

Reliant
Energy

CEO LETTER



DRIVING PERFORMANCE

FINANCIAL HIGHLIGHTS

\$ MILLIONS EXCEPT PER SHARE DATA

YEAR ENDED DECEMBER 31

	2010	2009	2008
INCOME STATEMENT			
OPERATING REVENUES	\$ 8,849	8,952	6,885
NET INCOME			
FROM CONTINUING OPERATIONS	\$ 476	941	1,053
NET INCOME ATTRIBUTABLE TO NRG ENERGY, INC.	\$ 477	942	1,225
CASH FLOW			
CASH FLOW FROM OPERATIONS	\$ 1,623	2,106	1,479
CAPITAL EXPENDITURES	\$ 706	734	899
ADJUSTED FREE CASH FLOW			
BEFORE GROWTH INVESTMENTS	\$ 1,438	1,462	1,043
CASH AND CASH EQUIVALENTS	\$ 2,951	2,304	1,494
COMMON SHARE DATA			
NET EARNINGS PER SHARE — BASIC	\$ 1.86	3.70	4.98
NET EARNINGS PER SHARE — DILUTED	\$ 1.84	3.44	4.43
BOOK VALUE PER SHARE	\$ 32.65	29.72	26.75
WEIGHTED AVERAGE COMMON:			
SHARES OUTSTANDING — BASIC	252	246	235
SHARES OUTSTANDING — DILUTED	254	271	275
CAPITALIZATION			
NET DEBT*	\$ 7,560	6,114	6,667
COMMON EQUITY	\$ 8,072	7,548	6,270
PREFERRED EQUITY	\$ 248	396	1,100
TOTAL CAPITAL	\$ 15,880	14,058	14,037
RATIOS			
NET DEBT/TOTAL CAPITAL	43%	43%	48%
FREE CASH FLOW BEFORE GROWTH			
INVESTMENTS PER SHARE, DILUTED	\$ 5.66	5.39	3.79

*Net debt = Total debt, including funded letter of credit for 2010

PRESERVING VALUE IN 2010

- \$8.8 billion of operating revenue, just shy of record 2009 operating revenues
- \$2.5 billion of adjusted EBITDA, excluding mark-to-market movements
- \$1.4 billion of adjusted free cash flow before growth investments
- \$4.3 billion of liquidity, excluding collateral deposits, up 12.1% from 2009

FINANCIALS



DEAR FELLOW STOCKHOLDERS:

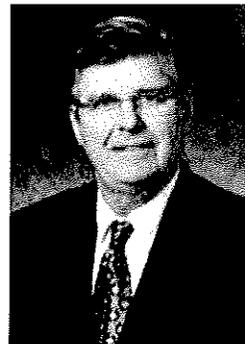
The past year of progress made by NRG in many ways mirrored the steps our nation's economy had to take in 2010. In the early going, the NRG Board of Directors' focus was on protecting shareholder value in a climate of immediate challenges and uncertainties, but by the end of the year your Board took a hard look at one of the Company's most pressing questions: Where do we go from here?

As near-record EBITDA in 2010 shows, NRG's hedging program continued to protect the Company from an extended downturn in commodity prices. The core fleet continued to perform at high levels of reliability and safety. Considering natural gas and power prices remained at depressed levels for the second straight full year, we believe our financial results demonstrate solid performance in the face of lingering market difficulties.

The Board was pleased that a settlement with CPS Energy helped maintain a relationship with them and preserve the South Texas Project 3&4 expansion. We were also encouraged by NRG's reduced financial exposure to the project, both through Tokyo Electric Power Company's decision to join the project as an equity partner and by reducing spending on the expansion by more than 90%. Management and your Board agree that the remaining uncertainties with STP 3&4 must be minimized before any major additional financial commitments to the project are made. The Company has identified potential exit points from the project that ensure capital will only be used on this ambitious project so long as the risk to shareholders is justified.

Advancing past the challenges early in the year, we increased our focus on our strategic vision for NRG. A diverse portfolio with more renewable and low-carbon generation is the right path to create shareholder value. The Company's investment of time and money into clean energy initiatives like nuclear, solar and offshore wind is prudent, given changes in society and the industry. Your Board's primary focus moving forward will be to ensure these initiatives include a clear plan to manage outstanding risks.

As our oversight of this plan to diversify progressed, much of our attention focused on strategic transactions to enhance NRG's vision to develop a greener business model. Your Board authorized the Company to acquire Green Mountain Energy Company, the Cottonwood Generating Station and several large solar projects in the West. The expansion of NRG's renewable energy offerings and Green Mountain's



CHAIRMAN'S LETTER

market position as a leading retail provider of zero-emission electricity combine to create a platform to launch the Company's next-generation green strategies.

