

NRG ENERGY, INC.  
Form DFAN14A  
July 02, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)**  
**of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement.

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

Definitive Proxy Statement.

Definitive Additional Materials.

Soliciting Material Pursuant to §240.14a-12.

**NRG ENERGY, INC.**

(Name of Registrant as Specified in its Charter)

**EXELON CORPORATION**

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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 the transaction applies:

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

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(5) Total fee paid:

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.. 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:

---

*On July 2, 2009, Exelon Corporation used the following presentation in meetings with RiskMetrics Group and PROXY Governance, Inc.:*

Exelon's Offer Is About Value  
Today and Tomorrow  
Are EXC and NRG Together, or Is NRG Stand Alone, Better Built to  
Add  
Value in a Complex and Carbon-Constrained World?  
RiskMetrics  
Group  
PROXY Governance, Inc.  
July 2, 2009

## Important Information

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This presentation relates, in part, to the offer (the Offer) by Exelon Corporation (Exelon) through its direct wholly-owned subsidiary, Exelon Xchange Corporation (Xchange), to exchange each issued and outstanding share of common stock (the shares) of NRG Energy, Inc. (NRG) for 0.545 of a share of Exelon common stock. This presentation is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, NRG shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the Prospectus/Offer to Exchange included in the Registration Statement on Form S-4 (Reg. No. 333-155278) (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents) previously filed by Exelon and Xchange with the Securities and Exchange Commission (the SEC). The Offer is made only through the Exchange Offer Documents. **Investors and security holders are urged to read these documents and other relevant materials as they become available, because they will contain important information.**

Exelon filed a proxy statement on Schedule 14A with the SEC on June 17, 2009 in connection with the solicitation of proxies (the NRG Meeting Proxy Statement) for the 2009 annual meeting of NRG stockholders (the NRG Meeting). Exelon will also file a proxy statement on Schedule 14A and other relevant documents with the SEC in connection with its solicitation of proxies for the 2009 annual meeting of Exelon shareholders (the Exelon Meeting) to be called in order to approve the issuance of shares of Exelon common stock pursuant to the Offer (the Exelon Meeting Proxy Statement). **Investors and security holders are urged to read the NRG Meeting Proxy Statement and the Exelon Meeting Proxy Statement and other relevant materials as they become available, because they will contain important information.**

Investors and security holders can obtain copies of the materials described above (and all other related documents filed with the SEC) at no charge on the SEC's website: [www.sec.gov](http://www.sec.gov). Copies can also be obtained at no charge by directing a request for such materials to Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, toll free at 1-877-759-9501. Investors and security holders may also read and copy any reports, statements and other information filed by Exelon, Xchange or NRG with the SEC, at the SEC public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call toll free at 1-800-SEC-0330 or visit the SEC's website for further information on its public reference room.

Exelon, Xchange and the individuals to be nominated by Exelon for election to NRG's Board of Directors will be participants in the solicitation of proxies from NRG stockholders for the NRG Meeting or any adjournment or postponement thereof. Exelon and Xchange will be participants in the solicitation of proxies from Exelon shareholders for the Exelon Meeting or any adjournment or postponement thereof. In addition, certain directors and executive officers of Exelon and Xchange may solicit proxies for the Exelon Meeting and the NRG Meeting. Information about Exelon and Exelon's directors and executive officers is available in Exelon's proxy statement, dated March 19, 2009, filed with the SEC in connection with Exelon's 2009 annual meeting of shareholders. Information about Xchange and Xchange's directors and executive officers is available in Schedule II to the Prospectus/Offer to Exchange. Information about any other participants is included in the NRG Meeting Proxy Statement or the Exelon Meeting Proxy Statement, as applicable.

### Forward-Looking Statements

This presentation includes forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from these forward-looking statements include Exelon's ability to achieve the synergies contemplated by the proposed transaction, Exelon's ability to promptly and effectively integrate the businesses of NRG and Exelon, and the timing to consummate the proposed transaction and obtain required regulatory approvals as well as those discussed in (1) the Exchange Offer Documents; (2) Exelon's 2008 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 18; (3) Exelon's first quarter 2009 Quarterly Report on Form 10-Q filed on April 23, 2009 in (a) Part II, Other Information, ITEM 1A. Risk Factors and (b) Part I, Financial Information, ITEM 1. Financial Statements: Note 13 and (4) other factors discussed in Exelon's filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this communication. Exelon does

not  
undertake  
any  
obligation  
to  
publicly  
release  
any  
revision  
to  
its  
forward-looking  
statements  
to

reflect events or circumstances after the date of this communication, except as required by law. Statements made in connection with the exchange offer are not subject to the safe harbor protections provided to forward-looking statements under the Private Securities Litigation Reform Act of 1995.

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

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3

Background

4

4

On October 19, 2008 Exelon announced its proposal to acquire NRG and create the largest, most diverse generation company in the U.S.

100% stock consideration, fixed exchange ratio of 0.485 shares of EXC



for  
every  
share  
of  
NRG  
representing  
an  
initial  
premium  
of  
37%

The EXC/NRG combination would be the premier power company in a complex, dynamic industry

Largest  
U.S.  
power  
company  
(~48,000  
MW  
)  
with  
market  
cap  
of  
~\$40  
billion and investment grade balance sheet

Significant presence in five major competitive markets (Illinois, Pennsylvania, Texas, California and the Northeast) rather than two or three

Second lowest carbon emitting intensity in the industry

Exelon has **increased its offer 12%**  
to 0.545, representing a 44%

4  
premium today

4  
We are seeking your support to elect nine new, independent NRG directors who will not constitute a majority of the NRG Board and who will act in the best interest of NRG shareholders

1.  
Premium of 37% based on EXC and NRG closing stock prices on October 17, 2008.
2.  
Includes owned and contracted capacity after giving effect to planned asset divestitures.
3.  
Exelon and NRG market capitalization as of 6/26/09.

4.  
44% premium assumes that Exelon and NRG stand-alone stock prices are halfway between the implied stock price based on company indices and the current stock price as of 6/26/09.

2

1

3

For NRG Shareholders, a Combination Means:

5

Scope, scale and strength to build on Exelon's proven capacity to

Execute strategic objectives from a solid financial foundation, with ready access to low-cost capital

Realize significant value creation through operational and financial synergies

Diversify across power markets, fuel types and regulatory jurisdictions

Respond to universally recognized need for industry consolidation

Be a significant voice in industry, policy and regulatory discussions

1.  
Exelon: Sustainable Advantage
2.  
Exelon-NRG: A Clear Strategic Fit
3.  
Value for NRG Shareholders
4.  
Achievable Plan to Execute Deal
5.  
Action Sought
- Discussion Points:
- 6

Multi-Regional Diverse Company

7

Note: Owned megawatts based on Generation s ownership at December 31, 2008, using annual mean ratings for nuclear units (excluding Salem) and summer ratings for Salem and the fossil and hydro units.

Midwest Capacity

Owned:

11,388 MW

Contracted:

3,230 MW

Total:

14,618 MW

ERCOT/South Capacity

Owned:

2,222 MW

Contracted:

2,917 MW

Total:

5,139 MW

New England Capacity

Owned:

182 MW

Total Capacity

Owned:

24,809 MW

Contracted:

6,483 MW

Total:

31,292 MW

Electricity Customers:

1.6M

Gas Customers:

0.5M

Electricity Customers: 3.8M

Generating Plants

Nuclear

Hydro

Coal/Oil/Gas Base-load

Intermediate

Peaker

Mid-Atlantic Capacity

Owned:

11,017 MW

Contracted:

336 MW

Total:

11,353 MW

1.  
EXC market capitalization as of 6/26/09.

2.  
Shareholder return from Exelon inception (10/20/00) through 6/26/09. Total return after reinvesting all dividends back into the security at the closing price on the day following the relevant ex-dividend date. Includes stock price appreciation with dividend reinvestment. Excludes taxes and fees.

