

NRG ENERGY, INC.  
Form DFAN14A  
February 10, 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:

---

(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:

---

.. Fee paid previously with preliminary materials.

.. 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 February 10, 2009, Exelon began using the following slides in discussions with investors:*

Exelon  
+  
NRG:  
Committed,  
Moving  
Forward  
Investor Meetings

February 2009

Important Information

This  
presentation  
relates  
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  
NRG  
shares )  
of  
NRG  
Energy,  
Inc.  
( NRG )  
for  
0.485  
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  
expects  
to  
file  
a  
proxy  
statement  
on  
Schedule  
14A  
and  
other  
relevant  
documents  
with  
the  
SEC  
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  
a  
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  
1-877-750-9501.

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  
the  
SEC  
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  
20,  
2008,  
filed  
with  
the  
SEC  
in  
connection  
with  
Exelon's  
2008  
annual  
meeting  
of  
shareholders.  
Information  
about  
Exchange  
and  
Exchange's  
directors  
and  
executive  
officers  
is  
available  
in  
Schedule  
II  
to  
the  
Prospectus/Offer  
to  
Exchange.  
Information

about  
any  
other  
participants  
will  
be  
included  
in  
the  
NRG  
Meeting  
Proxy  
Statement  
or  
the  
Exelon  
Meeting  
Proxy  
Statement,  
as  
applicable.  
2

Forward-Looking Statements

This  
presentation  
includes  
forward-looking  
statements.

These

forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans and expected synergies. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. The factors that could cause actual results to differ materially from

these  
forward-looking  
statements  
include  
Exelon's  
ability  
to  
achieve  
the  
synergies  
contemplated  
by  
the  
proposed  
transaction,  
Exelon's  
ability  
to  
promptly  
and  
effectively  
integrate  
the  
businesses  
of  
NRG  
and  
Exelon,  
and  
the  
timing  
to  
consummate  
the  
proposed  
transaction  
and  
obtain  
required  
regulatory  
approvals  
as  
well  
as  
those  
discussed  
in  
(1)  
Exelon's  
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;  
(2)  
Exelon's  
preliminary  
prospectus/offer  
to  
exchange  
that  
is  
contained  
in  
the  
Registration  
Statement  
on

Form  
S-4  
(Reg.  
No.  
333-155278)  
that  
Exelon  
has  
filed  
with  
the  
SEC  
in  
connection  
with  
the  
offer;  
and  
(3)  
other  
factors  
discussed  
in  
Exelon's  
filings  
with  
the  
SEC.  
Readers  
are  
cautioned  
not  
to  
place  
undue  
reliance  
on  
these  
forward-looking  
statements,  
which  
apply  
only  
as  
of  
the  
date  
of  
this  
filing.



Exelon  
does  
not  
undertake  
any  
obligation  
to  
publicly  
release  
any  
revision  
to  
its  
forward-looking  
statements  
to  
reflect  
events  
or  
circumstances  
after  
the  
date  
of  
this  
filing,  
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.  
3

Agenda for Today's Discussion

Full and Fair Offer

Capturing the Value of Growth Opportunities

Committed To Execution



1. Full and Fair Offer

Full and Fair Offer

On  
November  
12  
th  
,

Exelon  
launched  
an  
exchange  
offer  
for  
all  
of  
the  
outstanding  
shares  
of  
NRG  
common  
stock

Filed  
Form  
S-4  
with  
the  
SEC

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

Represents  
a  
37%  
premium  
to  
the  
October  
17  
th  
NRG  
closing  
price  
6



7  
Value Created for NRG Shareholders  
1.  
IPP  
index  
includes  
CPN,

DYN,  
MIR  
and  
RRI

2.  
Based  
upon  
a  
~95%  
correlation  
between  
NRG  
and  
the  
IPP  
Index  
for  
12  
months  
prior  
to  
October  
17,  
2008

3.  
Calculated  
by  
multiplying  
the  
offer  
exchange  
ratio  
(0.485)  
times  
EXC's  
daily  
closing  
stock  
price

4.  
Henry  
Hub  
forward  
gas  
for  
calendar  
year  
2011

Source:  
FactSet.

