

Nuclear Power  
Resource Review  
Carbon-Free Baseload Power



Nuclear Innovation North America LLC

EnergyBiz Leadership Forum  
March 9, 2009

# Safe Harbor Statement



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This Investor Presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as “expect,” “estimate,” “should,” “anticipate,” “forecast,” “plan,” “guidance,” “believe” and similar terms. Such forward-looking statements include our include developments of Nuclear Innovation North America (NINA), expected financial impacts of NINA and the timing and completion of STP Units 3&4. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, the condition of capital markets generally, and our ability to access capital markets.

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# Nuclear Innovation North America Building Greater Certainty in Nuclear Development



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We strongly believe new advanced nuclear power plants are in the best interest of the American economy and the global environment. And we equally believe that the nuclear renaissance should be started with the best possible projects with the greatest certainty in terms of cost and schedule.

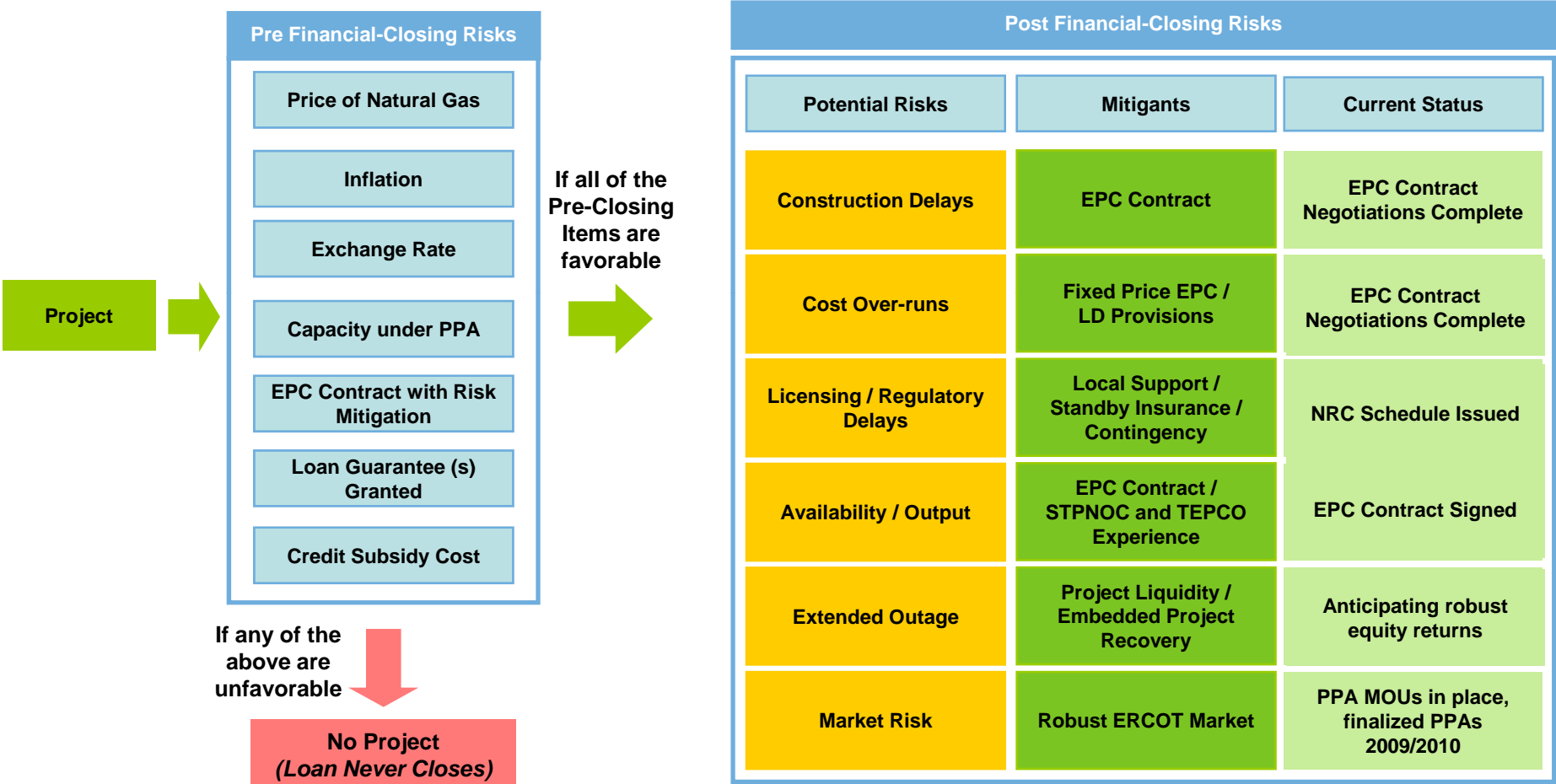
David Crane, NRG President and CEO



# Project Development Risk Mitigation – The NINA Way



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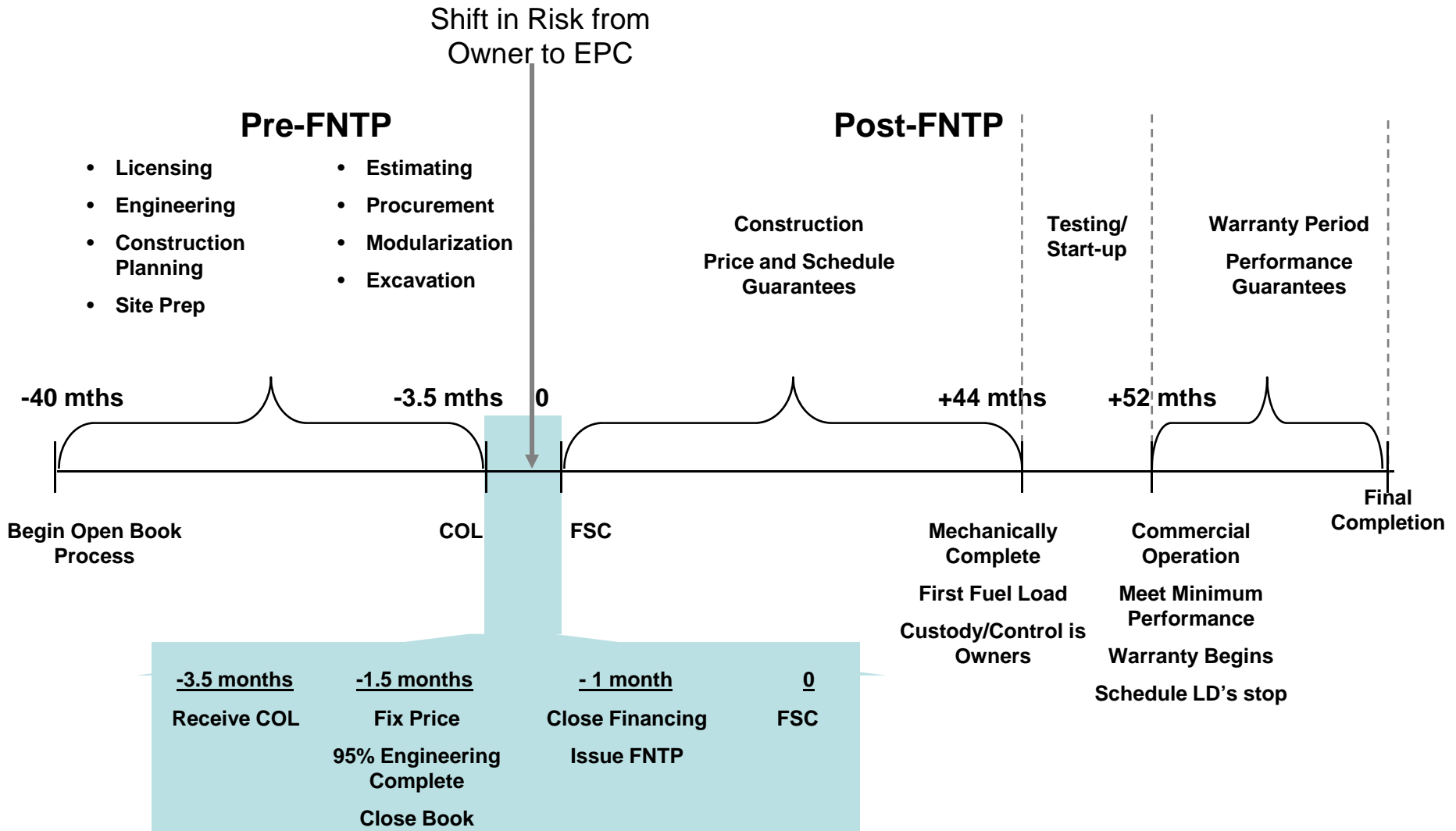


