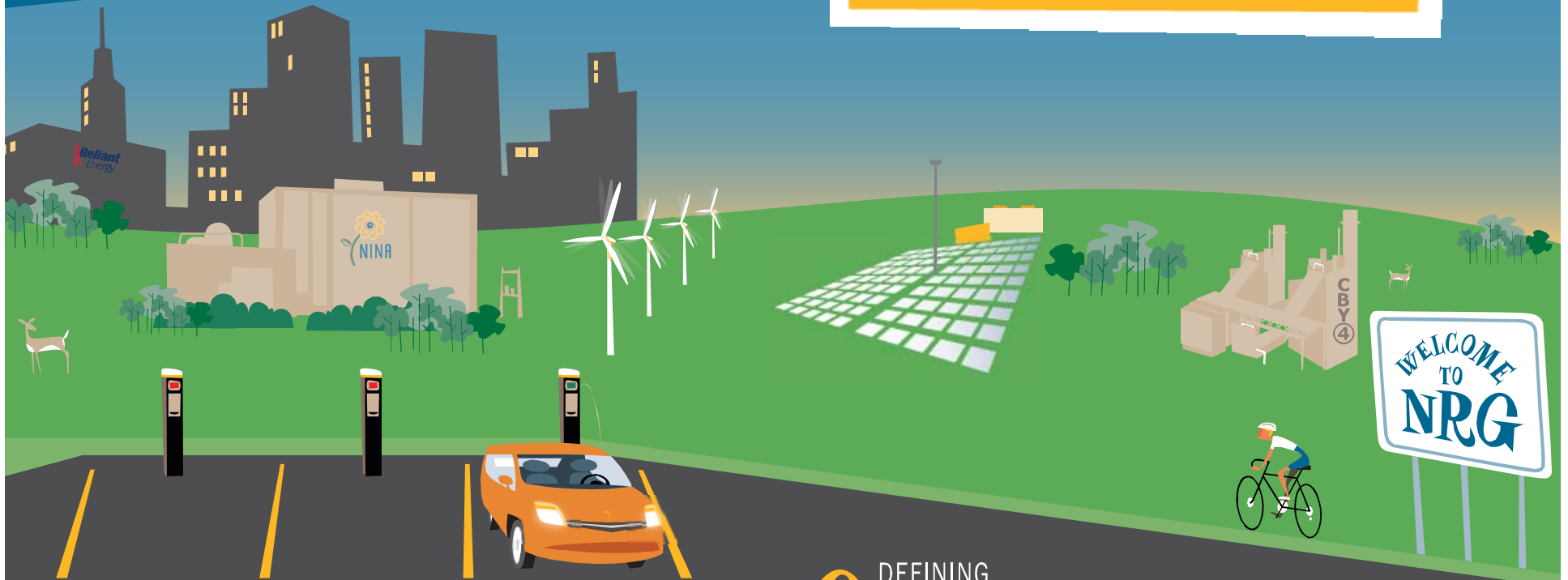




# INVESTOR CONFERENCE

NRG TODAY AND TOMORROW

Regulation G  
Disclosure



DEFINING  
**GENERATION**



## Reg. G

- EBITDA, adjusted EBITDA, free cash flow and adjusted cash flow from operations are nonGAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.
- EBITDA represents net income before interest, taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:
  - ❖ EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
  - ❖ EBITDA does not reflect changes in, or cash requirements for, working capital needs;
  - ❖ EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt;
  - ❖ Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
  - ❖ Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.
- Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only supplementally.
- Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for discontinued operations, legal settlements and write downs and gains or losses on the sales of equity method investments and other assets, Exelon defense costs and Texas retail acquisition, settlement of pre-existing relationships and integration costs; factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release. Adjusted EBITDA, excluding mark-to-market (MtM) adjustments, is provided to further supplement adjusted EBITDA by excluding the impact of unrealized MtM adjustments included in EBITDA for hedge contracts that are economic hedges but do not qualify for hedge accounting treatment in accordance with SFAS No. 133 *Accounting for Derivative Instruments and Hedging Activities*, as well as the ineffectiveness impact of economic hedge contracts that qualify for hedge accounting treatment. Adjusted EBITDA, excluding MtM adjustments, is a supplemental measure provided to illustrate the impact of MtM movements on adjusted EBITDA resulting from commodity price movements for economic hedge contracts while the underlying hedged commodity has not been subject to MtM adjustments.
- Free cash flow – recurring operations is cash flow from operations less maintenance capital expenditures and preferred stock dividends and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. In addition, in evaluating free cash flow – recurring operations, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this presentation. Free cash flow is cash flow from operations less capital expenditures, preferred stock dividends and repowering capex, net of project funding, and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. In addition, in evaluating free cash flow, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this presentation.