Exelon's Sustainable Advantage  
8

Largest  
market  
capitalization  
in  
the  
sector  
at  
\$33B  
and  
an  
investment  
grade balance sheet

Investment  
grade  
balance  
sheet  
that  
enables  
consistent  
access  
to  
capital  
at  
lower cost

Experienced management team with track record of creating and returning shareholder value

Exelon  
formed  
through  
combination  
of  
ComEd  
and  
PECO

in  
2000

total  
shareholder return has reached 124% since that time compared to 45% for the  
Philadelphia

Utility

Index,

and

a

negative

23%

for

the

S&P

500

2

Largest merchant generator in the U.S. based on power produced

Management team and culture well-experienced and well-suited for today's  
complex and competitive markets

19 nuclear

reactors

largest nuclear operator in U.S., third largest in the world

Industry-leading management model that consistently drives highest capacity  
factors

(94%)

and

lowest

generating

cost

of

any

nuclear

fleet

in

the

U.S.

A plan to build 1,300-1,500 MW of new nuclear through uprates

Largest carbon upside in the industry

In addition to positive leverage to any upside from gas, coal and capacity  
prices

1



Exelon Is Built to Last and Consistently  
Creates Value  
Operational Prowess  
9  
Solid Balance Sheet  
Consistent Dividends  
\$10.00  
\$12.00  
\$14.00  
\$16.00  
\$18.00  
\$20.00  
2003  
2004

2005  
2006  
2007  
2008  
Exelon  
Industry  
Nuclear Annual Avg. Production  
Cost (\$/MWh)

\$1.26  
\$1.60  
\$1.60  
\$1.76  
\$2.03  
\$0  
\$0.50  
\$1.00  
\$1.50  
\$2.00  
2004  
2005  
2006  
2007  
2008  
2009E  
\$2.50  
\$2.10

Investment  
Grade  
Rating  
(BBB/A3/BBB+)

Broad Access To The Deepest Capital Markets:

-  
\$4.3 trillion High Grade Bond market  
-  
\$1.2 trillion Commercial Paper market

Lower Cost of Capital:

-  
Offers \$250 M in aggregate interest savings over the next five years relative to non-investment grade debt pricing

Financial and Operational Flexibility:

-  
Ability to negotiate hedging transactions with better margining terms or avoid incremental credit charges  
1.  
Exelon Generation Senior Unsecured credit ratings.

2.

Based on internal analysis. Changes in market conditions could impact results.

65%

70%

75%

80%

85%

90%

95%

100%

Operator (# of Reactors)

Range

5-Year Average

1

2

Exelon's Long-Term Value Drivers Generate Post-Transaction Value for All Shareholders

Carbon

Nuclear

Upgrades

PA

Procurement

Cost

Reductions

Long-term fundamentals create value beyond what is currently reflected in Exelon's stock price

-  
\$1.1 billion and growing annual upside to Exelon EBITDA from Waxman-Markey legislation

-  
1,300 MW - 1,500 MW in Exelon nuclear uprates by 2017 increases the value of the existing fleet

-  
\$2,200-2,500/kW overnight cost for uprates vs. \$4,000-4,500/kW for new build and additional ~\$110/kW in annual savings from lower incremental operating costs from uprates

-  
\$100-102/MWh result in June PECO power procurement suggests robust pricing and higher margins at Exelon Generation in 2011 and beyond

-  
\$350 million in announced O&M reductions for 2010, more than half of which is sustainable

- 10
1. Assumes \$15/tonne carbon pricing.
2. Reflects retail price including line losses and gross receipts tax.

1  
2

11

Incremental 1,300  
1,500 MWs  
of Exelon uprates  
over 2009-2017 exceeds NRG's expected ownership of  
STP 3&4

Exelon has substantial experience managing 1,100 MWs

of uprate  
projects over the past 10 years

Less Risk: less risk of cost overruns and delays; uprates  
can also be phased in based on market conditions which  
adds value

Lower Cost: Uprates  
do not materially increase the O&M of existing plants, saving ~\$110/kW in annual costs vs. a  
new nuclear plant

Exelon's Nuclear Uprate  
Plan Delivers More MWs  
Than NRG New Build -  
With Less Risk At Half The Cost

1,170 MW  
(44% Equity  
Ownership)  
Average Overnight Cost  
Estimate of U.S.  
New Build: \$4,000-4,500/kW

Year Uprates  
Become Operational

0  
200  
400  
600  
800  
1000  
1200  
1400  
1600  
1999-  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2009-  
2017  
MWs  
1,100 MWs  
1,300  
1,500 MW

Average Overnight Cost  
Estimate: \$2,200 -

2,500/kW

Exelon's Uprate

Plan

NRG's New Nuclear Plan

at

Max

Equity

Position

1. Exelon expects that NRG's planned equity sell-down would further reduce NRG's net equity interest to approximately 35%, or 936 MW, and possibly even less

We are impressed with Exelon's optimistic plans to add up to 1,500 MW from nuclear uprates over the next eight

years. The returns on these investments should be very attractive, as the company does not anticipate a higher run-rate of O&M expenses (i.e., O&M/MWh should decrease).

-

Angie Storzynski, Macquarie Securities, June 12, 2009

1



1.  
Exelon: Sustainable Advantage
  2.  
Exelon-NRG: A Clear Strategic Fit
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  5.  
Action Sought
- Discussion Points:  
12

Combination Will Result in Scope, Scale and  
Financial Strength

13

Pro Forma

Exelon

Pro Forma Quick Stats

(\$s in millions)

Combined assets

1

\$73,000

LTM EBITDA

2

\$10,000

Market cap (as of 6/26/2009)

\$40,000

Enterprise value

3

\$58,000

Generating capacity

4

~48,000 MWs

Enterprise Value

Market Cap

\$0

Exelon

FPL

Duke

Dominion

First

Energy

Entergy

\$10

\$20

\$30

\$40

\$50

\$60

\$58 BILLION

NRG

Southern

1.

Reflects total assets (under GAAP) with no adjustments. Based upon 3/31/09 10-Q.

2.

Reflects Last Twelve Months EBITDA (Earnings before Interest, Income Taxes, Depreciation and Amortization) as of 3/31/09

3.

Calculation of Enterprise Value = Market Capitalization (as of 6/26/09) + Total Debt (as of 3/31/09) + Preferred Securities (as of 3/31/09) - Cash & Cash Equivalents (as of 3/31/09). Debt, Preferred Securities, Minority Interest and Cash & Cash Equivalents are reported in the Company's Form 10-Q.

4.

Includes owned and contracted capacity after giving effect to planned divestitures.

14

Geographically complementary generation asset base

Predominantly located in competitive markets

Strong presence in PJM (Mid-Atlantic and Midwest) and ERCOT

By RTO

Combined

PJM

22,830

ERCOT

13,232

MISO

1,065

ISO NE

2,202

NYISO

3,960

CAL ISO

2,085

Contracted

6,483

51,857

SERC

2,295

WECC

45

Total

54,297

By Fuel Type

Combined

Nuclear

18,158

Coal

9,001

Gas/Oil

18,818

Other

1,837

Contracted

6,483

1. Excludes international assets. Before any divestitures.

2. Contracted in various RTOs, mainly in PJM and ERCOT.

Exelon

NRG

Combination Will Operate in Most Attractive

Markets

1

1

2

0  
2  
4  
6  
8  
10  
12  
14  
16  
18

2003

2004

2005

2006

2007

2008

<1%

<1%

Exelon

~150,000 GWh

Pro Forma

Exelon

~221,000

GWh

Historical

Forward Coal Prices

Combined Entity Will Continue to Benefit

from Low Cost Fuel Sources

Powder River Basin and lignite coal supply (90%  
of NRG's coal) provides low-sulfur at a relatively  
stable price as compared to northern and  
central Appalachian coal mines.