**NINA's development approach requires minimizing upfront cash from owners before financial close, and mitigating risks contractually post-financial close**

# Project Timeline – Key Contractual Milestones



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# EPC Contract Signed



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- EPC Contract signed on February 25, 2009
  - MOU with all key terms signed in September 2008
  - CPS Board approval in January
- Key features
  - Open book period followed by Fixed Price Turnkey construction period
  - Contractual terms substantially the same as large fossil project
  - Subcontract between Fluor and Toshiba completed
- Other benefits
  - Triggers \$500mm long lead material credit facility
  - Triggers two additional EPC contracts with the same terms



STP 3&4's EPC contract sets the standard for risk sharing  
between project developers and vendors

# Impact of Financial Crisis on Capital Cost TBD



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## Aluminum – 5 year Spot Price

5 Year Aluminium Spot



## Copper – 5 year Spot Price

5 Year Copper Spot



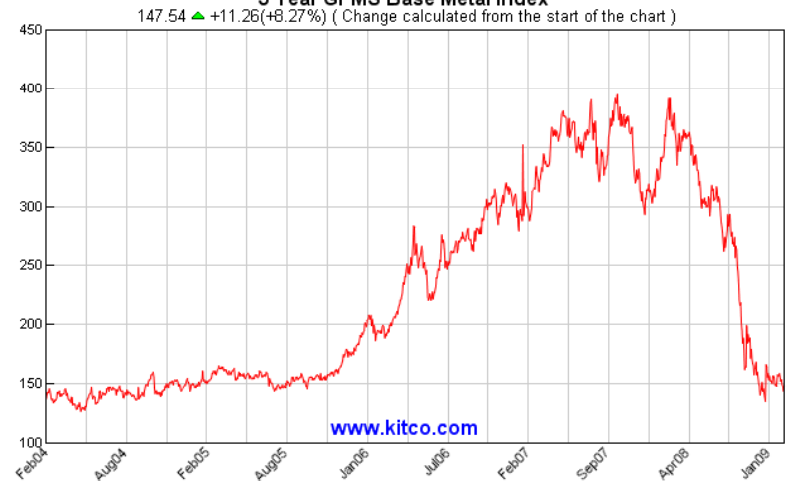
## Nickel – 5 year Spot Price

5 Year Nickel Spot



## GFMS Base Metal Index – 5 year Spot Price

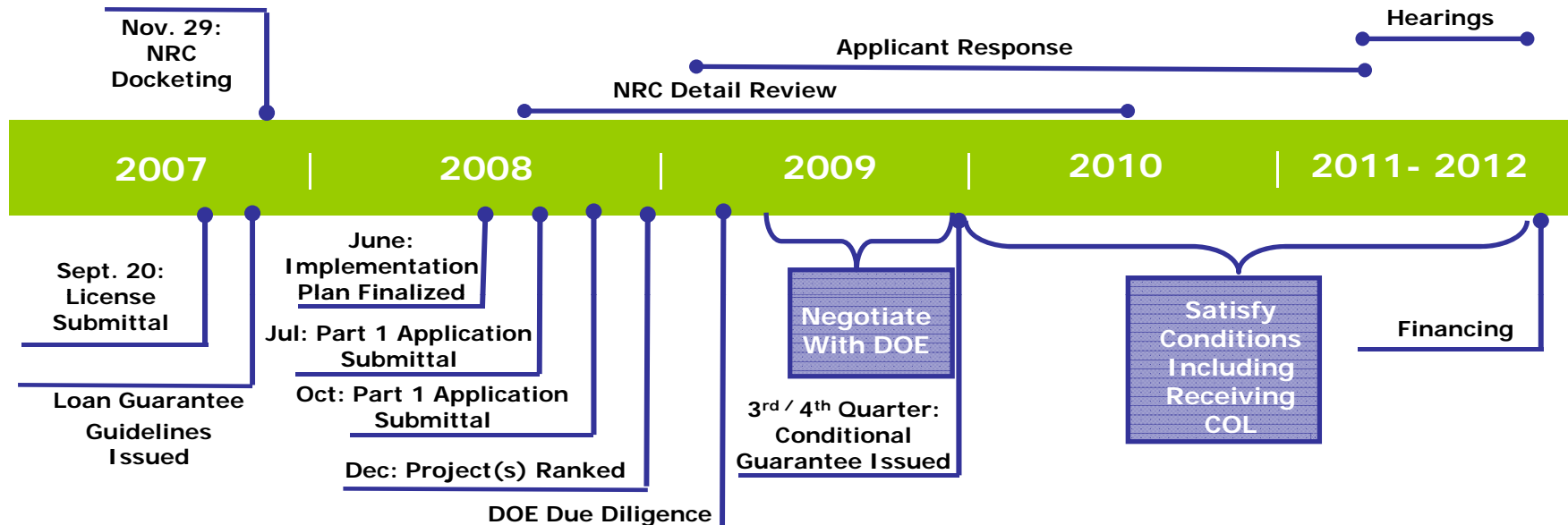
5 Year GFMS Base Metal Index



# Financing Momentum



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- "Upper Tier" for Department of Energy Loan Guarantees
  - Notified in October and November
  - DOE commenced due diligence in February 2009
  - Anticipate DOE will select list of parties for negotiation in late 1<sup>st</sup> or early 2<sup>nd</sup> quarter
- Due diligence by Japanese financing agencies in progress
  - Very important step in Japanese loan support