We will continue to review and help refine this vision for the future that will lead to further diversification and boost financial performance. There are attractive opportunities in emerging clean technologies to pursue and new markets to expand our retail businesses. The Company will also continue to establish a foothold in developing services markets like for the electric vehicle so NRG can gain experience on which of those services we may want to provide in the future. Your Board will continue to take the prudent actions necessary to allow our Company to capture these developing opportunities.

After a year of operational hurdles and challenges, your Board is focused on stewarding NRG through a period of important industry changes that present the Company with significant opportunities to create shareholder value. In this changing landscape, we appreciate your continuing support as we align NRG's strategy to best reward your commitment.

Sincerely yours,

A handwritten signature in cursive script that reads "Howard Cosgrove". The signature is written in dark ink and is positioned above the printed name and title.

Howard Cosgrove
Chairman of the Board
January 31, 2011



SOWING THE SEEDS OF SUSTAINABILITY

ENVIRONMENTAL

CLEANING THE AIR

REPOWERING GENERATION IN CALIFORNIA, CONNECTICUT AND DELAWARE



NRG is committed to operating our generation assets as cleanly and efficiently as possible. In all, the Company expects to spend nearly \$721 million through 2015 on equipment to reduce air emissions. We are building new high-efficiency units and retrofitting older facilities, moving clean energy forward and benefitting our shareholders, our country and our planet.

In Delaware, we are installing additional emissions control equipment to make our Indian River coal plant among the cleanest in the country. Through a partnership with The United Illuminating Company in Connecticut, NRG completed upgrades to the Devon station, building efficient, rapid-start peaking generation and reducing air emissions and water usage. We are now doing the same at the Middletown facility, with completion expected in June. Both projects provide reliable, modern power and increase NRG's operational performance and flexibility in a market where it is difficult to import electricity, all while supporting hundreds of construction jobs. Continuing our commitment to cleaner energy in Connecticut, the Company is also proceeding with its plan to repower unit 5 at Montville with 40 megawatts of biomass generation.

At our El Segundo facility near the Los Angeles airport, NRG is replacing two older units with high-efficiency gas turbines that will be air-cooled, eliminating the need for ocean water cooling and thereby minimizing the impact to marine life. Additionally, these fast-start gas units provide a critical and predictable backstop to the intermittent generation provided by wind and solar resources being developed as a part of California's ambitious renewable portfolio standard. The new equipment upgrades at El Segundo, which will provide power to more than 400,000 additional homes, are a step toward meeting Southern California's growing energy demands in an efficient and environmentally superior manner, and reflect the Company's commitment to make a difference in the communities where NRG employees live and work. The work at El Segundo should be completed by the summer of 2013.

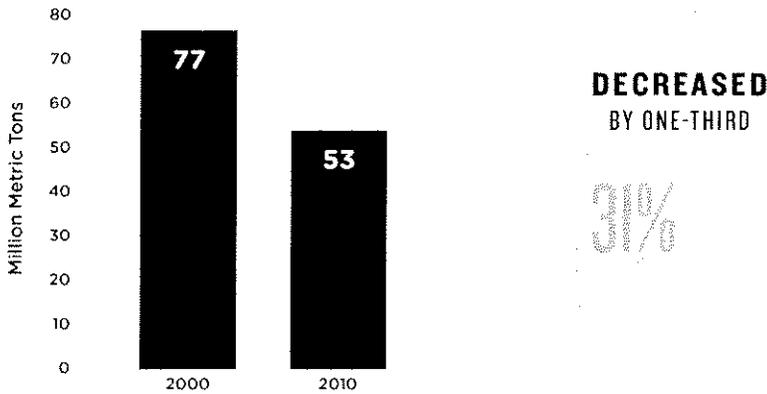
CREATING LOCAL JOBS

Our repowering projects across the country aren't just helping expand clean, efficient electricity, they are also repowering local economies. The following is a look at the impact these projects have already had on jobs, by the numbers:

- 450 construction jobs created to install environmental controls at our Indian River plant in Delaware
- 350 construction jobs created to repower our Devon station in Connecticut
- 300 construction jobs created to repower our Middletown plant in Connecticut



