

NRG ENERGY, INC.
Form 425
October 29, 2008
Filed by Exelon Corporation

(Commission File No. 1-16169)

Pursuant to Rule 425 under the Securities

Act of 1933

Subject Company:

NRG Energy, Inc.

(Commission File No. 1-15891)

Safe Harbor Statement

This filing does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This filing relates to a transaction with NRG proposed by Exelon, which may become the subject of a registration statement filed with the Securities and Exchange Commission (the SEC). This material is not a substitute for the prospectus/proxy statement Exelon Corporation intends to file with the SEC regarding the proposed transaction or for any other document which Exelon may file with the SEC and send to Exelon or NRG stockholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS OF EXELON AND NRG ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders will be able to obtain free copies of any documents filed with the SEC by Exelon through the web site maintained by the SEC at www.sec.gov. Free copies of any such documents can also be obtained by directing a request to the Exelon Investor Relations Department, Exelon Corporation, 10 South Dearborn, Chicago, Illinois 60603.

Exelon and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Exelon's directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2007, which was filed with the SEC on February 7, 2008, and its proxy statement for its 2008 Annual Meeting of Shareholders, which was filed with the SEC on March 20, 2008. Other information regarding the participants in a proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in a proxy statement filed in connection with the proposed transaction.

All information in this filing concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

This filing includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed

transaction and obtain required regulatory approvals as well as those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in Exelon's filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this filing. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this filing.

* * * * *

On October 29, 2009, Exelon began meeting with investors to discuss the proposed NRG transaction. The press release that Exelon issued and the presentation used in the meetings are attached to this filing.

* * * * *

Press release:

Exelon Details the Value Creation Opportunities in an Exelon-NRG Combination

Exelon points to financial strength and growth potential for shareholders of both companies

CHICAGO (Oct. 29, 2008) Exelon Corporation (NYSE:EXC) today filed with the Securities and Exchange Commission and posted to its Web site a presentation for investors with additional details on the value that would be created by its offer to acquire all of the outstanding common stock of NRG Energy, Inc. (NYSE:NRG) in an all-stock transaction.

The combination creates clear and compelling value for both Exelon and NRG shareholders, said Chris Crane, president and COO, Exelon. It provides earnings and cash accretion, an exceptional growth platform, operations in the most attractive markets, and a strong balance sheet.

In its presentation, Exelon shared the following benefits:

Based on analyst consensus estimates, the deal will be accretive in the first full year following closing.

The transaction provides potential value creation through synergies of \$1.5 to \$3 billion, reflecting an annual reduction in operating expenses of the combined company of 3%-5%.

The combined company brings together NRG's high-quality fossil fleet with Exelon's world-class nuclear fleet, which will have requisite scope, scale and financial strength to succeed in an increasingly volatile energy market.

The combined company will continue to rely on low-cost and less volatile fuel sources, including uranium, as well as Powder River Basin and lignite coals, which account for roughly 90% of the generation of the combined companies.

Geographically complementary assets will give the combined company nationwide reach and access to attractive markets in the U.S.

The combination provides a clear path for improving the combined company's credit metrics and balance sheet strength over the next three years.

NRG shareholders will participate in the value to be created through the immediate premium, synergies to be created, and the upside potential in the combined company's stock.

Regulatory hurdles can be reasonably addressed without sacrificing the substantial value that makes the transaction powerful. An Exelon-NRG combination also provides Exelon with an opportunity to take the next step in advancing the company's commitment to address climate change. In July, the company launched *Exelon 2020: A Low-Carbon Roadmap*, a comprehensive plan to reduce, offset or displace 15 million metric tons of greenhouse gas emissions per year by 2020. Exelon not only will continue with this commitment, but also will apply its industry leadership to NRG's fleet, particularly its coal plants.

