# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **August 4, 2011**

# NRG Energy, Inc.
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**
(State or Other Jurisdiction of Incorporation)

| | |
|---|---|
| **001-15891** | **41-1724239** |
| (Commission File Number) | (IRS Employer Identification No.) |
| **211 Carnegie Center** | **Princeton, NJ 08540** |
| (Address of Principal Executive Offices) | (Zip Code) |

**609-524-4500**
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On August 4, 2011, NRG Energy, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2011. A copy of the press release is furnished as Exhibit 99.1 to this report on Form 8-K and is hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

| Exhibit Number | Document |
|---|---|
| 99.1 | Press Release, dated August 4, 2011 |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NRG Energy, Inc.
(Registrant)

By: /s/ Michael R. Bramnick
Michael R. Bramnick
Executive Vice President and General Counsel

Dated: August 4, 2011

## Exhibit Index

| Exhibit Number | Document |
|---|---|
| 99.1 | Press Release, dated August 4, 2011 |

NRG

# NRG Energy, Inc. Reports Second Quarter 2011 Results; Raises 2011 Adjusted EBITDA Guidance and Increases 2011 Share Repurchase Program by $250 Million

**Financial Highlights**

- $517 million of adjusted EBITDA in the second quarter of 2011
- $972 million of adjusted EBITDA in the first half of 2011
- $3,253 million of total liquidity at end of the second quarter with $2,084 million in cash
- Restructured $3.9 billion first-lien debt by extending maturities and simplifying covenant package
- Completed redemption and refinancing of 2016 senior notes
- Raising adjusted EBITDA guidance range to $1,900-$2,000 million

**Capital Allocation**

- Increasing share repurchases by an additional $250 million bringing total 2011 targeted share repurchases to $430 million
- Intend to complete 2017 senior notes redemption and refinancing over coming months

**Growth Projects and New Business**

- 200-megawatt (MW) GenConn Middletown repowering project became operational in June
- Partnered with Prologis Inc. on a large-scale distributed solar rooftop generation program to be financed by a facility provided by Bank of America and backed by a Department of Energy (DOE) loan guarantee
- NRG and Washington Redskins to install solar power and electric vehicle charging stations at FedExField

**PRINCETON, NJ; August 4, 2011—**NRG Energy, Inc. (NYSE: NRG) today reported second quarter 2011 adjusted EBITDA of $517 million and cash flow from operations of $93 million. NRG retail subsidiary, Reliant Energy, contributed $176 million of adjusted EBITDA while wholesale adjusted EBITDA contributed $341 million. Favorable weather positively impacted both retail and wholesale results during the quarter, leading to increased retail sales and generation volumes while a year-over-year improvement in plant availability benefited the wholesale business. Also, for the second straight quarter, Reliant experienced an increase in customer count as a focus on customer retention continued to yield positive results. NRG reported a second quarter 2011 net income of $621 million, or $2.53 per diluted common share compared to net income of $210 million, or $0.81 per diluted common share, for the second quarter last year. Following the completion of a federal tax audit, net income increased by over $600 million primarily due to the reversal of tax liabilities resulting from the affirmation of the Company's net operating loss positions.

Adjusted EBITDA for the six months ended June 30, 2011, was $972 million and cash flow from operations was $309 million. Reliant Energy contributed $327 million of adjusted EBITDA while wholesale adjusted EBITDA contributed $645 million. Favorable year-to-date results benefited from weather conditions, continued improvement in operational performance and the contribution from new assets and businesses. Net income for the first half of 2011 was $361 million, or $1.44 per diluted common share compared to net income of $268 million, or $1.03 per diluted common share, for the first half of 2010.

"Our relentless focus on execution across the Company has resulted in solid financial results for the second quarter, enabling the Company to generate substantial free cash flow even after investing close to $700 million year-to-date in our exciting growth projects," commented David Crane, NRG President and Chief Executive Officer. "We are in a good position now to complete the simplification of our capital structure in a way that allows the Company to optimize the allocation of capital for the benefit of all of its stakeholders."

