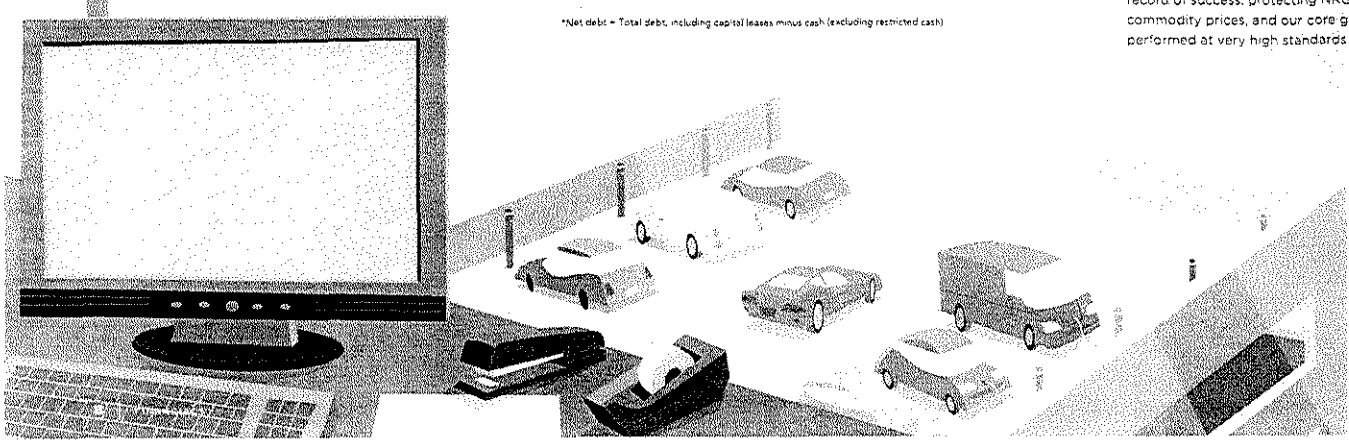
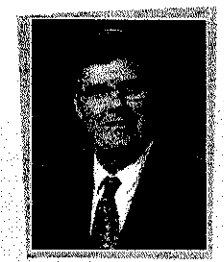
DRIVING PERFORMANCE: FINANCIAL HIGHLIGHTS

$ MILLIONS EXCEPT PER SHARE DATA	2009	2008	2007	2006	2005
	YEAR ENDED DECEMBER 31				
INCOME STATEMENT					
OPERATING REVENUES	8,952	6,885	5,989	5,585	2,400
NET INCOME FROM CONTINUING OPERATIONS	941	1,053	556	539	66
NET INCOME	942	1,225	573	617	84
CASH FLOW					
CASH FLOW FROM OPERATIONS	2,106	1,479	1,517	408	68
CAPITAL EXPENDITURES	734	899	487	221	106
CASH AND CASH EQUIVALENTS	2,304	1,494	1,132	777	486
COMMON SHARE DATA					
NET EARNINGS PER SHARE – BASIC	3.70	4.98	2.16	2.19	0.38
NET EARNINGS PER SHARE – DILUTED	3.44	4.43	1.96	2.02	0.38
BOOK VALUE PER SHARE	29.72	26.75	19.55	19.60	11.31
WEIGHTED AVERAGE COMMON:					
SHARES OUTSTANDING – BASIC	246	235	240	258	169
SHARES OUTSTANDING – DILUTED	271	275	288	301	171
CAPITALIZATION					
NET DEBT*	6,114	6,667	7,214	7,921	2,019
COMMON EQUITY	7,548	6,270	4,627	4,794	1,825
PREFERRED EQUITY	396	1,100	1,139	1,139	652
TOTAL CAPITAL	14,058	14,037	12,980	13,854	4,496
RATIOS					
NET DEBT/TOTAL CAPITAL	43%	48%	56%	57%	45%
EARNINGS/FIXED CHARGES	3.27	3.65	2.24	2.36	1.57
RETURN ON EQUITY	12.24%	17.20%	10.38%	10.85%	3.77%

*Net debt = Total debt, including capital leases minus cash (excluding restricted cash)



DEAR FELLOW STOCKHOLDERS:



2009 marked one of the most active years for NRG. The severe global economic contraction, extreme volatility in the energy market, uncertainty regarding environmental legislation and the unsolicited bid from Exelon all led to challenges for your Board and management team.

The Exelon bid required an intensive amount of your Board's time with 14 Board and 39 committee meetings held over the year. Your overwhelming vote for the NRG Board slate confirmed our judgment that the Exelon offer did not provide adequate value to stockholders. As a Board we promoted a fair and transparent negotiation process.

David Crane deserves credit for the leadership he provided during these uncertain times and the whole NRG team deserves a tremendous amount of credit for not letting the Exelon offer distract them from their everyday responsibilities to build value for stockholders. They are to be commended for continuing to perform at a very high level as evidenced by the Reliant transaction and the 2009 financial performance achieved.