### Appendix: Full Year 2005 Free Cash Flow reconciliation

The following table summarizes the calculation of free cash flow and provides a reconciliation to cash flow from (used by) operations

	<b>2005</b>
<b>Cash Flow from Operations</b>	<b>\$ 68</b>
Margin	405
Working Capital	16
Maintenance CapEx	(88)
Preferred Dividends	(20)
<b>Adjusted Free Cash Flow</b>	<b>\$ 381</b>



## Reg. G

**Appendix: Full Year 2005  
EBITDA Reconciliation**

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

(dollars in millions)	Total
<b>Net Income (Loss)</b>	<b>84</b>
Plus:	
Income Tax	47
Interest Expense	174
Amortization of Finance Costs	5
Amortization of Debt (Discount)/Premium	5
Refinancing Expense	65
Depreciation Expense	162
Amortization of Power Contracts	(9)
Amortization of Emission Credits	15
<b>EBITDA</b>	<b>548</b>
(Income) Loss from Discontinued Operations	(12)
Write-Down and (Gain)/Losses on Sales of Equity Method Investments	31
Corporate Relocation charges	6
Impairment charges	6
Gain on Settlement	(7)
Gain on sale of land	(4)
TermoRio legal matters	(11)
Gain on Crockett contingency	(3)
<b>Adjusted EBITDA</b>	<b>554</b>
Less: MtM Forward Positions	(119)
Add: Prior Period MtM	58
<b>Adjusted EBITDA, excluding MtM</b>	<b>731</b>

**Appendix: 2006 Free Cash Flow reconciliation**

The following table summarizes the calculation of free cash flow and provides a reconciliation to cash flow from (used by) operations

	<b>Full year 2006</b>
<b>Cash Flow from Operations</b>	<b>\$ 408</b>
Capital Expenditures	(221)
Preferred Dividends	(50)
Hedge Reset	1,361
Reclassification from Cash from Financing	(296)
<b>Adjusted Free Cash Flow</b>	<b>\$ 1,202</b>



## Appendix: 2006 Regional EBITDA Reconciliation

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

(dollars in millions)	Total
<b>Net Income (Loss)</b>	<b>621</b>
Plus:	
Income Tax	322
Interest Expense	560
Amortization of Finance Costs	24
Amortization of Debt (Discount)/Premium	6
Refinancing Expense	187
Depreciation Expense	590
Amortization of Power Contracts	(1,701)
Amortization of Fuel Contracts	85
Amortization of Emission Credits	47
<b>EBITDA</b>	<b>741</b>
Net (Income) Loss from Discontinued Operations	(78)
Write-Down and (Gain)/Losses on Sales of Equity Method	
Investments	(8)
Legal Settlement	(74)
Acquisition Integration Costs	14
Audrain Asset Sale Adjustment	(3)
Station Service Reserve Reversal	(15)
Gain on Dissolution of Pike	(13)
Property Tax refund Prior Years	(9)
Reclassify Emission Credit Sale	-
Hedge Reset	1,202
Mirant Defense	6
<b>Adjusted EBITDA</b>	<b>1,763</b>
Less: MtM forward position accruals	143
Add: Prior period MtM reversals	(116)
Less: Hedge Ineffectiveness	28
<b>Adjusted EBITDA, excluding MtM</b>	<b>1,476</b>



### Appendix: 2007 Regional Adjusted EBITDA Reconciliation

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

<i>(Amounts in millions)</i>		<b>Total</b>
<b>Net Income/(Loss)</b>		\$ 586
Plus:		
Income Tax		377
Interest Expense		656
Amortization of Finance Costs		25
Amortization of Debt (Discount)/Premium		7
Refinancing Expense		35
Depreciation Expense		658
ARO Accretion Expense		6
Amortization of Power Contracts		(242)
Amortization of Fuel Contracts		47
Amortization of Emission Allowances		40
<b>EBITDA</b>		<b>2,195</b>
Income from Discontinued Operations		(17)
Station Service Reversal		(18)
Fixed Asset Write-offs		3
Gain on Sale of Equity Method Investment		(1)
Loss/(Gain) on Sale of Assets		(17)
<b>Adjusted EBITDA</b>		<b>2,145</b>
Less MTM Forward Position Accruals		20
Add. Prior Period MtM Reversals		128
Less: Hedge Ineffectiveness		13
<b>Adjusted EBITDA, excluding MtM</b>		<b>\$ 2,240</b>