**Regional Segment Results**

**Table 1: Adjusted EBITDA**

| ($ in millions) | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **Segment** | **6/30/11** | **6/30/10** | **6/30/11** | **6/30/10** |
| Reliant | 176 | 195 | 327 | 385 |
| Texas | 215 | 343 | 449 | 615 |
| Northeast | 47 | 101 | 57 | 177 |
| South Central | 37 | 20 | 65 | 46 |
| West | 14 | 11 | 28 | 21 |
| International | 9 | 32 | 21 | 44 |
| Thermal | 5 | 3 | 16 | 11 |
| Corporate(1) (2) | 14 | (12) | 9 | (5) |
| **Adjusted EBITDA**(3) | **517** | **693** | **972** | **1,294** |

(1) Corporate includes the results of Green Mountain Energy and profit elimination on intercompany revenue
(2) 2011 results exclude NINA impairment charge, 2010 includes the gain on sale related to Padoma Wind
(3) Detailed adjustments by region are shown in Appendix A

**Table 2: Net Income/(Loss)**

| ($ in millions) | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| **Segment** | **6/30/11** | **6/30/10** | **6/30/11** | **6/30/10** |
| Reliant | 31 | 277 | 303 | 89 |
| Texas | 203 | 157 | 210 | 532 |
| Northeast | 19 | (2) | (13) | 50 |
| South Central | 12 | 4 | 26 | — |
| West | 12 | 8 | 25 | 14 |
| International | 6 | 21 | 14 | 29 |
| Thermal | (2) | (2) | 3 | 2 |
| Corporate(1) | 340 | (253) | (207) | (448) |
| **Net Income** | **621** | **210** | **361** | **268** |

(1) Corporate includes the results of Green Mountain Energy and profit elimination on intercompany revenue; 2011 results include the NINA impairment charge and the resolution of a federal tax audit

**Reliant:** Second quarter adjusted EBITDA was $176 million, $19 million lower than the second quarter of 2010 result of $195 million. A decline in gross margins of $14 million was driven by lower unit margins which are consistent with competitive rates. Offsetting the decline in unit margins were increased volumes resulting from favorable weather as Texas experienced its warmest June on record. Also, a continued focus on retention resulted in a second straight quarter of increased customer counts with 17,000 new customers since year end 2010.

**Texas:** Adjusted EBITDA for the second quarter of 2011 was $215 million compared to the second quarter of 2010 adjusted EBITDA of $343 million. The difference in year-over-year results was driven by lower energy margins of $121 million, as a combination of lower hedge prices and increased fuel costs impacted results. Higher generation of 8% partially offset the decline as a 3% improvement in capacity factors allowed for the region to benefit from increased demand resulting from favorable weather during the quarter.

**Northeast:** Adjusted EBITDA for the second quarter was $47 million, compared to $101 million from the second quarter of 2010. Energy margins declined $42 million primarily due to a 38% decline in realized energy prices, partly offset by an 11% increase in generation. This was coupled with a $25 million decrease in capacity revenues driven by lower prices in New York and NEPOOL, where realized Locational Forward Reserve Market prices were down 80% compared to the second quarter of 2010. Partially offsetting these decreases were lower operating expenses of $20 million.

**South Central:** Adjusted EBITDA for the second quarter was $37 million, $17 million higher than the $20 million reported in the same quarter in 2010. Co-op and contract energy and capacity sales rose 10% and merchant activity increased by over 650,000 megawatt-hours (MWh) as the region benefited from the newly acquired Cottonwood facility. Also driving the year-over-year improvement were lower operating expenses of $8 million as a result of lower maintenance costs at the Company's Big Cajun unit II plant.

**West:** Adjusted EBITDA for the second quarter of 2011 was $14 million, up $3 million from the second quarter of 2010 due to increased merchant sales at El Segundo and partially offset by higher operating expenses.

**International:** Adjusted EBITDA for the second quarter of 2011 was $9 million, $23 million lower than the second quarter of 2010. The change was due to a combination of $12 million in second quarter 2010 foreign exchange gains and a contract settlement which resulted in an $8 million liability reversal.

