

# 2012 NRG Corporate Responsibility Report



The power to change life.  
The energy to make it happen.®

# ABOUT THIS REPORT

The 2012 NRG Corporate Responsibility Report is our third published annual report and reflects a period of continued growth and acquisition aimed at positioning NRG for a very different future within the energy industry. Based on input from customers, investors and other stakeholders, this report outlines our strategy and commitment to a sustainable future and summarizes our 2012 progress with key metrics.

Since NRG's merger with GenOn — nearly doubling the size of our generation fleet — closed in mid-December, this report and the information in our GRI response matrix focuses on 2012 performance of pre-merger NRG, unless otherwise specified. In 2013, we are working to integrate NRG's larger fleet while remaining a leader in safety, adopting best practices from both companies, establishing new baseline metrics, and setting new targets to ensure continued progress in operational and eco efficiency. The 2013 Corporate Responsibility Report will establish new baselines and targets as we move to the next chapter of providing a more sustainable energy future.

NRG's GRI response can be found at <http://www.nrgenergy.com/responsibility/gri/2012/gri.html> and provides more detail and information on the GRI indicators.

## Post-merger NRG

### RETAIL CUSTOMERS



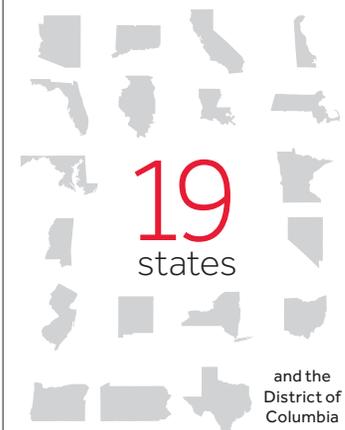
### CUSTOMER REACH



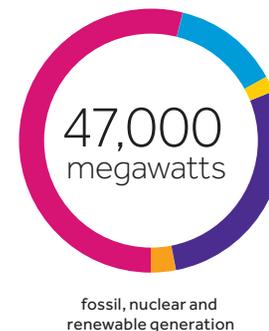
### TOTAL REVENUES FOR 2012



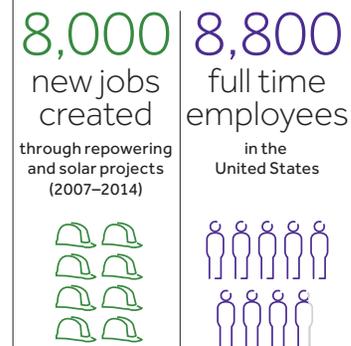
### WHERE WE DO BUSINESS



### GENERATION CAPACITY



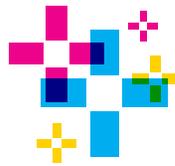
### JOB CREATION



### GENERATING & THERMAL LOCATIONS



# CEO LETTER



The hottest year in recorded American history, 80% of the contiguous United States mired in drought and Superstorm Sandy—2012

proved time and again that climate change is not a threat for the future, it is happening now. And while it is a moral imperative for the energy industry to reduce greenhouse gases and mitigate the impact of climate change, it is also well past time to focus our efforts on adaptation.

It is unimaginable to me that the backbone of our modern economy—electricity—is supported by a system of wooden poles, which have been rebuilt exactly the same way every time a storm has knocked them down for the last 80 years. For the sake of our customers, communities and employees, as well as the financial well-being of the company, NRG is focusing on the changes that must be made to modernize a system that has remained virtually unchanged for a century.

The country's aging power grid becomes more burdensome to Americans every year. Like an overworked used car, the cost of maintenance goes up each year while reliability keeps getting worse. This is a trend modern consumers will not continue to accept, and these consumers are increasingly realizing that the grid is not the only option to meet their energy needs. Emerging distributed energy technologies like solar and on-site generators, which convert a fuel source to electricity from within a home or business, will empower more consumers to make their own energy. In the coming years, fuel cells, electric vehicle-to-grid, battery storage and other distributed technologies will only accelerate this exponential rate of change as they become more affordable.

NRG will help meet our customers' and communities' new energy needs by offering innovative energy products and services that provide improved reliability in a climate-changed world. At the same time, we will continue to reduce the environmental footprint of our existing generating fleet and build new, lower-emitting power plants in order to make the energy industry cleaner, thereby advancing our goal to mitigate climate change and reduce other emissions.

Progress on NRG's three-prong strategy to enhance our core generation fleet by repowering with cleaner technologies, expand our retail businesses and grow new green businesses, is reshaping the company for the future.

In 2012, we delivered hundreds of megawatts (MW) of solar projects on time and within budget. We extended the reach of our retail brands to several new markets, adding more than 100,000 customers in the process while rolling out innovative new offerings like the Reliant Learn and Conserve Plan with a smart Nest Learning

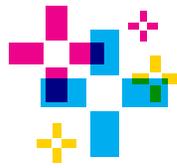
Thermostat. And we started the build-out of our eVgo network of electric vehicle charging infrastructure in California, which will enable complete range confidence across the major metropolitan areas of the nation's most promising EV market.

Our core generation business, strong all year, received a big boost on Dec. 14 when NRG and GenOn Energy combined to form the largest competitive power generation company in America with about 47,000 MW of generation capacity. Our generation fleet is now the premier large-scale generation fleet with substantial coal, gas, nuclear, solar and wind capacity, situated almost entirely in the three premier competitive regional energy markets in the U.S. This vastly expanded generation fleet is strategically positioned to provide wholesale generation support to expand our retail business in the Northeast and mid-Atlantic as well as support additional investment in our clean energy businesses.

NRG has made tremendous strides becoming a business that is more sustainable economically, socially and environmentally. Powered by our merger with GenOn and with our progress developing more innovative new energy choices featuring emerging technologies, we are better positioned than ever to succeed in our mission to become the premier *sustainable* energy company of the 21st century.

**David Crane**  
*President and Chief Executive Officer*

# CUSTOMERS



To see how far NRG has come in understanding that our future is inextricably tied to the wants and needs of the consumer, here is a brief look at where we stood five years ago compared to today.



Emerging technology: On site Energy Appliance developed by NRG and DEKA

In 2008, NRG owned wholesale generation — almost all of it fossil-fueled or nuclear — and, if you asked who our key customers were, we might have answered with the names of a few utilities. “We don’t really have customers” might have even been the refrain.

Today, we serve more than 2.2 million retail electric customers through multiple brands in virtually every competitive electricity market in the U.S., although regulated markets still outnumber competitive, stifling the spread of energy innovations that can improve lives. Our dedication to a broad and diverse customer base is reflected in NRG’s financial commitments and results. A full 34% of our 2012 earnings — about \$650 million — came from retail operations serving end-use consumers, compared to 100% of earnings coming from wholesale operations just five years ago.

