NRG ENERGY, INC.
Form PRER14A
April 27, 2009

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

þ Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

NRG Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.
o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

Dear Stockholder:

We are pleased to invite you to attend NRG Energy, Inc. s Annual Meeting of Stockholders, which will be held on , 2009, at . Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement. A report on Company operations and a discussion of our plans will be made at the meeting and there will be time for your questions and comments.

This Annual Meeting is of particular importance to all NRG stockholders because of the ongoing, hostile attempt to take over our company by Exelon Corporation. As you know, Exelon, through its wholly owned subsidiary, Exelon Xchange Corporation, has commenced a hostile offer to acquire each share of NRG common stock for 0.485 of a share of Exelon common stock. In addition, Exelon has filed a preliminary proxy statement with the Securities and Exchange Commission which seeks to (i) elect a slate of four individuals nominated by Exelon as Class III directors of NRG, (ii) amend our Bylaws to increase the size of the NRG Board to 19 members (referred to as the Board Expansion Proposal), (iii) elect five additional individuals nominated by Exelon to fill the newly created board seats if the Board Expansion Proposal 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 (referred to as the Bylaw Amendment Repeal Proposal).

The NRG Board s unanimous view has been and continues to be that the Exelon offer is inadequate and not in the best interests of NRG and its stockholders.

We believe that with its director nominations and proposals for the Annual Meeting, Exelon is seeking to influence your Board to give favorable consideration to Exelon s hostile offer. In considering Exelon s proposals, it is important for you to recognize that unlike your Board, Exelon has no duty to act in the best interests of NRG s stockholders. In our view, Exelon seeks a transaction with NRG at the lowest possible value for NRG stockholders.

We strongly urge you to reject Exelon s efforts to replace the current directors of your Board. The Exelon nominees lack relevant competitive power industry experience and have been hand picked and paid by Exelon. In our view, the NRG directors who are up for reelection at the Annual Meeting, all of whom are independent directors within the meaning of the rules of the New York Stock Exchange, are better able to act in the best interests of NRG s stockholders than Exelon s handpicked nominees with respect to Exelon s offer because we believe the objectivity of Exelon s nominees with respect to Exelon s offer would be colored by their relationship with Exelon, including the compensation, reimbursement and indemnification provided by Exelon to these nominees.

Accordingly, the NRG Board unanimously recommends that you vote FOR its four nominees John F. Chlebowski, Howard E. Cosgrove, William E. Hantke and Anne C. Schaumburg, and AGAINST Exelon s Board Expansion Proposal and Bylaw Amendment Repeal Proposal.

We urge you NOT to sign or return any proxy cards sent by Exelon. If you have previously signed a proxy card from Exelon, you can revoke that earlier proxy and vote for our nominees and on the other matters to be voted on at the Annual Meeting by signing, dating and returning the enclosed **WHITE** proxy card in the enclosed postage paid envelop. You may also vote over the Internet using the Internet address on the **WHITE** proxy card or by telephone using the toll-free number on the **WHITE** proxy card.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You may vote on the Internet, by telephone, or by completing and mailing the enclosed **WHITE** proxy card. Information about each of these voting methods is set forth in the accompanying Notice of Annual Meeting and Proxy Statement.

On behalf of everyone at NRG, we thank you for your ongoing interest and investment in NRG Energy, Inc. We are committed to acting in your best interests. If you have any questions with respect to voting, please call our proxy solicitor, MacKenzie Partners, Inc., at 1-800-322-2885 (toll free).

Sincerely,

Howard E. Cosgrove	David Crane
Chairman of the Board	*President and Chief Executive Officer*

THIS PROXY STATEMENT AND PROXY CARD ARE BEING DISTRIBUTED ON OR ABOUT .

2009 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

TABLE OF CONTENTS

Table of Contents

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

NRG Energy, Inc.
211 Carnegie Center, Princeton, New Jersey 08540

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	
PLACE	
ITEMS OF BUSINESS	(1) To elect four Class III directors. (2) To consider and act upon a proposal to adopt the NRG Energy, Inc. Amended and Restated Long-Term Incentive Plan. (3) To consider and act upon a proposal to adopt the NRG Energy, Inc. Amended and Restated Annual Incentive Plan for Designated Corporate Officers. (4) To consider and act upon a proposal to approve the Amendment to Article Six of the Amended and Restated Certificate of Incorporation. (5) To ratify the appointment of KPMG LLP as NRG s independent registered public accounting firm. (6) To consider and act upon a stockholder proposal to prepare a report on the Carbon Principles. (7) To consider and act upon Exelon s proposal to amend the NRG Bylaws to increase the size of the NRG Board to 19 members. (8) To consider and act upon Exelon s proposal to 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. (9) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.
RECORD DATE	You are entitled to vote if you were a stockholder of record at the close of business on , 2009.
ANNUAL REPORT	Our 2008 Annual Report, which is not part of the proxy soliciting materials, is enclosed.
PROXY VOTING	Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You may submit your proxy: (1) Over the Internet; (2) By telephone; or (3) By mail. For specific instructions, please refer to the information on page 11 of this Proxy Statement and the voting instructions on the **WHITE** proxy card.

Please note that Exelon Corporation (Exelon) has filed a preliminary proxy statement with the Securities and Exchange Commission seeking to (i) elect a slate of four individuals nominated by Exelon as Class III directors of the Company, (ii) amend the Company s Bylaws to increase the size of the NRG Board to 19 members, (iii) elect five individuals nominated by Exelon to fill the 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. **THE BOARD OF DIRECTORS STRONGLY URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY EXELON.** If you have previously signed a proxy card sent to you by Exelon, you can revoke that earlier proxy and vote for the Board of Directors nominees and on the other matters to be voted on at the Annual Meeting by signing, dating and returning the enclosed **WHITE** proxy card in the enclosed postage paid envelop. You may also vote over the Internet using the Internet address on the **WHITE** proxy card or by telephone using the toll-free number on the **WHITE** proxy card.

By Order of the Board of Directors

Tanuja M. Dehne
Corporate Secretary

Table of Contents

IMPORTANT

YOUR VOTE IS EXTREMELY IMPORTANT THIS YEAR IN LIGHT OF THE PROXY CONTEST BEING CONDUCTED BY EXELON. Whether or not you plan to attend the Annual Meeting and regardless of the number of shares you own, we urge you to vote promptly FOR the four nominees of your Board of Directors and AGAINST Exelon s Board Expansion Proposal (as described on pages 43-44 of the proxy statement) and Exelon s Bylaw Amendment Repeal Proposal (as described on page 45 of the proxy statement).

If you have any questions or need any assistance in voting your shares, please contact our proxy solicitor:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Tel: (212) 929-5500
Fax: (212) 929-0308

Toll Free: 1 (800) 322-2885
Email: *proxy@mackenziepartners.com*

Table of Contents

PROXY STATEMENT

The Board of Directors (the Board) of NRG Energy, Inc. (NRG or the Company) is soliciting proxies for the Annual Meeting of Stockholders (the Annual Meeting). You are receiving a Proxy Statement because you own shares of NRG s Common Stock, par value $.01 per share (the Common Stock or Common Shares), and/or shares of NRG s 4% Convertible Perpetual Preferred Stock (the 4% Preferred Stock or 4% Preferred Shares) that entitle you to vote at the meeting. Holders of NRG s 3.625% Convertible Perpetual Preferred Stock are not entitled to vote at the Annual Meeting. By use of a proxy, you can vote whether or not you attend the meeting. The Proxy Statement describes the matters we would like you to vote on and provides information on those matters.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to (i) elect directors, (ii) adopt the NRG Energy, Inc. Amended and Restated Long-Term Incentive Plan, (iii) adopt the NRG Energy, Inc. Amended and Restated Annual Incentive Plan for Designated Corporate Officers, (iv) approve the Amendment to Article Six of the Company s Amended and Restated Certificate of Incorporation (the Certificate of Incorporation) amending the voting standard for noncontested director elections to provide for majority voting (the Majority Voting Proposal), (v) ratify the appointment of KPMG LLP as NRG s independent registered public accounting firm, (vi) consider the proposal by a stockholder to prepare a report describing the impact of NRG s involvement with the Carbon Principles on the environment (referred to in this proxy statement as the Carbon Principles Report Proposal), (vii) consider the proposal by Exelon Corporation (Exelon) to amend the Company s Amended and Restated Bylaws (the Bylaws) to increase the size of the NRG Board to 19 members (referred to in this proxy statement as the Board Expansion Proposal), (viii) consider the proposal by Exelon to 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 (referred to in this proxy statement as the Bylaw Amendment Repeal Proposal), and (ix) conduct such other business as may properly come before the Annual Meeting. The Board Expansion Proposal and the Bylaw Amendment Repeal Proposal described in the foregoing clauses (vii) and (viii) are proposed by Exelon and not by the Company.

As you know, Exelon has filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (the SEC) seeking to (i) elect a slate of four individuals nominated by Exelon as Class III directors of the Company, (ii) approve the Board Expansion Proposal referred to above, (iii) elect a slate of five additional individuals nominated by Exelon to fill the newly created board seats if the Board Expansion Proposal is passed (such nominees, the Exelon Board Expansion Nominees), and (iv) approve the Bylaw Amendment Repeal Proposal referred to above. You may receive proxy solicitation materials from Exelon. **THE BOARD STRONGLY URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY EXELON.**

Who is soliciting my vote?

The Board of Directors of NRG is soliciting your vote for matters being submitted for stockholder approval at the Annual Meeting.

Giving us your proxy means that you authorize the proxy holders identified on the **WHITE** proxy card David Crane and Tanuja M. Dehne to vote your shares at the meeting in the manner you direct. You may vote for all, some, or none of our director nominees. You may also vote for or against the other proposals on the **WHITE** proxy card or abstain from voting. If you sign and return the enclosed **WHITE** proxy card but do not specify how your shares are to be voted, your shares will be voted in accordance with the recommendations of the Board (see below). If any other matters are properly presented at the Annual Meeting for consideration, the persons named as proxies in the enclosed **WHITE** proxy card will vote as recommended by the Board or, if no recommendation is given, in their own discretion.

Table of Contents

What does the NRG Board recommend?

The NRG Board unanimously recommends a vote:

FOR the election of the following four individuals nominated by the NRG Board for election as NRG s Class III directors: John F. Chlebowski, Howard E. Cosgrove, William E. Hantke and Anne C. Schaumburg (see Proposal No. 1 starting on page 21);

FOR the adoption of the NRG Energy, Inc. Amended and Restated Long-Term Incentive Plan (see Proposal No. 2 starting on page 28);

FOR the adoption of NRG Energy, Inc. Amended and Restated Annual Incentive Plan for Designated Corporate Officers (see Proposal No. 3 starting on page 37);

FOR the approval of the Majority Voting Proposal (see Proposal No. 4 starting on page 39);

FOR the ratification of the appointment of KPMG LLP as NRG s independent registered public accounting firm (see Proposal No. 5 starting on page 40);

AGAINST the Carbon Principles Report Proposal (see Proposal No. 6 starting on page 41);

AGAINST Exelon s Board Expansion Proposal (see Proposal No. 7 starting on page 43); and

AGAINST Exelon s Bylaw Amendment Repeal Proposal (see Proposal No. 8 starting on page 45).

What is your Board s position regarding the Exelon exchange offer?

The Board has unanimously determined that Exelon s exchange offer is inadequate and not in the best interests of NRG and its stockholders. Accordingly, the Board has unanimously recommended that NRG s stockholders reject Exelon s exchange offer and not tender their Common Shares in the offer.

The Board s reasons and recommendations regarding Exelon s exchange offer are summarized on pages 5-6 of the Proxy Statement and a more detailed description is contained in NRG s Solicitation/Recommendation Statement on Schedule 14D-9 filed with the SEC on November 24, 2008, which is available on the SEC s website at *www.sec.gov*. We urge you to read the Schedule 14D-9 (including any amendments and supplements thereto) because these documents contain important information regarding Exelon s exchange offer.

If the Board s nominees are reelected, can I still tender my Common Shares in Exelon s exchange offer?

Yes. If the Board s nominees are reelected, you may accept Exelon s exchange offer if it has not expired. However, as stated above, your Board has unanimously recommended that you not accept Exelon s offer and not tender your shares of Common Stock to Exelon. If you vote on the **WHITE** proxy card, you will only be deciding to preserve the current composition of the Board. In other words, by returning the **WHITE** proxy card and voting **FOR** the Board s nominees, you will help to reelect the existing Class III directors, who are independent and experienced and have acted, are acting and will continue to act in the best interests of all NRG stockholders. By returning the **WHITE** proxy card and voting **FOR** the Board s nominees, you will help to ensure that NRG s strategic alternatives are evaluated fully and fairly by your existing directors, instead of by directors who are handpicked by Exelon.

In addition, you should be aware that Exelon has imposed significant conditions on its exchange offer, most of which are beyond the control of your Board, and Exelon s obligation to purchase any shares of NRG Common Stock in the offer is subject to the satisfaction or waiver of these conditions. Moreover, the offer may require the refinancing of all or a significant amount of NRG s existing indebtedness. Therefore, even if Exelon s nominees are elected to the Board, the offer may not be consummated because the conditions to the offer may not be satisfied or waived, or Exelon may not have financing sufficient to refinance the NRG indebtedness that may become due upon the closing of the offer. The terms and conditions of Exelon s offer are set forth in the Offer to Purchase and the related Letter of Transmittal, both of which are exhibits to the Tender Offer Statement on Schedule TO that Exelon filed with the SEC on November 12, 2008, as amended, which is available on the SEC s website at *www.sec.gov*.

Table of Contents

What is the potential impact of Exelon s Board Expansion Proposal on the change in control provisions in NRG s debt instruments?

Under NRG s senior credit facility and the indentures for its senior notes a change in control is deemed to occur if, among other triggering events, a majority of the members of the Board of Directors of [NRG] are not continuing directors. The term continuing director means, as of the date of determination, any director who was a member of the Board on the date of the senior credit agreement or the indenture, as the case may be, or was nominated for election or elected to the Board with the approval of a majority of the continuing directors who were members of the Board at the time of such nomination or election. Based on our interpretation of the change in control provision, the failure of a majority of the NRG directors to qualify as continuing directors would result in change in control. If a change in control were triggered under NRG s senior credit facility, an event of default would occur and the bank lenders under the facility would have the right to accelerate the outstanding indebtedness under the facility, which, as of March 31, 2009, totaled $2.4 billion, and if a change in control were triggered under the indentures governing NRG s senior notes, note holders holding approximately $4.7 billion face amount of the notes would have the right to put the notes to NRG at 101% of par. If either or both of these events were to occur, it would likely have a material adverse impact on NRG s business and financial condition and could render NRG insolvent if NRG were unable to refinance such indebtedness. The occurrence of either or both of these events may also result in the acceleration of additional NRG indebtedness as a result of cross-default or cross-acceleration provisions.

With the appointment of Pastor Kirbyjon H. Caldwell on March 23, 2009 and Mr. Gerald Luterman on April 24, 2009, the Board currently consists of 14 members, all of whom qualify as continuing directors. If Exelon s Board Expansion Proposal is approved and all of its nominees are elected at the Annual Meeting, the Board would consist of 19 members, 10 of whom would be existing NRG directors who qualify as continuing directors and nine of whom would be directors nominated by Exelon who would not qualify as continuing directors. Therefore, under our interpretation of the change in control provision, a change in control would be triggered by any future event that reduces the number of continuing directors, such as the retirement or death of any such director.

Exelon has indicated it has a different interpretation of the change in control provision in our debt instruments. Under Exelon s interpretation of the provision, a change in control would occur only if a majority of the members of the NRG Board are directors who are not continuing directors. We believe Exelon s interpretation of the provision is imprudent and creates an unacceptable and unnecessary risk because a court or NRG s bank lenders and/or note holders could adopt our interpretation of the provision.

If I have already voted for Exelon s nominees or in favor of Exelon s proposals, is it too late to change my mind?