**Liquidity and Capital Resources**

**Table 3: Corporate Liquidity**

| ($ in millions) | June 30, 2011 | March 31, 2011 | December 31, 2010 |
|---|---|---|---|
| Cash and cash equivalents | 1,939 | 2,711 | 2,951 |
| Funds deposited by counterparties | 260 | 317 | 408 |
| Restricted cash | 145 | 13 | 8 |
| **Total Cash and Funds Deposited** | **2,344** | **3,041** | **3,367** |
| Letter of credit availability | 316 | 436 | 440 |
| Revolver availability | 853 | 853 | 853 |
| **Total Liquidity** | **3,513** | **4,330** | **4,660** |
| Less: Funds deposited as collateral by hedge counterparties | (260) | (317) | (408) |
| **Total Current Liquidity** | **3,253** | **4,013** | **4,252** |

In comparison to December 31, 2010, total liquidity decreased $999 million to $3,253 million. This decrease is largely a result of the following cash disbursements — $562 million of debt pay-downs associated with refinancing activities and term-loan payments, $113 million of cash paid for maintenance and environmental capital expenditures (net of financing), $309 million for solar and repowering growth projects (net of financing), and $130 million of share repurchases, partially offset by $309 million of cash from operations.

**Growth Initiatives and Developments**

The Company made substantial progress on a considerable number of solar and other repowering projects during the second quarter:

- **GenConn Middletown** — our new 200MW Middletown peaker project, 50/50 joint venture with The United Illuminating Company, successfully entered into commercial operations in June.
- **Project Amp** - NRG and Prologis Inc. are partnering on a distributed solar rooftop generation project in southern California to be financed by a Bank of America facility with the support of a DOE loan guarantee. NRG has committed up to $22.5 million of equity towards the first 15MW. The power generated will be sold to a local utility under long-term power purchase agreements that have been approved and executed. NRG Energy has committed to be the lead investor for the first phase of the project over the next 18 months.
- **Redskins** — NRG is teaming with the Washington Redskins to bring renewable energy to FedExField. We are in the process of installing three different types of solar panels that will generate 2MW of electricity. The new solar power installations integrated into the stadium and in the parking lot and multiple electric vehicle charging stations from NRG's eVgo[sm] charging network will be completed in September.
- **Roadrunner** — On May 19, our Roadrunner project, a 20MW PV generating facility located in Santa Teresa, New Mexico, closed on debt financing of $73 million. The project is expected to achieve commercial operation during the third quarter of 2011.

**Outlook for 2011**

**2011 Share Repurchase Plan**

As a result of the recent positive resolution of a federal tax audit, NRG's restricted payment basket expanded significantly. Accordingly, the Company is increasing its share repurchases by an additional $250 million. Coupled with the remaining $50 million from its original plan, total 2011 share repurchases will be $430 million. As previously announced, the Company repurchased $130 million of shares during the first quarter of 2011 and now intends to complete, as market conditions permit, the remaining $300 million of share repurchases by year end.

**Simplified Capital Structure**

On July 1st NRG completed the first stage of a plan to simplify its capital structure by refinancing $3.9 billion first-lien debt. The first-lien structure now includes a $2.3 billion revolving credit facility maturing in 2016 and a $1.6 billion Term Loan B facility maturing in 2018. As part of the second stage of the plan, the Company refinanced the 2016 senior notes and, over the coming months, will look to complete the simplification of its capital structure by refinancing the 2017 senior notes, as market conditions permit. When completed, these financings will better align all covenant packages and extend debt maturities. A simplified covenant package will also enable NRG to invest more opportunistically in future growth initiatives and enhance its ability to more efficiently return capital to its investors.

**Guidance Update**

As our Reliant retail business continues to benefit from favorable conditions, we have raised our full-year 2011 guidance for adjusted EBITDA to $1,900 to $2,000 million. We are narrowing our free cash flow before growth investments guidance to $1,000 to $1,100 million as a result of our first-lien refinancing effort and current collateral needs supporting commercial operations.

**Table 4: 2011 Reconciliation of Adjusted EBITDA Guidance**

| ($ in millions) | 8/4/2011 | 5/5/2011 |
|---|---|---|
| **Adjusted EBITDA guidance** | **1,900 - 2,000** | **1,750 - 1,950** |
| Interest payments | (774) | (776) |
| Income tax | (50) | (50) |
| Collateral | 169 | 176 |
| NINA capital calls — post-deconsolidation | (19) | — |
| Working capital/other changes | 53 | 167 |
| **Cash flow from operations** | **1,275 - 1,375** | **1,250 - 1,450** |
| Maintenance capital expenditures | (217) | (205) |
| Environmental capital expenditures, net | (49) | (48) |
| Preferred dividends | (9) | (9) |
| **Free cash flow — before growth investments** | **1,000 – 1,100** | **1,000 - 1,200** |
| Growth investments, net | (568) | (518) |
| NINA capital calls — pre-deconsolidation | (7) | (26) |
| **Free cash flow** | **425 – 525** | **450 - 650** |

Note: Subtotals and totals are rounded

**Earnings Conference Call**

On August 4, 2011, NRG will host a conference call at 9:00 a.m. eastern to discuss these results. Investors, the news media and others may access the live webcast of the conference call and accompanying presentation materials by logging on to NRG's website at http://www.nrgenergy.com and clicking on "Investors." The webcast will be archived on the site for those unable to listen in real time.