2009 was a year of record financial performance with highlights including:

- Acquiring Reliant Energy's Texas retail business provided a counterweight to NRG's Texas generation business and a significant contribution toward our earnings for the year. Strategically, having both retail and wholesale segments in Texas allows the Company to offer a complete suite of products to customers and helps reduce the overall risk of our largest regional business.
- NRG's hedging program continued to deliver a strong record of success, protecting NRG from a downturn in commodity prices, and our core generation business performed at very high standards of reliability and safety.
- The leadership team continued to expand our renewable energy offerings. Acquiring Bluewater Wind to develop offshore resources, founding NRG Solar to develop solar assets, and expanding the South Texas Project nuclear plant are key initiatives in this regard. While we recognize as a Board that these projects have varying degrees of risk, we believe that investing to make our portfolio of the future more diverse is the best strategy for the long run, which will undoubtedly be an increasingly carbon-constrained world where renewable energy is valued.

We welcomed two new directors, Kirbyjon Caldwell and Gerald Luterman. Both have demonstrated great value to the Board through their keen understanding of the multi-faceted challenges and opportunities within NRG's operating environment.

Since 1982, Caldwell has been senior pastor at the 15,000-member Windsor Village United Methodist Church in Houston. Caldwell is a former Reliant Energy director and a longtime community leader and entrepreneur with deep knowledge of the Texas retail business and local communities in one of the fastest growing regions of the country.

Luterman is a former Chief Financial Officer at KeySpan Corp. one of the largest U.S. natural gas distributors before its acquisition by National Grid USA. His understanding of national commodity cycles and industrial demand curves has strengthened our operating strategy as we position the business for future growth in today's challenging environment.

On behalf of the Board, I would like to thank Gerry Luterman for stepping in to serve as interim Chief Financial Officer in addition to his Board member duties, as we conducted the search for a new CFO.

I want to close by restating your Board's absolute commitment to you. We appreciate your continued support and we remain committed to protecting your interests.

Sincerely yours,

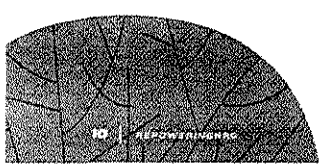
Howard Cosgrove
Chairman of the Board
March 31, 2010

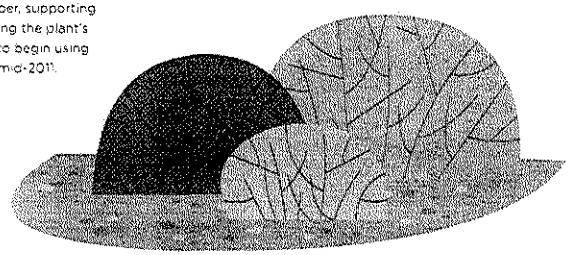
RECHARGING

We are advancing our clean energy portfolio and meeting our nation's power requirements by making our assets more efficient, reducing our emissions intensity and driving returns to our stockholders.

Top initiatives include

- A partnership with the U.S. Department of Energy (DOE) to build a post-combustion carbon-capture and sequestration demonstration project at the WA Parish plant southwest of Houston. NRG has been selected by the DOE to receive up to $154 million. The project, scheduled to begin operating in 2013, will be among the first of its kind and marks a new era of partnerships between the federal government and private industry to develop advanced coal technologies for commercial deployment. Using the latest carbon capture and storage technology, the project will capture as much as 90% of incoming carbon dioxide, or about 400,000 tons of greenhouse gas, annually. That sequestered carbon will then be compressed and used to help produce more petroleum from a nearby site, through a technique known as enhanced oilfield recovery.
- Producing 40 megawatts (MW) of clean, renewable power at the Montville Station in Connecticut—enough power for 23,000 homes—by using wood biomass as the primary fuel source for unit 5, which currently uses natural gas and oil. NRG will reconfigure the unit 5 boiler to produce power by using locally grown timber, supporting construction and forestry jobs and improving the plant's emissions profile. The project is expected to begin using biomass to produce renewable energy by mid-2011.
- Through GenConn, a partnership with The United Illuminating Company, NRG is bringing a total of 400 MW of fast-start, natural gas generation to two of its Connecticut plants—Devon and Middletown. GenConn will install 200 MW at each site which, combined, is enough to power more than 320,000 homes. These new efficient peaking units—which can be turned on and operational within 30 minutes—typically operate during extreme weather conditions and periods of high energy demand. They will provide reliable, cost effective clean power and increase operational flexibility in a market where it is difficult to import electricity. Each project is supporting 135 construction jobs over two years, and will help moderate electricity costs and reduce emissions. Construction at both facilities already is under way. Devon is expected to be completed in June 2010 and Middletown in June 2011.
- Expanding clean power production with a new unit at the Cedar Bayou Generating Station in Texas. Adding combined-cycle gas technology to the facility added 550 megawatts of efficient, low-emissions generation—enough power for more than 440,000 homes in the transmission-constrained, rapidly expanding Houston metropolitan area. Cedar Bayou unit 4's efficient fast-start capability allows it to begin providing power to the grid within 30 minutes of start-up. The unit, built in less than two years, uses best available control technology to reduce air emissions.





ECONRG

econrg represents a concerted ongoing initiative by the Company to meet the challenges of climate change and promote a healthy environment. NRG is committed to making our power generation fleet cleaner and more efficient to meet future energy production and environmental sustainability goals in all the communities we serve.