0.00

1.00

2.00

3.00

4.00

5.00

6.00

Northern Appalachian

Production Costs

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

6%

Other

Coal

Q1 2007

Q2 2007

Q3 2007

Q4 2007

Q1 2008

Q2 2008

Q3 2008

\$/mmbtu

15

Powder

River

Basin

Central Appalachian

Hydro/Other

Gas/Oil  
Other Coal  
PRB & Lignite Coal

Nuclear

3%

<1%

Q4 2008

Q1 2009

Nuclear

Coal

Gas

Petroleum

6%

Coal

93%

Nuclear

67%

Nuclear

23%

PRB &

Lignite Coal

2

1

1

1.

Based

on

2008

data,

does

not

include

~26,000

GWh

of

Exelon

Purchased

Power.

2.

Historically, Lignite Coal prices have had similar volatility as Powder River Basin Coal.



Largest Fleet, 2

nd

Lowest Carbon Intensity

Source: Ventyx

Velocity Suite Database

CO2 Emissions of 15 Largest U.S. Electricity Generators

Bubble size represents **carbon intensity**,  
expressed in terms of metric tons of CO2

per MWh generated

Note: Does not consider effects of  
proposed or unplanned divestitures.

0  
50  
100  
150  
50  
100  
150  
200  
2008 Gross Generation (TWh)  
Exelon  
Exelon + NRG  
AEP  
Southern  
Duke  
TVA  
FPL  
Entergy  
Dominion  
Berkshire  
Hathaway  
Calpine  
NRG  
First  
Energy  
Xcel  
Ameren  
Progress  
250  
Top 15 Generators by CO2 Intensity  
15  
Berkshire Hathaway  
0.84  
14  
Ameren Corp  
0.81  
13  
NRG Energy  
0.78  
12  
AEP  
0.77  
11  
Xcel Energy  
0.74  
10  
Southern  
0.69  
9  
Duke Energy  
0.63

8

Progress Energy

0.61

7

TVA

0.60

6

FirstEnergy

0.55

5

Dominion

0.49

4

Calpine

0.39

3

FPL Group

0.33

Exelon + NRG

0.31

2

Entergy

0.27

1

Exelon

0.06

1.

Exelon 2020 is Exelon's comprehensive plan to reduce, displace or offset 15 million metric tons of greenhouse gas emissions year by 2020.

Exelon 2020

1

principles will be adapted to the combined fleet

16

Carbon Legislation is Gaining Momentum and  
Will Benefit the Combined Company

Waxman-Markey legislation provides allocations to merchant coal units only if they actually run in any given year with this allocation mechanism, merchant coal plants will dispatch more than is economically efficient and fewer merchant coal plants will retire

If merchant coal allocations are granted in a manner that does not change dispatch and retirement incentives,

Exelon's EBITDA would increase by about \$1.5 billion and NRG's EBITDA would increase by about \$150M in Year 1

While Exelon has supported merchant coal allocations as part of an overall industry compromise, if no allocations are granted, Exelon's EBITDA would increase by \$1.5 billion and NRG's EBITDA will decrease by \$150M in Year 1

Note: Dollar values reflect illustrative results based on potential outcomes of climate legislation and should not be interpreted as

The carbon benefit to be realized by Exelon's nuclear fleet will significantly exceed the carbon costs faced by NRG's coal-dominated generation fleet

\$1,100

Exelon

NRG

(\$M)

Year 1 EBITDA Impact of \$15/tonne Carbon With

Waxman-Markey Merchant Coal Allocations

There is no case

where carbon

legislation is

better for NRG

than for Exelon

17

\$0

On

June

26

th

,

the

U.S.

House passed the

Waxman-Markey Bill

by a vote of 219-212

1.  
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- Discussion Points:  
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an  
Offer Represents Significant Value to NRG  
Shareholders

Our original offer provided a 37% premium to NRG's stock price on  
10/17/08

When compared  
to  
all  
\$1B+  
stock  
deals  
since  
12/2003,  
that  
was  
almost  
double  
the 1-day average of 19%

NRG has responded with obstruction

Refusing to negotiate with Exelon management; excluding us from their  
market  
discovery  
process,  
that  
has  
produced  
no

alternatives

Refusing to allow limited two-week due diligence process

Intervening with obstructionist tactics in regulatory proceedings

Pursuing

a

frivolous

and

expensive

lawsuit

Falsely claiming that the election of Exelon's nine nominees could trigger  
the poison puts  
in their debt

Our

new

offer

to

NRG

shareholders

is

even

better

now

implied

premium of 44%

Higher exchange ratio = 0.545

Greater growth opportunities than NRG stand-alone, at lower risk and  
relative cost

~\$3.1B transaction value

Now is the time for a new, independent and open-minded NRG board to  
come to the table

19

1.

NRG's lawsuit against Exelon in U.S. District Court, Southern District of New York, was dismissed on June 22, 2009.

1



20

The Value of the Offer to NRG Shareholders  
Has Increased

THEN

NOW

Exchange Ratio

Est. NPV of Synergies

0.485

0.545

(12.4% increase)

\$1.5

\$3.0 B

\$3.6

\$4.0 B

Exelon's best and final offer

20

1.

Implied ownership as of 2012 assuming the conversion of \$1.1 billion of mandatory convertibles. Immediate ownership percentage

2.

Includes estimated transaction costs of \$654M (pre-tax).

3.

Includes estimated transaction costs of \$550M (pre-tax).

Transaction Value to NRG

\$2.3 B

\$3.1 B

Implied Ownership

16.8%

18.2%

2

1

3

Exelon's offer has increased NRG's stock price and decreased Exelon's stock price relative to each company's peer indices

Assuming that each company's stand-alone stock price is halfway between the comparable company index and current stock price, the premium offered is still 44%

21

21

Current

Stock Price

(\$50.70)

2

Halfway  
Between Index  
and Current  
(\$54.03)  
Based on  
Competitive  
Integrated  
Index (\$57.35)  
3  
Current Stock  
Price (\$23.80)  
2  
16%  
24%  
31%  
Halfway Between  
Index and Current  
(\$20.50)  
35%  
44%  
52%  
Based on IPP  
Index (\$17.21)  
4  
61%  
71%  
82%  
Exelon  
Stand-Alone  
Stock  
Price  
NRG  
Stand-Alone  
Stock Price  
Indicative Premium  
1  
The world has  
changed for  
IPPs  
  
lower  
gas prices, a  
weak economy  
and likely  
carbon  
legislation will  
translate into  
lower IPP  
valuations  
Best Indicators Suggest Current Exelon Offer

Represents an Implied Premium of 44%

1. Premium based on 10/17/08 stock prices (last observable stand-alone stock value) is 54% at current offer.

2. Closing stock prices as of 6/26/09.

3. EXC implied stock price based on the Competitive Integrations (AYE, ETR, FPL, PPL, PEG, CEG, EIX, FE) performance from

4. NRG implied stock price based on the IPP Index (MIR, CPN, DYN, RRI) performance from 10/17/08 to 6/26/09.

Based on These Indicators, Transaction Provides NRG  
Shareholders Immediate Value of \$3.1 Billion

Share of  
Synergies

\$0.6B

Plus: EXC Upside

-

Carbon

-

Uprates

-

PECO PPA roll-

off

1.

Based upon implied premium of 44% from previous slide and assumes 277 million NRG fully-diluted shares outstanding.  
2.

Share of synergies reflects 18.2% NRG share of synergies (based upon midpoint of \$3.6-\$4.0B synergies), less NRG share of S transaction costs.