Our three retail electricity providers — Reliant, Green Mountain and Energy Plus — are just the tip of the iceberg for an organization that is now focused on serving the

new generation of energy consumers with the innovative, sustainable, affordable and easy-to-use energy choices they want. Whether it’s home-and-away electric vehicle charging services through our eVgo network, smart energy products and services like Reliant’s Learn and Conserve plan featuring the Nest Learning Thermostat, or distributed generating technologies for homes and businesses like our solar canopy and natural gas-fueled home generator, NRG’s innovations are guided by our work to change the way people think about and use energy.

Electricity providers across the country care about their customers, but NRG is the first to truly care about what our customers want. That is why we don’t look like other electric companies; why we offer so many diverse energy choices that aren’t offered together under the roof of any other company in the country.

We are keenly aware that our customers are much more than a revenue stream. Perhaps more so than any other industry in the world, an energy company’s success is completely interdependent with the well-being and success of its customers. There was no more clear example than in the aftermath of Superstorm Sandy when millions of people — many of them NRG customers — were left without power for days or weeks, and in many cases, lost their homes or livelihoods.

NRG employees helped raise \$438,000 for immediate relief and dozens of our employees traveled into impacted areas to help with cleanup efforts, but we realized a sustainable solution in a world of increasingly frequent extreme weather was needed. With the lights still dim in NRG’s Princeton headquarters as it ran on emergency generators, President and CEO David Crane issued a challenge to every





executive in the company to come up with commercial and charitable solutions to keep customers' lights on and deliver power to critical community resources when the next storm hits.

While much of that work is still ongoing, the first major project to emerge is NRG's Power2Serve fleet.



This mobile generating unit combined with 300-plus NRG volunteers and a fleet of smaller vehicles capable of carrying emergency supplies will ensure that NRG will be there with resources to keep consumers plugged in, connected and safe after future disasters. The full story of our Power2Serve effort can be seen on YouTube at [www.youtube.com/watch?v=oPzpVIIhUEs](http://www.youtube.com/watch?v=oPzpVIIhUEs).

The new generation of energy consumer expects more, and rightfully so. They no longer accept that the utility that provides them electricity shouldn't have to compete for their business. They no longer accept that they have to buy electricity from sources and at a price they didn't choose. They no longer accept that they will be without power for days because the same old system of wooden poles helping bring them power got blown down again, just like during the last storm. They don't want electricity the way their grandparents got it, and that is why NRG isn't your grandparents' energy company.

## NRG retail at a glance

- ✦ More than 2.2 million residential, commercial, industrial and government customers
- ✦ Customers in 10 states and the District of Columbia
- ✦ NRG's retail business added 142,000 customers in 2012
- ✦ More than 700,000 customers are enrolled in one or more Reliant e-Sense smart energy solutions, up from about 500,000 in 2011
- ✦ Four new states — Green Mountain expanded its renewable energy offerings to Illinois and Pennsylvania while Energy Plus offered service for the first time to consumers in Massachusetts and Ohio

## Diverse perspectives to serve a diverse world

Workforce diversity isn't just an ideal at NRG, it's something we view as a core strength we must foster to best serve a diverse world of customers. NRG is committed to a culture of diversity and inclusion. We value individual differences, experiences, knowledge, creativity

and each individual's unique talents. We embrace our differences in culture, ethnicity, age, physical and mental abilities and disabilities, family and marital status, language, origin, political affiliations, education, religion, race, sexual orientation, gender identification, veteran status, and any other characteristics that make each person unique.

To ensure our vision for diversity is realized, NRG applies diversity initiatives to ensure the fairness of our practices and policies on recruitment and selection, compensation, benefits, professional development, training, promotions,

transfers, social programs and terminations. In addition, NRG employees have a responsibility to treat others with dignity and respect. Our policies and practices work to guide all employees to exhibit conduct that reflects inclusion during work and at all other company-sponsored or participative events.

## Green Mountain celebrates 15 years of changing the way power is made

A lot has been accomplished since the early days in 1997, not the least of which has been renewable electricity's move from the fringe of the energy landscape to the mainstream.

As Green Mountain Energy looks ahead, it also took time to reflect on its work bringing renewable energy to the mainstream. The business has worked since its founding to "use the power of consumer choice to change the way power is made." In 15 years, Green Mountain customers have helped avoid more than 11.1 million metric tons of carbon dioxide emissions — the equivalent of taking more than 2.3 million cars off the road for a year, 12.7 million households turning off their lights for a year, or planting 2.9 million trees.

With renewable energy more important to American consumers than ever, Green Mountain is positioned today to make an even bigger impact over the next 15 years by offering the most cutting edge renewable energy products to business and residential customers.

## Electricity 24-7-365, no excuses

Electricity is a vital service to our customers and society, powering our homes, businesses, communications systems, hospitals, emergency response and just about everything we do. NRG Energy Services is working to make sure that this vital service remains uninterrupted by providing the solutions that minimize electric power disruptions of all sorts.

We began performing operations and maintenance (O&M) services internally at NRG generating facilities in 2010. Today, our expanded list of innovative critical energy service offerings has made Energy Services truly unique. In 2012, the business grew to provide business solutions including reliability services, onsite emergency and backup power, and demand response services to major national customers like Kroger, Target and Home Depot.

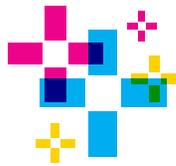
Since the aftermath of Superstorm Sandy when 10 million people were left for days with limited access to gasoline, cash from the ATM or food at restaurants because those services relied on electricity, it has become clear that our industry must do a better job keeping the lights on in crisis situations. That is why Energy Services continues to push forward offering the best-case solutions for business customers' worst-case scenarios, helping our customers adapt to the challenges of extreme weather and global competition.

## Energy Services case study

Geoliners had a big problem. Its facility in Houston was on a weak circuit that was prone to several power outages per year. Every time an outage occurred, for even a split second, Geoliners' factory would shut down. The company was losing 350 work hours and \$1.2 million per year on work to get the facility started up after an outage. Enter NRG Energy Services, which designed a customized service solution: A flywheel energy storage system that senses loss of power instantly and immediately replaces the power for 15-20 seconds until Geoliners' standard back-up generators could turn on. No plant shutdown. No long facility restart. More productivity.