This is the right deal at the right time, for both companies and both sets of shareholders, based on compelling strategic, operational, and financial value drivers," said John W. Rowe, chairman and CEO, Exelon. "We will continue to move diligently but expeditiously toward completing the proposed transaction.

The presentation can be accessed at www.exeloncorp.com/investor.

###

Exelon Corporation is one of the nation's largest electric utilities with nearly \$19 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.4 million customers in northern Illinois and Pennsylvania and natural gas to 480,000 customers in the Philadelphia area. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.

Safe Harbor Statement

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This press release relates to a transaction with NRG proposed by Exelon, which may become the subject of a registration statement filed with the Securities and Exchange Commission (the "SEC"). This material is not a substitute for the prospectus/proxy statement Exelon Corporation intends to file with the SEC regarding the proposed transaction or for any other document which Exelon may file with the SEC and send to Exelon or NRG stockholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS OF EXELON AND NRG ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders will be able to obtain free copies of any documents filed with the SEC by Exelon through the web site maintained by the SEC at www.sec.gov. Free copies of any such documents can also be obtained by directing a request to the Exelon Investor Relations Department, Exelon Corporation, 10 South Dearborn, Chicago, Illinois 60603.

Exelon and its directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Exelon's directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2007, which was filed with the SEC on February 7, 2008, and its proxy statement for its 2008 Annual Meeting of Shareholders, which was filed with the SEC on March 20, 2008. Other information regarding the participants in a proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in a proxy statement filed in connection with the proposed transaction.

All information in this press release concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in Exelon's filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this press release. Exelon does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this press release.

* * * * *

Presentation:

Exelon + NRG: A Compelling
Opportunity for Value Creation
Investor Meetings

Forward-Looking Statements

2

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements herein. The factors that could cause actual results to differ materially from these forward-

looking statements include Exelon Corporation's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG Energy, Inc. and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed herein and those discussed in (1) Exelon's 2007 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 19; (2) Exelon's Third Quarter 2008 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 12; and (3) other factors discussed in filings with the Securities and Exchange Commission by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, and PECO Energy Company (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

All information in this presentation concerning NRG, including its business, operations, and financial results, was obtained from public sources. While Exelon has no knowledge that any such information is inaccurate or incomplete, Exelon has not had the opportunity to verify any of that information.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This presentation relates to a transaction with NRG proposed by Exelon, which may become the subject of a registration statement filed with the Securities and Exchange Commission (the "SEC"). This material is not a substitute for the prospectus/proxy statement Exelon intends to file with the SEC regarding the proposed transaction or for any other document which Exelon may file with the SEC and send to Exelon or NRG stockholders in connection with the proposed transaction.

INVESTORS AND SECURITY HOLDERS OF EXELON AND NRG ARE URGED TO READ ANY SUCH DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

3

Combined Entity Creates Value By:

Providing earnings and cash accretion

Creating an exceptional growth platform

Operating in the most attractive markets

Utilizing a premier balance sheet

Allowing Exelon to unlock NRG's value

Giving NRG's shareholders the opportunity to participate in future value

Presenting manageable regulatory hurdles to close

1. Earnings and Cash Accretion

Transaction Is Accretive
Operating
Earnings
per share
Free cash flow
per share

\$3.98
\$4.59
\$4.62
2010E
2011E
2012E
\$3.03
\$3.02
\$4.23
2010E
2011E
2012E
\$2.55
N/A
N/A
2010E
2011E
2012E
\$4.53
\$6.25
\$6.46
2010E
2011E
2012E
\$3.63
N/A
N/A
2010E
2011E
2012E
42.5%
\$4.96
\$6.37
\$6.80
2010E
2011E
2012E
9.5%
1.9%
5.3%

Based on analyst consensus estimates for both companies, the deal will be accretive in the first full year following closing.