CO₂ EMISSIONS



Measurable Progress

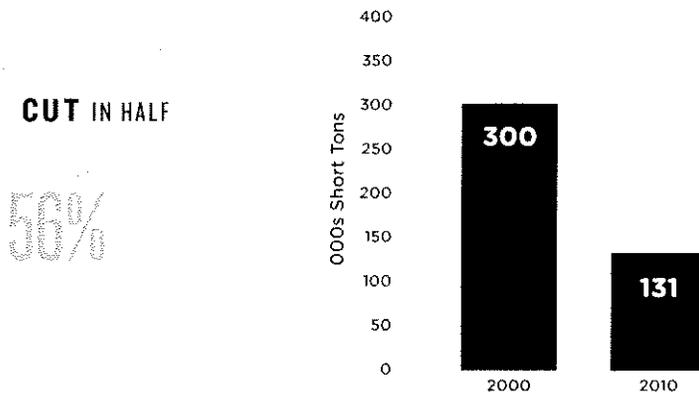
We have not just been talking about reducing our emissions at NRG; we have been executing on a plan. Spending \$653 million since 2004 to make our traditional generation cleaner, the Company has dramatically reduced nitrogen oxides (NO_x) and sulfur dioxide (SO₂) emissions and cut carbon dioxide (CO₂) emissions by about a third since 2000.

Switching to lower sulfur coal; constructing more efficient gas units; and shutting down older coal units at Huntley, Indian River and Somerset drove down our SO₂ and NO_x emissions. While more progress is being made, we expect the real work is still to come in NRG's effort to reduce CO₂ emissions. Currently NRG's fleet emits more than 0.8 tons of CO₂ per megawatt-hour. We have set a target of 0.5 tons of CO₂ per megawatt-hour by 2025, which is roughly equivalent to the rate of an efficient gas turbine.

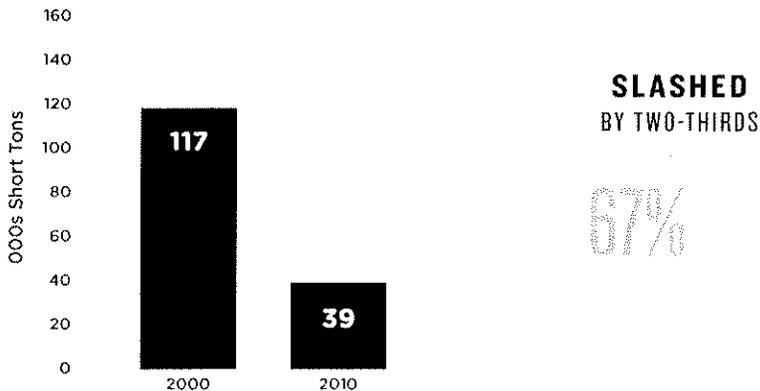
Our goal is not just to make our generation fleet cleaner, but also to make our operations cleaner at every level. Through projects at existing facilities to reduce electricity use and other waste, we saved 82 million gallons of water, avoided emitting 39,000 metric tons of CO₂ equivalent, and saved an estimated \$3.1 million in 2010. NRG also voluntarily offset the carbon footprint of the Company's 2010 travel, buying enough carbon credits to offset about 17,000 tons of carbon emissions.

Green Mountain Energy, which offers renewable energy products, also offsets all greenhouse gas emissions from its operations and publishes a biannual sustainability report.

SO₂ EMISSIONS



NO_x EMISSIONS





SOWING THE SEEDS OF SUSTAINABILITY | COMMUNITY



GETTING BACK ON THEIR FEET IN LOUISIANA

Commercial fishing is a tough way to make a living. They don't just invest half their income each year into the new fishing season, but toil through backbreaking work to get ready for the season only to depend on the whims of an unpredictable sea to provide for their families. Now imagine the fishing communities of the Gulf of Mexico in April—working fingers to the bone to get their boats rigged and repaired—having their lives thrown into chaos by a massive oil spill that shut down the entire Louisiana fishing industry. No fish, no income, no hope. Whole communities in NRG's South Central region were devastated.

Sonjah McKnight's face cringes when she remembers those fishermen and homeowners in the months when the spill could not be stopped, leaving them unable to pay their mortgages after finding themselves out of work and with few prospects. But McKnight, Louisiana Disaster Recovery Fund (LDRF) director of fund management, beams when she speaks about the call she got out of the blue from NRG with one simple message: How can we help?

Diem Nguyen of the Mary Queen of Vietnam Community Development Corporation knew the troubles of Louisiana's commercial anglers only too well. About one-third of the more than 40,000 fisherfolk affected were Vietnamese, and many speak almost no English. She says many in her little-known community were virtually helpless as the oil spill shut down their only source of income and they were unable to understand the claims process due to language limitations. But thanks to grants from LDRF, Mary Queen was able to provide translation services for the Vietnamese community in Louisiana and provided a host of other health and essential services during the disaster.