No. To change your vote, simply sign, date and return the enclosed **WHITE** proxy card in the accompanying postage paid envelope, or vote by telephone or via the Internet in accordance with the instructions in the **WHITE** proxy card. **We strongly urge you to revoke any proxy card you may have returned to Exelon and to vote FOR the Board s director nominees and as the Board recommends on the other matters described in this proxy statement.** Only your latest dated proxy will count at the Annual Meeting.

Will my shares be voted if I do nothing?

If your shares are held in registered name, you must sign and return a proxy card in order for your shares to be voted. If your shares are held in street name and you do not instruct your broker or other nominee how to vote your shares, your broker or nominee may use its discretion to vote your shares on routine matters and leave your shares unvoted on the non-routine matters . As a result of the proxy solicitation commenced by Exelon, the election of directors at this Annual Meeting is a non-routine matter. In addition, both Exelon s Board Expansion Proposal and its Bylaw Amendment Repeal Proposal are non-routine matters. Therefore, unless you provide specific voting instructions to your broker or other nominee, they would not have discretionary authority to vote your shares for the election of directors or on the Board Expansion Proposal or Bylaw Amendment Repeal Proposal at this Annual Meeting. If your shares are held in street name, your broker, bank or nominee has enclosed a voting instruction card with this Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card.

Please return your **WHITE** proxy card to your nominee and contact the person responsible for your account to ensure that a **WHITE** proxy card is voted on your behalf.

Will I be able to vote on the Exelon Board Expansion Nominees if I vote on the WHITE proxy card?

No. If you vote solely on the WHITE proxy card or vote via the Internet or by telephone in accordance with the instructions on the WHITE proxy card, you will not be able to vote on the Exelon Board Expansion Nominees. However, NRG is not proposing a competing slate of nominees against the Exelon Board Expansion Nominees and directors will be elected by a plurality of the votes cast (which means that the director nominees who receive the most votes will be elected to fill the available seats on your Board). Accordingly, if the Board Expansion Proposal passes, each Exelon Board Expansion Nominee will be elected as a director of NRG for so long as he or she receives one or more votes. Each of Exelon and its wholly-owned subsidiary, Exelon Xchange Corporation, is the record and beneficial owner of 500 shares of NRG common stock, and Exelon has indicated in its preliminary proxy statement that Exelon and Exelon Xchange Corporation intend to vote all of their shares FOR Exelon s proposals, including its proposal to elect the Exelon Board Expansion Nominees as directors of NRG.

What should you do to support your Board?

The only way to support your Board is to sign, date and mail the enclosed WHITE proxy card to vote FOR the election of the four director nominees nominated by your Board, and AGAINST Exelon s Board Expansion Proposal and Bylaw Amendment Repeal Proposal. You may also vote over the Internet using the Internet address on the WHITE proxy card or by telephone using the toll-free number on the WHITE proxy card.

Whom should you call if you have questions about the Annual Meeting?

If you have any questions or need any assistance in voting your shares, please contact our proxy solicitor:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Tel: (212) 929-5500
Fax: (212) 929-0308

Toll Free: 1 (800) 322-2885
Email: *proxy@mackenziepartners.com*

* * *

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to be held at

Each of the Notice of Annual Meeting, Proxy Statement and Annual Report of the Company for the fiscal year ended December 31, 2008 is available at *http://www.nrgenergy.com/investor/overview.htm.*

Table of Contents

EXELON S OFFER AND PROXY SOLICITATION

Exelon s Exchange Offer

On November 12, 2008, Exelon, through its wholly-owned subsidiary, Exelon Xchange Corporation (Exelon Exchange), commenced an unsolicited offer to exchange each outstanding share of NRG Common Stock for 0.485 of a share of Exelon common stock (the Offer). The purpose of the Offer as stated by Exelon is to acquire control of, and ultimately acquire 100% of the outstanding common stock of our Company, 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 Offer was initially scheduled to expire on January 6, 2009, but Exelon extended the expiration date to February 25, 2009, and subsequently further extended the expiration date to June 26, 2009.

Upon careful consideration of the Offer after consultation with NRG s outside legal counsel and financial advisors and based upon the terms and conditions of the Offer, on November 24, 2008, the NRG Board unanimously determined that the Offer is inadequate and not in the best interests of NRG and its stockholders. Accordingly, the NRG Board unanimously recommended that NRG s stockholders reject the Offer and not tender their shares of NRG Common Stock in the Offer. In reaching this conclusion, the Board took into consideration, among other things, the following factors:

The NRG Board s view that the Offer significantly 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. For example, if the two companies were to combine based on the exchange ratio contemplated by the Offer, our stockholders would own 17% of the combined company, and yet NRG would have contributed 30% of the free cash flow of the combined company for 2008 and, based on current projections, would contribute 26% of the free cash flow for the combined company for 2009.

The NRG Board s view that the value of the consideration being offered pursuant to the Offer is uncertain and highly dependent on the value of Exelon common stock. The Board has concerns regarding Exelon s growth prospects and the potential negative impact of these prospects on Exelon s future performance and share price. When the Board made its recommendation to reject the Offer in November 2008, the Board s concerns were based in part on Exelon s third quarter 2008 results. While NRG s third quarter performance exceeded expectations, Exelon s third quarter earnings were below consensus estimates, and Exelon guided the investor community to the bottom end of its full-year 2008 guidance. More recently, at an analyst day conference held on March 10, 2009, Exelon made additional disclosures regarding its hedging profile for 2011, emphasizing the negative impact of sharply lower gas and power prices on Exelon s long term earnings outlook.

The NRG Board s view that a combination with Exelon would dilute, and might derail, NRG s continued growth. The NRG Board believes that under Exelon, at best, the benefits of NRG s growth program (including but not limited to our successful empowering projects in California and Connecticut, thriving wind farm development program, and demonstration projects under development in post-combustion carbon capture technology and plasma gasification) to its stockholders would 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 status with the rating agencies and the debt repayment related thereto.

The NRG Board s concern that while NRG is a large and complicated competitive power generation company, Exelon is a very traditional utility holding company, and thus Exelon s current management may not be well suited to manage NRG s assets.

The NRG Board s view that the Offer is subject to numerous conditions, requires NRG s support and creates significant uncertainty. The NRG Board believes that many important conditions are broadly drafted and allow Exelon to make subjective determinations as to the occurrence of circumstances which would enable Exelon not to consummate the Offer. Further, under the conditions as drafted, Exelon would have the right to declare a condition not satisfied even if the failure to be satisfied was caused by the action or inaction of Exelon or any of its affiliates. In addition, some of the important conditions, including the effectiveness of Exelon s Registration Statement on Form S-4 and the approval by Exelon stockholders of the issuance of shares of Exelon common stock in the Offer, are not waivable by Exelon and these conditions have not been satisfied as of the date of this proxy statement. Thus, in the NRG Board s view, the conditions create substantial uncertainty as to whether Exelon would be required to consummate the Offer.

Consummation of the Offer would likely require refinancing of a significant amount of NRG s existing indebtedness. According to Exelon s Registration Statement on Form S-4, Exelon will require refinancing of approximately $8.6 billion of existing NRG debt to complete the Offer and the second-step merger. In addition, Exelon will have to provide for approximately $600 million of letters of credit that NRG has currently posted to various counterparties. However, Exelon has not yet publicly announced that it has committed financing for the Offer, which presents real risks of non-consummation to NRG s 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. Certain governmental agencies may condition the grant of the required 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. Exelon has reserved the right to decline to proceed with the Offer if any such approval contains terms that, in the reasonable judgment of Exelon, result in or are 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.

The NRG Board s view that Exelon has not outlined any clear plan on how it would propose to manage, trade or collateralize NRG s generation portfolio.

The NRG Board s receipt of separate oral opinions, dated November 24, 2008, from NRG s financial advisors, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC, as to the inadequacy, from a financial point of view and as of the date of such opinions, of the Offer to the holders of NRG Common Stock (other than Exelon, Exelon Xchange and their respective affiliates).

As previously disclosed, on January 19, 2009, Mr. John W. Rowe, Chairman and Chief Executive Officer of Exelon, Mr. William A. Von Hoene, Jr., Executive Vice President and General Counsel of Exelon, Mr. David Crane, President and Chief Executive Officer of NRG, and Mr. J. Andrew Murphy, then Executive Vice President and General Counsel of NRG, met in Washington D.C. to discuss the Offer and certain related issues. At this meeting, Mr. David Crane reiterated the view of the NRG Board that Exelon s current price is too low and stated that NRG was engaged in market discovery to determine the greatest value option available for NRG stockholders.

A more detailed description of the Board s reasons and recommendations regarding Exelon s Offer can be found in the Company s Solicitation/Recommendation Statement on Schedule 14D-9 filed with the SEC on November 24, 2008, as amended from time to time, which is available at the SEC s website at *www.sec.gov*. Free copies of any such documents can also be obtained by directing a request to Investor Relations Department, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540.

Exelon s Director Nominations and Other Proposals

On March 17, 2009, Exelon, the holder of 500 shares of NRG Common Stock, filed a preliminary proxy statement with the SEC seeking to (i) elect a slate of four individuals nominated by Exelon for election as Class III directors of the Company, (ii) approve the Board Expansion Proposal to amend the Company s Bylaws to increase the size of the NRG Board to 19 members, (iii) elect five additional individuals nominated by Exelon to fill the newly created board seats if the Board Expansion Proposal is passed, and (iv) approve the Bylaw Amendment Repeal Proposal to repeal any Bylaw amendments adopted by the NRG Board without stockholder approval after February 26, 2008. Exelon has indicated that the purpose of these actions is to facilitate the consideration and approval by the NRG Board of Exelon s proposal to acquire NRG.

On March 23, 2009, NRG appointed Pastor Kirbyjon H. Caldwell, a former director of Reliant Energy, Inc. and a valued Texas community leader and social entrepreneur, to the Board as a Class I director. On April 24, 2009, NRG also appointed Mr. Gerald Luterman to the Board as a Class II director in order to avoid the risk of triggering the change in control provisions in certain NRG debt instruments if Exelon s board expansion proposal is approved and all of Exelon s nominees are elected to the Board. With the appointments of Pastor Caldwell and Mr. Luterman, the Board currently consists of 14 members. If Exelon s Board Expansion Proposal passes, there will be five newly created board seats on the NRG Board.

Legal Proceedings in connection with Exelon s Offer

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). In connection with the Offer, 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. Based on the briefing schedule ordered by the court, NRG filed its memorandum of law in support of its motion to dismiss on January 28, 2009. On March 16, 2009 Exelon filed an amended complaint with the court 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 it fails to state a claim upon which relief can be granted. The Court has requested that the parties submit a proposed briefing schedule on NRG s motion by May 5, 2009. Based on the facts known to date and the allegations in the complaint, we believe that 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 alleges that, among other things, (i) 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, and (ii) the registration statement misrepresents the nature and scope of the conditions and contingencies relating to the Offer, including the misrepresentation that the Offer is not subject to a financing condition, even though Exelon will not be able to consummate the Offer unless it has obtained sufficient funds to refinance a significant amount of NRG s existing debt. 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. At the same time, the Court advised Exelon to begin the process of gathering relevant documents responsive to NRG s discovery requests so that they could be produced promptly in the event that the Court denies Exelon s motion to dismiss. 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. The parties are expected to conduct expedited discovery in preparation for a hearing on the merits of NRG s complaint, which is scheduled for June 3 and 4, 2009.

Table of Contents

IMPORTANT

YOUR VOTE IS EXTREMELY IMPORTANT IN LIGHT OF THE PROXY CONTEST BEING CONDUCTED BY EXELON. Whether or not you plan to attend the Annual Meeting and regardless of the number of shares you own, we urge you to sign, date and mail the enclosed WHITE proxy card to vote FOR the election of the four NRG director nominees.

We urge you NOT to sign or return any proxy card sent to you by Exelon. Only your latest dated, signed proxy card will be counted, and any proxy card you sign for any reason could invalidate previous WHITE proxy cards sent by you to support your Board. If you have already sent a proxy to Exelon, you may revoke that proxy and vote for the election of our four director nominees by signing, dating and mailing the enclosed WHITE proxy card. You may also vote over the Internet using the Internet address on the WHITE proxy card or by telephone using the toll-free number on the WHITE proxy card.

Table of Contents

ANNUAL MEETING PROCEDURES

Annual Meeting Admission

Stockholders of NRG may attend the Annual Meeting. However, only stockholders who owned Common Stock or 4% Preferred Stock at the close of business on , the record date, or their duly appointed proxies, are entitled to vote at the meeting. Proof of ownership of NRG stock, along with personal identification (such as a driver s license or passport), must be presented in order to be admitted to the Annual Meeting. If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting in person, you must bring a brokerage statement, the proxy card mailed to you by your bank or broker or other proof of ownership (or the equivalent proof of ownership as of the close of business on the record date of the stockholder who granted you the proxy) with you to the Annual Meeting. Registration will begin at a.m., Eastern Time. Please allow ample time for check-in.

No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting.

Quorum

A quorum is the minimum number of shares required to hold a meeting. Under NRG s Bylaws, to have a quorum, a majority of the outstanding shares of stock entitled to vote at a meeting must be represented in person or by proxy at the meeting. Both abstentions and broker nonvotes, if any, are counted as present for determining the presence of a quorum. Generally, broker nonvotes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (a) the broker has not received voting instructions from the beneficial owner and (b) the broker lacks discretionary voting power to vote such shares. Brokers who do not receive instructions are entitled to vote on the ratification of the appointment of the independent auditors (Proposal 5), but not the election of directors, approval of the Amended and Restated Long-Term Incentive Plan, the Amended and Restated Annual Incentive Plan for Designated Corporate Officers, the Amendment to Article Six of the Certificate of Incorporation or any of Exelon s proposals.

Stockholders Entitled to Vote

Only stockholders of record at the close of business on , 2009 are entitled to vote at the Annual Meeting. As of the record date, shares of Common Stock and shares of 4% Preferred Stock were issued and outstanding. Each holder of NRG s Common Stock and 4% Preferred Stock is entitled to one vote per share.

Many NRG stockholders hold their shares through a stockbroker, bank, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially:

> *Stockholder of Record* If your shares are registered directly in your name with NRG s transfer agent, Bank of New York Mellon, you are considered the stockholder of record of those shares. As the stockholder of record, you have the right to vote by Internet, telephone or mail as described in Voting Methods below.
>
> *Beneficial Owner* If your shares are held in a stock brokerage account, or by a bank, trustee, or other nominee, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, trustee or nominee on how to vote and are also invited to attend the meeting.

However, since you are not the stockholder of record, you may not vote these shares in person at the meeting. Your broker, trustee, or nominee is obligated to provide you with a voting instruction card for you to use.

Table of Contents

Required Vote

Election of Directors   The nominees for election as directors at the Annual Meeting will be elected by a plurality of the votes of the shares entitled to vote in the election of directors present in person or represented by proxy at the Annual Meeting. This means that the director nominees who receive the most votes will be elected to fill the available seats on your Board. Votes withheld from a director nominee will have no effect on the election of the director from whom votes are withheld. Broker nonvotes, if any, will not be counted as having been voted and, thus, will have no effect on the outcome of the vote on the election of directors.

It will NOT help your Board if you sign and return proxies sent by Exelon and vote AGAINST or withhold on their directors. That may in fact cancel any previous vote you cast. The only way to support your Board s nominees is to vote FOR the Board s nominees on the WHITE proxy card.

Approval of the Amended and Restated Long-Term Incentive Plan   Under applicable law, this proposal requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal. Broker nonvotes, if any, will have no effect on the outcome of the vote on this proposal.

Approval of the Amended and Restated Annual Incentive Plan for Designated Corporate Officers   Under applicable law, this proposal requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal. Broker nonvotes, if any, will have no effect on the outcome of the vote on this proposal.

Approval of the Amendment to Article Six of the Certificate of Incorporation amending the voting standard for noncontested director elections to provide for majority voting   Under applicable law, this proposal requires the affirmative FOR vote of a majority of the combined voting power of the Common Shares and 4% Preferred Shares outstanding on the record date for the Annual Meeting. Abstentions and broker nonvotes, if any, will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal.