Exelon

NRG

Pro forma

4

Synergies

Increased interest

expense

5

1. Does not include purchase accounting. One-time cost to achieve of \$100 million (pre-tax) and transaction and other costs of million excluded.
2. Free cash flow defined as cash flow from operations less capital expenditures.
3. Based solely on I/B/E/S estimates for Exelon and NRG as of 10/21/08. Not necessarily representative of either company's forecasts. Provided for illustration only. Not intended as earnings guidance or as a forecast of expected results.
4. Numbers in Exelon's internal forecasts are somewhat lower and accretion is approximately breakeven in 2011.

Synergies

Increased interest

expense

1

2

Combination Creates Substantial Synergies

Exelon

Operations & Maintenance:

\$4,289

NRG

Maintenance & Other Opex:

\$950

General & Admin Expenses:

\$309

Other COGS:

\$454

Pro Forma

Combined Non-fuel Expenses:

\$6,002

Estimated Annual Cost Savings:

\$180 -

\$300

% of Combined Expenses:

3%-5%

Costs to Achieve

\$100

NPV of Synergies:

\$1,500-\$3,000

6

(\$ in Millions)

Transaction creates

\$1.5

\$3 billion of value

through synergies

with

opportunity for more

1. Company 10-K for 2007 and investor presentations.

2. Based on a preliminary analysis of publicly available information. Subject to due diligence investigation.

1

2

1

Gas price is long-term price in 2008 \$/MMBtu, new build cost is long-term combined cycle cost in PJM in 2008 overnight \$/kwh, year is year in which national cap and trade starts, carbon price is in 2012 \$/tonne assuming 7% escalation, moderate recession assumes conditions consistent with current forward prices, and severe recession assumes five years of no load growth.

Clear Value under Multiple Scenarios

Value

Gas Prices

New Build Costs

Carbon Year/Price

Recession

\$0

\$6.50

\$1,300

Moderate

2014/\$22

\$7.30

\$1,100

Moderate

2020/\$22

\$7.10

\$1,100

Severe

2014/\$22

\$7.30

\$1,500

Moderate

2012/\$12

\$8.60

\$1,500

Moderate

7

Long-term Value To Exelon Shareholders

We look at fundamental value creation under a wide range of future commodity price scenarios and our analysis suggests \$1-3 billion, possibly more.

8
NRG is Best Investment Available
0%
4.0%
8.0%
12.0%
16.0%

0.0%

5.0%

10.0%

15.0%

20.0%

25.0%

(10.0%)

0%

5.0%

20.0%

EBITDA / EV Yield

Earnings Yield

Free Cash Flow Yield

EXC

Illustrative

Utilities¹

NRG at

Offer

2009E

2010E

8.0

10.3

12.0

10.9

8.3

11.5

12.1

11.5

IPPs²

EXC

Illustrative

Utilities¹

NRG at

Offer

IPPs²

EXC

Illustrative

Utilities¹

NRG at

Offer

IPPs²

13.9

15.1

20.1

17.2

14.8

16.2

20.3

17.2

Source: FactSet. Prices as of 10/17/08, I/B/E/S estimates as of 10/21/08.

1. Illustrative Utilities include CMS, CNL, DPL, TE, WEC, WR.

2. IPPs include CPN, DYN, MIR, RRI.

4.4

(4.0)

11.1

11.4

4.7

(5.8)

14.1

15.0

15.0%

10.0%

(5.0%)

2. Exceptional Growth Platform

Pro Forma

Exelon

10

Combined company will have
requisite scope, scale and
financial strength to succeed in an
increasingly volatile energy market

Pro Forma Quick Stats

(\$s in millions)

Combined assets

1

\$73,500

LTM EBITDA

2

\$8,000

Market cap

3

\$40,500

Enterprise value

3

\$63,000

Generating capacity

4

~47,000MWs

Combination Will Result in Scope, Scale and

Financial Strength

Enterprise

Value

Market Cap

\$0

\$30

\$50

\$60

\$40

\$20

\$70

\$10

Southern

Dominion

Duke

FPL

First

Energy

Entergy

1. Reflects total assets (under GAAP) with no adjustments. Based upon 6/30/08 Form 10-Q.

2. Reflects last twelve months EBITDA (Earnings before Income Taxes, Depreciation and Amortization) as of 6/30/08 with no