# GENERATION



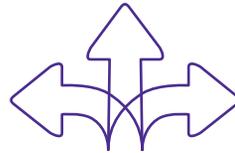
NRG's generation business focuses on excellence in safety, environmental and operating performance at our power plants while delivering value to our shareholders. 2012 was no exception. NRG delivered company records for safety and environmental performance, solid operational metrics and FORNRG savings \$36 million greater than the initiative's savings target of \$30 million. In addition, the merger with GenOn increased the fleet by more than 22,000 MW, almost doubling our fleet's size in late 2012. NRG's 2013 report will account for legacy GenOn power plants, but this report highlights the legacy NRG era—a period in which we are proud to report that nitrogen oxides (NOx) emissions decreased 74%, sulfur dioxide (SO<sub>2</sub>) emissions dropped 67% and CO<sub>2</sub> emissions decreased 40% from 2000 to 2012.



At 47,000 MW of generating capacity, post merger NRG is the largest competitive power generator in the U.S. with greater diversity and flexibility



Increased earnings from a larger portfolio of conventional assets support additional investment in cleaner energy businesses and technologies



Larger core generation fleet enables NRG to expand our integrated wholesale-retail business model that has been enormously successful in Texas to current and future competitive electricity markets



Generation fleet spread across three complementary portfolios in the East, West and Gulf Coast regions—the three premier competitive energy markets in the U.S.



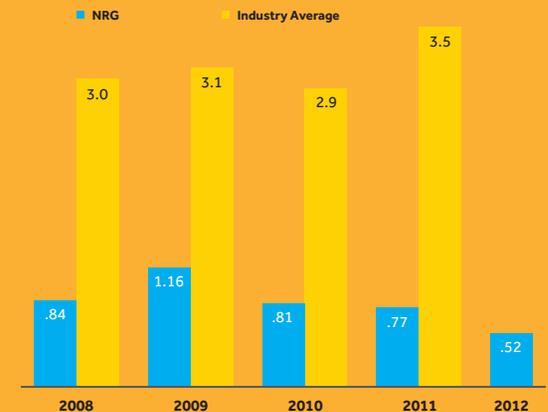
## Safety

### Raising the bar on safety

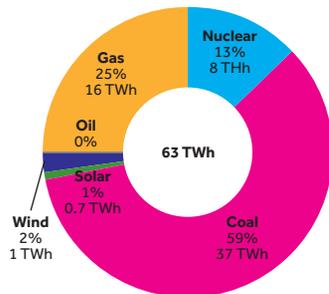
For the third consecutive year in 2012, NRG achieved both a new company record for the lowest rate of safety incidents and top decile lowest recordable rate in the Edison Electric Institute's survey of industry safety results.

However, we believe that every employee should go home exactly the same way they came to work. That means NRG will not reach our true safety goal until there are zero injuries, which is why we are increasing attention on areas like office safety that have not traditionally received as much focus.

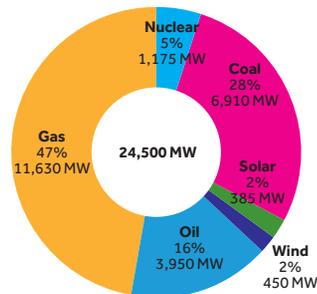
### NRG and industry recordable incident rates



Percent generation in 2012 by fuel type



NRG capacity by fuel type



- Nuclear
- Coal
- Solar
- Wind
- Oil
- Gas
- Dual-Oil and Gas

# Transitioning to a new generation

## Utility-scale solar projects completed as of March 2013

- + 253 MW Agua Caliente
- + 126 MW California Valley Solar Ranch
- + 25 MW Avra Valley
- + 26 MW Borrego
- + 66 MW Alpine

## New approaches

- + Princeton Hospital Combined Heat and Power Plant creates grid independence through an onsite natural gas-fueled unit, thermal energy and rooftop solar power
- + Petra Nova Carbon Capture and Sequestration (CCS) makes CCS technology more economical by using captured CO<sub>2</sub> for enhanced oil recovery

## Repowering with more efficient units

- + 720-MW Marsh Landing (online in Q2 2013)
- + 550-MW El Segundo (online in Q3 2013)

America's energy system is in transition. While NRG is at the forefront of the shift to cleaner forms of energy, we continue to use fossil fuels in order to provide safe, reliable and affordable power. To reduce our environmental footprint, NRG continues to build renewable generation, repower conventional units, install environmental controls and implement operational changes like fuel switching. These retrofitted and new power plants will continue to serve as the backbone of the electric grid for years to come, and we have a responsibility to ensure that they have the lowest impact possible.

We've made significant progress on the 550-MW El Segundo repowering project and completed the 720-MW Marsh Landing repowering project, which are replacing aging boilers with efficient natural gas-fueled turbines. Both plants will come online in 2013, reducing emissions per megawatt-hour (MWh) and water use at the sites.

Like any transition, the road to the new paradigm can be difficult, and the transition from conventional fossil-fueled power plants to cleaner energy has been no different for NRG. Volatile natural gas prices and evolving federal emissions regulations continue to inform our decisions on whether to shut down, repower or install new environmental controls on less efficient fossil units. Low natural gas prices and a global retreat from nuclear power after the Fukushima disaster have ended our investment in new nuclear. Increasingly, our focus is on continued solar investment, repowering our less efficient fossil plants with cleaner and more efficient natural gas, and developing carbon capture and sequestration (CCS) for our most efficient coal plants as the best pathway to a truly sustainable, low-carbon generation fleet.

Climate change is perhaps the greatest long-term challenge for our country and our industry as the nation's predominant

forms of generation are fossil fuel based. Because America's fossil fuel resources are a necessary part of providing reliable and affordable power, our Petra Nova business is dedicated to the affordable implementation of CCS at the company's existing coal plants. Major milestones achieved in 2012 at Petra Nova's first CCS project at our WA Parish plant include:

- + Secured final air permits
- + Completed the Environmental Impact Assessment for the CO<sub>2</sub> pipeline
- + Commenced construction on a 75-MW gas turbine that will reach commercial operation in 2013 and be retrofitted to power the carbon capture system when it comes online

NRG also continues to make progress on our environmental capital expenditure program to ensure our fossil assets comply with all regulations, including in 2012:

- + Completion of the Indian River Unit 4 dry scrubber, fabric filter and selective catalytic reduction
- + Start of operations for voluntary mercury controls at Big Cajun II, Limestone and WA Parish
- + Announcement of plans to reduce emissions at Big Cajun II by installing NO<sub>x</sub> controls, dry sorbent injection to reduce SO<sub>2</sub> and converting 575 MW of coal capacity to gas
- + Investment in environmental controls (\$528 million from 2013 to 2017) to reduce impact on water quality, estuarine habitats and air quality

NRG's commitment to the safety of our employees, the environment and our neighbors are part of our daily jobs. Our Safety program yields results that consistently put NRG safety performance in the top 10% of our industry. Our employees work side by side and take responsibility for

helping each other stay safe in the workplace. But, it is not just our employees that we care about. Our contractors must adhere to the program including a zero-tolerance policy for safety violations at our sites.