Approval of the Ratification of the Appointment of the Independent Auditors   Under applicable law, this proposal requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal. Broker nonvotes, if any, will have no effect on the outcome of the vote on this proposal.

Approval of the Carbon Principles Report Proposal   Under applicable law, this proposal requires the affirmative FOR vote of a majority of those shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal. Broker nonvotes, if any, will have no effect on the outcome of the vote on this proposal.

Approval of Exelon s Board Expansion Proposal   Under applicable law and the Certificate of Incorporation and Bylaws, this proposal requires (i) the affirmative FOR vote of a majority of the combined voting power of the Common Shares and 4% Preferred Shares outstanding on the record date for the Annual Meeting, and (ii) the affirmative FOR vote of a majority of the Common Shares outstanding on the record date for the Annual Meeting.

Abstentions and broker nonvotes, if any, will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal.

Approval of Exelon s Bylaw Amendment Repeal Proposal Under applicable law and NRG s Bylaws, this proposal requires the affirmative FOR vote of a majority of the combined voting power of the Common Shares and 4% Preferred Shares outstanding on the record date for the Annual Meeting. Abstentions and broker nonvotes, if any, will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against this proposal.

Table of Contents

Voting Methods

In addition to delivering printed versions of this proxy statement and the **WHITE** proxy card to all stockholders by mail, the proxy statement and the **WHITE** proxy card are also available on the Internet. You have the ability to access the proxy materials, including the Company s proxy statement and annual report, at *http://www.nrgenergy.com/investor/overview.htm*.

If you hold shares directly as the stockholder of record, you may vote by granting a proxy or, if you hold shares beneficially in street name, by submitting voting instructions to your broker, trustee, or nominee. In most instances, you will be able to do this over the Internet, by telephone or by mail. Please refer to the summary instructions below and those included on the enclosed **WHITE** proxy card or, for shares held in street name, the voting instruction card included by your broker, trustee, or nominee.

* *Vote By Internet* If you have Internet access, you may submit your proxy from any location in the world 24 hours a day, 7 days a week, up until 11:59 P.M. Eastern Time on by visiting the website provided on the **WHITE** proxy card. Have your **WHITE** proxy card or voting instruction card in hand when you access the web site. If you vote by using the Internet, you do not need to return your **WHITE** proxy card or voting instruction card.

* *Vote By Telephone* If you live in the United States, you may use any touch-tone telephone to vote your proxy toll-free 24 hours a day, 7 days a week up until 11:59 P.M. Eastern Time on . The telephone number is printed on your **WHITE** proxy card or voting instruction card, which you should have in hand when you call. If you vote by telephone, you do not need to return your **WHITE** proxy card or voting instruction card.

* *Vote by Mail* You also may choose to submit your proxy by signing your **WHITE** proxy card or, for shares held in street name, the voting instruction card included by your broker, trustee, or nominee, and mailing it in the enclosed, postage-paid, addressed envelope. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign, but do not provide instructions, your shares will be voted as the Board recommends. Mark, sign, and date your **WHITE** proxy card or voting instruction card, as applicable, and return it in the postage-paid envelope provided as soon as possible so that it is received by , the Annual Meeting date.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

Changing Your Vote

You may change your proxy instructions or revoke your proxy at any time prior to the vote at the Annual Meeting. For shares held directly in your name, you may accomplish this by (i) delivering a written notice of revocation bearing a later date than the proxy being revoked, (ii) duly executing and delivering a later dated written proxy relating to the same shares, or (iii) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). For shares held beneficially by you, you may change your vote by submitting new voting instructions to your broker, trustee, or nominee.

Counting the Vote

In the election of directors, you may vote FOR all of the nominees or your vote may be WITHHELD from one or more of the nominees. For the other proposals, you may vote FOR, AGAINST, or ABSTAIN. If you ABSTAIN, it the same effect as a vote AGAINST. If you sign your **WHITE** proxy card or voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Board.

Confidentiality

Stockholder proxies, ballots, and tabulations that identify stockholders are confidential. They will not be available for examination, nor will the identity or vote of any stockholder be disclosed, except as necessary to meet legal requirements and allow the inspectors of election to certify the results of the stockholder vote. Occasionally, stockholders provide written comments on their proxy card that may be forwarded to NRG management.

Table of Contents

List of Stockholders

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for 10 days prior to the meeting for any purpose germane to the meeting, between the hours of 8:45 a.m. and 4:30 p.m. (Eastern Time), at our principal executive offices at 211 Carnegie Center, Princeton, New Jersey 08540, by contacting the Corporate Secretary.

Cost of Proxy Solicitation

NRG will pay for the cost of preparing, assembling, printing, mailing, and distributing these proxy materials. You will need to obtain your own Internet access if you choose to access the proxy materials and/or vote over the Internet. In addition to mailing these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or by electronic communication by the Company s directors, officers, and employees, who do not receive any additional compensation for these solicitation activities. The Company has retained MacKenzie Partners, Inc. to assist it in soliciting your proxy for an estimated fee of $1.5 million, plus reasonable out-of-pocket expenses. MacKenzie Partners expects that approximately 125 of its employees will assist in the solicitation. The Company will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and other solicitation materials to beneficial owners of stock.

NRG s expenses related to the solicitation in excess of those normally spent for an Annual Meeting as a result of the proxy contest are expected to be approximately $ (excluding salaries and wages of our regular employees and officers), of which approximately $ has been spent to date. Appendix C sets forth information relating to NRG s directors, director nominees, officers, and employees who are considered participants in our solicitation under the rules of the SEC by reason of their position as directors or director nominees or because they may be soliciting proxies on our behalf.

NRG s Public Relations and Financial Advisors

NRG has retained Joele Frank, Wilkinson Brimmer Katcher (Joele Frank) as its public relations advisor in connection with the Offer. The Company has agreed to pay customary compensation for such services and to reimburse Joele Frank for its reasonable out-of-pocket expenses, and Joele Frank and certain of its related persons will be indemnified against certain liabilities relating to or arising out of the engagement.

NRG has engaged Citigroup Global Markets Inc. (Citi), Credit Suisse Securities (USA) LLC (Credit Suisse) and Morgan Stanley & Co. Incorporated (Morgan Stanley and, collectively with Citi and Credit Suisse, the Financial Advisors) as its financial advisors to provide certain financial advisory and investment banking services, including services relating to Exelon s Offer and related matters. Neither the Financial Advisors nor any of their respective affiliates was retained by NRG to solicit proxies for the Annual Meeting. None of the Financial Advisors admits that they or any of their directors, officers, employees, affiliates or controlling persons is a participant, as defined in Schedule 14A promulgated under the Exchange Act, in the solicitation of proxies for the Annual Meeting or that Schedule 14A requires the disclosure of certain information concerning them. However, certain of the foregoing persons may assist NRG in its third party discussions and communications regarding the Offer as part of the Financial Advisors broader engagement, although neither the Financial Advisors nor any of the foregoing persons will receive any fee for, or in connection with, any solicitation activities in addition to the fees the Financial Advisors are otherwise entitled to receive under their respective engagements as NRG s financial advisor. In the ordinary course of business, the Financial Advisors and their respective affiliates may acquire, hold or sell, for their and their respective affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of NRG, Exelon, their respective affiliates and any other entities that may be involved in Exelon s Offer, as well as provide investment banking and other financial services to such companies.

Table of Contents

Transfer Agent

The Company s transfer agent is The Bank of New York Mellon. All communications concerning stockholder inquiries can be handled by contacting NRG Energy c/o BNY Mellon Shareowner Services P.O. Box 358015 Pittsburgh, PA 15252-8015 1-877-296-3711. Outside the U.S. and Canada 1-201-680-6578 and Hearing Impaired-TTY Phone 1-888-231-5469. The e-mail address is: *shrrelations@melloninvestor.com* and the website is: *www.bnymellon.com/shareowner/isd*. Send certificates for transfer and address changes to: BNY Mellon Shareowner Services 480 Washington Boulevard Jersey City, New Jersey 07310-1900.

Householding

The Company has adopted a procedure approved by the SEC called householding. Under this procedure, multiple stockholders who share the same last name and address will receive only one copy of the annual proxy materials. If the household received a printed set of proxy materials by mail, each stockholder will receive his or her own proxy card or voting instruction card by mail. We have undertaken householding to reduce our printing costs and postage fees. Stockholders may elect to receive individual copies of the proxy materials at the same address by contacting Broadridge Financial Solutions, Inc. by telephone at 1(800) 579-1639 or by e-mail at *sendmaterial@proxyvote.com*.

Stockholders may also request additional copies of the proxy materials by contacting MacKenzie Partners, Inc. in the manner described in the immediately preceding paragraph. The proxy materials are also available on the Internet at *http://www.nrgenergy.com/investor/overview.htm*.

GOVERNANCE OF THE COMPANY

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that, along with the Certificate of Incorporation, the Bylaws and the charters of the Board committees, provide the framework for the governance of the Company. The Board s Governance and Nominating Committee is responsible for periodically reviewing the Guidelines and recommending any proposed changes to the Board for approval. The Corporate Governance Guidelines are available on the Company s website at *http://www.nrgenergy.com/investor/corpgov.htm,* along with the charters of the Audit, Compensation, and Governance and Nominating Committees and the Code of Conduct. The Corporate Governance Guidelines, the charters of all of the NRG s Board committees and the Code of Conduct are available in print to any stockholder who requests them.

Director Independence

The Board is made up of a majority of independent directors. An independent director is a director who meets the criteria for independence as required by the applicable law and the New York Stock Exchange (NYSE) listing standards and is affirmatively determined to be independent by the Board. The Board has determined that each of the current directors is independent under the listing standards of the NYSE, with the exception of David Crane, President and Chief Executive Officer, and Paul Hobby, whose sister-in-law is a current partner at KPMG LLP, the Company s independent registered public accounting firm. William Hantke served as director of Process Energy Solutions until March 31, 2008, which was one of many advisors to the Company on development projects; and Thomas Weidemeyer serves as a director of Waste Management, Inc., a service provider to the Company in the ordinary course of business. The Board has evaluated the business relationships between the Company and each of these companies and has concluded that each business relationship is immaterial and does not interfere with Mr. Hantke s or Mr. Weidemeyer s exercise of independent judgment on the Board or, in the case of Mr. Hantke, on the Audit Committee. Each of the Audit, Compensation, and Governance and Nominating Committees is made up solely of independent directors. In accordance with the Company s Corporate Governance Guidelines (available on the Company s website) and NYSE listing standards, all members of the Audit Committee meet additional independence standards applicable to audit committee members.

Board Structure and Committee Membership

The Board is set at 14 directors. The Board is divided into three classes serving staggered three-year terms. Classes I and II each has five members while Class III has four members.

During 2008, the Board held five regularly scheduled meetings and sixteen special meetings. During 2008, no director attended less than 75% of the total of the Board meetings and the meetings of the committees upon which he or she served. In calendar year 2009, the Board has held four meetings through March 30, 2009.

The Company s Corporate Governance Guidelines provide that nonmanagement directors meet in executive session periodically following Board meetings. The Company s nonexecutive Chairman, Howard Cosgrove, presides at these sessions.

Directors are encouraged to attend the Annual Meetings of Stockholders. All of the directors attended the 2008 Annual Meeting of Stockholders.

14

Table of Contents

The Board presently has the following six standing Committees: Audit, Compensation, Governance and Nominating, Commercial Operations Oversight and Nuclear Oversight, which includes the Nuclear Oversight Subcommittee, and Finance. The membership and the functions of each Committee are described below.

Name of Director	Audit	Governance and Nominating	Compensation	Commercial Operations Oversight	Nuclear Oversight	Finance
Howard E. Cosgrove(1)					X(2)	
Kirbyjon H. Caldwell						
John F. Chlebowski			X		X	X
Lawrence S. Coben		X(2)			X	X
David Crane					X	
Stephen L. Cropper		X		X	X	
William E. Hantke	X(2)			X	X	
Paul W. Hobby				X(2)	X	
Gerald Luterman	X					X
Kathleen McGinty		X			X	
Anne C. Schaumburg	X				X	X(2)
Herbert H. Tate					X(3)	
Thomas H. Weidemeyer		X	X(2)		X	
Walter R. Young	X		X		X	

X = Committee Member

(1) Chairman of the Board

(2) Committee Chair

(3) Chair of the Nuclear Oversight Subcommittee

Audit Committee

The Audit Committee represents and provides assistance to the Board with respect to matters involving the accounting, auditing, financial reporting, internal controls, and legal compliance functions of the Company and its subsidiaries, including assisting the Board in its oversight of the integrity of the Company s financial statements, compliance with legal and regulatory requirements, the qualifications, independence, and performance of the Company s independent auditors, the performance of the Company s internal audit function, and effectiveness of the Company s financial risk management. Among other things, the Audit Committee:

Appoints, retains, oversees, evaluates, and compensates the independent auditors;

Reviews the annual audited and quarterly consolidated financial statements;

Reviews major issues regarding accounting principles and financial statement presentations;

Reviews earnings press releases and earnings guidance provided to analysts and rating agencies;

Reviews with the independent auditors the scope of the annual audit, and approves all audit and permitted nonaudit services provided by the independent auditors;

Considers the adequacy and effectiveness of the Company s internal control and reporting system;

Discusses policies with respect to risk assessment and risk management, including the Company s major financial risk exposures and the effectiveness of the Company s system for monitoring compliance with laws and regulations, and reviews the Company s tax policies and findings of regulatory agencies and independent auditors;

Table of Contents

Reports regularly to the Board regarding its activities and prepares and publishes required annual committee reports;

Establishes procedures for the receipt, retention, and treatment of complaints and concerns regarding accounting, internal accounting controls, or auditing matters; and

Annually evaluates the performance of the Audit Committee and the adequacy of its charter.

The Board has determined that all Audit Committee members are independent under the New York Stock Exchange definition of independence for directors and audit committee members, and that all members of the Audit Committee are financially literate. In addition, the Board has determined that each of Walter Young, William Hantke and Gerald Luterman qualify as audit committee financial experts within the meaning of SEC regulations. In calendar year 2008, the Audit Committee held seven meetings. In calendar year 2009, the Audit Committee has held two meetings through March 30, 2009.

Compensation Committee

The Compensation Committee oversees the Company s overall compensation structure, policies, and programs. Among other things, the Compensation Committee:

Reviews and recommends to the Board annual and long-term goals and objectives relevant to the compensation of the President and the Chief Executive Officer, evaluates the performance of the President and Chief Executive Officer in light of those goals and objectives, and either as a committee or together with the other independent directors, determines and approves the President and the Chief Executive Officer s compensation;

Reports to the Board on the review of annual and long-term goals and objectives relevant to the compensation of the Chief Financial Officer, the Executive Vice Presidents and any other officer designated by the Board, the evaluation of those officers performance in light of those goals and objectives, the determination and approval of compensation levels based on such evaluations and the review and approval of employment arrangements, severance arrangements and benefits plans;

Reviews and recommends to the Board the compensation, incentive- compensation and equity-based plans that are subject to Board approval;

Reviews and approves stock option and other stock incentive awards for executive officers other than the President and Chief Executive Officer;

Makes recommendations regarding, and monitors compliance by officers and directors with, the Company s stock ownership guidelines;

Reviews the compensation of directors for service on the Board and its committees;

Reviews and approves employment agreements and severance arrangements, benefits plans not otherwise subject to Board approval, and corporate goals and objectives for officers other than the President and Chief Executive Officer;

Reviews and discusses with management the Compensation Discussion and Analysis (the CD&A) to be included in the Company s proxy statement or annual report on Form 10-K and based on such review and discussions recommends to the Board that the CD&A be included in the Company s proxy statement or annual report on Form 10-K, as applicable;

Reviews and oversees the Company s overall compensation strategy, structure, policies and programs, and assesses the compensation structure s establishment of appropriate incentives for management and employees; and

Annually evaluates the performance of the Compensation Committee and the adequacy of its charter.

16

Table of Contents

The Compensation Committee may delegate to one or more subcommittees such power and authority as the Compensation Committee deems appropriate. No subcommittee shall consist of fewer than two members, and the Compensation Committee shall not delegate to a subcommittee any power or authority that is required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole.