We continue to invest in zero- and low-carbon sources of energy and operate our commercial-scale assets according to the highest standards of safety, reliability and environmental responsibility. We also are retrofitting existing power plants with technology that reduces emissions and engaging in and supporting volunteer activities that protect and preserve the environment while encouraging changes in the daily lives of our employees that will reduce personal environmental impact.

Additionally, we are strong advocates for comprehensive federal energy and climate legislation that puts a price on carbon via a flexible, market-based mechanism and which mandates carbon reductions be measurable, verifiable and reported accurately.

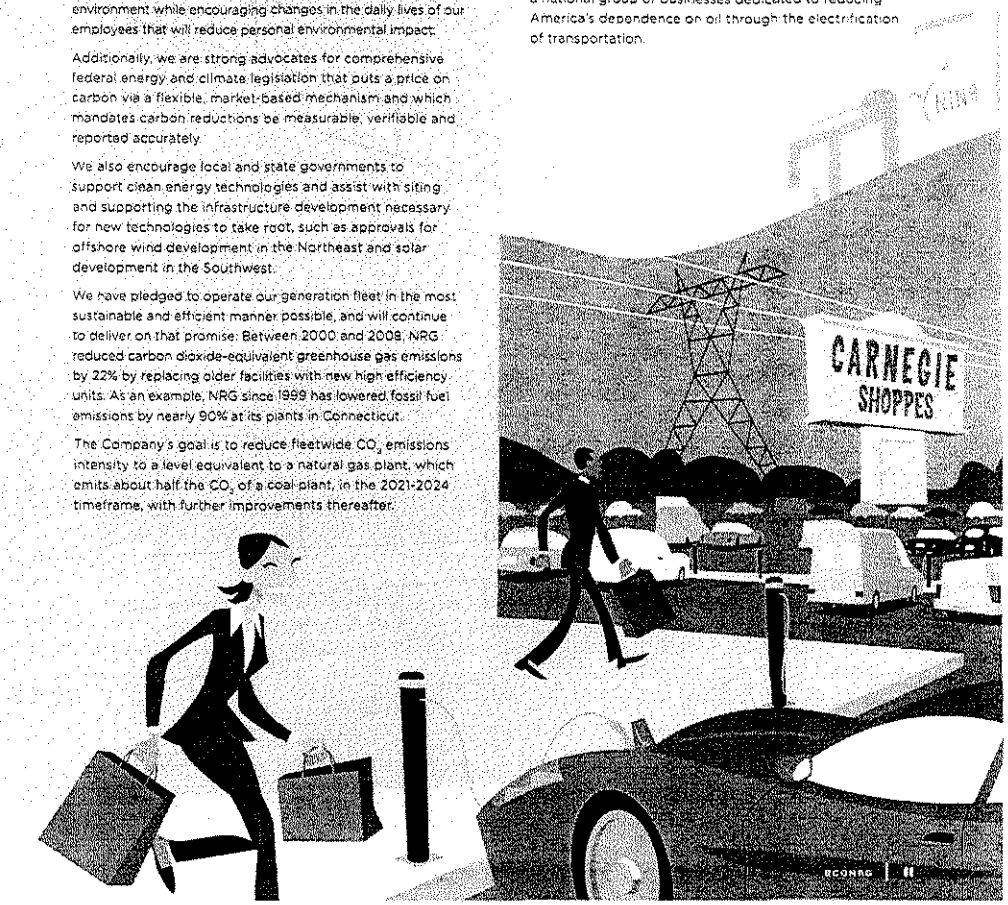
We also encourage local and state governments to support clean energy technologies and assist with siting and supporting the infrastructure development necessary for new technologies to take root, such as approvals for offshore wind development in the Northeast and solar development in the Southwest.

We have pledged to operate our generation fleet in the most sustainable and efficient manner possible, and will continue to deliver on that promise. Between 2000 and 2008, NRG reduced carbon dioxide-equivalent greenhouse gas emissions by 22% by replacing older facilities with new high efficiency units. As an example, NRG since 1999 has lowered fossil fuel emissions by nearly 90% at its plants in Connecticut.

The Company's goal is to reduce fleetwide CO_2 emissions intensity to a level equivalent to a natural gas plant, which emits about half the CO_2 of a coal plant, in the 2021-2024 timeframe, with further improvements thereafter.

KEY PARTNERSHIPS:

- Membership in the U.S. Climate Action Partnership, a broad group of businesses and leading environmental organizations calling on the federal government to enact broad legislation requiring significant reductions in greenhouse gases. The Partnership's Blueprint for Legislative Action is a strong policy statement and lays a foundation to achieve effective climate legislation.
- Membership in the We Can Lead coalition, a partnership of 150 businesses across many economic sectors in 30 states calling for comprehensive climate and energy legislation.
- Founding partnership in the Electrification Coalition, a national group of businesses dedicated to reducing America's dependence on oil through the electrification of transportation.