**About NRG**

NRG Energy, Inc. is a Fortune 500 and S&P 500 Index company that owns and operates one of the country's largest non-utility power generation and retail electricity businesses. Headquartered in Princeton, NJ, the Company's power plants provide more than 25,000 megawatts of generation capacity—enough to supply approximately 20 million homes. NRG's retail businesses, Reliant Energy and Green Mountain Energy Company, combined serve nearly 1.9 million residential, business, commercial and industrial customers in Texas and, increasingly in select markets in the Northeast United States. With investments in solar and wind as well as electric vehicle infrastructure, NRG is working to help America transition to a clean energy economy. More information is available at www.nrgenergy.com.

**Safe Harbor Disclosure**

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and include our adjusted EBITDA, free cash flow guidance, expected earnings, future growth, financial performance, capital allocation, environmental capital expenditures, and development projects, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, successful partnering relationships, government loan guarantees, competition in wholesale and retail power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, our ability to utilize tax incentives, the condition of capital markets generally, our ability to access capital markets, unanticipated outages at our generation facilities, adverse results in current and future litigation, our inability to implement value enhancing improvements to plant operations and companywide processes, our ability to maintain retail customers, our ability to achieve the expected benefits and timing of development projects, and the 2011 Capital Allocation Plan, and share repurchase under the Capital Allocation Plan may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The adjusted EBITDA guidance and free cash flows are estimates as of today's date, August 4, 2011 and are based on assumptions believed to be reasonable as of this date. NRG expressly disclaims any current intention to update such guidance. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this news release should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

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**Contacts:**

| **Media:** | **Investors:** |
|---|---|
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| Dave Knox<br>713.537.2130 | Erin Gilli<br>609.524.4528 |

**NRG ENERGY, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**

| (In millions, except for per share amounts) | Three months ended June 30, 2011 | Three months ended June 30, 2010 | Six months ended June 30, 2011 | Six months ended June 30, 2010 |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Total operating revenues | $ 2,278 | $ 2,133 | $ 4,273 | $ 4,348 |
| **Operating Costs and Expenses** | | | | |
| Cost of operations | 1,608 | 1,329 | 2,932 | 2,968 |
| Depreciation and amortization | 222 | 208 | 427 | 410 |
| Selling, general and administrative | 167 | 139 | 310 | 269 |
| Development costs | 12 | 13 | 21 | 22 |
| Total operating costs and expenses | 2,009 | 1,689 | 3,690 | 3,669 |
| Gain on sale of assets | — | — | — | 23 |
| **Operating Income** | 269 | 444 | 583 | 702 |
| **Other Income/(Expense)** | | | | |
| Equity in earnings of unconsolidated affiliates | 12 | 11 | 10 | 25 |
| Impairment charge on investment | (11) | — | (492) | — |
| Other income, net | 3 | 19 | 8 | 23 |
| Loss on debt extinguishment | (115) | — | (143) | — |
| Interest expense | (167) | (147) | (340) | (300) |
| Total other expense | (278) | (117) | (957) | (252) |
| **(Loss)/Income Before Income Taxes** | (9) | 327 | (374) | 450 |
| Income tax (benefit)/expense | (630) | 117 | (735) | 182 |
| **Net Income** | 621 | 210 | 361 | 268 |
| Less: Net loss attributable to noncontrolling interest | — | (1) | — | (1) |
| **Net Income Attributable to NRG Energy, Inc.** | 621 | 211 | 361 | 269 |
| Dividends for preferred shares | 3 | 3 | 5 | 5 |
| **Income Available for Common Stockholders** | $ 618 | $ 208 | $ 356 | $ 264 |
| **Earnings Per Share Attributable to NRG Energy, Inc. Common Stockholders** | | | | |
| Weighted average number of common shares outstanding — basic | 243 | 255 | 245 | 254 |
| Net income per weighted average common share — basic | $ 2.54 | $ 0.82 | $ 1.45 | $ 1.04 |
| Weighted average number of common shares outstanding — diluted | 244 | 256 | 247 | 256 |
| Net income per weighted average common share — diluted | $ 2.53 | $ 0.81 | $ 1.44 | $ 1.03 |