3. Calculation of Enterprise Value = Market Capitalization (as of 10/17/08) + Total Debt (as of 6/30/08) + Preferred Securities

Minority Interest (as of 6/30/08) - Cash & Cash Equivalents (as of 6/30/08). Debt, Preferred Securities, Minority Interest and

Equivalents based upon 6/30/08 Form 10-Q.

4. After giving effect to planned divestitures after regulatory approvals.

World Class Nuclear & Fossil Operations
High performing nuclear plant

Top
quartile
capacity
factor

94.9%

Large, well-maintained, relatively young units

Fossil fleet:

Half of >500 MW coal units are top quartile capacity factor

90% of coal fleet lower-cost PRB and lignite

NRG

Premier U.S. nuclear fleet

Best fleet capacity factor ~ 94%

Lowest fleet production costs ~ \$15 /MWh

Shortest

fleet

average

refueling

outage

duration

24

days

Strong reputation for performance

Exelon

11

Nuclear Growth Opportunities

Texas offers nuclear growth platform

Potential for stretch power uprate
(5-7%) on
South Texas Project units 1 and 2

Continue momentum established with STP 3
and 4 new build project

Continue work on Victoria County nuclear
project

Exelon has the financial strength and discipline to
pursue these opportunities

Strong balance sheet and credit metrics

Demonstrated track record of financial rigor

Nuclear depth and expertise

12

<1%

<1%

Pro Forma

Exelon

~198,000 GWh

1

2009 Historical Forward Coal Prices

Combined Entity Will Continue to Benefit
from Low Cost, Low Volatility Fuel Sources
Powder River Basin and lignite coal supply (90%
of NRG's coal) provides low-sulfur at a relatively
stable price as compared to northern and
central Appalachian coal mines.

0.00
1.00
2.00
3.00
4.00
5.00
6.00

Powder River Basin
Northern Appalachian
Central Appalachian
Production Costs

0
2
4
6
8
10
12
2000
2001
2002
2003
2004
2005
2006
2007

Nuclear
Gas
Coal
Petroleum

Combined fleet will continue to be
predominantly low-cost fuel.

1%
3%
6%

Other
Coal

1. Based on 2007 data, does not include ~38,000
GWh of Exelon Purchased Power.

Q1 2007
Q2 2007
Q3 2007
Q4 2007
Q1 2008

Q2 2008

Q3 2008

cents/Kwh

\$/mmbtu

13

Exelon

~150,000 GWh

1

Nuclear

PRB & Lignite Coal

Other Coal

Gas/Oil

Hydro/Other

0
50
100
150
50
100
150

200
250
2006 Electricity Generated (GWh, in thousands)
NRG
TVA
AEP
Duke
FPL
Southern
Exelon + NRG
Entergy
Exelon
Dominion
Progress
FirstEnergy
Bubble size represents carbon
intensity, expressed in terms of metric
tons of CO2 per MWh generated
SOURCE: EIA and EPA data as compiled by NRDC
Exelon 2020 principles will be applied to the combined fleet
CO2 Emissions of Largest US Electricity Generators
2006 CO2 Emissions
from Electricity
Generation
(in million metric tons)
Largest
Fleet,
2
nd
Lowest
Carbon
Intensity
Top Generators by CO2 Intensity
10
9
8
7
6
5
4
3
2
1
AEP
NRG
Southern
Duke
FirstEnergy
TVA
Progress