Doing their part to help restore livelihoods along the Gulf Coast following the worst oil spill in U.S. history, NRG employees and partner organizations raised \$150,000 to support LDRF at NRG's annual charity auction. The funds will go to support local fishermen and communities affected by the spill. In addition, the Company also committed to help any of its own South Central employees who were directly impacted by the spill.

"Just having you here gives us a sense that there are people out there that care, that really want to help the communities that are really affected by this," Nguyen said.



GIVING BACK TO THOSE WHO HAVE GIVEN SO MUCH

Like so many servicemen, retired U.S. Marine Master Sergeant Davey Lind is a genuine hero. He is a hero not only for serving his country with distinction in Iraq, but also for donating his time upon his return to the Injured Marine Semper Fi Fund. Sergeant Lind visited NRG's 2010 Leadership Meeting to explain how the Semper Fi Fund is so critical to disabled Marines seeking to return their lives to some form of normalcy after leaving the battlefield. Lind's service promoting the Fund is all the more remarkable given that he himself lost both of his legs in Iraq. The loss was a shock to Lind, and even more to his family, but he said they were able to move forward through the physical and emotional scars because of the work of the Semper Fi Fund.

"I call them Angels on Earth because they're truly doing God's work, I believe, and they're helping out the injured at a time that's traumatic," Lind said. "But the important thing about that relationship is that they maintain the relationship. I'm not a number."

While the military and federal government provide health care and rehabilitation to America's wounded warriors, there are many additional, hidden burdens—emotional, physical and financial—our servicemen and servicewomen face as they try to reintegrate into society. Since 2004, the California-based Injured Marine Semper Fi Fund has been helping America's returning veterans meet critical needs following life-altering injuries.

Following Master Sergeant Lind's remarks and video presentation, NRG employees responded by raising \$43,500, including a Company match, for the Semper Fi Fund.

HELPING HAITIANS HELP THEMSELVES

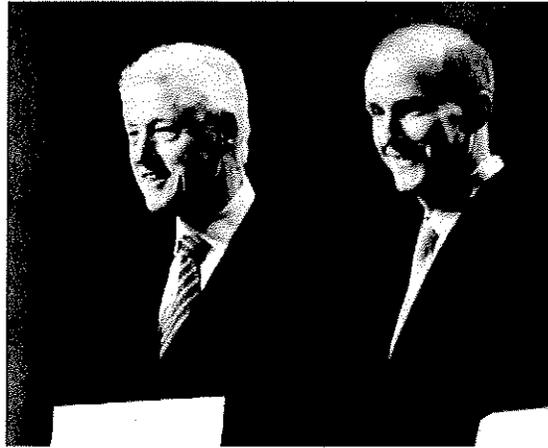
"I appreciate NRG for working at the grassroots level to give Haitians jobs and build infrastructure that will contribute to long-term economic growth."

President George Bush

"NRG will show that solar energy can provide affordable and reliable electricity....I am very grateful to NRG. You've been great on this from start to finish. This is just the beginning."

President Bill Clinton

CLINTON BUSH HAITI FUND



As news images poured in showing mothers protecting their children with nothing more than a tattered tent over their heads, of an entire capital city brought to the ground and a people desperate for help, few could resist their hearts going out to Haiti following the devastating earthquake in January 2010. But the compelling images on the TV screen only hinted at a much bigger problem for the Haitian people in the long term: How could they rebuild the schools, services and infrastructure necessary for a vibrant, prosperous society and economy?

NRG, along with numerous other world partners, have come together with a commitment to help Haiti recover and rebuild, even as the tragedy fades from the headlines. The Company joined with the Solar Electric Light Fund in a \$1 million effort to provide clean, safe and inexpensive solar power for fish farming, irrigation pumps, street lights and schools.

The announcement of this innovative project was made at the Clinton Global Initiative (CGI), a meeting of international leaders aimed at finding solutions to the world's most complex development challenges. In the first days of 2011, the Clinton Bush Haiti Fund recognized the potential of our efforts in Haiti through a grant to provide

an additional \$500,000 to expand our efforts to help the Haitian people take advantage of this abundant renewable resource.

The work will be carried out with local workers in the Central Plateau commune of Boucan-Carré, providing a clean, reliable source of power that can be tailored to the specifications of different projects essential to the creation of a sustainable and stable economy in Haiti. The fish farm, for example, provides a steady source of protein while creating jobs and supporting a business model that can be replicated across the country. Education and health care services will improve with a reliable source of electricity for lighting, refrigeration and longer operating hours. Street lighting will support safer streets and communities. Drip irrigation will be powered at "solar market gardens," allowing for year-round harvesting and stronger crop yields for families across Boucan-Carré.