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 has and will work with the Committee independent of any Company management to formulate 2009 compensation decisions.

The Board has determined that all Compensation Committee members are independent under the listing standards of the NYSE, and that they are nonemployee directors for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 (the Exchange Act), as amended, and outside directors for purposes of Section 162(m) of the Internal Revenue Code (the Code). In calendar year 2008, the Compensation Committee held four meetings. In calendar year 2009, the Compensation Committee has held one meeting through March 30, 2009.

Governance and Nominating Committee

The Governance and Nominating Committee recommends director candidates to the Board for election at the Annual Meeting of Stockholders, and periodically reviews the Company s Corporate Governance Guidelines and recommends changes to the Board. Among other things, the Governance and Nominating Committee also:

- Identifies and reviews the qualifications of potential nominees to the Board consistent with criteria approved by the Board, and assesses the contributions and independence of incumbent directors in determining whether to recommend them for re-election;
- Establishes and reviews procedures for the consideration of Board candidates recommended by the Company s stockholders;
- Makes recommendations to the Board concerning the structure, composition, and functioning of the Board and its committees;
- Reviews and assesses the channels through which the Board receives information, and the quality and timeliness of information received;
- Reviews and recommends to the Board retirement and other tenure policies for directors;
- Reviews and approves Company policies applicable to the Board, the directors and officers subject to Section 16 of the Exchange Act;
- Reviews and reports to the Board regarding potential conflicts of interests of directors;
- Recommends to the Board director candidates for the annual meeting of stockholders, and candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;
- Oversees the evaluation of the Board, its committees and management and annually reviews the Company s senior management succession plans;

Monitors directorships in other public companies held by directors and senior officers of the Company; and

Annually evaluates the performance of the Governance and Nominating Committee and the appropriateness of its charter.

Table of Contents

The Governance and Nominating Committee is responsible for identifying individuals that the Committee believes are qualified to become Board members in accordance with criteria set forth in the Company s Corporate Governance Guidelines. These criteria include an individual s business experience and skills, independence, judgment, integrity, and ability to commit sufficient time and attention to the activities of the Board. The Guidelines provide that the Committee will consider these criteria in the context of the perceived needs of the Board as a whole and seek to achieve a diversity of backgrounds and perspectives on the Board. The Governance and Nominating Committee s process for identifying and evaluating director nominees also includes consultation with all directors, solicitation of proposed nominees from all directors, the engagement of one or more professional search firms, if deemed appropriate, interviews with prospective nominees by the Committee (and other directors, if deemed appropriate) and recommendations regarding qualified candidates to the full Board.

The Governance and Nominating Committee will consider nominations by stockholders who recommend candidates for election to the Board. A stockholder seeking to recommend a prospective candidate for the Committee s consideration may do so by writing to the Corporate Secretary, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540. Recommendations submitted for consideration by the Committee in preparation for the 2010 Annual Meeting of Stockholders must be received by and must contain the following information: (a) the name and address of the stockholder; (b) the name and address of the person to be nominated; (c) a representation that the stockholder is a holder of the Company s stock entitled to vote at the meeting; (d) a statement in support of the stockholder s recommendation, including a description of the candidate s qualifications; (e) information regarding the candidate that would be required to be included in a proxy statement filed in accordance with the rules of the SEC; and (f) the candidate s written, signed consent to serve if elected. The Governance and Nominating Committee will follow the process described above in considering nominees proposed by stockholders in accordance with the foregoing requirements.

Alternatively, as discussed under Requirements for Submission of Stockholder Proposals for Next Year s Annual Meeting, stockholders intending to appear at the 2009 Annual Meeting of Stockholders in order to nominate a candidate for election by the stockholders at the meeting (in cases where the Board does not intend to nominate the candidate or where the Governance and Nominating Committee was not requested to consider his or her candidacy) must comply with the procedures in the Company s Bylaws, a copy of which is available upon request to the Company s Corporate Secretary.

The Board has determined that all Governance and Nominating Committee members are independent under the listing standards of the NYSE. In calendar year 2008, the Governance and Nominating Committee held five meetings. In calendar year 2009, the Governance and Nominating Committee has held two meetings through March 30, 2009. The Board and each of the Audit Committee, Compensation Committee, Commercial Operations Oversight Committee, Nuclear Oversight Subcommittee and Finance Committee conduct annual self-evaluations to assess their effectiveness and review their Charters. Individual directors are also evaluated by the Board. The Governance and Nominating Committee coordinates each of these annual evaluations.

Commercial Operations Oversight Committee

The Commercial Operations Oversight Committee assists the Board in fulfilling its responsibilities with respect to the oversight of trading, power marketing and risk management issues at the Company. The Commercial Operations Oversight Committee consists of at least three directors, a majority of which are independent as defined under the listing standards of the NYSE and as affirmatively determined by the Board. No member of the Commercial Operations Oversight Committee may be removed except by majority vote of the independent directors then in office.

The Commercial Operations Oversight Committee s duties and responsibilities consist of the following:

Providing Board oversight of the trading and power marketing of the Company;

Reviewing, advising and consulting with management and the Audit Committee regarding the Company s risk management policies, practices and procedures;

Approving as appropriate, the Company s power marketing and trading transactions, limits, policies, practices and procedures, and counterparty credit limit and policies, and approving exceptions to policies, as necessary;

Annually evaluating the performance of the Committee and the appropriateness of the Committee s charter; and

Performing such other responsibilities as may be delegated to it by the Board from time to time that are consistent with its purpose.

In calendar year 2008, the Commercial Operations Oversight Committee held seven meetings. In calendar year 2009, the Commercial Operations Oversight Committee has held one meeting through March 30, 2009.

Nuclear Oversight Committee

The Nuclear Oversight Committee assists the Board in fulfilling its responsibilities with respect to the oversight of the Company s ownership and operation, directly or indirectly, of its interests in nuclear power plant facilities. The Nuclear Oversight Committee consists of all of the members of the Board who are citizens of the United States of America and who otherwise meet the requirements of applicable law to serve on the Committee, a majority of which are independent as defined under the listing standards of the NYSE and as affirmatively determined by the Board. The Nuclear Oversight Committee formed the Nuclear Oversight Subcommittee in April 2006 to review and report to the Board and the Nuclear Oversight Committee on matters not expressly reserved for review by the Board. The Nuclear Oversight Subcommittee currently consists of Herbert Tate (Chair of the subcommittee), Paul Hobby and Anne Schaumburg.

In calendar year 2008, the Nuclear Oversight Committee held one meeting. In calendar year 2009, the Nuclear Oversight Committee has not held a meeting through March 30, 2009.

Finance Committee

The Finance Committee reviews and approves certain financial development transactions, and provides leadership and guidance to the Board and the Company on matters related to such transactions. The Finance Committee consists of at least three directors, a majority of which are independent as defined under the listing standards of the NYSE and as affirmatively determined by the Board. No member of the Finance Committee may be removed except by majority vote of the independent directors in office.

The Finance Committee s duties and responsibilities consist of the following:

Review, report and make recommendations to the Board on management recommendations or proposals regarding the Company s and its subsidiaries (i) capital structure, (ii) liquidity, (iii) need for credit or debt or equity financing, (iv) amounts, timing and sources of capital market transactions, and (v) financial hedging and derivative activities;

Review and approve, or authorize officers to approve, the pricing and other terms and conditions of transactions relating to debt or equity financings, financial hedging and derivatives activities, and other similar financial activities, in each case which have been reviewed and approved by the Board;

Review and approve, or authorize officers to approve, equity investments, sales of equity interests, joint venture arrangements, commercial and construction arrangements, financing transactions, provision of guarantees or other credit or liquidity support, and other arrangements related to the development, construction and operation of new power generation facilities and the repowering of or addition of new units to existing power generation, thermal or other energy producing facilities, in each case which have been discussed with or reviewed by the Board;

Review and approve, or authorize officers to approve, repurchases, early redemption or other similar actions with respect to the Company s securities;

Review and approve, or authorize officers to approve, the pricing and other terms and conditions of financing transactions related to mergers, acquisitions, tender offers, and reorganizations which have been reviewed and approved by the Board;

Review and approve, or authorize officers to approve, the pricing and other terms and conditions of securities offerings which have been reviewed and approved by the Board;

Approve determinations of the fair market value of assets and investments of the Company for purposes of the Company s note indentures, senior secured credit agreement or other similar financing documents where fair market value is required to be determined by the Board or by a committee of the Board;

Review and approve other matters that may be delegated by the Board; and

Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board deems appropriate.

The Finance Committee was formed in February 2008 and held seven meetings in calendar year 2008. In calendar year 2009, the Finance Committee has held three meetings through March 30, 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.

Communication with Directors

Stockholders and other interested parties may communicate with the Board by writing to the Corporate Secretary, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540. Communications intended for a specific director or directors should be addressed to their attention to the Corporate Secretary at the address provided above. Communications received from stockholders are forwarded directly to Board members as part of the materials mailed in advance of the next scheduled Board meeting following receipt of the communications. The Board has authorized the Corporate Secretary, in his or her discretion, to forward communications on a more expedited basis if circumstances warrant or to exclude a communication if it is illegal, unduly hostile or threatening, or similarly inappropriate. Advertisements, solicitations for periodical or other subscriptions, and other similar communications generally will not be forwarded to the directors.

Table of Contents

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board is divided into three classes serving staggered three-year terms. Directors for each class are elected at the Annual Meeting of Stockholders held in the year in which the term for their class expires.

The terms of the four Class III directors will expire at the 2009 Annual Meeting. The Class III directors elected at the 2009 Annual Meeting will hold office for a three-year term expiring at the Annual Meeting in 2012 (or until their respective successors are elected and qualified, or until their earlier death, resignation, or removal). There are no family relationships among the Company s executive officers and directors.

Each of the nominees for director named in this proxy statement have been recommended and nominated by the Governance and Nominating Committee. The persons named as proxies on the **WHITE** proxy card intend to vote the proxies for the election of the nominees listed below to the Board. Each nominee listed below has consented to being named in this proxy statement and to serve as a director if elected.

Nominees for Director (Class III Directors)

John F. Chlebowski
Age 63
Compensation Committee
Finance Committee
Nuclear Oversight Committee

Mr. Chlebowski has been a director of NRG since December 2003. Mr. Chlebowski served as the President and Chief Executive Officer of Lakeshore Operating Partners, LLC, a bulk liquid distribution firm, from March 2000 until his retirement in December 2004. From July 1999 until March 2000, Mr. Chlebowski was a senior executive and cofounder of Lakeshore Liquids Operating Partners, LLC, a private venture firm in the bulk liquid distribution and logistics business, and from January 1998 until July 1999, he was a private investor and consultant in bulk liquid distribution. Prior to that, he was employed by GATX Terminals Corporation, a subsidiary of GATX Corporation, as President and Chief Executive Officer from 1994 until 1997. Mr. Chlebowski is a director of First Midwest Bancorp Inc.

Howard E. Cosgrove
Age 65
Chairman of the Board
Nuclear Oversight Committee (Chair)
Nuclear Oversight Subcommittee

Mr. Cosgrove has been a director of NRG since December 2003 and Chairman of the Board since December 2003. He was Chairman and Chief Executive Officer of Conectiv and its predecessor Delmarva Power and Light Company from December 1992 to August 2002. Prior to December 1992, Mr. Cosgrove held various positions with Delmarva Power and Light including Chief Operating Officer and Chief Financial Officer. Mr. Cosgrove serves as

Chairman of the Board of Trustees at the University of Delaware.

Table of Contents

William E. Hantke
Age 61
Audit Committee (Chair)
Commercial Operations Oversight Committee
Nuclear Oversight Committee

Mr. Hantke has been a director of NRG since March 2006. Mr. Hantke served as Executive Vice President and Chief Financial Officer of Premcor, Inc., a refining company, from February 2002 until December 2005. Mr. Hantke was Corporate Vice President of Development of Tosco Corporation, a refining and marketing company, from September 1999 until September 2001, and he also served as Corporate Controller from December 1993 until September 1999. Prior to that position, he was employed by Coopers & Lybrand as Senior Manager, Mergers and Acquisitions from 1989 until 1990. He also held various positions from 1975 until 1988 with AMAX, Inc., including Corporate Vice President, Operations Analysis and Senior Vice President, Finance and Administration, Metals and Mining. He was employed by Arthur Young from 1970 to 1975 as Staff/Senior Accountant. Mr. Hantke was non-executive chairman of Process Energy Solutions, a non-public alternative energy company until March 31, 2008 and currently serves as director and vice-chairman of NTR Acquisition Co., an oil refining start-up.

Anne C. Schaumburg
Age 59
Audit Committee
Finance Committee (Chair)
Nuclear Oversight Committee

Ms. Schaumburg has been a director of NRG since April 2005. From 1984 until her retirement in January 2002, she was at Credit Suisse First Boston in the Global Energy Group, where she last served as Managing Director. From 1979 to 1984, she was in the Utilities Group at Dean Witter Financial Services Group, where she last served as Managing Director. From 1971 to 1978, she was at The First Boston Corporation in the Public Utilities Group. Ms. Schaumburg is also a director of Brookfield Infrastructure Partners L.P.

We urge you to vote FOR the foregoing nominees and NOT to sign or return any proxy card sent to you by Exelon for the following reasons:

The NRG Board has acted in the best interests of NRG stockholders in rejecting the Offer

We believe that our current directors have acted, are acting and will continue to act in the best interests of our stockholders. Your Board includes a majority of independent directors who are not interested parties with respect to the Offer. The Board has considerable experience in the competitive power industry and has been working diligently over the years to enhance value to our stockholders. The Board conducted a thorough review and consideration of the Offer after consultation with members of management and NRG s outside legal counsel and financial advisors. The Board reached the unanimous conclusion to reject the Offer as inadequate and not in the best interests of NRG and its stockholders. In reaching this conclusion, the Board took into consideration, among other things, the following factors:

The Board believes the Offer significantly 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;

Exelon is offering Exelon common stock as consideration to NRG s stockholders and the value of Exelon common stock following the consummation of the Offer is highly uncertain;

The Board believes a combination with Exelon will dilute, and might derail, NRG s continued growth;

The Offer is subject to numerous conditions, is likely to require NRG s support, and creates significant uncertainty. Specifically, 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;

The Offer may require refinancing of all or a significant amount of NRG s existing indebtedness and yet Exelon has not publicly announced that it has committed financing for the Offer, which presents real risks of non-consummation to NRG s stockholders; and

The Board believes the Offer does not compensate NRG s stockholders adequately for the risks in the proposed transaction structure.

Exelon s nominees have conflicts of interests with respect to the Offer

We strongly believe that Exelon s handpicked, paid nominees are biased and would have conflicts of interests if elected to the Board. As disclosed by Exelon, Exelon has agreed to pay each of its nominees $50,000 in consideration for his or her agreement to be named as a nominee for this election and to consent to serve as a director of NRG, if elected, and to provide certain information to Exelon to prepare its proxy statement. In addition, Exelon will reimburse each of its nominees for all reasonable expenses incurred by such nominee in connection with his or her responsibilities as a nominee for this election. Exelon also agreed to indemnify each of its nominees against any and all losses, claims, damages, liabilities, judgments, costs and expenses to which such nominee may be subject that arise out of or are based upon such person s role as a nominee for this election, and this indemnification arrangement will continue throughout such nominee s tenure as an NRG director if elected. While Exelon s nominees may not be controlled by Exelon or obligated to vote as directed by Exelon, we believe their objectivity with respect to the Offer would be colored by their relationship with Exelon, including the compensation, reimbursement and indemnification arrangements described above.

Furthermore, as previously disclosed, NRG is currently engaged in market discovery to determine the greatest value option available for our stockholders, including, but not limited to, the possibility of alternative business combinations, change-of-control transactions, asset sales and financing transactions such as third party equity investments in the Company. Should other value options come forward, our directors would be entrusted with the task of comparing Exelon s Offer with such other options. We believe Exelon s nominees would not be able to perform such a comparison without bias because their objectivity has been compromised as described above. In our view, Exelon is using this proxy contest to advance its own agenda acquiring NRG at a bargain price and disrupting NRG s business and growth.