Dominion

FPL

Exelon + NRG

Entergy

Exelon

0.83

0.80

0.74

0.66

0.64

0.64

0.57

0.50

0.35

0.31

0.26

0.07

14

Exelon 2020 and NRG
Offer more low carbon
electricity in the
marketplace
Reduce emissions from
coal/oil fired generation
Help our customers

and the communities
we serve reduce their
GHG emissions
Reduce or offset our
footprint by greening
our operations
Apply Elements of
Exelon 2020 to NRG
Expand the 2020 Plan

Expand internal energy efficiency, SF6,
vehicle, and supply chain initiatives to NRG
portfolio

Offset a portion of NRG's GHG emissions

Expand energy efficiency program offerings

Add capacity to existing nuclear units
through uprates

Add new renewable generation

Add new gas-fired capacity

Continue to explore new nuclear

Address older/higher emitting coal
and oil units

Invest in clean coal technology R&D
15

Taking the next step in Exelon's
commitment to address climate change
Options to Evaluate:

3. Presence in Most Attractive Markets

17
Combination Enables Access to
Attractive New Markets
Exelon
NRG

Geographically complementary asset base

Predominantly located in competitive markets

Attractive new markets for Exelon (NY, NE, CA): declining reserve margins,
supportive regulatory structures

ERCOT portfolio will position Exelon to offer an array of products, capture value,
and efficiently utilize credit

6,280

Contracted*

51,403

2,085

CAL ISO

13,027

ERCOT

By RTO

Combined¹

PJM

22,812

MISO

1,065

ISO NE

2,174

NYISO

3,960

SERC

2,405

WECC

45

Total

53,853

By Fuel Type

Combined¹

Nuclear

18,144

Coal

8,986

Gas/Oil

18,801

Other

1,642

Contracted

6,280

*Contracted in various RTOs, mainly in PJM and ERCOT

1. Before Any Divestitures.

4. Balance Sheet and Credit Metrics

Premier Balance Sheet and Credit Metrics

Committed to returning Exelon Generation's senior unsecured debt to strong investment grade within the next 3 years

Targeting stronger credit metrics for the combined entity

25 -

30%
FFO/debt

Pay down debt plan will include: NRG balance sheet cash, asset sale proceeds, free cash flow

1.
Ratios exclude securitized debt.

2.
Senior
unsecured
credit
rating

as
of
10/24/08.

Projected
2008
FFO

/
Debt
as
disclosed

in
3
quarter
2008
earnings
slides.

3.
From
Standard
&
Poor s
8/28/08
CreditStats:
Independent
Power
Producers
&
Energy
Traders

U.S.
19
Exelon
NRG
Today
2011
Credit Rating:
BBB

FFO / Debt:
25-30%
Combined
Entity Targets
Credit Rating:
BBB-
FFO / Debt:
28%
Credit Rating:
B+
FFO / Debt:
18%
2
3
rd
1

5. Exelon Offer For NRG

Compelling Offer For NRG

Exelon offered to acquire all outstanding common shares of NRG in an all stock transaction

Fixed exchange ratio of 0.485 Exelon share for each NRG common share

Offer represents a 37% premium to October 17th closing price for NRG

All stock offer provides NRG shareholders the opportunity to participate in the future growth of the largest and most diversified power company in the nation, with a substantially improved credit profile

Superior Value Return Policy

21

22
Exelon More Than Meets the Five
Imperatives
Outlined by NRG on May 28, 2008

- 1.
- 2.
- 3.

4.

5.

NRG's Stated Imperatives

MUST

accumulate generation at competitive cost

This transaction accomplishes in one step what several transactions might have accomplished for NRG in these regards. Given the current difficulty in accessing capital markets, it is unclear whether NRG would have the ability to meet this objective without Exelon. Exelon provides NRG stakeholders with broad trading expertise and sound power marketing and risk management practices. Exelon's significant experience in markets with locational prices is particularly relevant since ERCOT is moving to a PJM-type structure. Exelon's breadth of operations and depth of service allows unparalleled access to customers, retail providers, and other sales channels.