nrg

PLANTING THE SEEDS OF SUSTAINABILITY

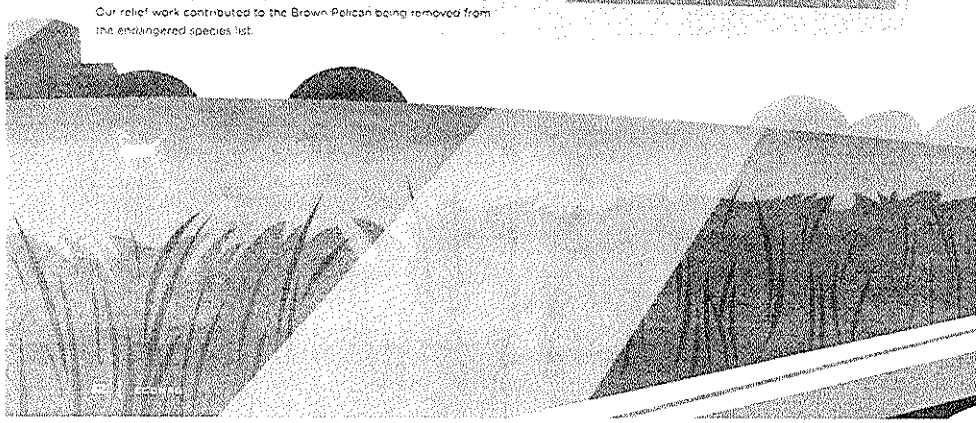
DEEP ROOTS IN CONNECTICUT

To celebrate 10 years of operations in Connecticut, NRG, together with the Girl Scouts of America and the Connecticut Urban Forestry Council, donated 5,000 trees for planting throughout the state. The new trees will help sequester carbon dioxide for cleaner air, shade community streets and sidewalks and provide valuable food, protection and safety for birds and small mammals. In addition to the Connecticut donation, NRG employees planted more than 1,200 trees in 13 locations across the country in 2009 as part of the Company's environmental initiatives to protect natural habitats and be a strong environmental steward to better the communities where we live and work. In all, NRG employees completed 111 environmental volunteer projects in 2009, including recycling programs, trash pickup and reductions in power usage across NRG facilities.

IT IS AN HONOR, MR. PRESIDENT

NRG received the White House Coastal America Partnership Award, the only environmental award of its kind given by the President of the United States, for the Company's restoration work at North Deer Island off Galveston, Texas. NRG was the sole private-sector company to receive this honor.

The North Deer Island shoreline restoration project was one of the many stewardship projects carried out at NRG plants that sought to stabilize nearly two miles of coastline that was once eroding rapidly, threatening one of the most important colonial waterbird rookeries on the upper Texas coast. NRG's partnership with federal, state and local governments resulted in the long-term protection of nesting and foraging sites for tens of thousands of birds encompassing 19 species, including the recovery of the Brown Pelican in Galveston Bay. Our relief work contributed to the Brown Pelican being removed from the endangered species list.