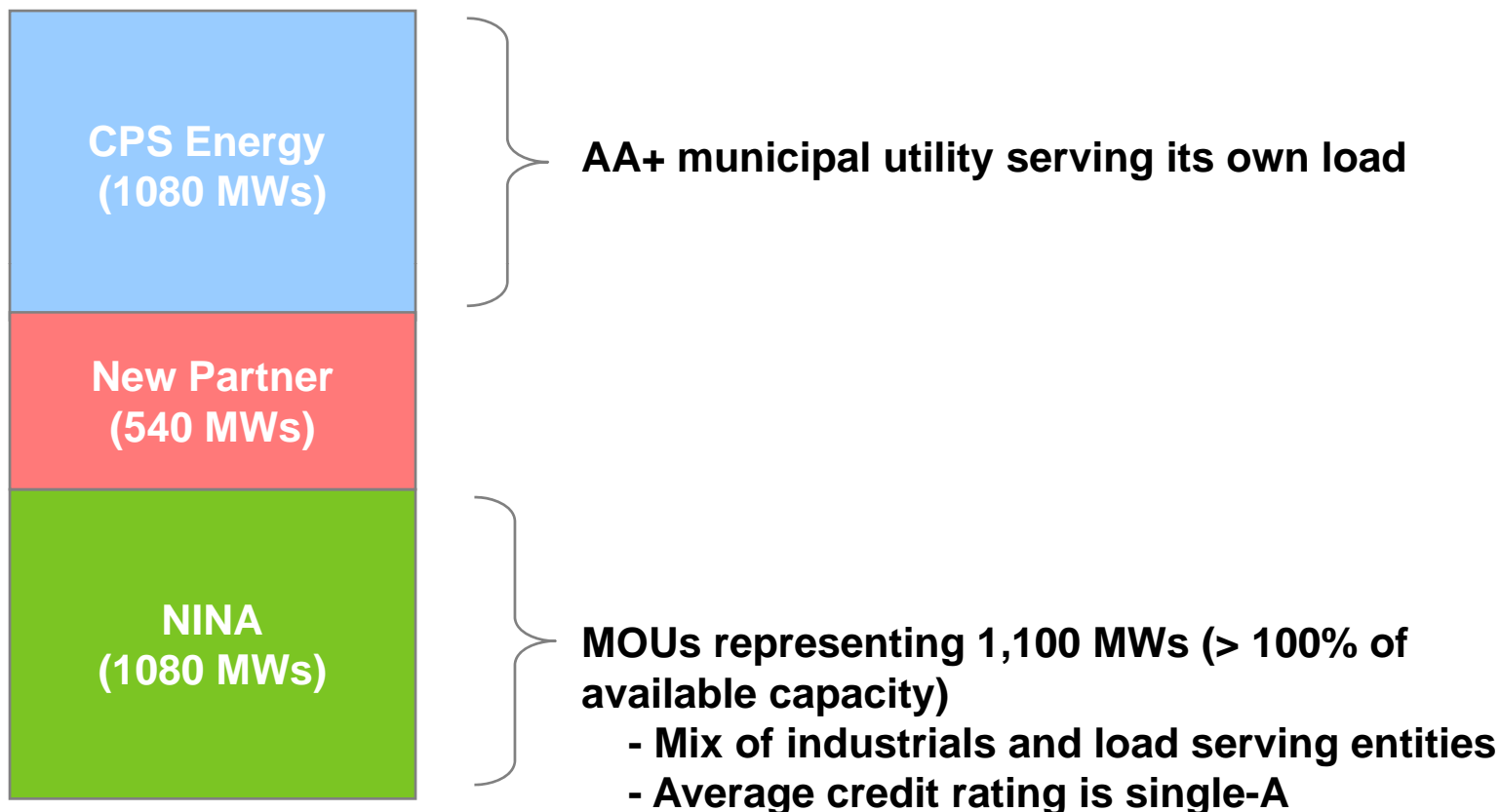


STP 3&4 is well positioned to receive support from both U.S. and Japanese governments

# Offtake Certainty



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NINA has MOUs for slightly greater than 100% of its net ownership of STP3&4