Closing  
prices  
as  
of  
January  
29,  
2009

Assuming that NRG's  
stock price maintained  
its historic relationship  
to movement in the IPP  
index

(1)  
, NRG stock  
would have declined  
~16% since October 17,  
2008 in the absence of  
the Exelon offer

(2)  
; with  
those assumptions,  
NRG's implied stock  
price would have been  
~\$16 at January 29,  
2009, compared with its  
actual closing price of  
\$23.55.

During the same period,  
EXC's share price  
increased by ~3.4% to  
\$56.38.

Since the announcement of EXC offer, NRG and EXC have outperformed the IPP  
index

(1)

We believe NRG's stock price is being supported by EXC's offer and is not reflective  
of  
NRG's  
true  
stand  
alone  
value

we  
believe  
NRG's  
market  
discovery  
process

will  
prove  
difficult  
given  
current  
commodity  
and  
credit  
conditions

## 2. Capturing the Value of Growth Opportunities

Exelon Offers Lower Risk Growth Opportunities

9

I/B/E/S 09- 11 EBITDA

1

I/B/E/S 09- 11 EPS

1

Growth Drivers

Cost to Achieve  
Growth

Nuclear uprates

PA POLR roll-off

PJM capacity markets

Carbon upside

Ordinary business  
operations expense

STP nuclear expansion  
with sub-investment grade  
balance sheet

Other low carbon capital  
expenditure programs

Heavy capital expenditure  
investments

Dependence on new build  
construction including  
new nuclear

5.5%

15.6%

3.2%

7.4%

We believe

Exelon's near-  
term growth  
drivers are more  
predictable and  
have dramatically  
less capital at risk  
than NRG's

1.

Based  
solely  
on  
I/B/E/S  
estimates  
for  
Exelon  
and  
NRG  
as

of  
1/27/09,  
representing  
annual  
growth  
rates.  
Not  
necessarily  
representative  
of  
either  
company's  
internal  
forecasts.  
Provided  
for  
illustration  
only.  
Not  
intended  
as  
earnings  
guidance  
or  
as  
a  
forecast  
of  
expected  
results.



10

Exelon is Better Positioned to Capture the Value of  
Growth Opportunities

Need to find equity  
partners before  
starting; decreases

flexibility

Sub-optimal power  
prices and hedges to  
secure financing

Covenant inflexibility

Cash sweeps to debt  
holders

Equity selldown  
before  
construction

Secure off-take  
agreements /  
hedges

Non-recourse,  
high yield  
financing

Largest market  
capitalization in the sector

allowing Exelon to keep  
proportionately more  
equity

Balance  
sheet  
flexibility  
to  
lock-in optimal off-take  
agreements / hedges  
when needed

Has option to raise  
corporate  
or  
project  
level  
debt  
depending  
on  
value  
to shareholders  
NRG's  
Development

Attributes

(1)

Implications

Exelon Solution

Lack of

Balance Sheet

Flexibility

Balance

Sheet

Strength

VS.

1.

Per NRG December 1, 2008 investor presentation.