# NRG ENERGY, INC. AND SUBSIDIARIES
## CONSOLIDATED BALANCE SHEETS

| (In millions, except shares) | June 30, 2011 (unaudited) | December 31, 2010 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 1,939 | $ 2,951 |
| Funds deposited by counterparties | 260 | 408 |
| Restricted cash | 145 | 8 |
| Accounts receivable — trade, less allowance for doubtful accounts of $18 and $25 | 1,008 | 734 |
| Inventory | 386 | 453 |
| Derivative instruments valuation | 1,749 | 1,964 |
| Cash collateral paid in support of energy risk management activities | 254 | 323 |
| Prepayments and other current assets | 298 | 296 |
| Total current assets | 6,039 | 7,137 |
| **Property, plant and equipment, net of accumulated depreciation of $4,170 and $3,796** | 12,283 | 12,517 |
| **Other Assets** | | |
| Equity investments in affiliates | 549 | 536 |
| Note receivable — affiliate and capital leases, less current portion | 419 | 384 |
| Goodwill | 1,863 | 1,868 |
| Intangible assets, net of accumulated amortization of $1,255 and $1,064 | 1,589 | 1,776 |
| Nuclear decommissioning trust fund | 433 | 412 |
| Derivative instruments valuation | 586 | 758 |
| Restricted cash supporting Funded Letter of Credit Facility | 1,301 | 1,300 |
| Other non-current assets | 274 | 208 |
| Total other assets | 7,014 | 7,242 |
| **Total Assets** | $ 25,336 | $ 26,896 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt and capital leases | $ 90 | $ 463 |
| Accounts payable | 842 | 783 |
| Derivative instruments valuation | 1,319 | 1,685 |
| Deferred income taxes | 101 | 108 |
| Cash collateral received in support of energy risk management activities | 260 | 408 |
| Accrued expenses and other current liabilities | 493 | 773 |
| Total current liabilities | 3,105 | 4,220 |
| **Other Liabilities** | | |
| Long-term debt and capital leases | 8,910 | 8,748 |
| Funded letter of credit | 1,300 | 1,300 |
| Nuclear decommissioning reserve | 326 | 317 |
| Nuclear decommissioning trust liability | 278 | 272 |
| Deferred income taxes | 1,709 | 1,989 |
| Derivative instruments valuation | 333 | 365 |
| Out-of-market contracts | 201 | 223 |
| Other non-current liabilities | 598 | 1,142 |
| Total non-current liabilities | 13,655 | 14,356 |
| **Total Liabilities** | 16,760 | 18,576 |
| 3.625% convertible perpetual preferred stock (at liquidation value, net of issuance costs) | 248 | 248 |
| **Commitments and Contingencies** | | |
| **Stockholders' Equity** | | |
| Common stock | 3 | 3 |
| Additional paid-in capital | 5,339 | 5,323 |
| Retained earnings | 4,156 | 3,800 |
| Less treasury stock, at cost — 62,972,529 and 56,808,672 shares, respectively | (1,633) | (1,503) |
| Accumulated other comprehensive income | 305 | 432 |
| Noncontrolling interest | 158 | 17 |
| **Total Stockholders' Equity** | 8,328 | 8,072 |
| **Total Liabilities and Stockholders' Equity** | $ 25,336 | $ 26,896 |