The NRG Board is NOT preventing the consummation of the Offer; there are numerous unfulfilled conditions to the Offer

As noted above, the Offer is subject to numerous conditions and Exelon will not be obligated to consummate the Offer unless and until all of the conditions are satisfied or waived. While one of the conditions, the Section 203 Condition, may require action by your Board, most of the other conditions, including receipt of various governmental and regulatory approvals, are beyond the control of your Board. In fact, some of the key conditions to the Offer are within the control of Exelon and yet, five months after the commencement of the Offer, none of these conditions have been satisfied. For example, the issuance of shares of Exelon common stock in the Offer is subject to approval by Exelon s stockholders, and yet Exelon did not include the approval of such issuance in the agenda for its upcoming annual meeting of stockholders (the definitive proxy statement for such meeting was filed on March 19, 2009, four months after the commencement of the Offer). Exelon, however, has filed a preliminary proxy statement with the SEC contemplating a special meeting of stockholders to approve such issuance at an unspecified future date. Also, Exelon may not acquire any shares of NRG Common Stock in the Offer unless and until its registration statement on Form S-4 has become effective under the Securities Act of 1933. It has been more than four months since the commencement of the Offer and yet the registration statement has not become effective and Exelon has not submitted an acceleration request to the SEC. Exelon itself has stated that the closing of the Offer is not expected to occur until the fourth quarter of 2009 and that its ability to close the Offer in the fourth quarter of 2009 is subject to a number of approvals from, and filings with, various foreign, federal and state regulatory agencies with respect to both the offer and the merger. Therefore, the NRG Board is not preventing the consummation of the Offer; the Offer cannot be consummated at this time as a result of the numerous unfulfilled conditions.

Table of Contents

Exelon s Nominees lack relevant industry experience

Based on Exelon s disclosure, most of its nominees have no meaningful experience in the competitive power industry, which is a highly competitive industry with unique risks and challenges. In addition, the competitive power industry is subject to extensive U.S. federal, state, local and foreign laws and regulations. Therefore, having a large number of directors with little industry experience on the Board is not likely to improve the quality of the Board in any material respect.

The Board recommends a vote FOR the election to the Board of each of the foregoing nominees. Proxies solicited by the Board will be voted FOR each of the nominees unless a contrary vote is specified.

Table of Contents

Directors Continuing in Office

Information regarding NRG s directors continuing in office is provided below.

Class I Directors (Terms expire in 2010)

Kirbyjon H. Caldwell
Age 55

Pastor Caldwell has been director of NRG since March 2009. He was a director of Reliant Energy, Inc. from August 2003 to March 2009. Since 1982, he has served as Senior Pastor at the 15,000-member Windsor Village United Methodist Church in Houston, Texas. Pastor Caldwell is a also a director of Continental Airlines, Inc.

David Crane
Age 50
Nuclear Oversight Committee

Mr. Crane has served as the President, Chief Executive Officer and a director of NRG since December 2003. Prior to joining NRG, Mr. Crane served as Chief Executive Officer of International Power plc, a UK-domiciled wholesale power generation company, from January 2003 to November 2003, and as Chief Operating Officer from March 2000 through December 2002. Mr. Crane was Senior Vice President Global Power New York at Lehman Brothers Inc., an investment banking firm, from January 1999 to February 2000, and was Senior Vice President Global Power Group, Asia (Hong Kong) at Lehman Brothers from June 1996 to January 1999.

Stephen L. Cropper
Age 59
Governance and Nominating Committee
Commercial Operations Oversight Committee
Nuclear Oversight Committee

Mr. Cropper has been a director of NRG since December 2003. Mr. Cropper spent 25 years with The Williams Companies Inc., an energy company, before retiring in 1998 as President and Chief Executive Officer of Williams Energy Services. Mr. Cropper is a director of Berry Petroleum Company, Sunoco Logistics Partners L.P., Rental Car Finance Corporation, a subsidiary of Dollar Thrifty Automotive Group, Inc., Wawa, Inc. and Quik Trip Corporation.

Kathleen McGinty
Age 46
Governance and Nominating Committee
Nuclear Oversight Committee

Ms. McGinty has been a director of NRG since October 2008. Most recently, Ms. McGinty served as Secretary of the Pennsylvania Department of Environmental Protection (DEP), a position she held from 2003 until July 2008. Before joining the DEP, Ms. McGinty spent six years in the Clinton White House, where she was chair of the White House Council on Environmental Quality and earlier served as a senior environmental advisor to Vice President Al Gore. She currently serves as Secretary of the Board of Trustees at Saint Joseph s University in Pennsylvania and is the former Chair of the Pennsylvania Energy Development Authority. Ms. McGinty is also a founding partner of Peregrine Technology Partners, LLC, a firm focused on commercialization of resource efficient technologies and partner of Element Partners, an investor in the clean technology sector.

Thomas H. Weidemeyer
Age 61
Compensation Committee (Chair)
Governance and Nominating Committee
Nuclear Oversight Committee

Mr. Weidemeyer has been a director of NRG since December 2003. Until his retirement in December 2003, Mr. Weidemeyer served as Director, Senior Vice President and Chief Operating Officer of United Parcel Service, Inc., the world s largest transportation company and President of UPS Airlines. Mr. Weidemeyer became Manager of the Americas International Operation in 1989, and in that capacity directed the development of the UPS delivery network throughout Central and South America. In 1990, Mr. Weidemeyer became Vice President and Airline Manager of UPS Airlines and, in 1994, was elected its President and Chief Operating Officer. Mr. Weidemeyer became Senior Vice President and a member of the Management Committee of United Parcel Service, Inc. that same year, and he became Chief Operating Officer of United Parcel Service, Inc. in January 2001. Mr. Weidemeyer also serves as a director of The Goodyear Tire & Rubber Co., Waste Management, Inc. and Amsted Industries Incorporated.

Class II Directors (Terms expire in 2011)

Lawrence S. Coben
Age 50
Governance and Nominating Committee (Chair)
Finance Committee
Nuclear Oversight Committee

Mr. Coben has been a director of NRG since December 2003. He is currently Chairman and Chief Executive Officer of Tremisis Energy Acquisition Corporation II, a publicly held company since July 2007. He was Chairman and Chief Executive Officer of Tremisis Energy Corporation LLC from May 2006 through June 2007 and of Tremisis Energy Acquisition Corporation from February 2004 to May 2006. From January 2001 to January 2004, he was a Senior Principal of Sunrise Capital Partners L.P., a private equity firm. From 1997 to January 2001, Mr. Coben was an independent consultant. From 1994 to 1996, Mr. Coben was Chief Executive Officer of Bolivian Power Company.

Paul W. Hobby
Age 48
Commercial Operations Oversight Committee (Chair)
Nuclear Oversight Committee
Nuclear Oversight Subcommittee

Mr. Hobby has been a director of NRG since March 2006. Mr. Hobby is the Managing Partner of Genesis Park, L.P., a Houston-based private equity business specializing in technology and communications investments which he helped to form in 2000. In that capacity, he serves as the Chief Executive Officer of Alpheus Communications, Inc., a Texas wholesale telecommunications provider, and as Former Chairman of CapRock Services Corp., the largest provider of satellite services to the global energy business. From November 1992 until January 2001, he served as Chairman and Chief Executive Officer of Hobby Media Services and was Chairman of Columbine JDS Systems, Inc. from 1995 until 1997. He was an Assistant U.S. Attorney for the Southern District of Texas from 1989 to 1992, Chief of Staff to the Lieutenant Governor of Texas, Bob Bullock, in 1991 and an Associate at Fulbright & Jaworski from 1986 to 1989. Mr. Hobby is also a director of Stewart Information Services Corporation (Stewart Title).

Table of Contents

Gerald Luterman
Age 65
Audit Committee
Finance Committee

Mr. Luterman has been a director of NRG since April 2009. Mr. Luterman was Executive Vice President and Chief Financial Officer of KeySpan Corporation from August 1999 to September 2007. Prior to this time, Mr. Luterman had more than 30 years experience in senior financial positions with companies including American Express, Booz Allen & Hamilton, Emerson Electronics and Arrow Electronics. Mr. Luterman serves as a director of U.S. Shipping Partners L.P.

Herbert H. Tate
Age 56
Nuclear Oversight Committee
Nuclear Oversight Subcommittee (Chair)

Mr. Tate has been a director of NRG since December 2003. Mr. Tate was Corporate Vice President, Regulatory Strategy of NiSource, Inc. from July 2004 to April 2006. He was Of Counsel of Wolf & Samson P.C., a law firm, from September 2002 to July 2004. Mr. Tate was Research Professor of Energy Policy Studies at the New Jersey Institute of Technology from April 2001 to September 2002 and President of New Jersey Board of Public Utilities from 1994 to March 2001. Mr. Tate is also a director of IDT Capital, Inc. and IDT Spectrum, Inc. Previously, Mr. Tate was a member of the Board of Directors for Central Vermont Public Service from April 2001 to June 2004, where he was a member of the Audit Committee. He was also a former Assistant Administrator for Enforcement at the United States Environmental Protection Agency. He has also been on the Board of Directors of the Environmental Law Institute since 2002.

Walter R. Young
Age 64
Audit Committee
Compensation Committee
Nuclear Oversight Committee

Mr. Young has been a director of NRG since December 2003. From May 1990 to June 2003, Mr. Young was Chairman, Chief Executive Officer and President of Champion Enterprises, Inc., an assembler and manufacturer of manufactured homes. Mr. Young has held senior management positions with The Henley Group, The Budd Company and BFGoodrich.

PROPOSAL NO. 2

ADOPTION OF THE NRG ENERGY, INC. AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN

Purpose of Amendment and Restatement

The Board and stockholders previously approved the Long-Term Incentive Plan to promote the long-term growth and profitability of the Company by providing certain directors, officers, employees and consultants of the Company incentives to maximize stockholder value and to enable the Company to attract, retain, and reward the best available persons for positions of responsibility. Presently, the Board has adopted, subject to stockholder approval, an amended and restated version of the Long-Term Incentive Plan (the Plan), as described herein, in order to ensure the Plan s compliance with Section 409A of the Internal Revenue Code (the Code) and to expand the list of performance factors the Compensation Committee may consider in determining Award grants. No additional shares are being sought for issuance as part of this proposal. If this proposal is not adopted by the stockholders, the Plan will continue in its current form, however, the Company may be unable to effectively continue using the plan if it is not compliant with Section 409A of the Code. Furthermore, if the additional performance factors are not approved, the Company may be restricted in its ability to take a tax deduction for certain Awards granted under the plan, pursuant to Code Section 162(m).

Currently, 16,000,000 shares of Common Stock of the Company are reserved for issuance under the Plan, which number reflects the two-for-one stock split which was approved by the Board in April 2007. The maximum number of shares of Common Stock with respect to which incentive stock option shares may be granted is 8,000,000. As of March 20, 2009, awards covering 10,566,438 shares (assuming maximum targets are met) have been issued under the Plan since it was instituted in December 2003, leaving 5,433,561 shares still available.

The following is a summary of the material features of the Plan, which is qualified in its entirety by reference to the complete text of the Plan, as amended, attached to this Proxy Statement as Appendix A.

Eligibility

All directors, officers, employees and consultants of the Company and its subsidiaries are eligible to be selected by the Compensation Committee for participation in the Plan. As of March 30, 2009, there were approximately 1,636 directors, officers, employees, and consultants eligible to be selected for participation in the Plan.

Types of Awards

The Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units, performance awards, and deferred stock units (collectively, the Awards). The material features of these types of Awards are described below. Subject to the terms of the Plan, the specific terms and conditions of any Award are established in the discretion of the Compensation Committee at the time of grant and set forth in an award agreement issued to the participant.

Options. The Plan provides for the grant of incentive stock options qualified under Section 422 of the Code and nonqualified stock options as designated by the Compensation Committee in the award agreement for the option. Subject to the terms of the Plan, the option price, the number of shares subject to an option, and the conditions on exercisability will be determined by the Compensation Committee at the date of grant.

Under the Plan, the exercise price per share of an option may not be less than the fair market value of a share of Common Stock of the Company as of the date of grant. Under the Plan, the fair market value of a share is equal to the closing selling price (or bid price) of the Common Stock on the New York Stock Exchange (or other stock exchange on which the stock is listed) on the date the value is being determined. If an option granted to an employee that owns more than 10 percent of the total combined voting power of all classes of Company stock on the date of grant (a 10 Percent Stockholder) is intended to qualify as an incentive stock option, the exercise price may not be less than 110 percent of the fair market value of the Common Stock on the date of grant.

Table of Contents

Under the Plan, no option may be exercisable more than 10 years after the date the option is granted. However, an option granted to a 10 Percent Stockholder that is intended to qualify as an incentive stock option, may not be exercisable more than five years from the grant date. Unless otherwise determined by the Compensation Committee, participants may exercise any vested options by paying the exercise price either in cash, unrestricted shares of Common Stock owned for at least six months, any cashless exercise procedures approved by the Compensation Committee, or any combination of the foregoing. In general prior to exercise, participants will not have any rights as stockholders with respect to any shares of Common Stock covered by an option.

Stock Appreciation Rights. Under a stock appreciation right (SAR), a participant is awarded an interest in the appreciated value of the shares of Common Stock underlying the Award above a base amount for such shares established by the Compensation Committee at the time the right is granted. In no event may the base amount under an SAR be less than the fair market value of the shares underlying the SAR as of the date of grant. The appreciated value of the stock subject to a SAR will be payable to a participant at the time and under the terms and conditions of the SAR established by the Compensation Committee at the time of grant. SARs may be granted either alone or in tandem with options. The amount payable under a SAR will be paid in shares of Common Stock. In general, prior to payment of a SAR in Common Stock, a participant will not have any rights as a stockholder with respect to the shares of Common Stock underlying a SAR.

Restricted Stock. Under a restricted stock award, a participant is issued shares of Common Stock of the Company that are subject to certain forfeiture or vesting provisions and restrictions on transferability as determined by the Compensation Committee at the time of the Award. Unless the restricted shares issued are treasury shares, a participant is required to pay the Company the aggregate par value for the shares of restricted stock within 10 days of the date of grant. Unless otherwise provided under the terms of the Award, a participant has voting and dividend rights with respect to awards of restricted stock. Any stock or other securities received as a distribution with respect to restricted stock are subject to the same restrictions that apply to the shares of restricted stock.

Restricted Stock Units. Each restricted stock unit represents the right of a participant to be paid one share of Common Stock of the Company subject to the vesting provisions, restrictions and other terms and conditions of the Award. Prior to the vesting of restricted stock units or the expiration of any applicable restriction period under the Award, the participant does not have any rights as a Company stockholder. However, in general, when the restricted period ends and the participant vests, he or she will have the right to receive accumulated dividends or distributions with respect to the corresponding number of shares of Common Stock underlying each restricted stock unit. Pursuant to the tax rules applicable to nonqualified deferred compensation plans under Section 409A, an Award of restricted stock units may permit the participant to elect to defer the receipt of shares of Common Stock that would otherwise be payable when the units vest.

Performance Awards. Performance awards issued under the Plan entitle a participant to receive an amount based on the satisfaction of certain performance criteria or goals established in the discretion of the Compensation Committee for a performance measurement period determined by the Compensation Committee in its discretion. Performance awards may include specific dollar-value target awards or the grant of performance units or shares, the value of which will be determined by the Compensation Committee at the time of grant and may be based on the fair market value of Common Stock of the Company. In general, a participant is required to remain employed or engaged by the Company at the end of the performance measurement period in order to receive payment of a performance award. Performance awards earned or vested may be paid in shares of Common Stock of the Company or other property or securities of the Company as the Compensation Committee may determine. If the Company undergoes a Change of Control, the Committee shall determine the level at which performance awards shall become vested.

Deferred Stock Units. Each deferred stock unit represents the right of a participant to be paid one share of Common Stock of the Company at the end of a deferral period established under the Award by the Compensation 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 the case of death, disability or retirement, a participant is required to remain employed or engaged by the Company as of the end of the deferral period in order to receive payment of a deferred stock unit.

