010; and 19,100 RSUs that will vest on January 2, 2011.
- (2) This amount represents 66,000 PUs that will vest on January 3, 2009; 52,800 PUs that will vest on January 3, 2010; and 37,100 PUs that will vest on January 2, 2011.
- (3) Market value of unearned PUs on December 31, 2008 does not meet the target price set under each grant award.
- (4) This amount represents 95,238 NQSOs that will vest on January 3, 2009.
- (5) This amount represents 73,600 NQSOs that will vest on January 3, 2009 and 73,600 NQSOs that will vest on January 3, 2010.
- (6) This amount represents 64,000 NQSOs that will vest on January 2, 2009; 64,000 NQSOs that will vest on January 2, 2010; and 64,000 NQSOs that will vest on January 2, 2011.
- (7) This amount represents 7,400 RSUs that will vest on January 3, 2009; 7,200 RSUs that will vest on January 3, 2010; 5,300 RSUs that will vest on 1/2/2011, and 8,100 RSUs that will vest on March 3, 2011.
- (8) This amount represents 14,600 PUs that will vest on January 3, 2009; 14,200 PUs that will vest on January 3, 2010; 10,200 PUs that vest on January 2, 2011; and 15,700 PUs that will vest on March 3, 2011.
- (9) This amount represents 19,667 NQSOs that will vest on January 3, 2009.
- (10) This amount represents 19,667 NQSOs that will vest on January 3, 2009 and 19,667 NQSOs that will vest on January 3, 2010.
- (11) This amount represents 17,600 NQSOs that will vest on January 2, 2009; 17,600 NQSOs that will vest on January 2, 2010; and 17,600 NQSOs that will vest on January 2, 2011.
- (12) This amount represents 27,066 NQSOs that will vest on March 3, 2009; 27,067 NQSOs that will vest on March 3, 2010; and 27,067 NQSOs that will vest March 3, 2011.

- (13) This amount represents 11,934 NQSOs that will vest on January 3, 2009.
- (14) This amount represents 40,000 RSUs that will vest on August 1, 2009; 40,000 RSUs that will vest on August 1, 2010; 4,400 RSUs that will vest on January 3, 2009; and 3,800 RSUs that will vest on January 3, 2010.
- (15) This amount represents 9,000 PUs that will vest on January 3, 2009 and 7,600 PUs that will vest on January 3, 2010.
- (16) This amount represents 10,467 RSUs that will vest on January 3, 2009 and 10,467 RSUs that will vest on January 3, 2010.
- (17) This amount represents 39,400 PNQUs that will vest on August 1, 2010.
- (18) This amount represents 11,500 PRSUs that will vest on August 1, 2010.
- (19) Market value of PRSUs calculated by multiplying the number of PRSUs by the average closing price for the 20 trading days prior to December 31, 2008.
- (20) This amount represents 17,067 NQSOs that will vest on December 18, 2009.
- (21) This amount represents 6,300 RSUs that will vest on December 18, 2009; 4,000 RSUs that will vest on January 3, 2010; and 2,600 RSUs that will vest on January 2, 2011.
- (22) This amount represents 12,200 PUs that will vest on December 18, 2009; 8,000 PUs that will vest on January 3, 2010 and 5,000 PUs that will vest on January 2, 2011.
- (23) This amount represents 11,067 NQSOs that will vest on January 3, 2009 and 11,067 NQSOs that will vest on January 3, 2010.
- (24) This amount represents 8,533 NQSOs that will vest on January 2, 2009; 8,533 NQSOs that will vest on January 2, 2010 and 8,534 NQSOs that will vest on January 2, 2011.
- (25) This amount represents 2,333 NQSOs that will vest on January 3, 2009 and 2,334 NQSOs that will vest on January 3, 2010.
- (26) This amount represents 3,800 RSUs that will vest on February 3, 2009; 800 RSUs that will vest on January 3, 2010; 820 RSUs that will vest on May 16, 2010; 600 RSUs that will vest on January 2, 2011 and 2,100 RSUs that will vest on March 3, 2011.
- (27) This amount represents 1,600 PUs that will vest on January 3, 2010; 1,600 PUs that will vest on May 16, 2010; 1,200 PUs that will vest on January 2, 2011 and 4,200 PUs that will vest on March 3, 2011.
- (28) This amount represents 2,167 NQSOs that will vest on May 16, 2009 and 2,167 NQSOs that will vest on May 16, 2010.
- (29) This amount represents 2,133 NQSOs that will vest on January 2, 2009; 2,133 NQSOs that will vest on January 2, 2010 and 2,134 NQSOs that will vest on January 2, 2011.
- (30) This amount represents 7,166 NQSOs that will vest on March 3, 2009; 7,167 NQSOs that will vest on March 3, 2010 and 7,167 NQSOs that will vest on March 3, 2011.