NRG stakeholders become part of the most diversified and competitive generation portfolio operating in 12 different states and 6 different regional transmission organizations.

Deal provides NRG stakeholders with significant value and upside and a share of the largest unregulated generation fleet in the United States.

MUST

be geographically diversified in multiple markets

MUST

develop and expand our route to market through contracting with retail load providers, trading, direct sales, etc

MUST

have sophisticated ability to trade, procure, hedge, and originate for electricity and input fuels

MUST

develop depth and breadth in key markets, particularly across fuel types, transmission constraints and merit order

Exelon Combination More

than Meets These Imperatives

Without
Premium
Price
(\$/kilowatt)
0
1,000
3,000

2,000

With

Premium

Conservative

DCF Estimate

Replacement

Costs

NRG Stock Value

NRG Long-Term Value

23

975

1,350

2,050

3,000+

Price per Kilowatt Comparison for Texas Baseload Generation

Exelon Unlocks NRG Value

Less than 45% of
replacement value

Even with premium, purchase
price is 66% of conservative
long-term DCF value

Financing Plan Considerations

Contemplating structure such that the required refinancing is only ~\$4B

A negotiated deal with NRG can be structured such that \$4.7B of NRG bonds remain in place with no change in

terms, but with substantially improved credit metrics for those bondholders

Exelon has existing relationships with many banks holding ~\$4B of other NRG debt; should facilitate refinancing in connection with a negotiated deal with NRG.

Financing commitments are well underway to prepay or refinance the ~\$4B

The NRG direct lien program for power marketing could be left in place

24

6. Manageable Regulatory Hurdles

Modest Divestitures Expected

Limited market power issues
not
expected to challenge transaction closing

Divestitures anticipated only in PJM

and ERCOT

~3,000 MWs of high heat rate gas and
baseload

coal
plants

in
liquid
markets

1
26
1.

Plants
subject
to
divestiture
are
de
minimus
contributors
to
revenue
and
earnings.

Principal Regulatory Approvals

Texas, New York, Pennsylvania, California
state regulatory commissions

Hart-Scott-Rodino (DOJ/FTC)

FERC

NRC

Notice filing in Illinois

27

28

Combined Entity Creates Value By:

Providing earnings and cash accretion

Creating an exceptional growth platform

Operating in the most attractive markets

Utilizing a premier balance sheet

Allowing Exelon to unlock NRG's value

Giving NRG's shareholders the opportunity to participate in future value

Presenting manageable regulatory hurdles to close

Exelon Nuclear Fleet Overview
30
Average in-service time = 27 years
Plant, Location
Units
Type
Vendor

Net Annual
Mean Rating
MW 2008
License Expiration /
Status
Ownership
Spent Fuel Storage/
Date to lose full core
discharge capacity
Braidwood, IL
2
PWR
W
1194, 1166
2026, 2027
100%
2013
Byron, IL
2
PWR
W
1183, 1153
2024, 2026
100%
2011
Clinton, IL
1
BWR
GE
1065
2026
100% AmerGen
Re-rack completed
Dresden, IL
2
BWR
GE
869, 871
Renewed: 2029,
2031
100%
Dry cask
LaSalle, IL
2
BWR
GE
1138, 1150
2022, 2023
100%
2010

Limerick, PA

2

BWR

GE

1149, 1146

2024, 2029

100%

Dry cask

Oyster Creek, NJ

1

BWR

GE

625

2009; renewal filed

2005

100% AmerGen

Dry cask

Peach Bottom, PA

2

BWR

GE

570, 570

(1)

Renewed: 2033,

2034

50% Exelon, 50%

PSEG

Dry cask

Quad Cities, IL

2

BWR

GE

650, 653

(1)

Renewed: 2032

75% Exelon, 25% Mid-

American Holdings

Dry cask

TMI-1, PA

1

PWR

B&W

837

2014; renewal filed

2008

100% AmerGen

Life of plant capacity

Salem, NJ

2

PWR

W

503, 491

(1)

2016, 2020

42.6% Exelon, 56.4 %

PSEG

2011

Fleet also includes 4 shutdown units: Peach Bottom 1, Dresden 1, Zion 1 & 2.