The foundation of our environmental program is compliance and we build upon that by looking for ways to protect the environment both inside and outside our gates. Our Environmental Management System is a comprehensive program that sets targets and timelines for goals, measures and audits progress; monitors performance trends to ensure continual improvement; and encourages stewardship. A more detailed description can be accessed from our Environmental Policy and Strategy page [www.nrgenergy.com/responsibility/environmental/policy-and-strategy.html](http://www.nrgenergy.com/responsibility/environmental/policy-and-strategy.html) and the results can be seen in the Environmental Scorecard following this section.

In partnership with our neighboring communities, NRG generating facilities have been able to leverage employee skills and enthusiasm beyond the fence line.

- ✦ In Texas, we partner with many natural resource agencies and non-profit organizations to protect, enhance and preserve coastal wetlands, dune and prairie habitats.
- ✦ In all regions, we provide environmental scholarships to help ensure that the next generation of leaders is prepared to protect and preserve our natural resources.
- ✦ We partner to find resolutions to regional challenges like with the Region H Water Planning Group in Texas to address water management in an area where water is a scarce resource and with the California Desert Renewable Energy Working Group in a collaborative effort of renewable energy developers, national and local environmental organizations and government agencies to develop an approach to responsible renewable energy development in the California desert.
- ✦ We create habitats in our East Region for threatened and endangered species.
- ✦ We provide ways to help the community and our employees to safely recycle electronic waste such as old computers.

## Stars align on safety

OSHA's Voluntary Protection Program Star status is the highest level of recognition companies can receive for exemplary workplace health and safety. When OSHA awarded NRG's Big Cajun II Generating Station with Star status in August, the plant became the 11th facility in NRG's fleet to be recognized with the honor. NRG's VPP Star facilities include:

- ✦ Big Cajun II
- ✦ Cedar Bayou
- ✦ Cottonwood
- ✦ Encina
- ✦ Greens Bayou
- ✦ Limestone
- ✦ San Jacinto
- ✦ Sam Bertron
- ✦ Texas Maintenance Services
- ✦ TH Wharton
- ✦ WA Parish

## The Navarro Technical Training Center

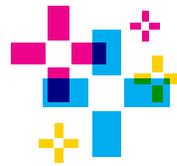
Our plants support the community in mutually beneficial ways. The Limestone generating station partnered with nearby Navarro College to set up a training program for high school students so that they have knowledge and skills for potential employment at the plant or with other local industries.

The Navarro/NR Technical Training Center allows high school juniors, seniors and post-graduate students to earn a Power Plant Operations and Maintenance Certificate, which provides them with documented training. While the training can help them earn employment in a number of industries, it also enhances their opportunity for employment at NRG. In fact, Limestone has already hired two program participants.

The program has produced dozens of graduates and Limestone has contributed more than \$40,000 in scholarship funds to help cover students' program costs.



# INNOVATION



Imagine an energy industry that gives consumers the option of independence from the grid — how much and how often is up to them. This is the future of unprecedented customer choice we see at NRG.



Solar Canopy from NRG provides shade, shelter and renewable solar energy for commercial or residential applications



The world is changing at an exponential rate, and the seemingly immovable electricity industry of the past is no longer exempt. Our industry is on the cusp of a revolution much like the telecommunications industry was in the 1980s and 1990s. America is in the process of moving from a model relying on big, centralized assets to one of distributed and connected smart energy resources that provide grid independence.

NRG embraces the challenge of reinventing our company to meet the changing needs of consumers by creating new energy choices through innovation with emerging disruptive energy technologies. However, transforming our country's traditional energy infrastructure and the industry model is a big undertaking. NRG is leading the way, but every company in the energy industry has a role — from regulated utilities down to the smallest solar developer. More companies must join NRG, whether in partnership or even in competition, to bring consumers the many benefits this new model will offer.

NRG believes three clusters of technology have the potential to revolutionize our industry as consumers become more aware of their ability to improve their lives:

1. distributed generating technologies such as solar and natural gas-powered micro-combined heat and power
2. electric vehicles
3. digital energy management systems

In the solar space, NRG is now buying solar photovoltaic (PV) panels for less than 70 cents per watt compared to \$4 per watt three years ago. Falling balance of system and soft costs means that customer-located solar will soon beat the retail price of electricity across a broad swath of the country. Further in the future, electric vehicles will

largely replace internal combustion engines. By using big data to manage customer energy use, storage and production, digital energy management systems will enable consumers to turn those distributed energy resources into functioning micro-grids, turning what used to be a cost into a new source of value. NRG intends to be fully engaged creating that value for the benefit of both our customers and shareholders.

NRG is focused on the innovations that are truly needed to create that value and a sustainable energy future — innovations that reduce costs, improve product design and performance, fulfill customer needs in better ways, and lead to new business models.

NRG has wide expertise and many strengths, but we also recognize where we need support. We seek the best partners to successfully commercialize promising energy innovations. Among our groundbreaking alliances, we've partnered with technology providers like Nest to provide the most innovative solutions to our retail customers, formed joint ventures including Energy Technology Ventures with GE and ConocoPhillips to invest in the most promising energy technologies, and created the Sunora Energy Solutions joint venture with GCL Poly to drive down balance of system solar costs.

Those are the types of partnerships and business model innovations that will help upend the old industry model that has remained mostly unchanged for 100 years and forge a 21st century energy industry that is consumer-friendly and positions America to compete in the modern global economy.

To move toward that end, much of our capital recently has been directed to the construction of new solar

generation, which is the emerging energy technology closest to reaching its full disruptive potential. NRG invested \$3.1 billion in solar development in 2012. Earnings from our solar investments climbed to \$86 million in 2012 on the way to an estimated \$325 million by 2014 as NRG expects to bring more than 600 megawatts (MW) of additional solar online in 2013. This scale of deployment is accelerating our own sustainability, while demonstrating that sustainable investments truly can add to the bottom line.

NRG brought online more than 420 MW of solar projects in 2012, 298 MW of which are owned by NRG with the rest owned by new equity partners that share our vision for the potential of solar in America. In total, those solar projects will provide enough clean electricity at peak capacity to power more than 330,000 homes.

This development has made NRG one of the five largest owners of solar power in America with 383 MW of large-scale and distributed capacity online at year-end — now up to about 475 MW with the completion of the Borrego and Alpine PV projects in early 2013. We believe distributed projects for homes and businesses like our 3 MW project, which features solar and micro-wind turbines at the Philadelphia Eagles' Lincoln Financial Field, or the nearly 13 MW of solar generated at sites across Arizona State University's four campuses represent the future of solar and will account for an increasing level of financial commitment.