# NINA Strategic Initiatives

## The Nuclear Renaissance STP 3 and 4 and Beyond



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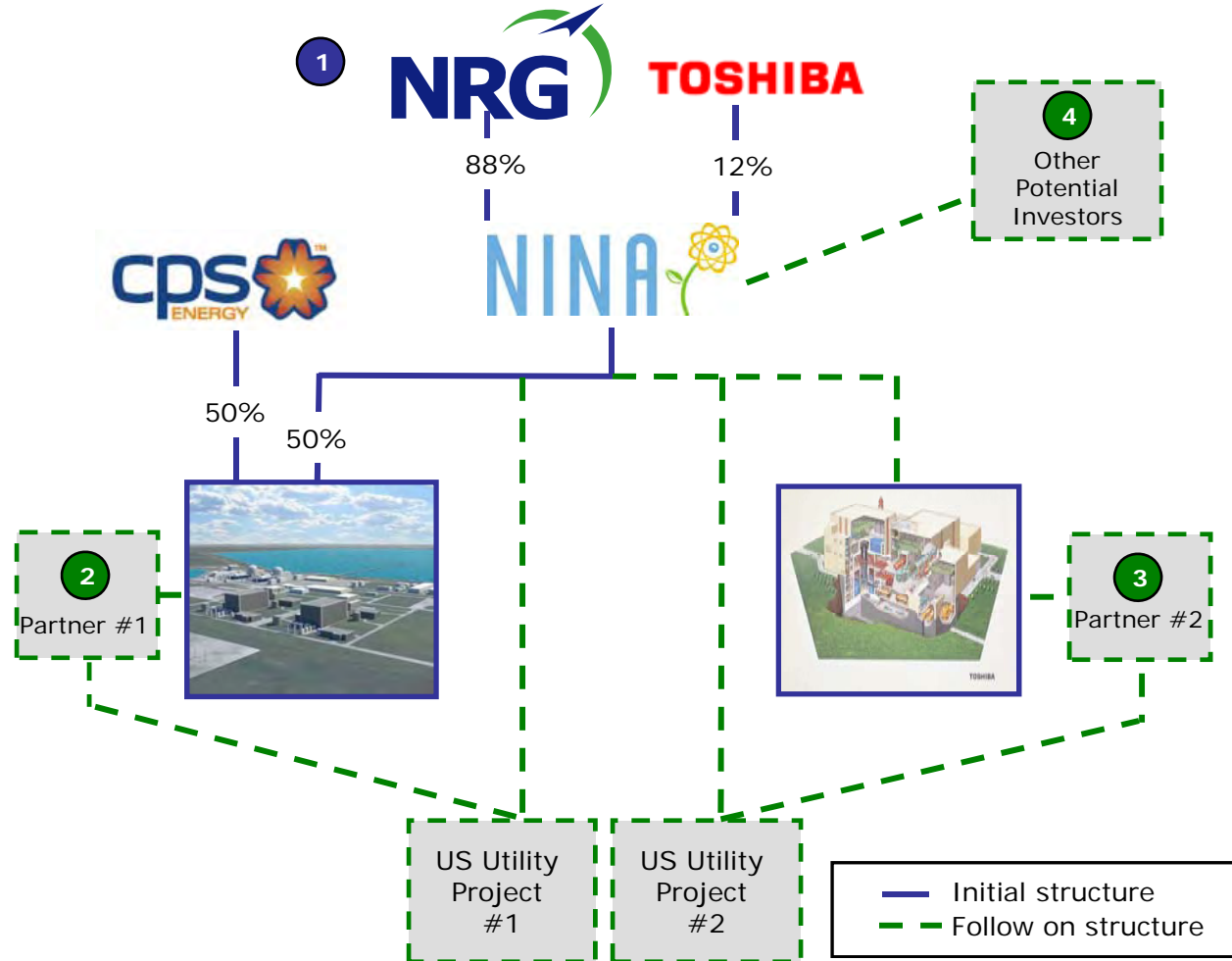
# NINA's Multi-Unit ABWR Strategic Step Structure