The pay out value of unearned shares, or Units (i.e. PUs), is based on the market price for NRG Common Stock as of December 31, 2008. If a value is shown in this column, the PU grant is considered "in the money," meaning the price of NRG's Common Stock exceeds the target price of the PU grant. Where values do not appear in this column, then that particular PU grant has not exceeded the target price and no value is represented.

**Option Exercises and Stock Vested
Fiscal Year Ended December 31, 2008**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David Crane	200,000(1)	6,597,000(2)	—	—
Robert C. Flexon	100,000(3)	3,407,500(4)	6,000(5)	217,560(6)
			24,000(7)	870,240(8)
Kevin T. Howell	—	—	126,000(9)	4,568,760(6)
			40,000(10)	1,450,400(6)
J. Andrew Murphy	—	—	—	—
Clint C. Freeland	—	—	2,000(11)	72,520(6)

- (1) Represents NQSOs granted on December 5, 2003 with 100% vesting on December 5, 2006 and exercised on April 22, 2008.
- (2) Based on December 5, 2003 grant price of \$12.015 and April 22, 2008 share price of \$45.00.
- (3) Represents NQSOs granted on March 29, 2004 with 100% vesting on March 29, 2007 and exercised on April 22, 2008.
- (4) Based on March 29, 2004 grant price of \$10.925 and April 22, 2008 share price of \$45.00.
- (5) Represents RSUs granted on August 1, 2005 with 100% vesting on August 1, 2008.
- (6) Based on a share price of \$36.26 on August 1, 2008.
- (7) Represents PUs granted on August 1, 2005 with 100% vesting on August 1, 2008.
- (8) Based on NRG's TSR vesting schedule on August 1, 2008; share price \$36.26 met maximum level payout.
- (9) Represents RSUs granted on August 1, 2005 with 100% vesting on August 1, 2008.
- (10) Represents RSUs granted on August 1, 2005 with 20% per year vesting schedule; 3rd installment vested August 1, 2008.
- (11) Represents RSUs granted on August 1, 2005 with 100% vesting on August 1, 2008.

**Pension Benefits
Fiscal Year Ended December 31, 2008**

Name		Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)
David Crane	Pension Plan for Non-Bargaining Employees	5.08	86,065
Robert C. Flexon	—	—	—
Kevin T. Howell	—	—	—
J. Andrew Murphy	—	—	—
Clint C. Freeland	—	—	—

The NRG Pension Plan for Non-Bargaining Employees provides qualified retirement income benefits to most NRG employees who were hired prior to December 5, 2003. The plan was closed to new employees not covered by a bargaining agreement on that date as required by the creditors during the financial restructuring of the Company. Mr. Crane is the only NEO eligible to receive benefits under this plan. He is covered under the pension equity formula under the plan which provides a lump sum benefit equal to 10% of the participant's four-year final average pay times years of credited service. Annual pension earnings include base pay and incentives but are capped by the Internal Revenue Service, or IRS, qualified plan pay limit each year. For example, the 2008 pay limit was \$225,000. Pension benefits become 100% vested after five years of service and a participant may retire as early as age 55. At termination or retirement, the participant may receive his pension equity lump sum balance as a one-time lump sum payment or as an actuarial equivalent monthly annuity. Actuarial equivalent annuities are determined using the 30-year Treasury rate and an IRS mortality table. None of the NEOs are covered by any non-qualified pension program.