Stock Subject to the Plan

The total shares reserved for issuance under the Plan since its initial adoption is 16,000,000. This stock may be either authorized and unissued shares or treasury shares held by the Company. The shares of Common Stock subject to Awards that expire, terminate, are forfeited or are withheld in payment of the exercise price of or the taxes related to an Award, will be available for future grants under the Plan.

In the event that a change affecting the capital structure of the Company is implemented, such as a stock dividend, stock split or merger, the Compensation Committee will equitably adjust the number and kind of shares or other property available for issuance under the Plan, and the number, kind and exercise price of outstanding Awards. In the event of a merger, consolidation, or other reorganization where the Company is not the surviving or continuing entity, all outstanding Awards will be either assumed by the surviving or continuing entity or cancelled in exchange for cash or other property.

The aggregate number of shares of Company Common Stock granted as stock options under the Plan during any calendar year to any one participant may not exceed 1,000,000 shares. Likewise, a participant may not be granted SARs with respect to more than 1,000,000 shares of Common Stock during a calendar year. Performance awards granted to any one participant in any one calendar year may not be payable in Common Stock in excess of 1,000,000 shares and if payable in other property or securities of the Company, may not exceed the greater of the fair market value of 1,000,000 shares of Common Stock as of the date of grant or the date of payment. In addition, the fair market value of stock options (determined at the date of grant) that will first become exercisable during any one calendar year that are intended to qualify as incentive stock options under Section 422 of the Code, may not exceed $100,000.

The market value of a share of the Company s Common Stock based on the closing price on the New York Stock Exchange on March 30, 2009, was $17.05.

Administration

The Plan is administered by the Compensation Committee, which is composed of nonemployee members of the Board. Subject to the provisions of the Plan, the Compensation Committee has the discretionary power and authority to select persons to participate in the Plan and to determine the type, amount, timing and terms and conditions of Awards granted under the Plan. The Compensation Committee also has the power and authority to interpret the terms of the Plan and Awards issued thereunder.

The Committee may establish such rules and regulations and take such actions as it deems necessary or advisable for the proper administration of the Plan. All decisions and interpretations by the Compensation Committee regarding the Plan are final and binding on all participants and beneficiaries, unless an arbitration or other dispute resolution procedure is expressly provided in the applicable Award grant agreement. In addition, members of the Compensation

Committee and the Company s officers will not be liable for any acts or omissions in connection with the performance of their duties under the Plan, except in the case of the person s own willful misconduct or as expressly provided by statute.

Table of Contents

Termination of Employment

Unless the Compensation Committee determines otherwise or as otherwise provided in a grant agreement, and except as provided above for deferred stock units, if a participant s employment or performance of service with the Company ceases, the following terms and conditions apply to the participant s outstanding Awards:

Death. All outstanding Awards will become fully vested, to the extent not already vested, and they will be exercisable, if applicable, for one year from the date of death, or until the Award expires if earlier.

Disability. All of the participant s Awards that are vested and exercisable on the date he or she becomes disabled will remain exercisable, if applicable, for one year from the date of disability, or until the Award expires if earlier. All Awards that are not fully vested or exercisable on the date of disability will be forfeited.

Retirement. All of the participant s Awards that are vested and exercisable on his or her retirement date will remain exercisable, if applicable, for two years from the retirement date, or until the Award expires if earlier. All Awards that are not fully vested or exercisable on the date of retirement will be forfeited; provided that if a director retires, all of his or her unvested Awards will immediately vest and be exercisable for two years after the retirement date, or until the Awards expire if earlier. In general, a director qualifies for retirement under the Plan if his or her service on the Board terminates after five years of service. Other participants in the Plan qualify for retirement upon termination from employment or service after attaining age 55 with ten or more years of service.

Termination for Cause. If a participant s employment or service with the Company is terminated for cause, all Awards granted under the Plan will be immediately forfeited regardless of whether or not they are vested and/or exercisable. For purposes of the Plan, the term cause means any one or more of the following events unless determined otherwise by the Compensation Committee: conviction of, or agreement to a plea of nolo contendere to, a felony, or any crime or offense lesser than a felony involving the property of the Company or a subsidiary; conduct that has caused demonstrable and serious injury to the Company or a subsidiary, monetary or otherwise; willful refusal to perform or substantial disregard of duties properly assigned, as determined by the Company; breach of duty of loyalty to the Company or a subsidiary or other act of fraud or dishonesty with respect to the Company or a subsidiary; or violation of the Company s code of conduct.

All Other Terminations. All of the participant s Awards that are vested and exercisable will remain exercisable, if applicable, for 90 days from the date of termination, or until the Award expires if earlier. All Awards that are not fully vested or exercisable on the date of termination will be forfeited.

Change in Control

Unless determined otherwise by the Compensation Committee, all outstanding Awards will become fully vested and exercisable until the Awards otherwise expire if the Company undergoes a change in control. For purposes of the Plan, a change in control is deemed to occur in any one of the following events: (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 (a Business Combination) or (4) the stockholders approve a plan or proposal to liquidate or dissolve the Company.

Table of Contents

If a change in control occurs as a result of a Business Combination described above, then the Compensation Committee may cancel any or all outstanding options under the Plan by paying the option holders an amount equal to the portion of the consideration, if any, that would have been payable to them pursuant to the transaction if their options had been fully exercised immediately prior to the transaction, less the aggregate exercise price of their options; or, if the options are underwater, cancel the options for no consideration or payment of any kind. Payments in exchange for options may be made in cash, securities, or other Company property as determined by the Compensation Committee in its sole discretion.

Dividends and Dividend Equivalents

The Compensation Committee may grant Awards that provide participants with the right to receive dividend payments or dividend equivalent payments on the Common Stock of the Company subject to the Award, whether or not the Award has been exercised or is vested.

Transferability

Unless determined otherwise by the Compensation Committee, no Award granted under the Plan will be transferable by a participant, other than by will or the laws of descent and distribution, except to a participant s family member by gift or pursuant to a qualified domestic relations order as defined by the Code.

Duration and Amendment of the Plan

No Awards will be granted pursuant to the Plan after December 5, 2013, which is 10 years after the date the Plan was initially effective. The Board or the Compensation Committee may amend or terminate the Plan at any time, except that no amendment shall become effective without prior approval of the stockholders of the Company if such approval is required by applicable law, regulations or the rules of any exchange or market on which the Company s Common Stock is traded or listed or the amendment would increase the number of shares reserved for issuance under the Plan.

The Compensation Committee may amend the terms of any outstanding Award under the Plan, except that no amendment may adversely affect any right of a participant under an Award without his or her written consent and no amendment may reduce the exercise price of any options or SARs awarded under the Plan without approval of the stockholders of the Company.

Table of Contents

Plan Benefits

As of March 30, 2009, the following Awards have been granted under the Plan:

Name/Group & Title	Stock Options	Restricted Stock Units	Deferred Stock Units	Performance Awards/Units[1]
David Crane President and Chief Executive Officer	2,221,316	458,688	38,142	302,600
Robert Flexon Executive Vice President and Chief Operating Officer[2]	595,800	100,200	11,360	159,400
Kevin T. Howell Executive Vice President and Regional President, Texas	67,200	334,200	0	15,200
J. Andrew Murphy Executive Vice President and General Counsel[3]	146,800	17,400	0	55,800
Clint Freeland Senior Vice President and Chief Financial Officer[4]	63,900	13,920	0	28,000
All current executive officers as a group	3,889,782	1,029,456	8,714	1,526,400
All current directors who are not executive officers as a group	0	0	258,033	0
Director nominees	0	0	114,964	0
Each other person who received or is to receive 5% or more of such Awards	0	0	0	0
All other employees as a group	2,454,731	5,207,756	125,638	653,400

(1) Amounts represent the number of performance units granted. Each performance unit represents the right to receive Common Stock at the time specified in the Award but only if the price per share of Common Stock on such date (the measurement price) equals or exceeds the target price under the Award. The number of shares of Common Stock to be paid for each performance unit will be equal to: (i) one share of Common Stock, if the measurement price equals the target price; (ii) a prorated amount in between one and two shares of Common Stock, if the measurement price is greater than the target price but less than the maximum price under the Award; and (iii) two shares of Common Stock, if the measurement price is equal to or greater than the maximum price. For awards granted after January 1, 2009, the number of shares to be paid includes a pro-rated amount between one-half and one share of Common Stock if the measurement price equals or exceeds a threshold price. The number of shares included in the table assumes a maximum payout.

(2) As of February 18, 2009, Mr. Flexon is Executive Vice President and Chief Financial Officer.

(3) As of February 18, 2009, Mr. Murphy is Executive Vice President and Regional President, Northeast.

(4) As of February 18, 2009, Mr. Freeland is Senior Vice President, Strategy, Financial Structure.

The Awards that will be granted or paid under the Plan following the stockholders approval of the proposed amendment to the Plan are not currently determinable.

Federal Income Tax Consequences of Awards

The following discussion of the Plan s federal income tax consequences is a summary of applicable federal law as currently in effect. This discussion does not cover all federal provisions that may apply to a participant, including federal gift tax or estate tax issues, and is not intended to be relied on by any person as tax advice.

Table of Contents

Nonqualified Stock Options. A participant will not have taxable income upon the grant of a nonqualified stock option. Upon the exercise of a nonqualified option, the participant will be subject to tax withholding and will recognize ordinary income equal to the difference between (a) the fair market value of one share of Common Stock on the day the option is exercised and (b) the option price of one share, times the number of shares exercised. The Company will be entitled to a tax deduction at the same time and in the same amount.

The subsequent sale of the shares by a participant generally will give rise to capital gain or loss equal to the difference between the sale price and the sum of the exercise price paid for the shares plus the ordinary income recognized with respect to shares, and the capital gains will be taxable as long-term capital gains if the shares are held for more than one year.

Incentive Stock Options. Neither the grant nor exercise of an incentive stock option under the Plan is taxable to the participant receiving the option. If the participant holds the stock purchased upon exercise of an incentive stock option for at least one year after exercising the option and at least two years after the option was granted, his or her later sale of the stock will produce long-term capital gain or loss, and the Company will not be entitled to any tax deduction. However, if the employee disposes of the stock before these holding periods have elapsed (a disqualifying disposition), he or she will generally be taxed at ordinary income rates on the excess of the fair market value of the stock when the option was exercised over the option exercise price (or, if less, the amount realized in the case of an arm s length disqualifying disposition to an unrelated third party), and the Company will be entitled to a tax deduction in the same amount. Any remaining gain or loss will be short-term or long-term capital gain or loss depending on the holding period of the shares. If shares acquired pursuant to the exercise of an incentive option are surrendered to the Company upon exercise of an incentive option and if the shares have not been held for the requisite one and two-year periods, the surrender will be treated as a disqualifying disposition.

Stock Appreciation Rights (SARs). The grant of a SAR is generally not a taxable event for a participant. Upon exercise of the SAR, the participant will generally recognize ordinary income equal to the fair market value of any shares or property received. The participant will be subject to income tax withholding at the time when the ordinary income is recognized. The Company will be entitled to a tax deduction at the same time for the same amount. If the SAR is settled in shares, the participant s subsequent sale of the shares generally will give rise to capital gain or loss equal to the difference between the sale price and the ordinary income recognized when the participant received the shares, and these capital gains will be taxable as long-term capital gains if the participant held the shares for more than one year.

Restricted Stock. The grant of restricted stock is not a taxable event for a participant. When the restricted stock vests, the participant will recognize ordinary income in an amount equal to the excess, if any, of the fair market value of the restricted stock on the date of the expiration over the purchase price of the shares and will be subject to tax withholding. The participant may, however, elect within 30 days after the date of grant under Section 83(b) of the Code to recognize ordinary income on the date of grant in an amount equal to the fair market value of the restricted stock on the date of grant, determined without regard to the restrictions imposed on the shares. If and when the participant recognizes ordinary income attributable to the restricted stock, the Company will generally be entitled to a deduction equal to the amount of the ordinary income.

Restricted Stock Units, Performance Award and Deferred Stock Units. A participant generally will not have taxable income upon the grant of a restricted stock unit, performance award or deferred stock unit. Rather, taxation will be postponed until the Award becomes vested and the participant would be subject to tax withholding at such time. At that time, the participant will recognize ordinary income generally equal to the value of the shares of Common Stock or other property paid to the participant under the Award, and the Company will generally be entitled to a deduction equal to the same amount.

Table of Contents

Excess Parachute Payment. The Plan provides for accelerated vesting or payment of an Award in connection with a change in control of the Company. In that event and depending upon the individual circumstances of the participant, certain amounts with respect to the Awards may constitute excess parachute payments under the golden parachute provisions of Sections 280G and 4999 of the Code. Pursuant to those provisions, an employee will be subject to a 20 percent excise tax on any excess parachute payment, and the Company will not be permitted to take a deduction for the excess parachute payment.

Section 162(m). In general, Section 162(m) of the Code limits the amount of compensation otherwise deductible by the Company and its subsidiaries for the year to $1,000,000 for each of the chief executive officer of the Company and the next four highly compensated officers of the Company serving at the end of the taxable year, except to the extent that the compensation qualifies as performance-based compensation.

The performance criteria for any performance award that is intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Code will be any one or more of the following performance criteria applied to either the Company as a whole or to a business unit or subsidiary as determined by the Compensation Committee: return on equity; earnings per share; return on gross or net assets; return on gross or net revenue; pre- or after-tax net income; earnings before interest, taxes, depreciation and amortization; operating income; revenue growth; consolidated pre-tax earnings; net or gross revenues; net earnings; earnings before interest and taxes; cash flow; earnings per share; fleet in-market availability; safety criteria; environmental criteria; revenue growth; cash flow from operations; diluted or basic; return on sales; earnings per share from continuing operations, diluted or basic; earnings from continuing operations; net asset turnover; capital expenditures; income before income taxes; gross or operating margin; return on total assets; return on invested capital; return on investment; return on revenue; market share; economic value added; cost of capital; expense reduction levels; stock price; productivity; customer satisfaction; employee satisfaction; and total shareholder return for the applicable Performance Period, all as computed in accordance with Generally Accepted Accounting Principles (if relevant) as in effect from time to time and as applied by the Company in the preparation of its financial statements and subject to such other special rules and conditions as the Compensation Committee may establish at any time ending on or before the 90th day of the applicable Performance Period. These performance factors may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range.

Section 409A. Section 409A of the Code, enacted as part of the American Jobs Creation Act of 2004, imposes new election, payment and funding requirements on nonqualified deferred compensation plans, effective January 1, 2005. If a nonqualified deferred compensation plan subject to Section 409A fails to meet, or is not operated in accordance with, these new requirements, then compensation deferred under the plan may become immediately taxable and subject to a 20 percent excise tax. Under interim guidance issued by the Internal Revenue Service (the IRS), certain Awards that may be issued under the Plan may constitute the deferral of compensation subject to the new requirements of Section 409A.

Table of Contents

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Number of Securities Remaining to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Compensation Plans (Excluding Outstanding Options, Warrants and Rights
Equity compensation plans approved by security holders	6,650,080	$ 25.48	6,798,074(a)
Equity compensation plans not approved by security holders		N/A	
Total	6,650,080	$ 25.48	6,798,074

(a) Consists of securities remaining for future issuance under the Plan and NRG s Employee Stock Purchase Plan, or ESPP. There were 6,798,074 and 7,941,758 shares of common stock remaining available for grants of awards under the Plan as of December 31, 2008 and 2007, respectively. The ESPP was approved by NRG s stockholders on May 14, 2008. There are 500,000 shares reserved from NRG s treasury shares for the ESPP. There were 500,000 shares remaining under the ESPP as of December 31, 2008. In January 2009, 41,706 shares were issued to employees accounts from the treasury stock reserve for the ESPP.

The Board of Directors recommends, on the advice of the Compensation Committee, a vote FOR the proposed Amended and Restated Long-Term Incentive Plan. Proxies solicited by the Board will be voted FOR the Amended and Restated Long-Term Incentive Plan unless a contrary vote is specified.