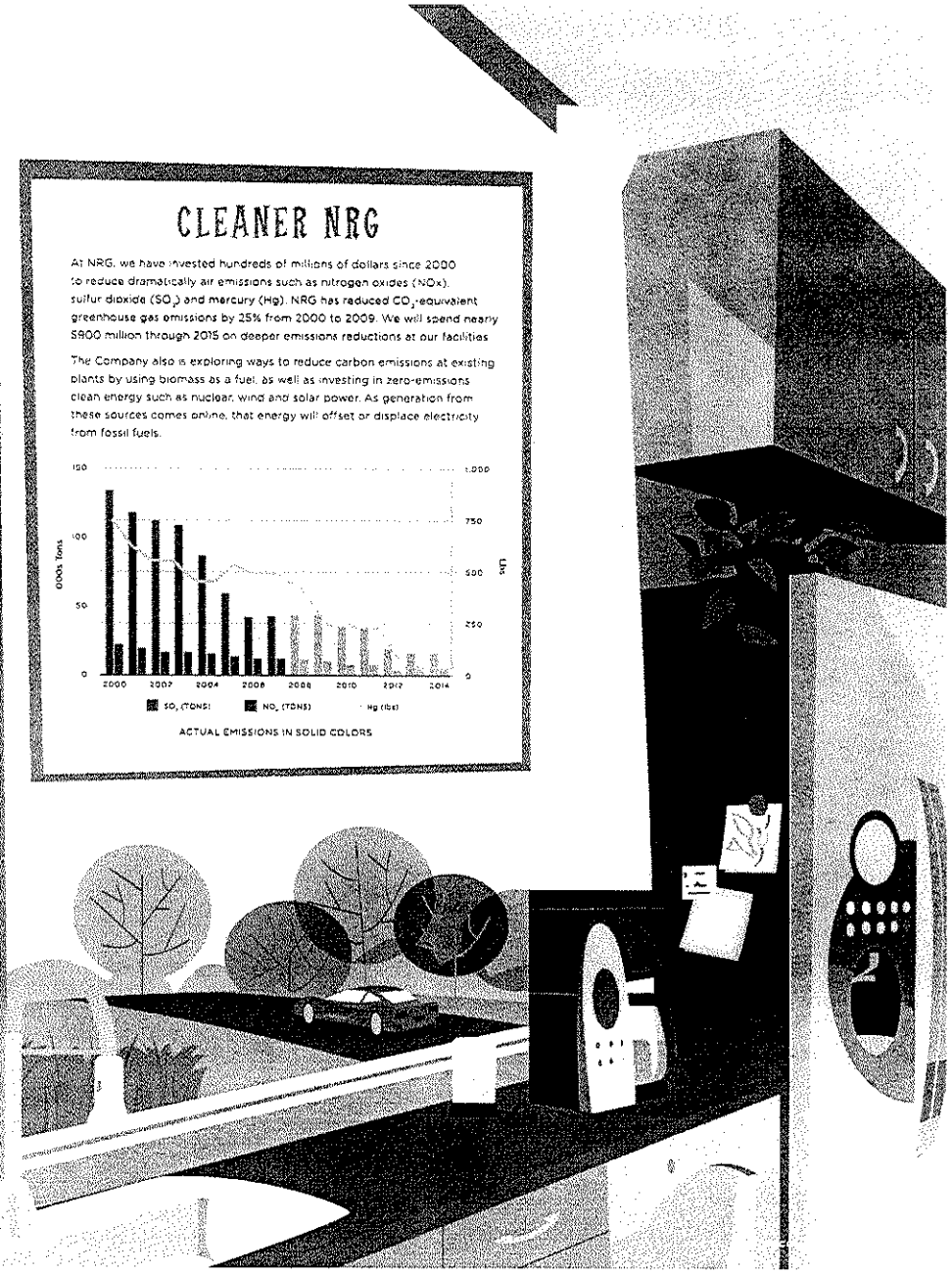


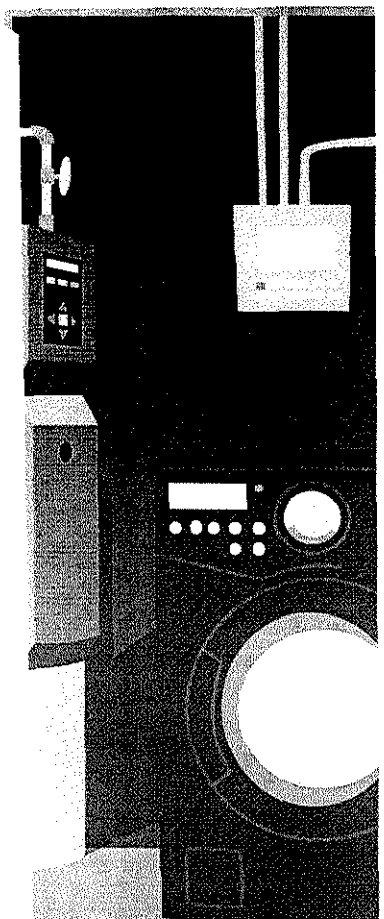
CLEANER NRG

At NRG, we have invested hundreds of millions of dollars since 2000 to reduce dramatically air emissions such as nitrogen oxides (NOx), sulfur dioxide (SO_2) and mercury (Hg). NRG has reduced CO_2-equivalent greenhouse gas emissions by 25% from 2000 to 2009. We will spend nearly $900 million through 2015 on deeper emissions reductions at our facilities.

The Company also is exploring ways to reduce carbon emissions at existing plants by using biomass as a fuel, as well as investing in zero-emissions clean energy such as nuclear, wind and solar power. As generation from these sources comes online, that energy will offset or displace electricity from fossil fuels.

ACTUAL EMISSIONS IN SOLID COLORS



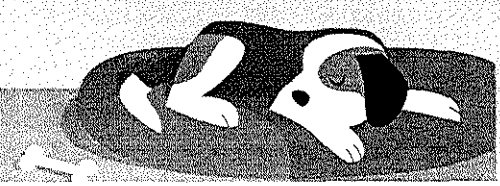


[illegible] AT BIG CAJUN

The Big Cajun II plant in Louisiana, 20 miles north of Baton Rouge, is surrounded by rolling fields in every direction, and NRG in September began a pilot project to grow switchgrass and high-biomass sorghum on 20 acres as renewable fuels for power generation. NRG aims to use these local grasses to replace a portion of the coal, thereby reducing the plant's carbon intensity.

"Biomass has the potential to be a relatively simple, quick and cost-effective system to help remove the carbon from traditional coal generation. At Big Cajun alone, it could keep one million tons of CO_2 out of the atmosphere," said Jeff Baudier, President, NRG South Central. "The work we are doing in Louisiana today could help reduce our carbon intensity for existing generation units across the NRG fleet and aligns well with our other low- and no-carbon initiatives."

The success of the Big Cajun II project, using improved seed varieties and growing techniques, could lead to commercial-scale projects using biomass fuels at other coal plants across the fleet. The U.S. Department of Energy has identified switchgrass as an ideal dedicated energy crop. Both switchgrass and sorghum hybrids, which require little water, can be harvested into bales, dried by the sun and shredded into fine particles before being fed into a power plant's combustion chamber. Combusting these grasses is nearly carbon neutral, since the carbon emitted from the plants as fuel was previously absorbed from the atmosphere during the growing cycle.