1. Capacity based on ownership interest.

1

NRG Fleet Overview

31

1. Capacity based on ownership interest.

Plant, Location

Type

Power Market

Net Annual Mean

Rating MW 2008
Ownership
Cedar Bayou, TX
Gas
ERCOT
1,500
100%
Greens Bayou, TX
Gas
ERCOT
760
100%
Limestone, TX
Coal
ERCOT
1,690
100%
San Jacinto, TX
Gas
ERCOT
160
100%
SR Berton, TX
Gas
ERCOT
840
100%
South Texas Project, TX
PWR
ERCOT
1,175
44% NRG, 40% CPS Energy/City
of San Antonio, 16% Austin
Energy/City of Austin
TH Wharton, TX
Gas
ERCOT
1,025
100%
WA Parish (coal), TX
Coal
ERCOT
2,460
100%
WA Parish (gas), TX
Gas
ERCOT
1,190
100%
Arthur Kill, NY

Gas
NYISO
865
100%
Astoria Gas Turbines, NY
Gas
NYISO
550
100%
Conemaugh, PA
Coal/Oil
PJM
65
3.7%
1

NRG Fleet Overview
32
Plant, Location
Type
Power Market
Net Annual Mean
Rating MW 2008

1

Ownership

Connecticut Remote Turbines, CT

Jet Fuel/ Gas

ISO-NE

145

100%

Devon, CT

Gas/Oil/ Jet Fuel

ISO-NE

140

100%

Dunkirk, NY

Coal

NYISO

530

100%

Huntley, NY

Coal

NYISO

380

100%

Indian River, DE

Coal/Oil

PJM

740

100%

Keystone, PA

Coal/Oil

PJM

65

3.7%

Middletown, CT

Oil/Gas/ Jet Fuel

ISO-NE

770

100%

Montville, CT

Oil/Gas/ Diesel

ISO-NE

500

100%

Norwalk Harbor, CT

Oil

ISO-NE

340

100%

Oswego, NY

Oil/Gas

NYISO

1,635

100%

Somerset, MA

Coal/Oil/ Jet Fuel

ISO-NE

125

100%

Vienna, MD

Oil

PJM

170

100%

1. Capacity based on ownership interest.

NRG Fleet Overview

33

50%

75

ERCOT

Wind

Sherbino, TX

Plant,
Location
2
Type
Power Market
Net Annual Mean
Rating MW 2008
1
Ownership
Bayou Cove, LA
Gas
SERC-Entergy
300
100%
Big Cajun I
Gas
SERC-Entergy
430
100%
Big Cajun II
Coal
SERC-Entergy
1,495
85.8%
Sterlington, LA
Gas
SERC-Entergy
185
100%
Rockford I, IL
Gas
PJM
300
100%
Rockford II, IL
Gas
PJM
150
100%
El Segundo, CA
Gas
Cal ISO
670
100%
Encina
(Cabrillo I), CA
Gas/Oil
Cal ISO
965
100%

Long Beach, CA

Gas

CAISO

260

100%

Saguaro, NV

Gas/Oil

WECC

45

50%

San Diego Turbines (Cabrillo II)

Gas/Oil

Cal ISO

190

100%

Dover Energy, DE

Gas/Oil

PJM

105

100%

Paxton Creek, PA

Gas

PJM

10

100%

Gladstone, Australia

Coal

605

37.5%

MIBRAG, Germany

Lignite Coal

75

50%

Schkopau, Germany

Lignite Coal

400

41.9%

1. Capacity based on ownership interest.

2. Elbow Creek (wind, 122 MW), and Cedar Bayou (gas CC, 275 MW) are not included but are expected to come on-line within the next year.