NRG's development model requires external solutions that as a standalone company it cannot implement on its own; and

The potential cost to finance its development projects and the availability of capital. We believe the market will likely discount NRG's standalone growth prospects given: The combined company, given its stronger financial position, will be better positioned to realize the value of growth opportunities than NRG stand alone

3. Committed to Execution

12  
Committed to Execution  
12  
Q4 2008  
Q1 2009  
Q2 2009  
Q3 2009

Q4 2009

Receive Regulatory  
Approvals

\* Notice filing only

10/19:

Announce Offer

NRG and Exelon

Shareholder

Meetings

2/25: Exchange

Offer Expires

11/12:

Exchange Offer

Filed

Make Filings and Work to Secure Regulatory Approvals

(FERC, NRC, DOJ/FTC, PUCT, NYPS, PAPUC, CPUC, ICC\*)

Proxy Solicitation

Expected

Transaction

Close

13  
Strong Initial Exchange Offer Results  
13

As of January 6  
th  
, 45.6% of NRG shares had

been tendered into the exchange offer

Many NRG shareholders have informed Exelon they want to see meaningful discussions sooner rather than later

NRG board and management continue to refuse to allow due diligence -  
designed to verify assumed values and identify additional value -  
that could lead to a negotiated transaction

Exchange offer extended until February 25  
th

Seeking highest possible level of NRG shareholder support to facilitate a negotiated transaction between Exelon and NRG

A strong tender result on February 25  
th

is the best way for  
NRG shareholders to facilitate a transaction

We remain  
committed to and are  
moving forward with  
the transaction



Moving Forward with Proxy Solicitation

Pursuing, and soliciting proxies for, two  
shareholder actions at NRG annual meeting

Proposed an expansion of the NRG board from 12 to 19  
directors

Nominated nine well-qualified, independent candidates who we believe will act in the best interests of NRG and the NRG shareholders

Encouraging NRG shareholders to support the proposed slate

Materials will be sent to NRG shareholders, including a proxy and instructions on how to vote for the slate of new directors

Vote will take place at the NRG annual shareholder meeting, likely to occur in May or June

NRG shareholders deserve independent, well-qualified NRG directors to act in their best interest

14

Making Progress on Regulatory Approvals

Initial filings have been made with the following

(1)

:

FERC

(Docket #EC09-32-000)

Hart-Scott-Rodino (DOJ/FTC)

Request for additional information was issued by the DOJ on  
January 16  
th  
, extending HSR waiting period

NRC

State regulatory commissions, including

Texas  
(Docket #36555)

New York  
(Docket #08 E 1486)

Filings will also be made with the following:

Pennsylvania and California state regulatory commissions

Various state siting  
commissions

Notice filing in Illinois

1.  
As of February 6, 2009  
Regulatory hurdles are manageable  
15

### Financing Is Not an Obstacle

Believe we can obtain committed financing for the entire ~\$8 billion of NRG debt, if needed, at the appropriate time

Decision to defer commitments allows us to take advantage of

improving credit markets

Exelon's relationships with many of NRG's banks should facilitate arrangements for new credit facilities when current conflicts are eliminated

Believe a negotiated combination can be structured in a way to reduce refinancing requirements to \$4B or less

We believe that the contemplated structure would not trigger the change of control provision for NRG's \$4.7B of Senior Notes, and would substantially improve credit metrics for those bondholders

We have asked for approval of the contemplated structure in our regulatory filings

16

Reflecting our confidence that we can obtain committed financing at the appropriate time, our offer is not subject to a financing condition

Full and generous price  
upfront premium of 37%

Tax-free opportunity to participate in the future growth  
of the largest and most diversified US power  
company, with a substantially improved credit profile

and access to liquidity

Requisite scope, scale and financial strength

Stronger credit metrics and investment grade balance sheet

Best-in-class nuclear and fossil operations

Low-cost generator, operating in the most attractive markets

Exelon 2020 principles will be adapted to the combined fleet

Potential for substantial synergies

Manageable regulatory hurdles to close  
Compelling Value for NRG Shareholders

17





Without  
Premium  
0  
1,000  
3,000  
2,000  
With

Premium

Conservative

DCF Estimate

Replacement

Costs

NRG Stock Value

NRG Long-Term Value

975

1,350

2,050

3,000+

Price per Kilowatt Comparison for Texas Baseload Generation

Less than 45% of  
replacement value

Even with premium, purchase

price is 66% of conservative

long-term DCF value

\$/kW values are for 5,325 MW of Texas baseload which includes Parish coal, Limestone and STP; values implied by NRG stock price by subtracting value of other NRG assets from NRG enterprise value based on October 17th close.