**Non-Qualified Deferred Compensation
Fiscal Year Ended December 31, 2008**

Name	Aggregate Earnings in Last FY (\$)	Aggregate Balance at Last FYE (\$)
David Crane	(763,221)	889,853
Robert C. Flexon	(227,313)	265,029
Kevin T. Howell	—	—
J. Andrew Murphy	—	—
Clint C. Freeland	—	—

Non-qualified deferred compensation reported in the above table was awarded in 2005 in the form of DSUs. No additional deferred compensation awards have been made since 2005. The DSUs reflected above are fully vested and, in general, will be paid in the form of stock six months following the NEO's termination of employment. While no further non-qualified deferred compensation awards are anticipated, the Committee may choose to revisit this approach in the future.

Severance and Change in Control

Mr. Crane, pursuant to his employment agreement, and the other NEOs, pursuant to the Company's Executive and Key Management Change-in-Control and General Severance Plan, or CIC Plan, are entitled to certain severance payments and benefits in the event of termination of employment under certain circumstances.

In the event Mr. Crane's employment with the Company is terminated by the Company "without cause," by Mr. Crane for "good reason" (including a reduction on his base salary) or if the Company notifies Mr. Crane it has elected not to renew his employment agreement after the initial term or any subsequent one-year term, Mr. Crane will be entitled to two times his base salary (without regard for any reduction on base salary); 50 percent of the bonus he would have received upon actual satisfaction of the underlying performance conditions, prorated for the number of days he was employed with the Company in the year of termination; immediate vesting of all restricted stock and stock options; reimbursement for COBRA benefits continuation cost for 18 months; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay, and retirement benefits.

In the event Mr. Crane's employment with the Company is terminated by the Company "without cause" or by Mr. Crane for "good reason" (including a reduction on his base salary) or if the Company notifies Mr. Crane it has elected not to renew his employment agreement after the initial term or any subsequent one-year term, within 24 months following a change-in-control, in lieu of the above severance benefits, Mr. Crane will be entitled to 2.99 times the sum of his base salary (without regard for any reduction in base salary) plus his annual target bonus for the year of termination. Mr. Crane will also be entitled to a payment equal to the bonus he would have received upon actual satisfaction of the underlying performance conditions, prorated for the number of days he was employed with the Company in the year of termination; immediate vesting of all

restricted stock and stock options; reimbursement for COBRA benefits continuation cost for 18 months; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay, and retirement benefits.

In the event Mr. Crane's employment with the Company is terminated due to his death or disability, Mr. Crane (or his estate) will be entitled to 50 percent of the target annual bonus, prorated for the number of days he was employed with the Company in the year of termination; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay and retirement benefits.

In the event that the payments under Mr. Crane's employment agreement subject him to an excise tax under Section 4999 of the Code, he will be entitled to a "gross-up payment" so that the net amount received by Mr. Crane after imposition of the excise tax equals the amount he would have received under the employment agreement absent the imposition of the excise tax. In addition, under the employment agreement, the Company has agreed to indemnify Mr. Crane against any claims arising as a result of his position with the Company to the maximum extent permitted by law.

Under each of the Crane employment agreement and the CIC Plan, the applicable executive agrees not to divulge confidential information or, during and for a period of one year after the termination of the employment agreement, compete with, or solicit the customers or employees of the Company.

Under the CIC Plan, the NEOs other than Mr. Crane are entitled to a general severance benefit equal to 1.5 times base salary in the event of involuntary termination without cause payable in a lump sum amount and reimbursement for COBRA benefits continuation cost for a period of 18 months.