Implied  
Transaction  
Value to NRG  
Shareholders  
of \$3.1B  
Implied  
Premium to  
NRG  
Shareholders  
of \$2.5 B  
22

Even at June 26  
closing prices, NRG  
shareholders will  
realize immediate  
transaction value of  
\$1.7 billion  
If Exelon's offer  
is withdrawn,  
NRG  
shareholders  
face downside  
risk in their share  
price

1  
2  
th

Then

Assumed a traditional **integrate**  
model

Reflected preliminary top-down  
internal estimate  
without assistance from 3 parties



Notable assumptions included:

40% reduction in NRG's A&G expense

10% reduction in NRG's O&M expense  
Now

Assumes an absorb-integrate-transform model

Reflects bottom-up functional estimate with assistance from Booz & Company

Assesses discrete operating areas, updates assumptions and defines desired outcomes

Reflects enhanced view of NRG's operating profile (plant benchmarking)

Recognizes impact of Reliant Retail business to NRG (A&G)

23

Upon Detailed Investigation, Exelon Has Identified Greater Synergies

Exelon will realize these synergies, just as we have in the past

1. Based on analysis of publicly available information.

2. Primarily reflects severance, systems integration, retention and relocation costs.

Est. Annual Cost Savings:

\$180

-

\$300

M

% of Combined Expenses:

~3%-5%

Costs

to

Achieve :

~\$100

M

NPV of Est. Synergies: **\$1,500**

-

\$3,000 M

Est. Annual Cost Savings:

\$410

-

\$475

M

% of Combined Expenses:

~6%-7%

Costs

to

Achieve

2

:

~\$200

M

NPV of Est. Synergies: **\$3,600**

-

\$4,000 M

rd

1

2

1

Synergies  
reflect  
a  
30%  
reduction  
in  
NRG's  
O&M  
expense,

which  
is  
consistent  
with  
prior  
power  
sector  
transactions  
and  
reflects  
Exelon's  
track  
record  
and  
commitment  
to  
delivering  
strong results  
additional synergies possible

24

Category

Amount (\$M)

Commentary

Key Sources of Synergies

Corporate / IT

\$225 -

\$245

Includes

enhanced

corporate

synergies

from

initial

case

based

on

detailed

assessment and prior transaction experience, minimizing duplicative corporate

support

Fossil

\$75 -

\$85

Based on ~350 employee reduction from Exelon/NRG fleet optimization due to  
implementation of Exelon's management model

Trading

\$65 -

\$75

Absorption of NRG trade book into existing Exelon Power Team operations

EXC Power Team is an experienced, multi-state power marketer, enabling smooth integration and significant labor synergies

Development

\$20 -

\$30

Significant

reduction

in

redundant

staffing,

without

sacrificing

continuing

growth

and development opportunities

Nuclear

\$10 -

\$20

Integration of STP 1 & 2 into the largest nuclear fleet in the industry (not assumed until 2011, contingent upon agreement with co-owners)

Retail

\$15 -

\$20

Reflects assumed NRG synergies (since Reliant acquisition was not incorporated into our initial analysis)

Total

\$410 -

\$475

25  
243  
170  
117  
Cost Savings  
Estimate (\$M)  
\$ 100  
117%

Actual Post Merger  
Integration Savings (\$M)  
% Realized of  
Estimate  
106%  
\$ 160  
\$ 180  
135%

Targeted headcount reduction of ~1,200;  
actual ~1,600

Disciplined integration planning process

Effective use of pre-close period for  
integration planning purposes to accelerate  
synergy capture

Reduction in overall staffing levels through  
centralization/leverage of scale

Elimination of duplicate corporate and  
administrative positions

Common company-wide management  
processes

Year  
2001  
2002  
2003  
\$67  
\$210  
\$200  
2004  
\$410  
2003  
\$230  
\$163  
Cumulative Cost Savings  
Estimate (\$M)  
Actual Results (Pre Tax -  
\$M)  
(O&M + Capital = Total)  
% Realized of  
Estimate  
100%  
129%  
\$163 + \$67 = **\$230**  
\$339 + \$188 = **\$527**  
O&M

Capital

Exelon has the experience and management commitment to deliver on its synergy targets

Exelon Has a Proven Track Record of Delivering Targeted Synergies

Improved capacity factor from 77% in 2004 to 96% in 2006

Reduced average refueling days from 80 in 2004 to 26 in 2006

50  
60  
70  
80  
90  
100  
1998  
2000  
2002  
2004  
2006  
2008  
PECO  
Unicom  
PSEG  
Exelon  
AmerGen  
PSEG with NOSC



NRG Touts Numerous Growth  
Opportunities,  
But A Closer Look Reveals Minimal Value  
New Nuclear  
(NINA)

NRG significantly underestimates both costs and risks

Any value estimate is speculative at this point

Reliant

Purchase appears accretive, but NRG's EBITDA projections are extremely aggressive and suggested EBITDA multiple is unrealistic

Net value of ~ \$1/share  
Padoma Wind

150 MW net ownership (0.7% of NRG existing capacity) of new wind in Texas scheduled to come on-line by the end of 2009

Potential

net  
value  
in  
the  
\$0.00-0.10/share  
range  
eSolar

184 MW net ownership (0.8% of NRG existing capacity) of new solar in Southwest scheduled to come on-line in 2011/2012

Potential

net  
value  
in  
the  
\$0.00-0.25/share  
range  
GenConn Energy

200 MW net ownership (0.9% of NRG existing capacity) of new peaking in Connecticut scheduled to come on-line in 2010/2011

Estimated

net  
value  
of  
~\$0.10/share

NRG's only real growth opportunity is the gas and heat rate upside in its existing 23,000 MW domestic fleet

Exelon  
has  
similar  
upside  
plus

enormous

carbon

upside

as

well

26

1

1

1

1. Upper end of range is based on optimistic net value estimate assuming a 10% profit margin on capital invested.

1.  
Exelon: Sustainable Advantage
  2.  
Exelon-NRG: A Clear Strategic Fit
  3.  
Value for NRG Shareholders
  4.  
Achievable Plan to Execute Deal
  5.  
Action Sought
- Discussion Points:  
27

1  
2  
3

Investment grade metrics

We have modeled varying combinations of debt refinancing, asset divestitures, equity  
or  
equity-linked  
issuance  
and  
accelerated  
debt  
paydown  
to  
maintain  
our  
investment  
grade  
credit  
ratings

with  
a  
view  
to  
long-term  
shareholder  
value

Our optimal financing plan includes:

-  
Divesting assets of ~\$1.6 billion

-  
Issuing  
~\$1.1  
billion  
of  
mandatory  
convertible  
equity  
or  
common  
equity

-  
Deploying  
cash  
on  
hand  
of  
~\$1.7  
billion

-  
Financing  
\$4.2  
billion  
in  
the  
debt  
capital  
markets

The plan is  
executable  
and provides

We  
have  
incorporated  
a  
cost  
of  
issuing  
equity  
or  
equity-linked  
securities  
into our  
model as we believe EXC's  
long-term value is greater than its current stock price

The strategic benefits, long-term value and synergies created by the combination are more valuable than the cost of an equity or equity-linked issuance

28  
28

Exelon Has a Financing Plan That Is Executable, Provides Investment Grade Metrics and Creates Long-Term Value

I think Exelon has the capability to refinance and close the exchange offer

-  
Jonathan Baliff, NRG  
Executive Vice  
President, Strategy

4

1. Based on relative economics of the two securities and market conditions.
2. Estimated excess cash balance at NRG reflects Exelon internal projections as of FYE 2009.
3. Either at or about the time of the transaction or thereafter.
4. Former investment banker at Credit Suisse testifying under oath in Federal Court on June 1, 2009. NRG Energy, Inc. v. Ex No. 09 Civ. 2448 (S.D.N.Y.).