Exelon Unlocks NRG Value

Price

(\$/kilowatt)

19

Combination Expected to Create  
Substantial Synergies

Exelon

Operations & Maintenance:

\$4,289

1

NRG

Maintenance & Other Opex:

\$950

General & Admin Expenses:

\$309

Other COGS:

\$454

Pro Forma

Combined Non-fuel Expenses:

\$6,002

Estimated Annual Cost Savings:

\$180 -

\$300

2

% of Combined Expenses:

3%-5%

Costs to Achieve

\$100

NPV of Estimated Synergies:

\$1,500-\$3,000

20

(\$ in Millions)

Transaction expected to

create

\$1.5

\$3

billion

of

value

through

synergies

with opportunity for more

Reflects no revenue or fuel cost synergies. Excludes transaction and other costs of \$654 million and excludes increased interest expense related to refinancing of NRG debt.

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

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

1

Market  
capitalization as  
of 10/17/2008  
\$5.3 billion  
\$0.4  
Value to NRG  
Shareholders

\$2.4 billion

\$5.1

\$2.0

Market cap as of

10/17/08

Premium to NRG

Value of estimated

synergies

Market cap as of

10/17/08

+ premium

+ synergies

Additional upside to

NRG shareholders

Market

capitalization as

of 10/17/2008

\$5.3 billion

(1)

(2)

\$7.7 billion

(3)

(4)

\$12.8 billion

NRG Shareholders Capture Value

Excludes transaction and other costs of \$654 million and excludes increased interest expense related to refinancing of NRG debt

1.

Assumes 275M diluted shares outstanding.

2.

Assumes an offer price of \$26.43; 37% premium to 10/17/08 close price; 275M shares outstanding.

3.

Value of synergies to NRG shareholders based on proportionate ownership of combined entity. Synergies estimate based on market value of combined entity

of

\$1.5

billion

-

\$3.0

billion.

4.

Additional

upside

defined

as

the

value

that

is

created

if

both

companies  
stocks  
simultaneously  
reach  
their  
respective  
52-week  
high  
prices (EXC: \$92.13, NRG: \$45.78).  
21

Value Creation  
to NRG

Shareholders  
(\$ billions)

Creates compelling value for NRG shareholders today and allows them  
to share in growth of Exelon stock.

Value to NRG  
shareholders

44% of market cap

\$12.8 billion

= \$46.50 per NRG share

> NRG's 52-week high



Percent Contribution of Free Cash Flow

22

1.

NRG s

12/1/2008

NRG s

Path

to  
Shareholder  
Value  
presentation,  
slide  
4.  
Implied  
ownership  
based  
on  
a  
0.485x  
exchange ratio

2.  
PECO  
PPA  
assumes  
market  
prices  
as  
of  
11/30/2008.

Assumes  
carbon  
at  
\$10-20  
per  
tonne.

Not  
necessarily  
representative of either company's internal forecast or indicative of results for any other year.

NRG states they contribute 30% of the free cash flow  
while getting 17% ownership of the pro-forma  
company based on offer

1

NRG's position is only a single year (2008) calculation

Ignores PECO PPA roll-off in 2011 and Exelon  
carbon uplift

Factoring in these two omitted pieces for 2008,  
NRG's free cash flow contribution of the pro-forma  
company would be 15-17% for 2008

2

Pro Forma

Exelon

23

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

Pro Forma Quick Stats

(\$s in millions)

Combined assets

1

\$68,900

LTM EBITDA

2

\$9,400

Market cap

(as of 1/27/2009)

\$41,800

Enterprise value

3

\$62,500

Generating capacity

4

~51,000 MWs

Combination Will Result in Scope, Scale and  
Financial Strength

1.