The CIC Plan also provides a change-in-control benefit in the event that within twenty-four months following a change-in-control, NEO employment is either involuntarily terminated by the Company without cause or voluntarily terminated by the executive for good reason. This change-in-control benefit is equal to the executive's base salary plus annual target incentive times 2.99 payable in a lump sum amount, an amount equal to the NEO's target bonus for the year of termination, prorated for the number of days during the performance period the NEO was employed by the Company and reimbursement for COBRA benefits continuation cost for a period of 18 months.

In the event of a change-in-control, all equity granted to the NEOs will become fully vested, consistent with market-competitive practices.

In general, under Mr. Crane's employment agreement and the CIC Plan, a "change-in-control" occurs in the event (1) any person or entity becoming the direct or indirect beneficial owner of 50% or more of the Company's voting stock, (2) directors serving on the Board as of a specified date cease to constitute at least a majority of the Board unless such directors are approved by a vote of at least two-thirds (2/3) of the incumbent directors, provided that a person whose assumption of office is in connection with an actual or threatened election contest or actual or threatened solicitation of proxies including by reason of agreement intended to avoid or settle such contest shall not be considered to be an incumbent director, (3) any reorganization, merger, consolidation, sale of all or substantially all of the assets of the Company or other transaction is consummated and the previous stockholders of the Company fail to own at least 50% of the combined voting power of the resulting entity or (4) the stockholders approve a plan or proposal to liquidate or dissolve the Company. An involuntary termination without "cause" means the NEO's termination by the Company for any reason other than the NEO's conviction of, or agreement to a plea of nolo contendere to, a felony or other crime involving moral turpitude, willful failure to perform his duties or willful gross neglect or willful gross misconduct. A voluntary termination for "good reason" means the resignation of the NEO in the event of a material reduction in his compensation or benefits, a material diminution in his title, authority, duties or responsibilities or the failure of a successor to the Company to assume the CIC Plan or in the case of Mr. Crane, his employment agreement. In the case of Mr. Crane only, "good reason" also includes any failure by the Company to comply with his employment agreement, his removal from the Board, the failure to elect him to the Board during any regular election as well as a change in reporting structure of the Company requiring Mr. Crane to report to anyone other than the Board. The amount of compensation payable to each NEO in each circumstance is shown in the table below, assuming that termination of employment occurred as

of December 31, 2008, and including payments that would have been earned as of such date. The amounts shown below do not include benefits payable under the NRG Pension Plan, the NRG 401(k) plan or DSUs.

Named Executive Officer	Involuntary Not for Cause or Voluntary Termination following a Change-in-Control (\$)				
	Involuntary Termination Not for Cause (\$)	Voluntary Termination for Good Reason (\$)	Involuntary Not for Cause or Voluntary Termination following a Change-in-Control (\$)	Death (\$)	Disability (\$)
David Crane	8,693,999	8,693,999	14,033,852	6,060,546	6,060,546
Robert C. Flexon	1,011,600	1,011,600	8,595,631	2,837,617	2,837,617
Kevin T. Howell	741,600	741,600	5,823,485	3,064,447	3,064,447
J. Andrew Murphy	651,600	651,600	4,775,025	1,285,730	1,285,730
Clint C. Freeland	546,600	546,600	2,655,143	677,018	677,018

**Director Compensation
Fiscal Year Ended December 31, 2008**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)*	Total (\$)
Kirbyjon H. Caldwell(1)	—	—	—
John F. Chlebowski	90,000	90,001(2)	180,001
Lawrence S. Coben	100,000	100,024(3)	200,024
Howard E. Cosgrove	162,500	162,534(4)	325,034
Stephen L. Cropper	90,000	90,001(5)	180,001
William E. Hantke	107,500	107,510(6)	215,010
Paul W. Hobby	100,000	100,024	200,024
Gerald Luterman(7)	—	—	—
Kathleen A. McGinty	56,250	90,008	146,258
Anne C. Schaumburg	100,000	100,024(8)	200,024
Herbert H. Tate	100,000	100,024(9)	200,024
Thomas H. Weidemeyer	100,000	100,024(10)	200,024
Walter R. Young	90,000	90,001	180,001

* Reflects the grant date fair value of DSUs awarded in 2008 determined in accordance with FAS 123R, the full amount of which is recorded as a compensation expense in the income statement for fiscal year 2008.