PROPOSAL NO. 3

APPROVAL OF THE ADOPTION OF THE NRG ENERGY, INC. AMENDED AND RESTATED ANNUAL INCENTIVE PLAN FOR DESIGNATED CORPORATE OFFICERS

Purpose of Amendment and Restatement

The Board and stockholders previously approved the Annual Incentive Plan for Designated Corporate Officers to enhance the Company s ability to attract and retain individuals of exceptional managerial talent and enable the Company to pay competitive compensation without necessarily losing any tax deductions available for the compensation. Presently, the Board has adopted, subject to stockholder approval, an amended and restated version of the Annual Incentive Plan for Designated Corporate Officers (the Annual Incentive Plan), as described herein, in order to expand the list of performance factors the Compensation Committee may consider in determining award grants under the Annual Incentive Plan as well as to add a clawback provision in certain instances.

The following is a summary of the material features of the Amended and Restated Annual Incentive Plan for Designated Corporate Officers, which is qualified in its entirety by reference to the complete text of the plan attached to this proxy statement as Appendix B.

Description of the Annual Incentive Plan

Eligible Participants. NRG s President and Chief Executive Officer and any other officers of the Company or its affiliates selected by the Compensation Committee on or before the 90th day of a performance period are eligible to participate in the Annual Incentive Plan. Approximately 2,887 employees are currently eligible to be selected by the Compensation Committee to participate in the Annual Incentive Plan.

Awards Under the Plan. The Compensation Committee will establish target award levels and performance goals for each performance period, which will be used as the basis for granting awards under the Annual Incentive Plan. The Annual Incentive Plan s performance periods are 12 consecutive months long, and they coincide with the Company s fiscal year. The Compensation Committee will base the performance goals for a performance period on any one or more of the following performance factors, which will be computed in accordance with Generally Accepted Accounting Principles when appropriate and subject to such other special rules and conditions as the Compensation Committee may establish at any time ending on or before the 90th day of the applicable performance period: consolidated pre-tax earnings; net or gross revenues; net earnings; operating income; earnings before interest and taxes; earnings before interest, taxes, depreciation, and amortization; cash flow; return on equity; return on net assets employed; earnings per share; fleet in-market availability; safety criteria; environmental criteria; revenue growth; cash flow from operations; net income; diluted or basic; return on sales; return on assets; earnings per share from continuing operations, diluted or basic; earnings from continuing operations; net asset turnover; capital expenditures; income from operations; income before income taxes; gross or operating margin; return on total assets; return on invested capital; return on investment; return on revenue; market share; economic value added; cost of capital; expense reduction levels; stock price; productivity; customer satisfaction; employee satisfaction; and total shareholder return for the applicable performance period. For any plan year, performance factors may be determined on an absolute basis or relative to internal goals or relative to levels attained in prior years or related to other entities or indices or as ratios expressing relationships between two or more performance factors, and may be expressed in terms of a progression within a specified range.. Performance factors may be in respect of the performance of the Company, any of its subsidiaries or affiliates or any combination thereof on either a consolidated, business unit or divisional level.

The Compensation Committee is responsible for administering the Annual Incentive Plan. No later than the 90th day of each performance period, the Compensation Committee will establish the performance goals under the performance criteria listed above for the period. Following the end of each performance period and prior to any award being paid, the Compensation Committee will certify whether or not and the extent to which the performance goals have been met.

Table of Contents

The Compensation Committee retains the discretion to reduce or eliminate awards that are otherwise payable under the Annual Incentive Plan. In addition, in no event will an award be paid if the performance goals set by the Compensation Committee at the beginning of the applicable performance period are not met.

Since awards payable under the Annual Incentive Plan are dependent on the Company s financial and business performance, the awards are currently not determinable.

Clawback. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, than any participant who has been paid a bonus under the Annual Incentive Plan based upon or affected by the restated financial report shall be required, at the discretion of the Board, to reimburse the Company for all or any portion of such bonus paid to such participant.

Award Limitations. No awards will be paid under the Annual Incentive Plan until it is approved by the stockholders. In addition, no participant will receive an award for any performance period that exceeds $5,000,000.

Amendment, Term and Termination. The Compensation Committee may amend the Annual Incentive Plan prospectively at any time for any reason without giving advance notice. In addition, the Compensation Committee may terminate or reduce the benefits payable under the Annual Incentive Plan with respect to both individuals receiving benefits and those who may receive benefits in the future.

Unless terminated earlier by the Compensation Committee, the Plan will automatically terminate on January 1, 2014.

The Board of Directors recommends, on the advice of the Compensation Committee, a vote FOR the proposed Amended and Restated Annual Incentive Plan for Designated Corporate Officers. Proxies solicited by the Board will be voted FOR the Amended and Restated Annual Incentive Plan for Designated Corporate Officers unless a contrary vote is specified.

PROPOSAL NO. 4

MAJORITY VOTING PROPOSAL

Article Six of our Certificate of Incorporation currently states the following:

Article Six

Except as otherwise provided in this Certificate (including any duly authorized certificate of designation of any series of Preferred Stock), Directors shall be elected by a plurality of the votes of the shares entitled to vote in the election of Directors present in person or represented by proxy at the meeting of the stockholders at which Directors are elected. Elections of Directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

The Board believes it is in the best interests of the Company and our stockholders to amend the voting standard in the case of any uncontested director election from its current plurality vote standard to a more stringent majority vote standard. Plurality voting will be retained, however in the case of any contested director election. Therefore, the Board recommends that our stockholders approve a proposal to amend and restate Article Six of our Amended and Restated Certificate of Incorporation to state the following:

Article Six

Except as provided by the Certificate of Incorporation (including any duly authorized certificate of designation of any series of Preferred Stock), each Director shall be elected by the vote of the majority of the votes cast with respect to that Director s election at any meeting for the election of Directors at which a quorum is present, provided that if the number of nominees at any such meeting exceeds the number of Directors to be elected at the meeting, the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of Directors. For purposes of this Article, a majority of the votes cast means that the number of shares voted for a Director must exceed the number of votes cast against that Director.

If the amendment is approved by a majority of those shares entitled to vote on this proposal, the Company will file a certificate of amendment to the Certificate of Incorporation with the Delaware Secretary of State promptly after the stockholder votes have been tabulated and verified. The proposed amendment will take effect upon filing of the certificate of amendment with the Delaware Secretary of State and the majority voting standard will apply to uncontested directors elections that take place after such effectiveness. It should be noted that the proposed amendment will not be effectuated in time to alter the voting standard used to elect directors at the Company s 2009 Annual Meeting. Additionally, the proposed amendment will have no effect on the vote required for any other proposal to be acted upon by stockholders of the Company at the 2009 Annual Meeting, including any proposal proposed by Exelon and not included in this proxy statement.

The Board of Directors recommends, on the advice of the Governance and Nominating Committee, a vote FOR the amendment of Article Six of the Amended and Restated Certificate of Incorporation amending the voting standard for noncontested director elections to provide for majority voting. Proxies solicited by the Board will be voted FOR the approval of this amendment unless a contrary vote is specified.

Table of Contents

PROPOSAL NO. 5

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee appointed the firm of KPMG LLP, independent registered public accounting firm, to audit the consolidated financial statements of the Company and its subsidiaries for the year 2009 at a meeting held in February. If the stockholders do not ratify the appointment of KPMG LLP, the Audit Committee will reconsider its selection. Representatives of KPMG LLP are expected to attend the Annual Meeting where they will be available to respond to questions and, if they desire, to make a statement.

The Audit Committee first engaged KPMG LLP as the Company s independent registered public accounting firm on May 24, 2004.

The Board recommends a vote FOR the ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm. Proxies solicited by the Board will be voted FOR ratification unless a contrary vote is specified.

PROPOSAL NO. 6

CARBON PRINCIPLES REPORT PROPOSAL

NRG has received the following stockholder proposal from the Free Enterprise Action Fund, 12309 Briarbush Lane, Potomac Maryland 20854, beneficial owner of a number of shares of NRG common stock worth a minimum of $2,000 market value, for consideration at the annual meeting:

RESOLVED: The shareholders request that the Company prepare by October 2009, at reasonable expense and omitting proprietary information, a Carbon Principles Report. The report should describe and discuss how the Company s involvement with the Carbon Principles has impacted the environment.

Supporting Statement:

Coal is used to provide 50 percent of the U.S. electricity supply. The burning of coal by U.S. electricity utilities is clean and safe for the environment. Air emissions are regulated by states and the federal government. Since burning coal is the least expensive way to produce electricity, consumers and the U.S. economy benefit from comparatively low electricity rates.

The Company is an industry advisor to the so-called Carbon Principles, a voluntary bank lending policy stigmatizing and discriminating against coal-fired electricity based on the dubious assumption that carbon dioxide emissions from the burning of coal are causing global warming.

But in May 2008, the Oregon Institute of Science and Medicine released a petition signed by more than 31,000 U.S. scientists stating, There is no convincing scientific evidence that human release of carbon dioxide, methane or other greenhouse gases is causing, or will cause in the future, catastrophic heating of the Earth s atmosphere and disruption of the Earth s climate,..

India s National Action Plan on Climate Change issued in June 2008 states, No firm link between the documented [climate] changes described below and warming due to anthropogenic climate change has yet been established.

Researchers belonging to the UN Intergovernmental Panel on Climate Change (IPCC) reported in the science journal Nature (May 1, 2008) that, after adjusting their climate model to reflect actual sea surface temperatures of the last 50 years, global surface temperature may not increase over the next decade, since natural climate variation will drive global climate.

Climate scientists reported in the December issue of the International Journal of Climatology, published by the UK s Royal Meteorological Society, that observed temperature changes measured over the last 30 years don t match well with temperatures predicted by the mathematical climate models relied on by the United Nations Intergovernmental Panel on Climate Change (TPCC).

A British judge ruled in October 2007 that Al Gore s film, An Inconvenient Truth, contained so many factual errors that a disclaimer was required to be shown to students before they viewed the film.

The Board recommends that you vote AGAINST the Carbon Principles Report Proposal for the following reasons:

The Carbon Principles. We believe in the Carbon Principles. The Carbon Principles are due diligence guidelines to be applied by adopting lending institutions and advisors to power companies in evaluating and assessing environmental and economic risk related to the creation by those power companies of high carbon dioxide-emitting power plants in the Unites States. In drafting the Carbon Principles, the adopting lending institutions and advisors consulted with environmental non-governmental organizations as well as several leading power companies, including NRG.

NRG believes that the emissions reductions needed to avoid dangerous future climate change must be achieved in part by developing and deploying low-carbon technology in the power industry and other industries nationwide and that the Carbon Principles lend support to this type of development and deployment while also addressing the reality of the country s power needs and energy supply mix. However, as NRG is not a lending institution or an advisor making financing decisions relating to power plant creation, neither we nor any other power company is able to adopt or implement the Carbon Principles.

Table of Contents

A special report detailing how NRG s involvement with the Carbon Principles has impacted the environment would not be beneficial to our stockholders. As described above, NRG has not adopted the Carbon Principles and is unable to implement the related due diligence guidelines because we are neither a lending institution nor an advisor making financing decisions relating to power plant creation. Similarly, NRG does not have access to the adopting institutions due diligence results and credit evaluations relating to prospective power plant creation. NRG s limited initial advisory role in connection with the drafting of the Carbon Principles does not provide NRG with information adequate to be able to assess how the Carbon Principles have impacted the environment, as the proposal requests. NRG lacks the information required to produce such a report and obtaining such information from the adopting institutions is not practical due to, among other things, lending privacy laws. Consequently, NRG believes that the requested Carbon Principles Report would not provide meaningful information to its stockholders.

NRG further believes that the allocation of company funds and resources, including management s time, to the preparation of such a report would not be in the best interest of its stockholders. NRG voluntarily provides our stockholders with information relating to our efforts to meet the challenges of climate change, clean air and the protection of our natural resources, as described under the *econrg* initiative subsection of our website, *www.nrgenergy.com*.

For the reasons described above, the Board believes that a Carbon Principles Report would not provide meaningful information, would divert management effort and resources from our business responsibilities and therefore is not in the best interest of our stockholders.

The Board recommends a vote AGAINST the Carbon Principles Report Proposal. Proxies solicited by the Board will be voted AGAINST the Carbon Principles Report Proposal unless a contrary vote is specified.

Table of Contents

PROPOSAL NO. 7

EXELON S BOARD EXPANSION PROPOSAL

Exelon has asked our stockholders to amend Article III, Section 2 of NRG s Bylaws to increase the size of the Board to 19 members. Specifically, Exelon has asked our stockholders to adopt the following Bylaw resolution:

RESOLVED, that Article III, Section 2 of the Bylaws shall be amended to read in its entirety as follows:

The number of Directors which constitute the entire Board of Directors of the Corporation shall be 19, and the Directors shall be elected and shall hold office only in the manner provided in the Amended and Restated Certificate of Incorporation. The directorships of the Corporation shall be divided into three classes with there being seven directorships in Class I and six directorships in each of Class II and Class III.

In addition, Exelon is seeking to elect five additional individuals nominated by Exelon to fill the newly created board seats if the Board Expansion Proposal is adopted by NRG stockholders at the Annual Meeting. Pursuant to the terms of NRG s organizational documents, newly created directorships resulting from an increase in the size of the Board may be filled by the affirmative vote of a majority of the total number of directors then in office or by a vote of the stockholders.

We urge you to vote AGAINST Exelon s Board Expansion Proposal and NOT to sign or return any BLUE proxy card sent to you by Exelon. Under NRG s senior credit facility and the indentures for its senior notes, a change in control is deemed to occur if, among other triggering events, a majority of the members of the Board of Directors of [NRG] are not continuing directors. The term continuing director means, as of the date of determination, any director who was a member of the Board on the date the senior credit agreement or the indenture, as the case may be, or was nominated for election or elected to the Board with the approval of a majority of the continuing directors who were members of the Board at the time of such nomination or election. Based on our interpretation of the change in control provision, the failure of a majority of the NRG directors to qualify as continuing directors would result in a change in control.

With the appointment of Pastor Kirbyjon H. Caldwell on March 23, 2009 and Mr. Gerald Luterman on April 24, 2009, the Board currently consists of 14 members, all of whom qualify as continuing directors. If Exelon s Board Expansion Proposal is adopted and all of its nominees are elected to the Board, the Board would be composed of 19 members, nine of whom would be Exelon s handpicked nominees who would not qualify as continuing directors and 10 of whom would be existing NRG directors who qualify as continuing directors. Therefore, under our interpretation of the change in control provision, a change in control would be triggered by any future event that reduces the number of continuing directors, such as the retirement or death of any such director. If a change in control were triggered under NRG s senior credit facility, an event of default would occur and the bank lenders under the facility would have the right to accelerate the outstanding indebtedness under the facility, which, as of March 31, 2009, totaled $2.4 billion, and if a change in control were triggered under the indentures governing NRG s senior notes, note holders holding approximately $4.7 billion face amount of the notes would have the right to put the notes to NRG at 101% of par. The occurrence of either or both of these events may also result in the acceleration of additional NRG indebtedness as a result of cross-default or cross-acceleration provisions. We believe that if Exelon or NRG were forced to refinance all or a substantial portion of this debt in the current capital market environment, they would either need to pay substantially higher interest rates or be completely unable to obtain such refinancing. Furthermore, if Exelon were to subsequently fail to consummate the Offer, NRG would be left alone to deal with the enormous burden of refinancing those portions of its existing indebtedness that had been accelerated or with respect to which it has a put obligation due to the change in control, which would likely have a material adverse impact on NRG s business and financial condition and could render NRG insolvent if NRG were unable to refinance such indebtedness.

Exelon has indicated it has a different interpretation of the change in control provisions in our debt instruments, under which a change of control is deemed to occur if a majority of the members of the NRG Board are directors who are not continuing directors. Under Exelon s interpretation, a Board with an equal number of continuing directors and directors who do not qualify as continuing directors would not constitute a

Table of Contents

change in control. However, as noted earlier, we believe Exelon s interpretation of the provision is imprudent and creates an unacceptable and unnecessary risk because a court or NRG s bank lenders and/or note holders could adopt our interpretation of the provision.