Reflects

total

assets

(under

GAAP)

with

no

adjustments.

Based

upon

9/30/08

Form

10-Q.

2.

Reflects

Last

Twelve

Months

EBITDA

(Earnings

before

Interest,

Income

Taxes,

Depreciation

and

Amortization)

as

of

9/30/08

with  
no  
adjustments.

3.  
Calculation  
of  
Enterprise  
Value  
=  
Market  
Capitalization

(as  
of  
1/27/09)

+  
Total  
Debt

(as  
of  
9/30/08)

+  
Preferred  
Securities

(as  
of  
9/30/08)

+  
Minority  
Interest

(as  
of  
9/30/08)

Cash  
&  
Cash  
Equivalents

(as  
of  
9/30/08).

Debt,  
Preferred  
Securities,  
Minority  
Interest

and  
Cash  
&  
Cash  
Equivalents

based  
upon  
9/30/08  
Form  
10-Q.  
4.  
Includes  
owned  
and  
contracted  
capacity  
after  
giving  
effect  
to  
planned  
divestitures  
after  
regulatory  
approvals.  
Enterprise  
Value  
Market Cap  
\$0  
\$30  
\$50  
\$60  
\$40  
\$20  
\$70  
\$10  
Southern  
Dominion  
Duke  
FPL  
First  
Energy  
Entergy

0.0  
2.0  
4.0  
6.0  
8.0  
10.0  
12.0

14.0  
EXC  
D  
PEG  
PPL  
EIX  
NRG  
MIR

DYN

RRI

10/17/2007

10/17/2008

24

Credit Ratings Are a Valuation Differentiator

1-year

Forward

EV/EBITDA

Investment Grade

Non-Investment Grade

Source:

Bloomberg,

FactSet

as

of

10/17/2008

Investment grade

credit ratings

provide access to

capital markets for

growth capital and

minimize collateral

requirements

which maximizes

liquidity and

contributes to

superior valuations

in difficult markets

Multiples of non-investment grade peers have fallen approximately 40%, whereas multiples of EXC and its investment grade peers have fallen less than 15%

5.6

9.6

Non-Investment Grade

6.8

7.7

Investment Grade

2008

2007

Average Multiples (x)



6.0%  
8.0%  
8.80%  
12.10%  
Exelon Generation  
NRG  
4.0

6.0  
8.0  
10.0  
12.0  
10/18/2007  
12/30/2007  
3/12/2008  
5/24/2008  
8/5/2008  
10/17/2008

NRG

Exelon

25

Stable, Predictable Cash Flow Is Awarded

Premium Valuation

Exelon's strong, diversified cash flow streams have provided for a more stable valuation during periods of depressed commodity valuations and/or market turbulence.

4.6x

7.5x

1.

Yield

to

maturity

of

weighted

average

of

Exelon

Generation

outstanding

publicly

traded

debt

2.

Yield

to

maturity

of

weighted

average

of

NRG

outstanding

publicly

traded

debt

Source:

Per

NRG

December

1,

2008

investor

presentations,

Company

filings,

Bloomberg

Average EV / LTM EBITDA for last:

Current

1 month

6 months

1 year

NRG

4.6

5.8

8.2

8.3

Exelon

7.5

7.8

9.7

9.8

1

2

BBB+

B+

7/1/08

10/17/08

7/1/08

10/17/08

We believe the

market will likely

discount NRG's

standalone growth

prospects given

the potential cost

to finance its

development

projects.