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## Long Term Strategy

- 1 NRG contributes its STP 3&4 interest and development rights; Toshiba contributes \$50 million cash upon NINA closing with 5 more annual installments, totaling \$300 million
- 2 Leverage assets and expertise of Nuclear Innovation North America into a participation interest in another ABWR project
- 3 Nuclear Innovation North America and partners begin additional 2 unit nuclear site developments
- 4 Additional third party investors can be added to fund cash requirements



Note: the current ownership of STP 1&2 (44% NRG, 40% San Antonio and 16% Austin) remains unaffected by the development of STP 3&4 and the creation of Nuclear Innovation North America.



Focus on advancing and leveraging the ABWR design

# 20% Additional Partner for STP 3&4



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## Investment Highlights

- **Licensing**
  - Docketed COLA
  - Certified Design
- **Construction and Cost**
  - Signed, binding EPC
  - Superior site with significant cost advantage
  - Project engineering well advanced
  - Committed and well-aligned world class vendor/contractor
  - Proven technology and constructability
  - Secured critical long lead materials including ultra-large forgings and RPVs
- **Financing**
  - High level due diligence commenced by DOE for possible loan guarantee
  - Potential for secondary financing from Japan
- **Operations**
  - Industry leading operator
  - Highly contracted output with investment grade counterparties
- **Government support**
  - Well positioned for Production Tax Credits and Standby Support
  - Strong state and local support



NINA and its owners view STP 3&4 as a highly valuable asset, and will only partner with an entity that shares their valuation expectation and strategic priorities

## What NINA Can Deliver

- Accelerated COLA submittal
- Fully negotiated, binding EPC
- Accelerated Loan Guarantee Application
- Potential for secondary financing source from Japan
- Substantially complete engineering
- Purchasing synergies
- Operational training programs
- Ability to roll skilled labor from prior project
- Committed vendor

## Attributes of Preferred Partners

- Identified site
- Nuclear operating capability
- Willingness to partner (at both STP and own site)
- Willingness to pursue an aggressive build schedule
- Community support



Savings for the next Toshiba ABWR are estimated between \$600mm and \$1 Billion

- The ABWR was certified in 1997
  - The certification has a 15 year life, expiring in 2012
  - In order to commence additional units after 2012, the design needs to begin recertification between 2009 and 2011
- Any party that can demonstrate the wherewithal can submit for recertification
  - NINA, based on its relationship with Toshiba and its previously submitted COLA, can demonstrate wherewithal
- NINA expects to submit its recertification in 2010
  - Submitted a letter of intent to the NRC on December 03, 2008
  - Work is currently in process on submittal documents
- Recertification offers increased likelihood of a U.S. ABWR fleet
  - Preserves ability to use ABWR past the 2012 license expiration



On December 3, 2008, NINA submitted a letter of intent to recertify the ABWR on behalf of Toshiba

# 2009 Objectives



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- Proactively respond to NRC review
- Convert PPA MOUs to Conditional PPAs
- Negotiate Conditional loan guarantees with U.S. and Japanese Governments
- Additional partner for 20% of STP 3&4
- Execute on recertification application for ABWR
- Support vendors in their risk mitigation strategies
  - Support development of labor supply
  - Support development of U.S. based manufacturing capability
  - Order long-lead materials
  - Continue progress on remaining engineering
- Announce second project



2009 marks a turning point – STP 3&4 transitions from focusing on contractual risk mitigation to project execution. NINA focused more directly on development of a fleet