### Appendix: 2008 Regional Adjusted EBITDA Reconciliation

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

<i>(Amounts in millions)</i>	<b>Total</b>
<b>Net Income/(Loss)</b>	<b>\$ 1,188</b>
Plus:	
Income Tax	713
Interest Expense	591
Amortization of Finance Costs	22
Amortization of Debt (Discount)/Premium	7
Depreciation Expense	649
ARO Accretion Expense	9
Amortization of Power Contracts	(278)
Amortization of Fuel Contracts	(13)
Amortization of Emission Allowances	40
<b>EBITDA</b>	<b>2,928</b>
Exelon Defense Costs	8
Income from Discontinued Operations	(172)
<b>Adjusted EBITDA</b>	<b>2,764</b>
Less MTM Forward Position Accruals	536
Add. Prior Period MtM Reversals	38
Less: Hedge Ineffectiveness	(25)
<b>Adjusted EBITDA, excluding MtM</b>	<b>\$ 2,291</b>





\$ in millions	Guidance Issued	
	10/29/2009	7/31/2009
Wholesale	1,950	2,100
Retail	625	400
<b>Consolidated adjusted EBITDA<sup>1</sup></b>	<b>\$ 2,575</b>	<b>\$ 2,500</b>
Q4 EBITDA impact of sleeve unwind - hedge terminations	(85)	-
Interest Payments	(633)	(631)
Income Tax	(75)	(100)
Collateral Payments/working capital/other	(132)	(394)
<b>Cash from Operations</b>	<b>\$ 1,650</b>	<b>\$ 1,375</b>
Maintenance CapEx	(257)	(264)
Preferred Dividends	(33)	(33)
Anticipated Permanent Retail Collateral	-	300
<b>Free Cash Flow - Recurring Ops</b>	<b>\$ 1,360</b>	<b>\$ 1,378</b>
Environmental CapEx	(214)	(261)
Reliant Integration Capital	(20)	(31)
<i>Repowering NRG:</i>		
Gross Investments	(404)	(447)
Estimated Project Funding	163	290
Total, Net of Project Funding	\$ (241)	\$ (157)
<b>Free Cash Flow</b>	<b>\$ 885</b>	<b>\$ 929</b>

<sup>1</sup> Excludes MtM adjustments on economic hedges

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



## Reg. G

The following table summarizes the calculation of the following: Debt to Adjusted EBITDA, Funds from Operations to Debt and Net Debt to Capital

	2006	2009 Guidance		2006	2009 Guidance
<b><u>Debt to Adjusted EBITDA</u></b>			<b><u>Net Debt to Capital</u></b>		
<b>Numerator:</b>			<b>Numerator:</b>		
Gross debt	8,726	8,766	Gross debt	8,726	8,766
<b>Denominator:</b>			<b>Denominator:</b>		
Adjusted EBITDA	1,476	2,575	Less: Total Cash	818	2,276
<b>Debt/Adjusted EBITDA</b>	<b>5.91</b>	<b>3.40</b>	Net Debt	7,908	6,490
<b><u>Funds from Operations to Debt</u></b>			<b>Capital</b>		
<b>Numerator:</b>			<b>Net debt</b>		
Adjusted EBITDA	1,476	2,575	Preferred Stock	1,139	653
Less: Cash Interest	451	633	Book value of common Equity	4,519	7,414
Less: Cash Taxes	21	75	Capital	13,566	14,557
Funds From Operations:	1,004	1,867	<b>Debt/Cap</b>	<b>58.3%</b>	<b>44.6%</b>
<b>Denominator:</b>					
Gross debt	8,726	8,766			
<b>FFO/Debt</b>	<b>11.5%</b>	<b>21.3%</b>			



\$ in millions

2010

Wholesale	1,700
Retail	500
<b>Consolidated adjusted EBITDA<sup>1</sup></b>	<b>\$ 2,200</b>
EBITDA impact of sleeve unwind - hedge terminations	-
Interest Payments	(628)
Income Tax	(150)
Collateral Payments/working capital/other	(72)
<b>Cash from Operations</b>	<b>\$ 1,350</b>
Maintenance CapEx	(262)
Preferred Dividends	(9)
<b>Free Cash Flow - Recurring Ops</b>	<b>\$ 1,079</b>
Environmental CapEx	(281)
Reliant Integration Capital	-
<i>Repowering NRG:</i>	
Gross Investments	(495)
Estimated Project Funding	391
Total, Net of Project Funding	\$ (104)
<b>Free Cash Flow</b>	<b>\$ 694</b>

<sup>1</sup> Excludes MtM adjustments on economic hedges

Note: 2009 Adjusted EBITDA Guidance excludes Exelon defense costs and Reliant Energy transaction and integration expenses