2

We Have A Plan To Meet Our Financing Needs

The Plan is Flexible and Executable

Exelon has many options to  
address its financing needs

Capital markets

Bank financing

TopCo  
structure

Asset sales / Equity issuance

Bond waivers

Excess NRG cash



Capital markets remain strong

Over \$200 billion in bank  
commitments (over \$1 billion) in  
the last twelve months

7

Over \$88 billion in investment  
grade bond issues (over \$1 billion)  
year to date

7

\$130 billion in U.S. equity  
issuances year to date, of which  
over \$19 billion is convertible  
equity

0

7

We can finance the transaction at  
an ~8% interest rate given current  
market conditions

29

Note: Estimated balances based on internal estimates, reported data in NRG's Form 10-Q as of 3/31/09 and 10-K dated 12/31/08.

1. Synthetic LOCs require drawn bridge loan.
2. Credit Suisse has the option to keep the security outstanding and make fair value adjustments.
3. Includes estimated fees, net of taxes and other non-recourse obligations.
4. Assumes divestiture of various assets including Big Cajun and other Louisiana Plants.
5. Excludes CS Notes and preferred interest.
6. Either at or about the time of the transaction or thereafter.

7.

UBS market data.

Summary Financing Needs (\$ M)

Principal

Bank Debt (Includes TLB and Synthetic LOCs)

1

\$3,114

Senior Notes due '14, '16, and '17 (in aggregate)

4,700

8.500% Senior Notes due 2019

700

3.625% Preferred Stock

250  
Other  
3  
908  
Potential Financing Needs  
\$9,672  
Preliminary Financing Plan  
Estimated Excess NRG Cash and Equivalents (as of FYE '09)  
\$1,700  
Equity / Mandatory Convert Issuance  
1,100  
Asset Sales  
4  
1,600  
Assumption of 2019 Bonds  
700  
Assumption of Select Non-Recourse Obligations  
5  
379  
Debt Capital Markets Financing  
6  
4,193  
Total Sources  
\$9,672

Q2 2009  
Q3 2009  
Q4 2009  
Receive Regulatory  
Approvals  
10/19:  
Announce  
Offer

Annual NRG and  
Exelon Special  
Shareholder  
Meetings  
11/12:  
Exchange  
Offer Filed  
Make Filings and Work to Secure Regulatory Approvals  
(NRC, DOJ/FTC, PUCT, NYPS, PAPUC, CPUC)  
Shareholder Proposal and Proxy Solicitation  
8/21:  
Exchange  
Offer Expires  
2/25:  
Over  
51% of NRG  
Shares  
Tendered  
Regulatory approvals are manageable and we expect the  
transaction to close in 2009  
5/21: FERC  
Approval  
Expected  
Transaction Close  
Exelon is Committed to the Combination  
Q4 2008  
Q1 2009  
30  
Discussing regulatory  
concerns of an  
NRG/Exelon tie-up,  
Crane said he did not  
expect the bidder to  
have any regulatory  
problems.  
David  
Crane Interview with  
Peter Semler  
of  
Mergermarket, March  
10, 2009

1  
31  
Jurisdiction  
Status  
FERC  
Acquisition approved on May 21, 2009  
Hart-Scott-Rodino  
Statutory waiting period expired April 30, 2009  
NRC  
Application under review without further information  
requests  
Texas

Commission  
ruled  
application  
is  
sufficient

-  
hearing  
to  
be held on  
October 15, 2009  
New York

To be decided without evidentiary hearing

Pennsylvania

Hearings scheduled for July 15-17, 2009

California

CPUC accepted application; will be decided without  
evidentiary hearing

Regulatory Approvals Are Advancing As

Expected

Completed

In Process

1. As of June 26, 2009

Note: It is also worth noting that NRG's lawsuit against Exelon in U.S. District Court, Southern District of New York, was dismissed on June 22, 2009 and will not be an obstacle to closing.

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Achievable Plan to Execute Deal
  5.  
Action Sought
- Discussion Points:  
32

Elect  
each  
of  
the  
four  
independent  
candidates



nominated  
to  
run  
in  
opposition to the incumbent directors up for re-election

Expand  
the  
size  
of  
the  
NRG  
board  
to  
19  
directors

Elect  
each  
of  
the  
five  
independent  
candidates  
to  
serve  
on  
the  
expanded board

NRG Shareholders can secure the best transaction possible by taking the following actions:  
This approach will allow NRG shareholders to share in the significant value to be  
generated from creating the largest, most diversified  
power company in the U.S.

33  
This will **not**  
result  
in Exelon's slate  
constituting a  
majority of the  
NRG Board

NRG's Board has been entrenched in its steadfast opposition to a transaction  
with Exelon by:

-  
Supporting an entrenched CEO and Senior Management who have sought to  
obstruct Exelon's attempts to obtain regulatory approvals for the  
transaction

-  
Consistently ignoring the spoken will of a majority of NRG's shareholders  
and refusing to negotiate with Exelon or allow due diligence

We are committed to this transaction but will continue our efforts only as long as we have shareholder support. The election of only four new directors would raise a significant question about the level of that support

**Voting For Only Four Directors Will Reduce the Likelihood of a Value-Enhancing Transaction**

**It's Time to Capture This Value**

34

Exelon's Slate of Experienced

Independent Nominees

Nominees have extensive business and management experience and experience serving on boards of public companies. Slate comprised of a broad range of financial, legal and industry expertise

Four independent, highly qualified candidates to replace directors of NRG whose terms expire at the 2009 Annual Meeting

**Betsy S. Atkins, Ralph E. Faison, Coleman Peterson and Thomas C.**

**Wajnert**

Five independent, highly qualified candidates to fill the newly created

seats upon an approved board expansion

**John MAlbertine, Marjorie L. Bowen, Donald DeFosset**

Jr., Richard

Koppes

and Ralph G. Wellington

Exelon s

proposed

slate

of

directors

is

highly

qualified

and

independent

and

will

not

constitute

a

majority

of

the

Board

35

This Transaction Is Unique

Substantial  
synergies

-

fairly  
shared

Compelling value

Catalyst for consolidation

The time is now the parties are NRG and Exelon

the price is fair

Appendix  
36

NRG Will Benefit from Exelon's Carbon Upside

37

Assumptions:

\$10/tonne carbon

50% of requirement in  
free allowances from  
government

80% recovery through  
power prices



Yields \$4/MWh  
increase in wholesale  
power prices  
(\$10\*.5\*80%)

Among the principal  
beneficiaries of the  
Waxman bill, therefore,  
will be utilities with a  
large proportion of  
unregulated nuclear  
generation, such as  
Exelon, Entergy and  
Constellation . Most  
adversely affected  
will be RRI Energy (RRI),  
Allegheny Energy (AYE),  
NRG Energy (NRG), PNM  
Resources (PNM),  
Westar Energy (WR),  
Ameren (AEE), Great  
Plains Energy (GXP),  
Mirant (MIR) and Dynegy  
(DYN).

Hugh Wynne,  
Bernstein Commodities  
and Power: What Are the  
Consequences of the  
Waxman-  
Markey Climate  
Change Bill for the Power  
Sector?  
(June 29, 2009)

Based on the table to the  
left, EXC EBITDA  
estimated to **increase**  
8% (~\$600M) in 2012  
while NRG **loses**  
2% (\$62  
M) by 2012 .

The negative impact to  
NRG becomes even more  
pronounced as allowance  
grants are phased out,  
while Exelon s benefits  
continue to grow.