## CONSOLIDATED CASH FLOW STATEMENTS
**(Unaudited)**

| (In millions)<br>Six months ended June 30, | 2011 | 2010 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net income | $ 361 | $ 268 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Distributions and equity in earnings of unconsolidated affiliates | — | (9) |
| Depreciation and amortization | 427 | 410 |
| Provision for bad debts | 20 | 22 |
| Amortization of nuclear fuel | 20 | 19 |
| Amortization of financing costs and debt discount/premiums | 16 | 15 |
| Loss on debt extinguishment | 26 | — |
| Amortization of intangibles and out-of-market contracts | 92 | 1 |
| Changes in deferred income taxes and liability for uncertain tax benefits | (748) | 179 |
| Changes in nuclear decommissioning trust liability | 13 | 9 |
| Changes in derivatives | (166) | (55) |
| Changes in collateral deposits supporting energy risk management activities | 69 | (30) |
| Impairment charge on investment | 481 | — |
| Cash used by changes in other working capital | (302) | (224) |
| **Net Cash Provided by Operating Activities** | 309 | 605 |
| **Cash Flows from Investing Activities** | | |
| Acquisitions of businesses, net of cash acquired | (68) | (141) |
| Capital expenditures | (839) | (330) |
| Increase in restricted cash, net | (42) | (11) |
| Increase in restricted cash to support equity requirements for U.S. DOE-funded projects | (70) | — |
| Decrease in notes receivable | 20 | 15 |
| Purchases of emission allowances | (17) | (45) |
| Proceeds from sale of emission allowances | 4 | 11 |
| Investments in nuclear decommissioning trust fund securities | (165) | (76) |
| Proceeds from sales of nuclear decommissioning trust fund securities | 152 | 67 |
| Proceeds from renewable energy grants | — | 102 |
| Proceeds from sale of assets | 13 | 30 |
| Investments in unconsolidated affiliates | (15) | — |
| Other | (32) | (7) |
| **Net Cash Used by Investing Activities** | (1,059) | (385) |
| **Cash Flows from Financing Activities** | | |
| Payment of dividends to preferred stockholders | (5) | (5) |
| Payment for treasury stock | (130) | (50) |
| Net (payments for)/receipts from settlement of acquired derivatives that include financing elements | (46) | 27 |
| Installment proceeds from sale of noncontrolling interest in subsidiary | — | 50 |
| Proceeds from issuance of long-term debt | 3,798 | 141 |
| Proceeds from issuance of term loan for Funded Letter of Credit Facility | — | 1,300 |
| Increase in restricted cash supporting funded letter of credit | (1) | (1,300) |
| Proceeds from issuance of common stock | 1 | 2 |
| Payment of debt issuance costs | (52) | (53) |
| Payments for short and long-term debt | (3,833) | (459) |
| **Net Cash Used by Financing Activities** | (268) | (347) |
| Effect of exchange rate changes on cash and cash equivalents | 6 | (9) |
| **Net Decrease in Cash and Cash Equivalents** | (1,012) | (136) |
| **Cash and Cash Equivalents at Beginning of Period** | 2,951 | 2,304 |
| **Cash and Cash Equivalents at End of Period** | $ 1,939 | $ 2,168 |

**Appendix Table A-1: Second Quarter 2011 Regional Adjusted EBITDA Reconciliation**

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income/(loss)

| (dollars in millions) | Reliant Energy | Texas | Northeast | South Central | West | International | Thermal | Corporate | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Net Income/(Loss)** | **31** | **203** | **19** | **12** | **12** | **6** | **(2)** | **340** | **621** |
| Plus: | | | | | | | | | |
| Income Tax | — | — | — | — | — | 2 | — | (632) | (630) |
| Interest Expense | 1 | 2 | 11 | 10 | 1 | 1 | 3 | 138 | 167 |
| Loss on Debt Extinguishment | — | — | — | — | — | — | — | 115 | 115 |
| Depreciation and Amortization Expense | 24 | 122 | 27 | 22 | 3 | — | 4 | 20 | 222 |
| ARO Accretion Expense | — | — | 1 | — | 1 | — | — | — | 2 |
| Amortization of Contracts | 37 | 14 | — | (5) | — | — | — | 9 | 55 |
| **EBITDA** | **93** | **341** | **58** | **39** | **17** | **9** | **5** | **(10)** | **552** |
| Impairment on investment | — | — | — | — | — | — | — | 11 | 11 |
| MtM losses/(gains) | 83 | (126) | (11) | (2) | (3) | — | — | 13 | (46) |
| **Adjusted EBITDA, excluding MtM** | **176** | **215** | **47** | **37** | **14** | **9** | **5** | **14** | **517** |