In addition, we believe Exelon s proposal would expand the Board beyond its necessary and appropriate size, and the presence of a significant number of Exelon s nominees on the Board would interfere with the Board s efforts to execute the Company s strategic plan and to explore the greatest value option for our stockholders.

We further note that the additional nominees proposed by Exelon to fill the newly created board seats that would result from the Board Expansion Proposal, if adopted, have the same conflicts of interest as Exelon s nominees for the Class III directors (see page 23 of this Proxy Statement) and, based on Exelon s disclosure, most of them have no relevant industry experience.

The Board recommends a vote AGAINST the adoption of Exelon s Board Expansion Proposal. Proxies solicited by the Board will be voted AGAINST the Board Expansion Proposal unless a contrary vote is specified.

Table of Contents

PROPOSAL NO. 8

EXELON S BYLAW AMENDMENT REPEAL PROPOSAL

Exelon has asked our stockholders to repeal any amendment to NRG s Bylaws adopted by the Board without the approval of NRG s stockholders after February 26, 2008 and prior to the effectiveness of the resolution described below. Specifically, Exelon asked our stockholders to adopt the following Bylaw resolution:

RESOLVED, that the Bylaws are hereby amended to repeal any amendments thereto adopted by NRG s Board of Directors without stockholder approval after February 26, 2008 and prior to the effectiveness of this resolution.

We urge you to vote AGAINST Exelon s Bylaw Amendment Repeal Proposal and NOT to sign or return any BLUE proxy card sent to you by Exelon. Under Delaware law and NRG s organizational documents, your Board is charged with the responsibility of managing the Company. In order to permit your Board to carry out its management duties and correspondingly fulfill its fiduciary duties to NRG and its stockholders, both the Certificate of Incorporation and the Bylaws provide that your Board has the power to make, alter, amend or repeal the Bylaws. Exelon s Bylaw Amendment Repeal Proposal seeks to repeal all amendments to the Bylaws adopted by your Board without stockholder approval after February 26, 2008 and prior to the effectiveness of such proposal, without regard to the subject matter of any Bylaw amendment in question. We believe that such a blanket repeal of any Bylaw amendment adopted by your Board without stockholder approval could have the effect of repealing one or more properly adopted bylaw amendments which are in the best interests of NRG and its stockholders and which your Board determined to adopt in furtherance of its fiduciary duties. As a public company subject to the federal proxy rules, it might be impracticable, if not impossible, for NRG to obtain stockholder approval for a necessary Bylaw amendment within a timeframe necessary to serve the best interests of NRG and its stockholders. For this reason, while your Board has not amended the Bylaws in any manner since February 26, 2008 and currently does not expect to adopt any amendments to the Bylaws, we believe the Bylaw Amendment Repeal Proposal represents Exelon s attempt to interfere with your Board s ability to act in accordance with its fiduciary duties to you and therefore should be rejected.

The Board recommends a vote AGAINST the adoption of Exelon s Bylaw Amendment Repeal Proposal. Proxies solicited by the Board will be voted AGAINST the Bylaw Amendment Repeal Proposal unless a contrary vote is specified.

EXECUTIVE OFFICERS

Our executive officers are elected by the Board annually to hold office until their successors are elected and qualified. On February 18, 2009, we announced the following changes in our management structure in order to position the Company to capitalize on business opportunities in 2009:

Robert Flexon returned to his prior position as Chief Financial Officer. Mr. Flexon manages the Company s corporate financial and control functions including, Treasury, Accounting, Tax, Risk and Credit Management teams.

John Ragan was named as Chief Operating Officer. Mr. Ragan oversees NRG s Plant Operations, Commercial Operations, Environmental Business, as well as the Engineering, Procurement and Construction division. Mr. Ragan previously acted as Regional President of the Northeast Region from December 2006 to February 2009.

Drew Murphy succeeded Mr. Ragan as Regional President of the Northeast Region. Mr. Murphy oversees the asset portfolio for the Northeast region. Mr. Murphy previously acted as General Counsel from December 2006 to February 2009.

Michael Bramnick was promoted to Senior Vice President and General Counsel. Mr. Bramnick joined NRG in 2004 and previously acted as Deputy General Counsel and Chief Compliance Officer until February 2009.

Clint Freeland moved from Chief Financial Officer to Senior Vice President, Strategy, Financial Structure to address financial structuring alternatives for the benefit of NRG s stockholders.

David Crane
Age 50
President and Chief Executive Officer

For biographical information for David Crane, see Directors Continuing in Office.

Robert C. Flexon
Age 50
Executive Vice President and Chief Financial Officer

Mr. Flexon has been Executive Vice President (EVP) and Chief Financial Officer (CFO) since February 2009. Mr. Flexon also served as EVP and CFO from March 2004 to March 2008. In this capacity, he manages NRG s corporate financial and control functions including Treasury, Accounting, Tax, Risk, Credit Management and Insurance programs. He previously served as EVP and Chief Operating Officer of NRG from March 2008 to February 2009, overseeing NRG s Plant Operations, Commercial Operations, Environmental Compliance and Risk teams, as well as the Engineering, Procurement and Construction division. Prior to joining NRG, from June 2000 to March 2004, he was Vice President, Corporate Development & Work Process and Vice President, Business Analysis and Controller of Hercules, Inc. Mr. Flexon also held various financial management positions from 1987 to June 2000, including General Auditor, Franchise Manager and Controller, during his 13 years with Atlantic Richfield Company. He began his career with the former Coopers & Lybrand public accounting firm.

Jonathan Baliff
Age 45
Executive Vice President, Strategy

Mr. Baliff joined NRG as Executive Vice President, Strategy in May 2008. Prior to joining NRG, Mr. Baliff served as a Managing Director in Credit Suisse s Global Energy Group, where he advised electric utility and independent power companies on mergers and acquisition assignments and project and corporate financings since 1996. He also headed up the Credit Suisse Global Business Development Council. Mr. Baliff started his business career in JP Morgan s Natural Resources Group.

Table of Contents

Michael Bramnick
Age 43
Senior Vice President, General Counsel

Mr. Bramnick has been Senior Vice President, General Counsel, since February 2009. In this capacity, Mr. Bramnick is responsible for NRG s legal affairs. He previously served as Deputy General Counsel and Chief Compliance Office, having joined NRG in December 2004. In that position, he managed all litigation and dispute resolution for the Company, was responsible for the Corporate Compliance Program including the Company s Code of Conduct, and led the Regulatory Compliance Group. Prior to joining NRG, Mr. Bramnick was head of litigation at Millennium Chemicals. He previously held in-house positions at Lucent Technologies and EnviroSource and served in private practice for six years at Pepper Hamilton, LLP.

Jeffrey M. Baudier
Age 40
Senior Vice President and Regional President, South Central Region

Mr. Baudier was named Senior Vice President and Regional President, South Central Region in December 2006. He manages the asset portfolio for this region and most recently served as its General Counsel, a position he held since April 2005. Prior to joining NRG, Mr. Baudier was a Special Counsel and Partner from March 2001 to March 2005 with the New Orleans-based law firm Jones Walker. In private practice he represented public and closely-held companies in transactions and dispute resolution related to various aspects of the energy industry. Mr. Baudier also served from May 1993 to October 1998 and again from March 2000 to March 2001 as a Senior Attorney at Texaco, Inc., focusing on oil and gas exploration and development projects both domestically and abroad. From November 1998 to February 2000, he practiced with the Lafayette, Louisiana law firm of Caffery, Oubre, Dugas and Campbell.

Mauricio Gutierrez
Age: 38
Executive Vice President, Commercial Operations

Mr. Gutierrez has been Executive Vice President, Commercial Operations, since January 2009. He previously served as Senior Vice President, Commercial Operations, from March 2008 to February 2009. In this capacity, he is responsible for the commercial management of the North America asset portfolio as well as the real time operations, origination and structuring for the Company. Prior to this, Mr. Gutierrez served as Vice President Commercial Operations Trading. Prior to joining NRG, he held various positions within Dynegy including Managing Director for the Southeast and Texas regions and Senior Trader east power. Prior to Dynegy, Mr. Gutierrez served as senior consultant and project manager involved in various energy and infrastructure projects in Mexico.

M. Stephen Hoffmann
Age: 55
Senior Vice President and Regional President, West Region

Mr. Hoffmann has been Senior Vice President and President of NRG s West Region since May 2006. He is responsible for leading the management and development activities for the West Region. Prior to that, he led the West Region s business development and origination efforts. Mr. Hoffmann joined NRG in 2001 as General Manager of San Diego Energy Center, following 28 years in key business development and industrial sales roles with such power and gas companies as Energy Masters International, Planergy International, Reliant Energy and Utilicorp.

Table of Contents

Kevin T. Howell
Age: 51
Executive Vice President and Regional President, Texas

Mr. Howell has been Executive Vice President and Regional President, Texas since September 2008. In this capacity, Mr. Howell oversees the asset portfolio for the Texas region. Previously, Mr. Howell served as Executive Vice President and Chief Administrative Officer from March 2008 to September 2008. Prior to this, Mr. Howell served as Executive Vice President, Commercial Operations. Prior to joining NRG, he served as President of Dominion Energy Clearinghouse since 2001. From 1995 to 2001, Mr. Howell held various positions within Duke Energy companies including Senior Vice President of Duke Energy Trading and Marketing, Senior Vice President of Duke Energy International, and most recently, Executive Vice President of Duke Energy Merchants where he managed a global trading group dealing in refined products, LNG and coal. Prior to his five years at Duke, Mr. Howell worked in a variety of trading, marketing and operations functions at MG Natural Gas Corp., Associated Natural Gas and Panhandle Eastern Pipeline L.P.

James J. Ingoldsby
Age: 51
Vice President and Chief Accounting Officer

Mr. Ingoldsby has been Vice President and Chief Accounting Officer since March 2008. He is responsible for directing NRG s financial accounting and reporting activities, as well as the financial planning and analysis function. Since August 2006, Mr. Ingoldsby served as Vice President, Financial Planning and Analysis. From May 2004 to July 2006, Mr. Ingoldsby served as NRG s Vice President and Controller. Mr. Ingoldsby, who led the Sarbanes-Oxley implementation at chemical company Hercules, Inc., previously held various executive positions at GE Betz, formerly BetzDearborn from 1993 to 2003, including serving as Controller and Director of Business Analysis and Director of Financial Reporting. He also held various staff and managerial accounting and auditing positions at Mack Trucks, Inc. from 1982 to 1993. Mr. Ingoldsby began his career with Deloitte and Touche.

Michael Liebelson
Age 53
Executive Vice President, Low-Carbon Technologies

Mr. Liebelson joined NRG in April 2008 as Chief Development Officer, Low-Carbon Technology. Mr. Liebelson has over 25 years of experience developing and financing independent power projects, and commercializing process and power generation technologies. Most recently, he has been involved in various initiatives and regulatory efforts in the power generation area, including coal gasification, and carbon capture and sequestration. In 1990, Mr. Liebelson cofounded LS Power Corporation, which he co-managed for eight years, successfully developing and financing several utility-scale independent power projects.

J. Andrew Murphy
Age 48
Executive Vice President and Regional President, Northeast

Mr. Murphy has been Executive Vice President and Regional President, Northeast since February 2009. He previously served as NRG s Executive Vice President and General Counsel from December 2006 to February 2009. Prior to joining NRG, Mr. Murphy was the partner in charge of the energy practice at the law firm of Hunton & Williams where he represented issuers, developers, investors and lenders in a wide variety of US and cross-border energy projects and structured financings. His expertise includes supporting various development projects and financings including coal- and gas-fired power plants, transmission lines, gas storage facilities, waste-to-energy facilities, water treatment facilities and renewable energy projects.

Table of Contents

John W. Ragan
Age 49
Executive Vice President, Chief Operating Officer

Mr. Ragan has been Executive Vice President and Chief Operating Officer since February 2009. In this capacity, he oversees NRG s Plant Operations, Commercial Operations, Environmental Compliance, as well as the Engineering, Procurement and Construction division. He previously served as Executive Vice President and Regional President, Northeast from December 2006 to February 2009. Prior to joining NRG, Mr. Ragan was Vice President of Trading, Transmission, and Operations at FPL Energy in 2006 and also served as Vice President of Business Management for FPL Energy s Northeast Region from August 2005 through July 2006. Prior to this, Mr. Ragan served as General Manager Containerboard and Packaging for Georgia Pacific Corporation from October 2004 through July 2005. He also served in increasing roles of responsibility for Mirant Corporation from 1996 through 2004, notably as Senior Vice President and Chief Executive Officer of Mirant s International Group from August 2003 to July 2004.

Denise Wilson
Age 49
Executive Vice President and Chief Administrative Officer

Ms. Wilson has been Executive Vice President and Chief Administrative Officer (CAO) since September 2008. As CAO, Ms. Wilson oversees several key corporate functions including Human Resources, Investor Relations, Communications and Information Technology. Prior to joining NRG, she served as Vice President, Human Resources Operations with Metris Companies Inc. and Director, Human Resources with General Electric ITS.

Table of Contents

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 April 24, 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 5 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**	Common Stock(1)
David Crane	*	1,796,820(2)
Robert C. Flexon	*	333,440(3)
Kevin T. Howell	*	240,452(4)
J. Andrew Murphy	*	66,326(5)
Clint Freeland		23,298(6)
Howard E. Cosgrove	*	60,040(7)
Kirbyjon H. Caldwell	*	5,003(8)
John F. Chlebowski	*	30,098(8)
Lawrence S. Coben	*	35,385(9)
Stephen L. Cropper	*	29,380(10)
William E. Hantke	*	5,601(11)
Paul W. Hobby	*	12,211
Gerald Luterman	*	5,200(8)
Kathleen McGinty	*	4,604(8)
Anne C. Schaumburg	*	14,712(8)
Herbert H. Tate	*	20,856(12)
Thomas H. Weidemeyer	*	24,448(13)
Walter R. Young	*	45,195
All Directors and Executive Officers (26 people)	1.1%	3,051,922(14)
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	9.9%	23,316,571(15)
Janus Capital Management LLC 151 Detroit Street Denver, Colorado 80206	9.1%	21,126,269(16)
Massachusetts Financial Services Company 500 Boylston Street Boston, Massachusetts 02116	5.8%	13,605,732(17)

Prudential Financial, Inc. 751 Broad Street Newark, New Jersey 07102-3777	5.2%	12,042,871(18)
Solus Alternative Asset Management LP 430 Park Avenue, 9th Floor New York, New York 10022	6.0%	14,025,000(19)
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, Maryland 21202	9.1%	21,512,091(20)

* 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 April 24, 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 April 24, 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 April 24, 2009, pursuant to the exercise of options.

(5) Includes 64,797 shares that may be acquired at or within 60 days of April 24, 2009, pursuant to the exercise of options.

(6) Includes 18,298 shares that may be acquired at or within 60 days of April 24, 2009, pursuant to the exercise of options.

(7) Includes 20,000 shares held by Mr. Cosgrove s spouse and 40,040 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 32,933 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 22,380 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 4,120 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; and (iii) 423 on June 1, 2011, (iv) 646 0n June 2, 2010, (v) 646 on June 2, 2011, and (vi) 646 on June 2, 2012.

(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 22,448 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 April 24, 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.

Table of Contents

(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 6,701,55 shares and sole dispositive power over 21,435,291 shares.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers to file with the SEC reports regarding their ownership and changes in ownership of our stock. Based on a review of these reports and the written representations of its directors and executive officers, NRG believes that during 2008, its directors and executive officers complied with all Section 16(a) filing requirements, except for a late Section 16 filing filed on behalf of Stephen Hoffmann, an officer of NRG.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of our Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serves as a member of the compensation committee of any other company that has an executive officer serving as a member of your Board. None of our executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee.

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

Table of Contents

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:	**2008 Title:**
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 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;

Table of Contents

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 ($)	Annual Incentive Payment ($)	Value of Restricted Stock Units ($)(1)	Value of Stock Options ($)(2)	Value of Performance Units ($)(2)	Benefits ($)	Total ($)
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.

Table of Contents

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)
Dynegy 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