POSITIVE CHARGE IN OUR COMMUNITIES

[illegible] TRENTON

"My life before YouthBuild was a little...disturbing," says Dominique, voicing a familiar theme from the streets of Trenton, New Jersey. "I was in and out of different schools, suspended a lot."

Unfortunately, Dominique's story is not unique. Just down the road from NRG headquarters are neighborhoods where many youth are struggling for direction. Fortunately, there is Isles YouthBuild Institute.

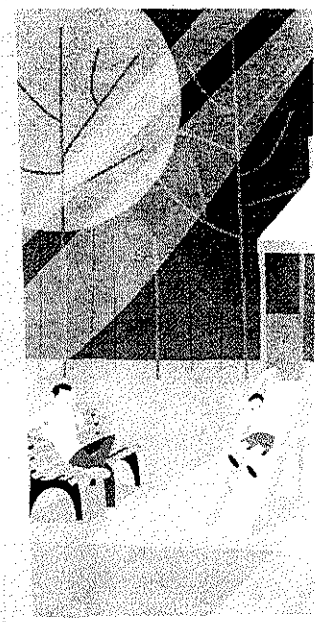
Located in the heart of Trenton, YouthBuild was founded 15 years ago as an alternative school for 16-to-24-year-olds who have struggled in conventional school settings and/or have been incarcerated. Through a supportive, "tough love" environment, students are trained in academic, vocational, leadership and life skills, learning everything from how to manage finances to how to turn a job into a career.

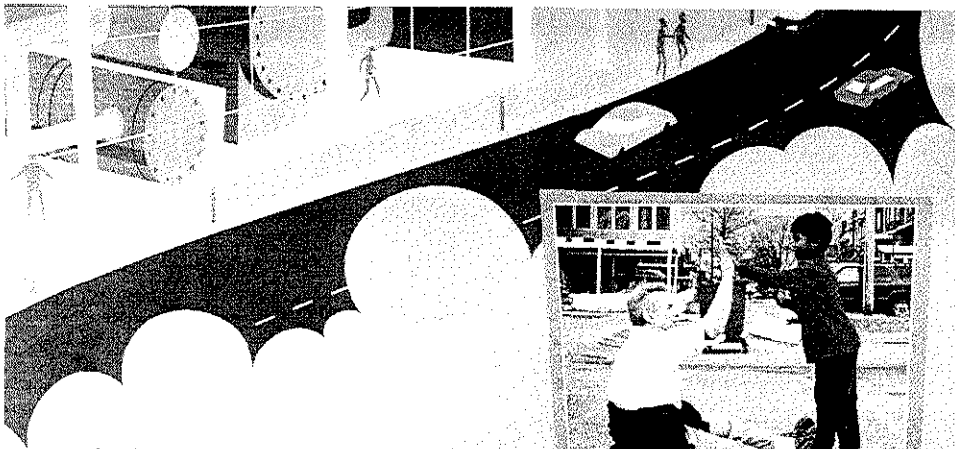
"The energy this investment generates is not going to be measured in BTUs," Martin Johnson, CEO and President of Isles, said. "It is going to bring to Trenton the light and power of young people and their community as they succeed."

YouthBuild has seen many alumni continue on to quality jobs or higher education. But for years, its classes have been held in a cold, dark, windowless warehouse, with chipped walls and broken cement floors. NRG decided to help and contributed $1 million dollars to renovate and expand YouthBuild's home at 33 Tucker Street.

Today, thanks to NRG's support and the construction labor of YouthBuild students, the building's usable space has nearly tripled—from 7,500 to 22,000 square feet. Classes are now held in bright, modern, well-equipped surroundings.

Dominique completed her two-year YouthBuild program and is preparing for college. "I really got my life in order through YouthBuild."



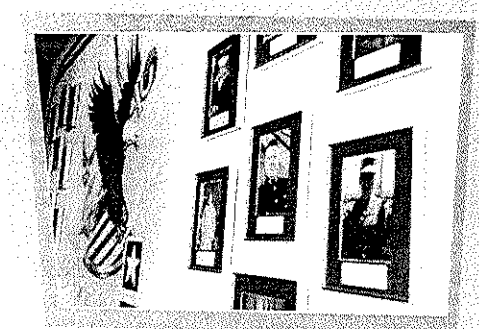


Every time Greg Gann walks past the wall of 20 framed photos at NRG's Limestone plant, where he is Safety Supervisor, he can't help but be grateful his son returned uninjured from two tours in Iraq. The wall is covered with the pictures of the Limestone plant employees' relatives who have served in Iraq or Afghanistan.

Many at NRG have been touched personally by the consequences of military service; in fact, one out of every 12 employees is a veteran. To honor those who serve and defend our country, the Company's headquarters picnic and charity auction raised money for the Wounded Warrior Project, which supports the needs of severely injured service men and women. The 351 headquarters employees raised $99,000 which NRG matched, bringing the total contribution to $198,000.

When George Johnston, a six-year Army Reserves veteran and Manager of Financial Systems Administration for NRG, first heard of the Wounded Warrior Project, he was relieved. "Something like this was really, *truly* needed to help men and women who are wounded get on with their lives. It fills a gap."