Credit

Rating

Exelon Debt (YTM)

NRG Debt (YTM)

Enterprise Value / LTM EBITDA

Cost of Debt

Source: FactSet

as of 10/17/2008

6.7%

1/27/09

BBB

8.4%

1/27/09

BBB+

World Class Nuclear & Fossil Operations

26

NRG:

High performing nuclear plant

Top quartile capacity factor: 94.9%

Large, well-maintained, relatively young units  
Fossil fleet

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

90% of coal fleet lower-cost PRB and lignite  
Combined Company:

Largest U.S. power company in terms of generating  
capacity: ~51,000 MW fleet (18,000 MW nuclear)

Best-in-class nuclear and fossil operations

Second lowest carbon emitting intensity in the industry

Geographic and fuel diversification with an improved  
dispatch profile

Exelon:  
Premier U.S. nuclear fleet

Best fleet capacity factor: ~ 94%

Lowest fleet production costs: ~ \$15 / MWh

Shortest fleet average refueling outage duration:  
24 days

Strong reputation for performance and safety

65  
70  
75  
80  
85  
90  
95

100

Operator (# of Reactors)

Range

5-Year Average

Sources:

Platts,

Nuclear

News,

Nuclear

Energy

Institute

and

Energy

Information

Administration

(Department

of

Energy).

Sustained production excellence

EXC: World-Class Nuclear Fleet Operator

Average Capacity Factor

Range of Fleet 2-Yr Avg Capacity Factor (2003-2007)

EXC 93.5%

80%

85%

90%

95%

100%

Exelon

Industry

27



1  
st  
Quartile  
2  
nd  
Quartile  
3

rd

Quartile

4

th

Quartile

2006-2007 Average Production Cost for

Major Nuclear Operators

(1)

Average

Among major nuclear plant fleet operators, Exelon is consistently the lowest-cost producer of electricity in the nation

EXC: Lowest Cost Nuclear Fleet Operator

1.

Source: 2007 Electric Utility Cost Group (EUCG) survey. Includes Fuel Cost plus Direct O&M divided by net generation.

28

29

Operating in Most Attractive Markets

Geographically complementary generation asset base

Predominantly located in competitive markets

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

6,280

Contracted\*

51,403

2,085

CAL ISO

13,027

ERCOT

By RTO

Combined<sup>1</sup>

PJM

22,812

MISO

1,065

ISO NE

2,174

NYISO

3,960

SERC

2,405

WECC

45

Total

53,853

By Fuel Type

Combined<sup>1</sup>

Nuclear

18,144

Coal

8,986

Gas/Oil

18,801

Other

1,642

Contracted

6,280

\*Contracted

in

various

RTOs,

mainly

in

PJM

and

ERCOT

1.

Excludes

international

assets.

Before

any  
divestitures.  
Exelon  
NRG

<1%  
<1%  
6%  
Coal  
Exelon  
~150,000 GWh  
1

Pro Forma

Exelon

~198,000 GWh

1

Nuclear

PRB & Lignite Coal

Other Coal

Gas/Oil

Hydro/Other

2009 Historical Forward Coal Prices

Combined Entity Will Continue to Benefit

from Low Cost, Low Volatility Fuel Sources

Powder River Basin and lignite coal supply (90%

of NRG's coal) provides low-sulfur at a relatively

stable price as compared to northern and central

Appalachian coal mines.

0.00

1.00

2.00

3.00

4.00

5.00

6.00

Powder River Basin

Northern Appalachian

Central Appalachian

Production Costs

0

2

4

6

8

10

12

2000

2001

2002

2003

2004

2005

2006

2007

Nuclear

Gas

Coal

Petroleum

Combined fleet will continue to be predominantly

low-cost fuel.