Our eVgo network is well positioned to be the next NRG business to achieve rapid growth by tapping into the key emerging energy technologies. In 2012, eVgo reached an agreement to invest more than \$100 million to build out electric vehicle fast-charging infrastructure across California's major metropolitan areas. California, with a majority of EVs on the road today and the highest annual EV sales, is the premier



U.S. market for businesses supporting electric cars. It's also the market most in need of infrastructure to serve its growing population of EV drivers.

NRG estimates that we will create more than 5,700 clean economy jobs by 2014 through our large-scale solar projects and eVgo build-out in California.

## Large-Scale Solar

NRG's activities and investments in support of large-scale solar power generation create thousands of Clean Economy jobs.

### IVANPAH | 392 MW

San Bernadino, CA

Upon completion, will be the largest solar thermal project in the world. Also the first large-scale solar thermal plant to be built in California in 20 years

### AGUA CALIENTE | 290 MW

Yuma County, AZ

Projected to be the world's largest solar photovoltaic project upon completion.

### CALIFORNIA VALLEY

#### SOLAR RANCH | 250 MW

San Luis Obispo County, CA

### ALPINE | 66 MW

Lancaster, CA

The first large-scale solar project to be undertaken in Los Angeles County.

### AVENAL | 45 MW

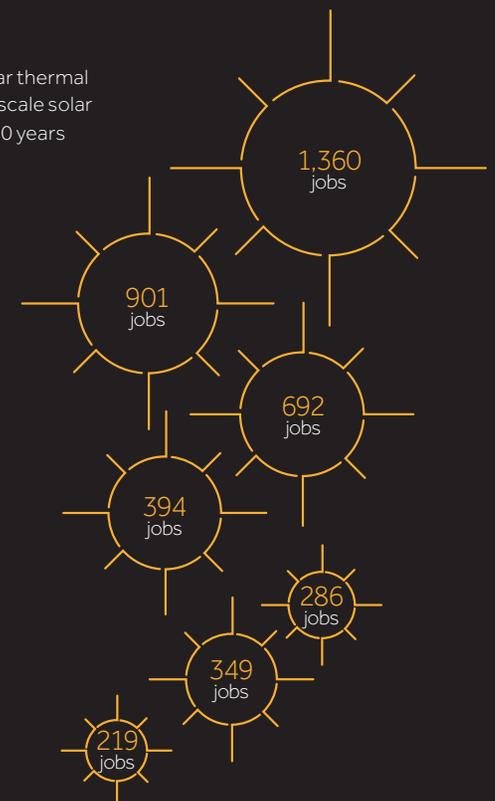
Kings County, CA

### BORREGO | 26 MW

San Diego County, CA

### ROADRUNNER | 20 MW

Santa Teresa, NM



4,201 NRG'S LARGE-SCALE SOLAR CLEAN ECONOMY JOBS

# NRG's Electric Initiative for California

NRG's commitment to build a new electric car charging infrastructure in California, through its subsidiary eVgo, means new Clean Economy jobs, careers and training programs benefitting thousands of Californians.



## LOS ANGELES

Gross Economic Impact: **\$102** MILLION  
Clean Economy Jobs: **831** JOBS

## SAN FRANCISCO

Gross Economic Impact: **\$51** MILLION  
Clean Economy Jobs: **415** JOBS

## SAN JOAQUIN VALLEY

Gross Economic Impact: **\$14** MILLION  
Clean Economy Jobs: **113** JOBS

## SAN DIEGO

Gross Economic Impact: **\$18.5** MILLION  
Clean Economy Jobs: **151** JOBS

"Gross Economic Impact" measures both direct and indirect expenditures and employment in the areas that will be impacted by the build-out of electric vehicle infrastructure.

NRG reached an agreement with the California Public Utilities Commission to invest approximately \$100 million over four years in the eVgo California charging network.

**\$186M**  
TOTAL GROSS  
ECONOMIC IMPACT

**1,510**  
POTENTIAL TOTAL CLEAN  
ECONOMY JOBS

## Innovation Avenue – one year later

Reliant launched a living laboratory of home energy innovations in October 2011 by outfitting 12 Houston homes on one street with technologies that provided unprecedented access to information and control over how customers use electricity. One year later, the results of Reliant Innovation Avenue were unveiled. Residents of the neighborhood were able to reduce their electricity consumption by an average of 16% without sacrificing their comfort or convenience. In fact, many of the residents reported how much they enjoyed using these new choices to manage their energy use. Reliant issued a [report](#) showcasing its one-year results and key learnings from Innovation Avenue.

### Key learnings:

- ✦ Access to detailed information about electricity usage is essential for making meaningful decisions
- ✦ Behavior modifications can have positive effects on electricity usage without affecting comfort or convenience
- ✦ All homes, even old ones, can be made more energy-efficient without major changes
- ✦ A modest investment in home energy solutions can provide a substantial return on investment

### Key technologies used:

- ✦ Reliant e-Sense technology
- ✦ Programmable thermostats
- ✦ Home energy audits
- ✦ Home energy monitors
- ✦ Home automation
- ✦ Smart appliances
- ✦ Reliant solar leasing program

## Year of the sun

At the end of 2012, NRG's 383 MW of operating solar capacity represented less than 1% of our total generating capacity after the GenOn merger, but that number is expected to double in 2013. At the same time, earnings from solar projects are expected to grow to more than 10% of total NRG adjusted EBITDA in 2014. Below is a list of NRG distributed and large-scale solar construction completed in 2012 and early 2013:

### SOLAR PROJECTS COMPLETED AS OF MARCH 2013



#### MetLife

Solar Ring at MetLife Stadium, home of the New York Giants and Jets



#### 66 MW

Alpine Solar PV facility in California



#### 3 MW

Lincoln Financial Field, home of the Philadelphia Eagles. Solar PV on the stadium and parking lot.



#### 26 MW

Borrego PV facility in California



#### 1 MW

Patriot Place adjacent to the New England Patriots' Gillette Stadium



#### 25 MW

Avra Valley PV facility in Arizona

### PARTIALLY COMPLETED



#### 127 MW

of planned 250 MW California Valley Solar Ranch in California



#### 253 MW

of planned 290 MW Agua Caliente in Arizona, making it the largest operating PV facility in the world

## Enter the Nest

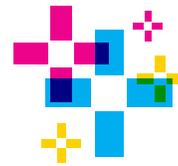


Reliant takes great pride offering customers the most innovative tools to help them manage their electricity use, so there was no doubt Reliant wanted in when former Apple iPod designer Tony Fadell turned the thermostat industry on its head by introducing the super-cool, super-sleek and super smart Nest Learning Thermostat™. Reliant became the first and only electricity provider in Texas to offer the thermostat in July when it introduced the Reliant Learn & Conserve Plan™. With the plan, customers get a two-year fixed price and a Nest Learning Thermostat™, which delivers an average energy savings of 19.5% when programmed for an energy-efficient schedule. Partnering with Nest is one more way Reliant is providing customers better, hassle-free ways to control their electricity use.