**Appendix Table A-2: Second Quarter 2010 Regional Adjusted EBITDA Reconciliation**

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income/(loss)

| (dollars in millions) | Reliant Energy | Texas | Northeast | South Central | West | International | Thermal | Corporate | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Net Income/(Loss)** | **277** | **157** | **(2)** | **4** | **8** | **21** | **(2)** | **(253)** | **210** |
| Plus: | | | | | | | | | |
| Net Loss Attributable to Non-Controlling Interest | — | 1 | — | — | — | — | — | — | 1 |
| Income Tax | — | — | — | — | — | 10 | — | 107 | 117 |
| Interest Expense | 2 | (15) | 14 | 11 | 1 | 1 | 1 | 132 | 147 |
| Depreciation and Amortization Expense | 29 | 124 | 31 | 16 | 3 | — | 3 | 2 | 208 |
| ARO Accretion Expense | — | 1 | — | — | — | — | — | — | 1 |
| Amortization of Contracts | 50 | 10 | — | (5) | — | — | — | — | 55 |
| **EBITDA** | **358** | **278** | **43** | **26** | **12** | **32** | **2** | **(12)** | **739** |
| MtM losses/(gains) | (163) | 65 | 58 | (6) | (1) | — | 1 | — | (46) |
| **Adjusted EBITDA, excluding MtM** | **195** | **343** | **101** | **20** | **11** | **32** | **3** | **(12)** | **693** |

**Appendix Table A-3: YTD Second Quarter 2011 Regional Adjusted EBITDA Reconciliation**

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income/(loss)

| (dollars in millions) | Reliant Energy | Texas | Northeast | South Central | West | International | Thermal | Corporate | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Net Income/(Loss)** | **303** | **210** | **(13)** | **26** | **25** | **14** | **3** | **(207)** | **361** |
| Plus: | | | | | | | | | |
| Income Tax | — | — | — | — | — | 4 | — | (739) | (735) |
| Interest Expense | 2 | (10) | 27 | 21 | 2 | 3 | 5 | 290 | 340 |
| Loss on Debt Extinguishment | — | — | — | — | — | — | — | 143 | 143 |
| Depreciation and Amortization Expense | 48 | 244 | 56 | 42 | 6 | — | 7 | 24 | 427 |
| ARO Accretion Expense | — | 1 | 1 | — | 2 | — | — | — | 4 |
| Amortization of Contracts | 75 | 28 | — | (10) | — | — | 1 | 18 | 112 |
| **EBITDA** | **428** | **473** | **71** | **79** | **35** | **21** | **16** | **(471)** | **652** |
| Impairment on investment | — | — | — | — | — | — | — | 492 | 492 |
| MtM losses/(gains) | (101) | (24) | (14) | (14) | (7) | — | — | (12) | (172) |
| **Adjusted EBITDA, excluding MtM** | **327** | **449** | **57** | **65** | **28** | **21** | **16** | **9** | **972** |

**Appendix Table A-4: YTD Second Quarter 2010 Regional Adjusted EBITDA Reconciliation**

The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income/(loss)

| (dollars in millions) | Reliant Energy | Texas | Northeast | South Central | West | International | Thermal | Corporate | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Net Income/(Loss)** | **89** | **532** | **50** | **—** | **14** | **29** | **2** | **(448)** | **268** |
| Plus: | | | | | | | | | |
| Net Loss Attributable to Non-Controlling Interest | — | 1 | — | — | — | — | — | — | 1 |
| Income Tax | — | — | — | — | — | 12 | — | 170 | 182 |
| Interest Expense | 3 | (28) | 27 | 23 | 1 | 3 | 2 | 269 | 300 |
| Depreciation and Amortization Expense | 59 | 241 | 63 | 32 | 6 | — | 5 | 4 | 410 |
| ARO Accretion Expense | — | 2 | (4) | — | 1 | — | — | — | (1) |
| Amortization of Contracts | 109 | 18 | — | (10) | — | — | — | — | 117 |
| **EBITDA** | **260** | **766** | **136** | **45** | **22** | **44** | **9** | **(5)** | **1,277** |
| MtM losses/(gains) | 125 | (151) | 41 | 1 | (1) | — | 2 | — | 17 |
| **Adjusted EBITDA, excluding MtM** | **385** | **615** | **177** | **46** | **21** | **44** | **11** | **(5)** | **1,294** |

EBITDA and adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release.

Adjusted cash flow from operating activities is a non-GAAP measure NRG provides to show cash from operations with the reclassification of net payments of derivative contracts acquired in business combinations from financing to operating cash flow. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates.

Free cash flow is cash flow from operations less capital expenditures, preferred stock dividends and repowering capital expenditures net of project funding and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each of these adjustments and the reasons NRG considers them appropriate for supplemental analysis. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on adjusted cash flow from operating activities or free cash flow as a measure of cash available for discretionary expenditures.