93%

Nuclear

1%

3%

75%

Nuclear

6%

Other

Coal

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

Q1 2007

Q2 2007

Q3 2007

Q4 2007

Q1 2008

Q2 2008

Q3 2008

cents/Kwh

\$/mmbtu

30

15%

PRB &

Lignite Coal



0  
50  
100  
150  
50  
100  
150

200

250

2006 Electricity Generated (GWh, in thousands)

NRG

TVA

AEP

Duke

FPL

Southern

Exelon + NRG

Entergy

Exelon

Dominion

Progress

FirstEnergy

Bubble size represents carbon intensity, expressed in terms of metric tons of CO2 per MWh generated

Source: EIA and EPA data as compiled by NRDC

Exelon 2020 principles will be adapted to the combined fleet

CO2 Emissions of Largest US Electricity Generators

2006 CO2 Emissions

from Electricity

Generation

(in million metric tons)

Largest

Fleet,

2

nd

Lowest

Carbon

Intensity

Top Generators by CO2 Intensity

10

9

8

7

6

5

4

3

2

1

AEP

NRG

Southern

Duke

FirstEnergy

TVA

Progress  
Dominion  
FPL  
Exelon + NRG  
Entergy  
Exelon  
0.83  
0.80  
0.74  
0.66  
0.64  
0.64  
0.57  
0.50  
0.35  
0.31  
0.26  
0.07  
31

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

Help our customers  
and the communities  
we serve reduce their  
GHG emissions  
Reduce or offset our  
footprint by greening  
our operations  
Adapt Elements of  
Exelon 2020 to NRG

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

Offset a portion of NRG's GHG emissions

Expand energy efficiency program  
offerings

Add capacity to existing nuclear units  
through uprates

Add new renewable generation

Add new gas-fired capacity

Continue to explore new nuclear

Address older/higher emitting coal  
and oil units

Invest in clean coal technology R&D  
32

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

Options to Evaluate:

Expand the 2020 Plan

Clear Value under Multiple Scenarios  
Value  
Gas Prices  
New Build Costs  
Carbon Year/Price  
Recession  
\$0

\$6.50  
\$1,300  
Moderate  
2014/\$22  
\$7.30  
\$1,100  
Moderate  
2020/\$22  
\$7.10  
\$1,100  
Severe  
2014/\$22  
\$7.30  
\$1,500  
Moderate  
2012/\$12  
\$8.60  
\$1,500  
Moderate  
33

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

Gas price is long-term price in 2008 \$/MMBtu; coal price is long-term price in 2008 \$/ton for PRB8800 excluding transportation; new build cost is long-term combined

cycle  
cost  
in  
PJM  
in  
2008  
overnight  
\$/kW;  
carbon  
year  
is  
year  
in  
which  
national  
cap  
and  
trade  
starts;  
carbon  
price  
is  
in  
2012  
\$/tonne  
assuming  
7%  
escalation;  
moderate  
recession  
assumes  
conditions  
consistent  
with  
current  
forward  
prices;  
and  
severe  
recession  
assumes  
five  
years  
of  
no  
load  
growth.  
Coal Prices  
\$11.00  
\$20.00



\$20.00  
\$20.00  
\$11.00

34

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

- 1.
- 2.
- 3.
- 4.

5.

NRG's Stated Imperatives

MUST

accumulate

generation

at

competitive

cost

This transaction accomplishes in one step what several transactions might have accomplished for NRG in these regards. Given the current difficulty in accessing capital markets, it is unclear whether NRG would have the ability to meet this objective without Exelon.

Exelon provides NRG stakeholders with broad trading expertise and sound power marketing and risk management practices. Exelon's significant experience in markets with locational prices is particularly relevant since ERCOT is moving to a PJM-type structure.

Exelon's breadth of operations and depth of service allows significant access to customers, retail providers, and other sales channels.

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

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

MUST

be

geographically

diversified

in

multiple

markets

MUST

develop

and

expand

our

route

to

market

through

contracting

with

retail

load

providers,

trading,

direct

sales,

etc

MUST

have  
sophisticated  
ability  
to  
trade,  
procure,  
hedge,  
and  
originate  
for  
electricity  
and  
input  
fuels  
MUST  
develop  
depth  
and  
breadth  
in  
key  
markets,  
particularly  
across  
fuel  
types,  
transmission  
constraints  
and  
merit  
order  
Exelon Combination More  
than Meets These Imperatives