## eVgo-ing to California

With the biggest electric vehicle market in the world, California craves new EV charging infrastructure. The eVgo team is laying the groundwork to begin installing 200 fast chargers that will enable EV drivers to add 150 miles of range in an hour. Those Freedom Station sites will be found at premier retail destinations in the San Francisco Bay area, the San Joaquin Valley, the Los Angeles Basin and San Diego County, but eVgo won't stop there. We are also installing the wiring for at least 10,000 individual charging stations located at more than 1,000 offices, multifamily communities, schools and hospitals. By the time we're finished, EV drivers in the state will have the range confidence they need to catch San Diego County's famous waves by morning and watch the sun set behind the Golden Gate Bridge by evening.

# 2012 NRG Environmental Scorecard



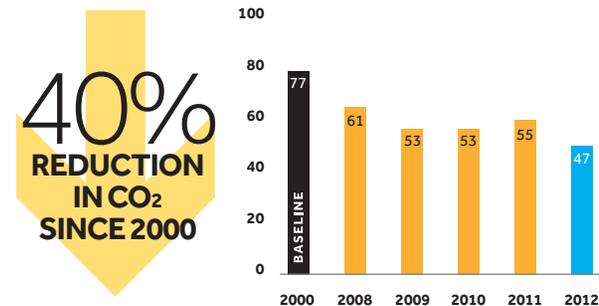
## Climate change

- ✦ Direct greenhouse gas emissions (GHGs) down 40% since 2000
- ✦ 8 million ton (15%) one-year decrease from a combination of less generation, increased availability and run time of efficient gas fueled combined cycle gas turbines

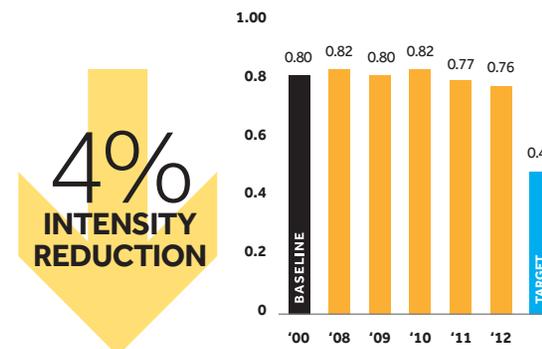
## Shrinking our footprint

- ✦ 15,500 metric tons of CO<sub>2</sub> offsets purchased to cover business travel and mobile equipment
- ✦ 797,000 metric tons of CO<sub>2</sub> avoided by beneficial use of fly ash
- ✦ 5 LEED certified facilities
  - ✦ Houston regional office (Gold)
  - ✦ eVgo headquarters (Gold)
  - ✦ Green Mountain Energy headquarters (Silver)
  - ✦ Cottonwood administrative building (Silver)
  - ✦ Houston Travis Towers (Silver)
- ✦ econrg – Our initiative enables all employees to recycle office paper, plastic, cans and other office waste

## NRG US Greenhouse Gases (million metric tons)

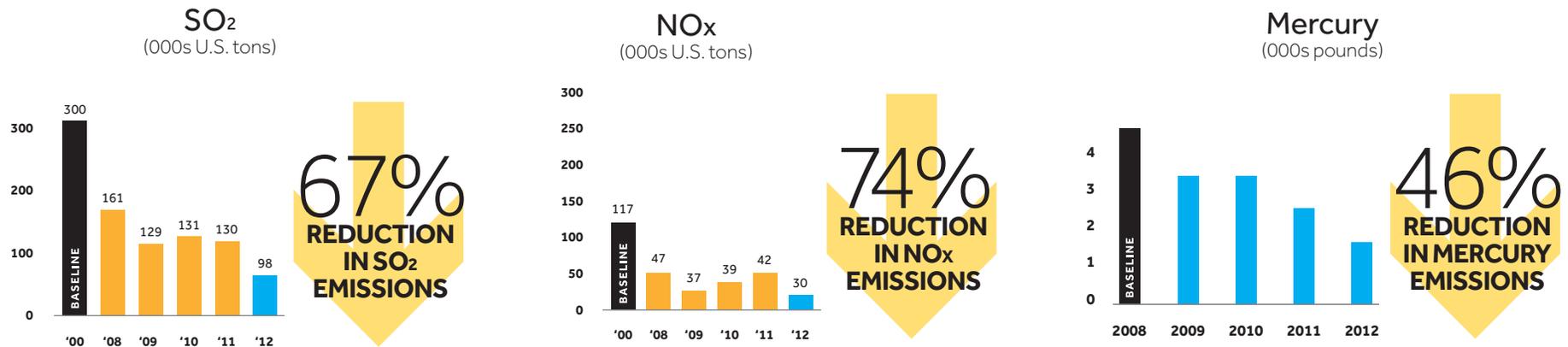


## NRG Carbon Intensity (metric tons/MWh)



## Air emissions

Air emissions were down both in mass and intensity. This was in part due to mild weather, both winter in the East and summer in the Gulf region. In addition, natural gas pricing resulted in coal-to-gas switching in 2012. Lower generation (especially lower coal generation), operational changes and new air quality controls all contributed to lower emissions of SO<sub>2</sub>, NO<sub>x</sub> and mercury.

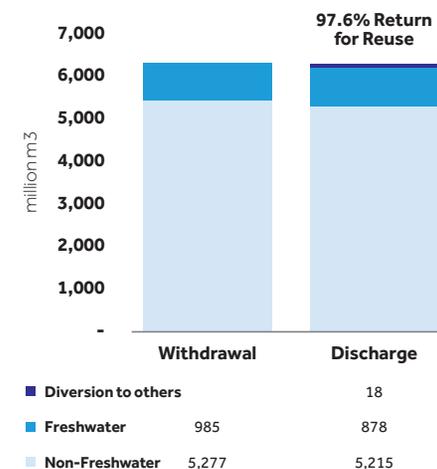


## Water

2012 is the first year that NRG is reporting total water withdrawal and discharge. The 2011 report included only Texas, a region of water scarcity.