Exelon has the liquidity, market access and financial flexibility to manage risk and pursue sizeable growth initiatives when appropriate

Exelon's Balance Sheet Can Weather  
Volatile Commodity Markets

Lower interest rates and lower cost of capital

Lower cost of equity capital

Ability  
to  
source  
capital  
from  
multiple  
markets  
(e.g.  
commercial  
paper)  
reduces  
risk  
of  
liquidity crunch

Investment grade market more likely to be accessible during challenging business cycles

Banks in this environment more willing to lend to large, diversified, highly-rated companies

Over 20 banks committed to Exelon's facilities providing over \$7B in aggregate commitments

Broad  
Access to  
Capital  
38  
Lower  
Cost of  
Capital

Lower margin and collateral needs

Ability to bid competitively on PPAs and long-term deals since counterparties prefer investment grade companies

Reduced working capital requirements, no prepayments on long-term contracts

Financial  
and  
Business  
Flexibility

#### Risks Inherent In A Non-investment Grade

##### Balance Sheet

Though currently re-opened, the non-investment grade market has closed on several occasions in recent memory, while the high-grade market has been consistently accessible regardless of economic cycles

Erratic access to such a critical source of funding would have significant liquidity implications for non-investment grade issuers like NRG

39

##### High Yield

Market  
High Grade  
Market

4%  
5%  
6%  
7%  
8%  
9%  
10%  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
0  
20,000  
40,000  
60,000  
80,000  
100,000  
120,000  
140,000  
\$160,000

Source: SDC, J.P. Morgan

JULI Yield (%)

Monthly new issuance volume (\$mm)

6%  
7%  
8%  
9%  
10%  
11%  
12%  
13%  
14%  
15%  
16%  
17%  
18%  
19%  
20%  
1998  
1999

2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
0  
5,000  
10,000  
15,000  
20,000  
25,000  
30,000  
\$35,000

JPMorgan Global HY Index Yield to Worst  
Monthly new issuance volume (\$mm)

40

Exelon Generation's full requirements power purchase agreement with PECO Energy expires on December 31, 2010

Recent PJM prices for full requirements products:

Procurement

Date

Delivery Period

\$/MWh

PSE&G

(NJ BGS)

February 2009

June 1, 2009 -

May 31, 2012

\$103.72 Residential and Small

C&I<sup>1</sup>

PPL

April 2009

January 1, 2010 -

December 31, 2010

\$86.74 Residential

\$87.59 Small C&I

Allegheny

June 2009

Residential: 17-month and 29-month

contracts, both beginning January 1,

2011

Non-residential: 17-month contracts

beginning January 1, 2011

\$71.64 Residential

\$75.40 Non-residential

PECO

June 2009

17-month and 29-month contracts

beginning January 1, 2011

\$100-102 Residential

(approximate)

Pennsylvania Procurement Provides Strong

Evidence of the Value of Exelon's Mid-Atlantic Fleet

2

2

2

2

3

1.

Wholesale level pricing (excludes adjustments for taxes and transmission and distribution losses); includes cost of Network Transmission Service (NTS).

2.

Retail level pricing but excluding NTS. Retail price includes cost of Gross Receipts Tax and adjustment for transmission and distribution (T&D) losses. Retail prices based on distribution company press releases.

3.

Estimated retail price (i.e., inclusive of Gross Receipts Tax and adjustment for T&D losses but not NTS) converted from Exelon's offers using Residential Retail Generation Rate Conversion Model at PECO Procurement website (<http://www.pecoprocurement.com/index.cfm?s=supplierInformation&p=rates>).



41

RPM Capacity Auctions in PJM

The results of the recent RPM capacity auction are not anticipated to reflect a new norm

due to an anticipated market response to low clearing prices and rule changes for demand response bidding

The RTO clearing price for 2012/2013 was \$16.46 MW-day. The clearing price

for MAAC and Eastern MAAC resources was \$133.37 MW-day and \$139.73 MW-day respectively.

-  
Exelon offered 12,200 MWs  
of  
capacity in the RTO region; 1,500 MWs  
in the MAAC  
region; and 9,600 MWs  
of  
capacity in Eastern MAAC region

A market response to the low clearing prices in the RTO region is anticipated

-  
Modified resource bidding behavior  
-  
Retirement of costly and less efficient generation  
-  
Cancellation of new generation projects  
-  
Less Cleared Demand Response (DR)

The RPM capacity auction prices for 2012/2013 are the result of increased generation supply and demand response resources, decreased load PJM wide, and locational reliability requirements

The 2012/2013 capacity auction was the first time in which Interruptible Load Resources (ILR) were required to offer into RPM as a capacity resource

-  
The  
PJM  
tariff  
was  
interpreted  
to  
require  
existing  
ILR  
Resources  
to  
bid  
at  
\$0

On June 8, 2009, PJM and its stakeholders began considering changes that would eliminate offer caps on DR

-  
Tariff changes could result in future auctions that better reflect the true market value of capacity (i.e. the value to end use customers who sell firm power rights)

ERCOT Wind:

18 GW of Transmission Approved, Can Sell RECs  
Nationally Under Federal RES, and Price Depression  
Will Be Absorbed By Texas Alone

Upper Midwest Wind:

Dependent on Not-Yet-Approved Multi-State  
Transmission Buildout  
and Price Depression

Will be Spread Over A Broad Area

Mid-Atlantic Wind:

Limited Wind Resources, So Will  
Purchase RECs  
From Other Areas

42

Federal RES will result in incremental wind build in Texas to support REC  
purchases  
in  
other  
markets

depressing power prices in ERCOT

42

Federal RES Will Reduce Prices More in ERCOT  
than in Midwest or Mid-Atlantic

43

Historical projected and actual costs of  
nuclear construction (\$/kW)

1974/75

\$1,156

\$4,410

1976/77

\$1,493

\$4,008

\$560  
\$1,170  
1966/67  
% Over Original Estimate  
+381%  
+269%  
+209%

No  
success with planned equity selldown

Insufficient  
DOE  
loan  
guarantee  
funds  
to  
support  
all  
identified projects

Even with DOE loan guarantee of \$4.6B and \$3B in  
loan guarantees from Japan (which we see as  
aggressive), there is a financing gap of \$2.5B -  
\$5B  
that NRG has not secured

No  
disclosed details on risk mitigation plan for Toshiba's first  
U.S. nuclear construction project

No  
signed  
PPAs  
because  
current  
market  
fundamentals  
do  
not support pricing needed to cover construction costs  
Significant Risks Make It Impossible To Ascribe Value At  
This Early Stage  
Nuclear  
new  
build  
estimates  
Overnight  
\$/kW  
FPL  
\$3,170-\$4,630/kW

Progress (Levy County)

\$4,345/kW

Brattle Group

\$4,038/kW

Exelon (Victoria County)

\$4,148/kW

U.S. Consensus

\$4,000-4,500/kW

NRG

\$3,200/kW

vs.

Sources:

NEI

Whitepaper

The

Cost

of

New

Generating

Capacity

in

Perspective

February

2009,

Brattle

Group

IRP

for

Connecticut -

January 2008

, NRG 6/4/09 Presentation at Macquarie Global Infrastructure Conference

1.

Amounts shown

in

2008\$,

assuming

2%

inflation

over

2007\$

for

FPL

and

Progress.

Exelon

estimate

includes

initial

fuel load cost.

2.

NRG Investor Presentation, June 17, 2009

Overnight Cost Growth (1966-1977)

Est:

+167%

Actual:

+243%

NRG Underestimates the Risks of Being a First Mover  
STP 3&4 Is Subject To Project Execution And Cost  
Escalation Risks That NRG Shareholders Cannot Ignore

U.S. Supply chain and labor force must be re-established

Japanese modular construction practices have not been  
applied in the U.S.