"We always say the greatest casualty is being forgotten," says Michael Johnson of Wounded Warrior. NRG is helping to ensure these injured soldiers' courage and sacrifice is recognized and remembered.



"As a youth, I felt like there were a lot of people out there who didn't really care if I made it or not," says Dakota, who grew up on Wilmington's poverty-challenged east side. But Dakota says once she found UrbanPromise, that began to change. "It allowed me to see there are people who want to help."

Dakota was hired as an UrbanPromise Street Leader in high school. She worked with young kids in after-school and summer camp programs—under the care and direction of UrbanPromise staff. She eventually advanced to a Team Leader, mentoring the children as well as other Street Leaders. Last summer, thanks to a $100,000 grant from NRG, she was able to return from college and join other UrbanPromise alumni as a Summer Camp Field Supervisor.

A goal of UrbanPromise is to impact one generation after another. Stories like Dakota's show that this is becoming reality. A grateful Rob Prestowitz, executive director, said, "I wish every person at NRG would be able to see the faces of these young people who share about their victories. That's powerful."

When "James" was kicked out of school and then his home at 17, he landed on a path familiar to far too many young people in Chautauqua County, New York, where NRG's Dunkirk plant is located.

"We are finding more kids staying under bridges, bouncing from friend to friend or seeking help when guardians leave them without warning," says Matthew Hamilton-Kraft, Youth Services Director for Chautauqua Opportunities, Inc. (COI). Too old for the foster care system—but ill-equipped for the real world—homeless young adults like James face a bleak future. A fortunate few, however, are finding help at COI—an organization that works to provide challenged youths with opportunities to develop.

Last October, COI unveiled a renovated residential home, funded by a $225,000 donation by NRG, that will help homeless youth gain the safety, support and skills they need to transition into independent living. James was one of the first residents, thanks to a local police officer who gave him the option of contacting COI rather than be arrested for a curfew violation.

James quickly engaged in all of COI's life skills and community service opportunities, faithfully attended GED classes and began to bond with the staff. He met all of his initial goals and recently said he wants to become a lawyer.

"Much of that is owed to the stability of knowing...where home would be, where food was and where people who cared about him were," says Hamilton-Kraft. "With those basic pressures relieved, James has been able to begin unlocking his potential."

Widespread destruction from Hurricane Ike left large portions of Texas reeling with many residents stranded in dangerous heat without a place to live, electricity, food or water. Relief agencies strived to help but frequently found their capabilities fell short.

When NRG learned that the Houston Food Bank's food trailers were in too bad of shape to use when they were needed most, the Company contributed $200,000 to buy five 48-foot refrigerated truck trailers and one beverage trailer for the agency. In addition, NRG employees frequently also support the Food Bank by volunteering to sort and pack food.

"NRG and Reliant have allowed us to significantly increase our output to the community and our capacity to serve people in need," said Brian Greene, Houston Food Bank President. The agency serves 18 local counties.

HELP FOR HAITI

[illegible] NRG [illegible] $245,000 [illegible] Company to [illegible] $430,000 to the American Red Cross, Mercy Corps, and UNICEF as part of the Clinton-Bush Haiti Fund—which supports [illegible] shattered schools throughout Haiti.

BOARD OF DIRECTORS (as of March 31, 2010)

Front (left to right): William Hantke, Anne Schaumburg, David Crane, Howard Cosgrove and Herbert Tate

Back (left to right): Thomas Weidemeyer, Lawrence Coben, Paul Hobby, Stephen Cropper, Kirbyjon Caldwell, John Chlebowski, Walter Young, Kathleen McGinty and Gerald Luterman

David Crane
President and Chief Executive Officer

Howard E. Cosgrove
Nonexecutive Chairman of the Board
Nuclear Oversight Committee (Chair)

Kirbyjon Caldwell
Governance and Nominating Committee
Compensation Committee
Nuclear Oversight Committee

John F. Chlebowski, Jr.
Compensation Committee
Nuclear Oversight Committee

Lawrence S. Coben
Governance and Nominating Committee (Chair)
Nuclear Oversight Committee

Stephen L. Cropper
Commercial Operations Oversight Committee
Governance and Nominating Committee
Nuclear Oversight Committee

William E. Hantke
Audit Committee (Chair)
Nuclear Oversight Committee

Paul W. Hobby
Commercial Operations Oversight Committee (Chair)
Nuclear Oversight Committee
Nuclear Oversight Subcommittee

Gerald Luterman
Finance Committee
Nuclear Oversight Committee

Kathleen A. McGinty
Commercial Operations Oversight Committee
Nuclear Oversight Committee
Nuclear Oversight Subcommittee

Anne C. Schaumburg
Audit Committee
Finance Committee (Chair)
Nuclear Oversight Committee

Herbert H. Tate
Nuclear Oversight Committee
Nuclear Oversight Subcommittee (Chair)

Thomas H. Weidemeyer
Compensation Committee (Chair)
Nuclear Oversight Committee

Walter R. Young
Audit Committee
Finance Committee
Nuclear Oversight Committee

* David Crane is also a Director and Nuclear Oversight Committee member.