- ✦ 97.6% of the water withdrawn is returned to the same water source
- ✦ 16% is drawn from freshwater sources
- ✦ 85% of water withdrawn is returned in Texas, which has higher temperatures and higher evaporation loss
- ✦ Water continues to be a scarce resource in Texas. NRG works with state and local agencies, municipalities, and other stakeholders to develop long-term solutions
- ✦ New combined-cycle gas turbines under construction will use closed loop air cooling when they come online in 2013

### 2012 Water Use

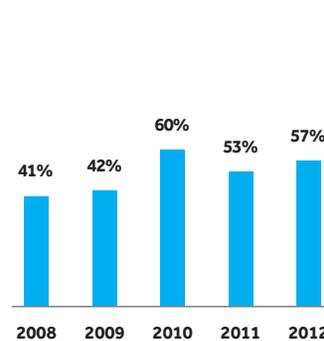


# Byproduct management

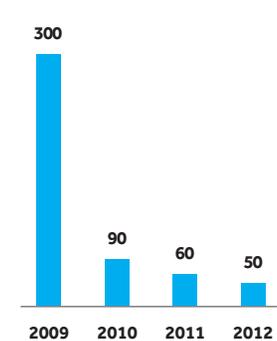
NRG continued to reduce, redeploy, reuse, and recycle our equipment and material no longer useful for its original purpose. These efforts avoid the use of virgin natural resources, save money and reduce the amount of waste sent to landfills.

- ✦ Beneficially used close to 1.1 million tons of fly ash, meeting our target of 55%.
- ✦ Partnered with waste disposal suppliers to enhance municipal waste recycling programs at all NRG facilities. Results will be reported in 2013.
- ✦ Recycled 70-75% of office waste at offices in Princeton, Houston and Austin. The offices have set 2014 targets of 90%. Resource recovery from equipment and scrap metal totaled \$1 million.
- ✦ Recycled e-waste including electronics from NRG operations and also through a number of employee e-waste collection days held at NRG facilities.
- ✦ Reduced waste at NRG facilities through waste minimization plans. Despite these efforts, hazardous waste increased primarily from plant outage-related one time disposals.
- ✦ In 2012, we achieved our goal of 100% plants meeting EPA small quantity generator (SQG) limits.

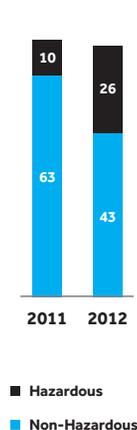
### Coal ash reused (%)



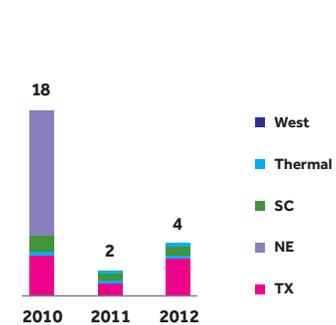
### E-waste recycled (US tons)



### Waste (US tons)



### Metal recycled (000 tons)



# Environmental performance

## Key Performance Indicators (KPI)

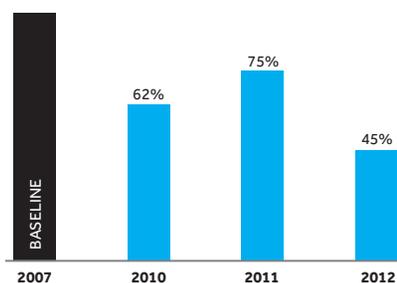
- ✦ 2012 was NRG's best performance ever
- ✦ The environmental KPI measures performance in nine categories
- ✦ Three leading indicators were added as gates for plants to achieve before environmental KPI-based compensation could be achieved
- ✦ Goal: 100% plants meet target
- ✦ Progress: 95% met target in 2012, up from 86% in 2011

## Notices of violation

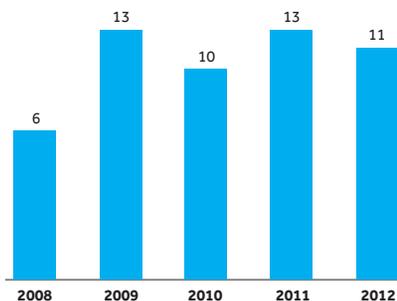
- ✦ 11 total, six of which date back to 2011 or earlier, with little or no associated environmental impact
- ✦ \$20,000 - total penalties for late testing and reporting
- ✦ 8 administrative
- ✦ 3 visible emissions
- ✦ 2 at construction sites

To learn more about our Environmental Management System and commitment to the environment, visit the Environmental Responsibility section on our website.

**Environmental KPI**  
% of baseline (*lower is better*)



**NOVs**



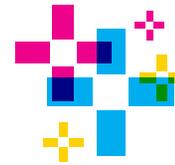
## Releases

- ✦ 3 reportable releases totaling 89 barrels of oil
- ✦ All spills promptly cleaned by plant emergency response team
- ✦ Best practices are in place to prevent spills
- ✦ In 2012, every facility implemented or revised a site specific Chemicals Handling and Management Plan
- ✦ All facilities conduct periodic drills to prepare for any incident

## Consent decree

NRG entered into a Consent Decree with EPA and the Louisiana DEP to resolve a complaint against the Big Cajun II Power Plant which dated back to 1998 before NRG owned the plant. Terms of the final agreement include a \$3.5 million fine and an additional \$10.5 million in mitigation projects outside the plant; annual air emission caps; installation of air quality controls to reduce SO<sub>2</sub> and NO<sub>x</sub>; and conversion of one coal unit to natural gas. This resolution is beneficial to all stakeholders in that it will lower emissions, keep local jobs, and promote biodiversity and the use of distributed solar power while providing safe, reliable, affordable power to Louisiana residents. See the [NRG 2012 Form 10-K], pages 185-6 & 193 for more information on the settlement. Progress on mitigation projects will be available on the NRG Corporate Responsibility website.

# CHARITABLE GIVING



NRG's charitable giving program invests in four focus areas:

- + community and economic development
- + education
- + environment
- + human welfare

In 2012, NRG donated \$5.4 million to 700 charitable organizations, most of which focus their work in the core communities NRG serves or where our employees live and work. Through focused support of meaningful and sustainable community programs, NRG is helping to build stronger communities that attract and retain citizens with a stronger economic foundation to demand our core products. In addition, our priority to enhance our four focus areas through charitable giving strengthens our relationships and builds trust with key stakeholders in the communities where we do business.

Employees are a central factor in determining how NRG gives back. Employees not only propose charitable organizations for NRG foundations to support, but NRG Global Giving donates a minimum of \$2,000 to a charitable organization when six or more NRG employees engage in a volunteer service project for that charity. NRG also holds an annual Global Giving Day when employees in every region of the company take time from work to volunteer a day of service with their co-workers for a charitable organization. In 2012, more than 1,000 NRG employees volunteered 5,000 hours at more than 50 community-based organizations. NRG also matches employee donations up to \$1,500 per employee, per year, and in 2012 matched the donations of approximately 700 employees. The NRG Howard Cosgrove Scholarship program provides scholarships each year to children of employees through a competitive selection process. The company also selected a group of employees through an open contest to travel to Haiti at company expense to serve as volunteers constructing an NRG-donated solar array at an orphanage near Port-au-Prince.