NRG has not announced completion of construction  
contract

U.S. labor productivity vs. Japanese is unknown

Construction proximity to an operating nuclear plant poses  
significant risk to construction execution, schedule, and cost

Owner's costs and site development risks are material,  
despite the brownfield  
site

2

1



Scale and Complexity of Nuclear New Build  
Introduces a Unique Set of Challenges for NRG  
44

New nuclear build is a high risk proposition for NRG and represents a substantial portion of the company's market cap

Even with financing support by the U.S. and Japanese governments, NRG is placing a significant portion of the company's market cap at risk

Exelon's size and investment grade balance sheet significantly lessens the impact of this mega-project on the company's operating and financial risk profile

Total  
nuclear  
new  
build  
equity  
financing  
as  
a  
percentage  
of  
market  
capitalization  
NRG  
EXC/NRG

-  
+25%  
+50%  
+75%  
+100%  
+125%  
+150%  
\$8.9 billion  
\$11.2 billion  
\$13.4 billion  
\$15.7 billion  
\$17.9 billion  
\$20.1 billion  
\$22.4 billion  
12%  
16%  
19%  
22%  
25%  
28%  
31%  
2%  
2%  
3%  
3%  
4%  
4%  
5%  
0%  
5%  
10%  
15%  
20%  
25%

30%  
35%  
40%  
\$ 4,142  
/ kW  
\$ 5,178  
/ kW  
\$ 6,213  
/ kW  
\$ 7,249  
/ kW  
\$ 8,284  
/ kW  
\$ 9,320  
/ kW  
\$ 10,355  
/ kW

2

1

1.

New build equity financing percentages are presented for various levels of total nominal project costs per kW, assuming 80% of market capitalization as of 6/26/09. The equity financing percentages reflect NINA ownership of STP units 3 and 4 at 40%, and NINA at 88%.

2.

Estimate of the total nominal project cost per kW based on the midpoint of the NRG price range for the nominal EPC and own NRG's 6/4/09 presentation at Macquarie Global Infrastructure Conference, plus estimated interest during construction, initial guaranteed loan fees and debt service reserve.

45

NRG Is Overvaluing Reliant Retail's Financial

Impact

Valuation Considerations

Even when assuming a \$250 million run rate EBITDA for Reliant Retail, the financial impact to NRG is less than \$1.00 per share

Exelon fully supports the retail business model, and the Reliant

acquisition appears value-accretive

However,  
the  
suggestion  
that  
over  
\$1  
billion  
in  
equity  
value  
(or  
~\$4.50  
per  
share)  
has  
been  
created  
is  
an overstatement

Valuation of 4-6x EBITDA is not achievable

NRG paid 1.9x to 2.6x  
EBITDA in an auction

Public markets have not imputed attractive  
multiples  
to retail businesses in the past

No allocation of debt  
in NRG's valuation either in the  
form of collateral or increased working capital

NRG seems to ignore the **higher level of risk**  
for retail;  
implies higher cost of capital  
Potential Price Per Share Impact (\$ M)

\$250 million run rate EBITDA appears aggressive

Gross margins  
(\$670 M) assume steady mass market  
and Commercial & Industrial margins which **have been**  
volatile

Aggressive pricing from **large competitors**  
(e.g.,  
Centrica, FPL, CEG) **will**

likely **compress margins**

Requires strong execution  
across  
key disciplines (e.g.,  
risk management, customer service)

Earnings Considerations

Low

High

NRG

Management

(as

of

3/2/09):

1

Purchase Price

\$388

\$388

(a)

Original EBITDA Estimate

\$200

\$150

(b)

Implied EV / EBITDA

1.9x

2.6x

Revised

NRG

Estimates

(as

of

5/27/09):

2

(c)

Revised Run-rate EBITDA

\$250

\$250

(d)

Change

/

Implied

Synergies

(c

-

a)

\$50

\$100

(e)

NRG Purchase Multiple Range (line b)

1.9x

-

2.6x

1.9x

-

2.6x

Implied Value Created (d \* e)

\$95

\$130

\$190

\$260

Est.

Price

Per

Share

Impact

3

\$0.34

\$0.47

\$0.69

\$0.94

1.

NRG Investor presentation - March 2, 2009.

2.

NRG Investor presentation - May 27, 2009.

3.

Assumes 277 million NRG fully-diluted shares outstanding.

46  
0  
100  
200  
300  
400  
500  
600



700  
\$800  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018

Exelon Estimate  
Incremental  
CapEx  
(High Case)  
Exelon  
Estimate

Incremental  
CapEx  
(Low Case)  
NRG Form 10-K Disclosure  
\$1.3-\$2.3  
billion  
of  
incremental  
environmental  
compliance  
costs  
could  
limit  
NRG's  
ability  
to  
fund  
its  
future  
growth

particularly  
in  
light  
of  
its  
leveraged  
balance sheet and non-investment grade ratings  
Total  
NRG Estimate  
\$1.15B

Incremental  
Cap Ex  
\$1.3

\$2.3B  
Total  
\$2.45

\$3.45B  
46

Under the new administration, we anticipate there will be more stringent environmental rules and regulations, including NOX and SO2 and particulate reductions under a revised Clean Air Interstate Rule (CAIR), an aggressive EPA/DOJ New Source Review enforcement initiative

These regulations may result in significant compliance costs for NRG's coal-fired generation assets

These regulations will have minimal impact on Exelon's compliance costs given our nuclear portfolio

1. In its 3/31/09 Form 10-Q, NRG states that it has prepared an environmental capital expenditure plan for numerous pending regulations but does not disclose the amount of the planned expenditures.

2. Forecasted amounts shown above are included in transaction analysis.

Environmental Capital Expenditures  
Could Severely Limit NRG's Future Growth

1  
2

NRG claims  
that its hedge program insulates it from the current commodity  
down-cycle  
looking  
closer:

NRG has sold about 2/3 of its baseload  
energy forward for 2011, but at much lower prices  
than for 2009 sales

As  
NRG s

above-market  
hedges

roll  
off,

we  
estimate  
that

NRG's  
baseload  
energy  
revenues

could decline by ~\$700 million based on current market prices between 2009 and 2011

At Current Forward Prices, ~\$700 Million in  
NRG Revenue Deterioration From 2009-2011

Between 2009  
and 2011,

Exelon  
Generation's  
estimated

gross margin  
grows by

~\$500  
million,

largely due to  
the PECO PPA  
roll-off

47

0

1

2

3

4

2009

2010

2011

\$B

NRG Baseload

Energy Revenues

5% Sold in Short-  
Term Market

95% Sold Forward at  
an Average Price of

\$61/MWh

79% Sold Forward at  
an Average Price of

\$58/MWh

\$700

Million

Decline

33% Remaining Sales at an

Average Price ~\$53/MWh  
Assuming 5/29/09 Market  
67% Sold Forward at  
an Average Price of  
\$52/MWh

1

2

1.

Based on 2/28/09 market conditions, per Exelon Hedging Disclosures (April 2009).

2.

Percentages sold and average prices in blue as disclosed in NRG's 2008 Form 10-K. 2010-2011 average prices in green are based on Exelon internal analysis. Average price represents weighted average of TX, NY and PJM baseload energy sales using market conditions as of 5/29/09.

21% Remaining Sales at an  
Average Price ~\$46/MWh  
Assuming 5/29/09 Market

Premium Paid Analysis

All stock transactions with equity values greater than \$1.0 billion, announced since 12/5/2003, U.S. targets (excluding withdrawn deals and spin-offs)

Source:

SDC, Bloomberg, FactSet

Note:

Excludes Wells Fargo's acquisition of Wachovia, Bank of America's acquisition of Merrill Lynch, JP Morgan's acquisition of F&M, Bank of America's acquisition of Stearns and Bank of America's acquisition of Countrywide.