** Howard Cosgrove serves as an "alternate" Committee member, as required.

EXECUTIVE OFFICERS

David Crane
President and Chief Executive Officer

Christian Schade
Executive Vice President and Chief Financial Officer

John Ragan
Executive Vice President and Chief Operating Officer

Denise Wilson
Executive Vice President and Chief Administrative Officer

Jonathan Baliff
Executive Vice President, Strategy

Mauricio Gutierrez
Executive Vice President, Commercial Operations

Kevin Howell
Executive Vice President and Regional President, Texas

Drew Murphy
Executive Vice President and Regional President, Northeast

Jeff Baudier
Senior Vice President and Regional President, South Central

Michael Brammick
Senior Vice President and General Counsel

Steve Hoffmann
Senior Vice President and Regional President, West

Jim Ingoldsby
Senior Vice President and Chief Accounting Officer

STOCKHOLDER INFORMATION

Stock Transfer Agent and Registrar
BNY Mellon Shareowner Services
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Jersey City, NJ 07310-1900

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c/o BNY Mellon Shareowner Services
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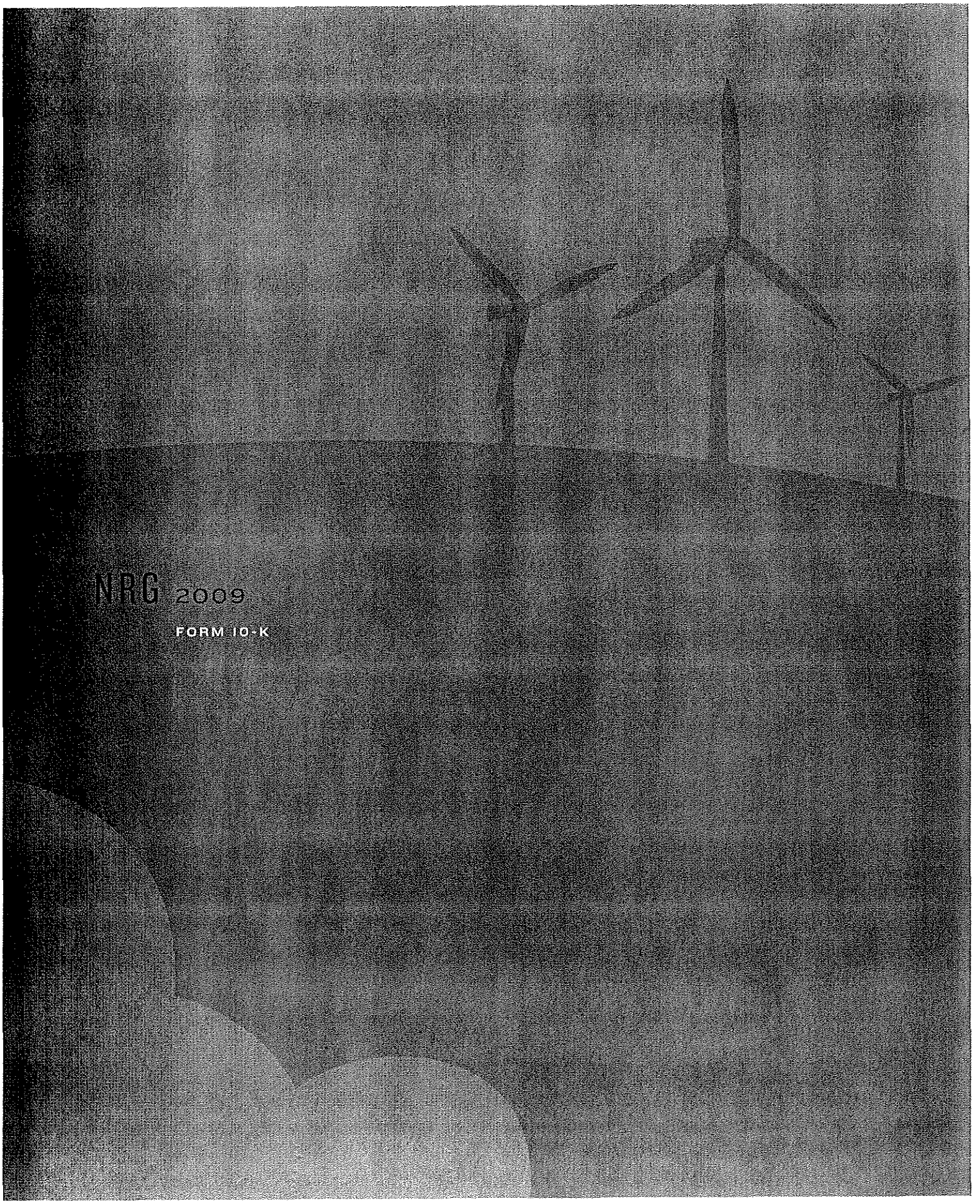
Pittsburgh, PA 15252-8015
1.800.851.9677
www.bnymellon.com/shareowner/isd

Stock Listing
NRG's common stock is listed on the New York Stock Exchange under the ticker symbol NRG.

Financial Information
NRG's Annual Report, Proxy Statement, Form 10-K and other SEC filings are available at www.nrgenergy.com under the Investors section.



NRG 2009

FORM 10-K