## Sandy hits close to home

From Hurricane Katrina to the 2011 Japanese tsunami, NRG and our employees have a long history of stepping up to help others recover from natural disasters. But never had one of these major disasters hit so close to home as when Superstorm Sandy bowled over much of the Northeast, including our home state of New Jersey.

Many NRG employees living in the hardest hit areas of Queens, Staten Island, the Jersey Shore and throughout New Jersey experienced the destruction firsthand, suffering damage and even the total loss of homes. And that is why we, without question, had to step up in a big way. Our employees, combined with an NRG triple match of all donations, raised \$438,000 to go to the American Red Cross and Americares for immediate storm relief. In addition, more than 40 NRG employees traveled by bus shortly after the storm from our Princeton headquarters to Staten Island's devastated Midland Beach community to deliver a truckload of donated emergency supplies, distribute information on relief services to affected residents and help clean the flooded office of a community nonprofit that serves disabled residents in the area.

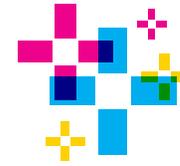
## A ray of light in Haiti



Following the powerful 2010 earthquake that shook Haiti's capital, people and even its way of life to the core, NRG committed to help the Haitian people rebuild a more sustainable way with the benefits of solar power. Our \$1 million The Sun Lights the Way: Brightening Boucan-Carré commitment, made through the Clinton Global Initiative, is NRG's largest charitable commitment ever. In 2012, we completed that commitment, changing the lives of thousands of Haitians with solar power. The results of our efforts: solar power covering the energy needs for 20 schools, a fish farm and a drip irrigation system supporting agricultural production throughout Haiti's Central Plateau.

Solar can accomplish so much more in Haiti, a nation where most have no connection to any form of grid power. That's why NRG is introducing our solar industry partners to opportunities in Haiti that could establish the heart of a bustling solar market in the Caribbean. As a first step, volunteers from NRG and our solar partners traveled to the Zanmi Beni children's home near Port-au-Prince in June to install a solar and battery system that will ensure more than 60 boys and girls — many orphaned or abandoned after the 2010 earthquake — have a reliable source of electricity to support a full and happy childhood. In early 2013, NRG and the Clinton Foundation announced a new partnership to continue installing solar power at critically important community assets such as hospitals and schools.

For more details, go the NRG website to view our GRI table.



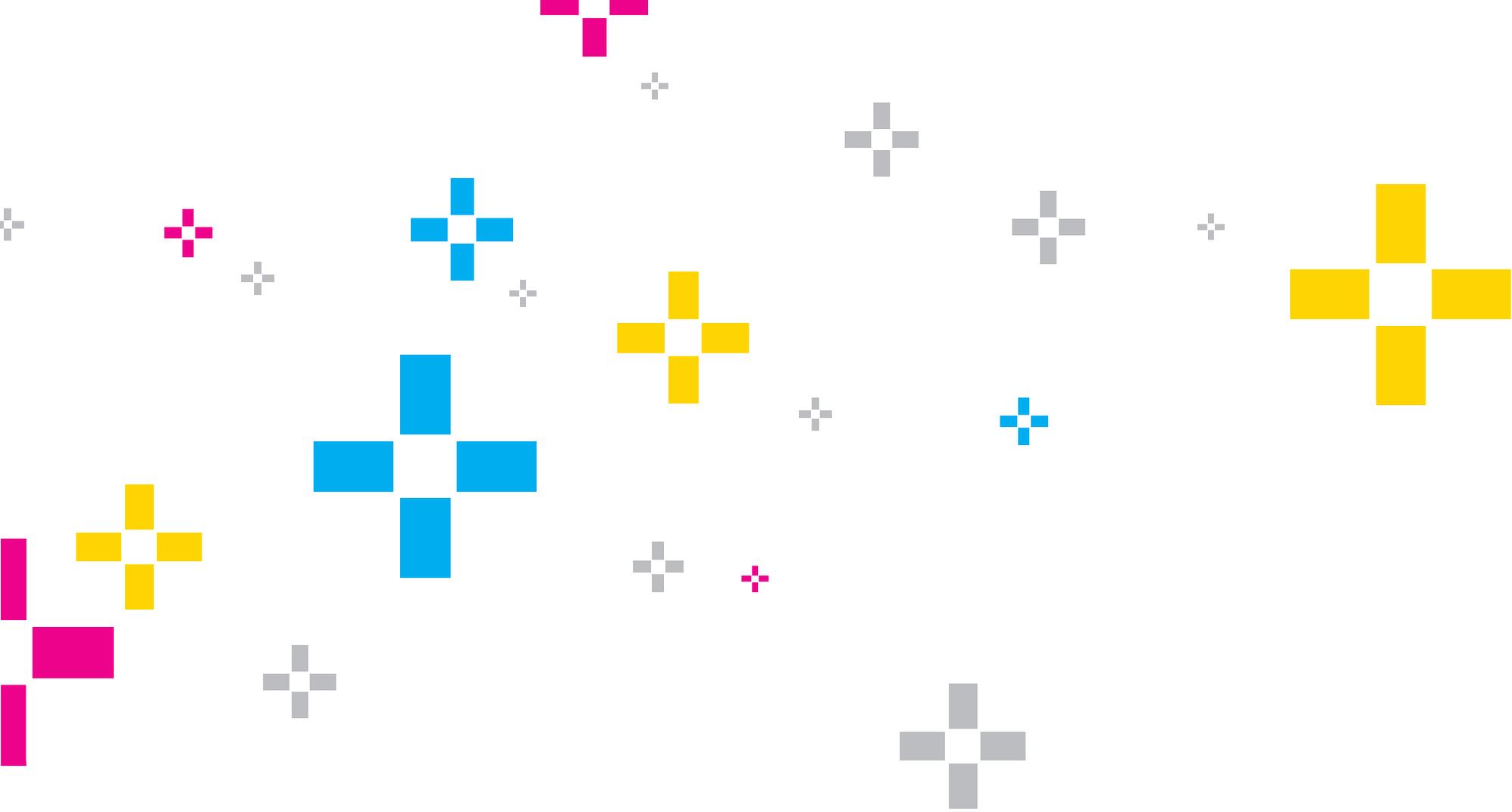
# GOVERNANCE and FINANCIALS

To meet members of the Board of Directors and see what Committees they serve, see page 16 of the 2012 NRG Year in Review.

To become more familiar with the details of our corporate responsibility program, visit the Global Reporting Initiative table on our web site.

<http://www.nrgenergy.com/responsibility/gri/2012/gri.html>

To study the details of NRG's 2012 financial performance please reference NRG's 2012 Form [10-K](#).



The power to change life.  
The energy to make it happen.®

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