- (1) Mr. Caldwell joined the Board in March 2009. He did not earn any fees or stock awards for the fiscal year ended December 31, 2008.
- (2) Mr. Chlebowski also is vested in 27,934 DSUs payable upon his termination of service as a Board member.
- (3) Mr. Coben also is vested in 30,528 DSUs payable upon his termination of service as a Board member.
- (4) Mr. Cosgrove also is vested in 54,934 DSUs, 40,040 of which are payable upon his termination of service as a Board member; 11,686 of which are payable in the year following his termination of service as a Board member and 3,208 of which are payable in the second year following his termination of service as a Board member.
- (5) Mr. Cropper also is vested in 20,216 DSUs payable upon his termination of service as a Board member.
- (6) Mr. Hantke also is vested in 4,785 DSUs payable in accordance with the following schedule: (i) 1,014 on March 1, 2009; (ii) 746 on June 1, 2009; (iii) 422 on June 1, 2009; (iv) 1,012 on March 1, 2010; (v) 746 on June 1, 2010; (vi) 422 on June 1, 2010; and (vii) 423 on June 1, 2011.
- (7) Mr. Luterman joined the Board in April 2009. He did not earn any fees or stock awards for the fiscal year ended December 31, 2008.
- (8) Ms. Schaumburg is also vested in 12,307 DSUs payable upon her termination of service as a Board member.

(9) Mr. Tate also is vested in 5,133 DSUs, 3,182 of which are payable upon his termination of service as a Board member and 1,951 DSUs that will be payable in accordance with the following schedule: (i) 1,050 on January 1, 2009; and (ii) 901 on March 1, 2009.

(10) Mr. Weidemeyer also is vested in 20,043 DSUs payable upon his termination of service as a Board member.

Non-employee directors other than the Chairman, receive total annual compensation of \$180,000 for their service as a Board member. Mr. Cosgrove, as Chairman, receives \$325,000 in total annual compensation. Additional annual compensation is provided to the Chairs of Board Committees. As Chair of the Audit Committee, Mr. Hantke receives an additional \$35,000 per year. The Chairs of Board Committees other than ad hoc committees and the Audit Committee, i.e., Mr. Weidemeyer (Compensation Committee), Mr. Coben (Governance and Nominating Committee), Mr. Hobby (Commercial Operations and Oversight Committee), Mr. Tate (Nuclear Oversight Subcommittee) and Ms. Schaumburg (Finance Committee), receive an additional \$20,000 per year. Mr. Crane, as an employee director, does not receive additional separate compensation for his Board service.

Unless otherwise elected by the director, directors receive 50 percent of their total annual compensation in the form of cash and the remaining 50 percent in the form of vested DSUs. Each DSU is equivalent in value to one share of NRG's Common Stock and represents the right to receive one such share of Common Stock payable at the earlier of a change in control or the time elected by the director, or in the event the director does not make an election with respect to payment, when the director ceases to be a member of the Board. Similar to the competitive assessment performed by Mercer Consulting on behalf of the NEO population, Mercer Consulting performed a review of Director compensation. Results of the review were shared with the Committee who made a recommendation to the full Board for final approval. Competitive pay levels are necessary in order for NRG to secure the desired Board-level talent necessary to provide short- and long-term strategic direction to the Company.

Directors are required to retain all stock received as compensation for the duration of their service on the Board, although they may sell shares as necessary to cover tax liability associated with the conversion of DSUs to Common Stock. Exceptions to these requirements may be made by the Board under special circumstances.