48

Date

Date

Equity Value

Premium Prior to Announcement (%)  
 Announced  
 Effective  
 Target  
 Acquiror  
 (\$mm)  
 1 Day  
 1 Week  
 4 Weeks  
 04/01/09  
 Metavante Technologies Inc  
 Fidelity Natl Info Svcs Inc  
 2,982  
 23.1  
 23.5  
 27.5  
 03/03/09  
 Magellan Midstream Hldg LP  
 Magellan Midstream Partners LP  
 1,148  
 22.1  
 23.5  
 29.8  
 01/15/09  
 Terra Industries Inc  
 CF Industries Holdings Inc  
 3,397  
 102.9  
 107.5  
 109.8  
 10/19/08  
 NRG Energy Inc  
 Exelon Corp  
 6,261  
 36.7  
 38.0  
 31.1  
 06/23/08  
 12/05/08  
 Allied Waste Industries Inc  
 Republic Services Inc  
 6,098  
 0.9  
 3.5  
 5.0  
 04/24/08  
 09/29/08  
 Wendy's International Inc  
 Triarc Cos Inc  
 2,346



11.1  
16.0  
23.2  
04/14/08  
10/29/08  
Northwest Airlines Corp  
Delta Air Lines Inc  
2,918  
14.1  
14.9  
20.2  
05/04/07  
10/01/07  
Greater Bay Bancorp,Palo Alto  
Wells Fargo,San Francisco,CA  
1,657  
7.5  
13.8  
16.3  
05/01/07  
09/04/07  
MAF Bancorp,Clarendon Hills,IL  
Natl City Corp,Cleveland,Ohio  
1,973  
39.5  
39.9  
38.1  
03/18/07  
08/30/07  
InfraSource Services Inc  
Quanta Services Inc  
1,253  
17.4  
18.1  
16.0  
02/05/07  
08/20/07  
Hanover Compressor Co  
Universal Compression Holdings  
2,077  
2.4  
1.7  
4.1  
02/05/07  
07/02/07  
Investors Financial Svcs Corp  
State Street Corp  
4,505  
38.5  
38.5

42.4  
02/02/07  
03/07/07  
Weyerhaeuser Co  
Weyerhaeuser Shareholders/Domtar  
2,939  
0.0  
0.0  
0.0  
12/04/06  
04/02/07  
Agere Systems Inc  
LSI Logic Corp  
3,795  
28.2  
30.4  
26.5  
12/03/06  
07/02/07  
Mellon Financial,Pittsburgh,PA  
Bank of New York Co Inc,NY  
16,371  
(6.1)  
(6.2)  
(5.3)  
10/17/06  
07/12/07  
CBOT Holdings Inc  
Chicago Mercantile Exchange  
11,025  
55.3  
59.8  
59.4  
08/31/06  
11/04/06  
Glamis Gold Ltd  
Goldcorp Inc  
6,829  
32.4  
32.4  
35.4  
07/10/06  
12/01/06  
Harbor Florida Bancshares Inc  
Natl City Corp,Cleveland,Ohio  
1,110  
21.6  
21.6  
21.6  
07/06/06

02/21/07  
Peoples Energy Corp  
WPS Resources Corp  
1,588  
15.0  
13.6  
11.6  
06/12/06  
11/15/06  
Pacific Energy Partners LP  
Plains All American Pipeline  
1,395  
10.6  
12.2  
14.3  
05/25/06  
11/04/06  
AmSouth Bancorp,Alabama  
Regions Finl Corp  
10,035  
(2.0)  
(0.0)  
0.3  
05/08/06  
11/09/06  
Fisher Scientific Intl Inc  
Thermo Electron Corp  
10,280  
7.0  
8.2  
7.4  
01/24/06  
05/05/06  
Pixar Inc  
Walt Disney Co  
7,555  
2.5  
4.5  
4.9  
12/20/05  
05/22/06  
Maxtor Corp  
Seagate Technology Inc  
1,879  
59.8  
58.2  
62.3  
09/12/05  
03/01/06  
WFS Financial Inc

Wachovia Corp,Charlotte,NC

3,035

13.8

12.6

15.3

09/12/05

03/01/06

Westcorp,Irvine,CA

Wachovia Corp,Charlotte,NC

3,419

4.7

3.8

6.3

05/09/05

04/03/06

Cinergy Corp

Duke Energy Corp

8,655

13.4

13.9

12.6

Premium Paid Analysis

All stock transactions with equity values greater than \$1.0 billion, announced since 12/5/2003, U.S. targets (excluding withdrawn deals and spin-offs)

Source:

SDC, Bloomberg, FactSet

Note:

Excludes Wells Fargo's acquisition of Wachovia, Bank of America's acquisition of Merrill Lynch, JP Morgan's acquisition of F&M, Citigroup's acquisition of Travelers, Bank of America's acquisition of Countrywide.

Exelon's offer at

10/17/08 represented a:

1 day premium of 37%

Premium to 1-week  
average exchange ratio  
of 38%

Premium to 4-week  
average exchange ratio  
of 31%

49

Date

Date

Equity Value

Premium Prior to Announcement (%)

Announced

Effective

Target

Acquiror

(\$mm)

1 Day

1 Week

4 Weeks

05/04/05

08/08/05

SpectraSite Inc

American Tower Corp

3,153

9.5

9.6

9.1

04/18/05

12/03/05

Macromedia Inc

Adobe Systems Inc

3,588

25.1

26.0

33.4

03/21/05

07/19/05

Ask Jeeves Inc

IAC/InterActiveCorp

1,952

16.5

16.3

21.5

03/09/05

07/01/05

Great Lakes Chemical Corp

Crompton Corp

1,552  
10.1  
10.4  
11.0  
03/03/05  
05/16/05  
Siliconix Inc  
Vishay Intertechnology Inc  
1,003  
16.2  
18.6  
14.7  
01/31/05  
11/18/05  
AT&T Corp  
SBC Communications Inc  
14,732  
(6.6)  
(0.7)  
3.3  
01/28/05  
10/01/05  
Gillette Co  
Procter & Gamble Co  
54,907  
17.6  
20.6  
21.7  
01/10/05  
03/21/05  
Fox Entertainment Group Inc  
News Corp  
34,466  
9.8  
12.9  
14.1  
12/16/04  
07/02/05  
Veritas Software Corp  
Symantec Corp  
13,520  
9.5  
28.6  
47.0  
08/12/04  
03/11/05  
Varco International Inc  
National-Oilwell Inc  
2,551  
9.2

9.6  
13.4  
08/02/04  
01/01/05  
First National Bankshares FL  
Fifth Third Bancorp,OH  
1,253  
40.5  
43.4  
45.2  
06/21/04  
11/01/04  
SouthTrust Corp,Birmingham,AL  
Wachovia Corp,Charlotte,NC  
14,157  
20.2  
21.5  
24.1  
04/07/04  
06/25/04  
Westport Resources Corp  
Kerr-McGee Corp  
2,600  
10.7  
10.2  
9.6  
03/29/04  
08/13/04  
Tularik Inc  
Amgen Inc  
1,796  
47.1  
48.5  
45.7  
03/17/04  
08/02/04  
Apogent Technologies Inc  
Fisher Scientific Intl Inc  
2,691  
5.5  
6.4  
7.5  
02/26/04  
12/21/04  
ILEX Oncology Inc  
Genzyme Corp  
1,051  
25.0  
22.6  
19.9



02/17/04  
07/01/04  
Provident Financial Group Inc  
Natl City Corp,Cleveland,Ohio  
2,094  
15.3  
15.6  
15.7  
02/16/04  
10/01/04  
GreenPoint Financial Corp,NY  
North Fork Bancorp,Melville,NY  
6,203  
14.1  
15.1  
19.3  
02/06/04  
04/16/04  
NetScreen Technologies Inc  
Juniper Networks Inc  
4,175  
59.0  
59.5  
43.8  
01/23/04  
07/01/04  
Union Planters Corp,Memphis,TN  
Regions Financial Corp  
5,857  
(2.5)  
(3.5)  
(3.1)  
01/14/04  
07/01/04  
Bank One Corp,Chicago,IL  
JPMorgan Chase & Co  
58,847  
15.1  
14.3  
8.2  
12/15/03  
09/30/04  
Gulfterra Energy Partners LP  
Enterprise Products Partners  
2,551  
2.2  
4.1  
3.4  
Mean  
7,372

19.2  
20.7  
21.7  
Median  
3,035  
14.1  
15.1  
16.0  
High  
58,847  
102.9  
107.5  
109.8  
Low  
1,003  
(6.6)  
(6.2)  
(5.3)