The Company's work through CGI marks the next step in NRG's commitment to assist Haiti's rebuilding work. NRG and its employees previously committed nearly \$430,000 to support recovery efforts in the aftermath of the tragic destruction felt across Haiti.

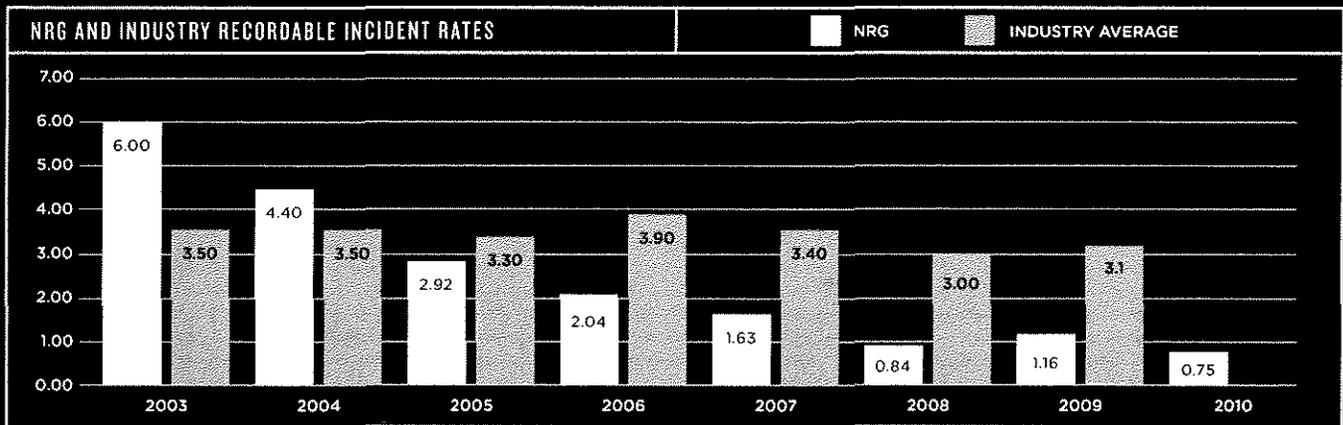


SAFETY OVER PRODUCTION: KNOWING WHAT'S IMPORTANT

Production never takes precedence over safety; it's as simple as that. One need not look far to see tragedies in the energy industry that could have been prevented with more attention to safety. To make sure we protect the people who are the heart of our Company, NRG developed its Safety over Production training program to help drive down recordable injuries at NRG facilities. These injuries fell by nearly 26% from 2009 despite a 17% increase in hours worked. Our year-end recordable incident rate for

2010 placed the Company in the top decile of the Edison Electric Institute's survey of industry safety results.

"Participants get the message loud and clear: Safety comes first, and management is 100% behind you," John Belk, head of Safety and Technical Training, said. If it is later determined a plant was shut down unnecessarily, senior leaders will back the operator's decision without question. "That's very empowering," Belk said.



ENCINA SETS NEW SAFETY STANDARD AT NRG'S CALIFORNIA PLANTS

NRG's Encina Generation Station qualified for Star status under California's Occupational Safety and Health Administration (Cal/OSHA) Voluntary Protection Program—the highest level of recognition for exemplary workplace health and safety efforts given by both Cal/VPP and the U.S. Department of Labor's OSHA. Encina's two units provide the San Diego region with 965 megawatts of power—enough electricity to supply 775,000 homes. The Star program recognizes top work sites in drafting and implementing successful, comprehensive safety and health protocols at the work site and showing a record of superior performance. Recognition was bestowed upon Encina following a four-year process and improvements monitored by Cal/OSHA auditors. Star participants are reviewed every few years, and incident rates are reviewed annually.

Encina is the Company's first facility in California and the ninth NRG facility overall to achieve this top industry honor. The plant joins several of NRG's Texas facilities including



Limestone in 2000; Cedar Bayou in 2003; WA Parish, Greens Bayou and Texas Maintenance Services in 2004; SR Bertron and San Jacinto in 2005; and TH Wharton in 2008 in qualifying for the honor, an acknowledgment of the Company's abiding commitment to put safety over production and maintain a top level of safety and health for employees.



BOARD OF DIRECTORS (as of JANUARY 31, 2011)

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 H. Caldwell
Compensation Committee
Governance and Nominating
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
Audit Committee
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

EXECUTIVE OFFICERS

David Crane
President and
Chief Executive Officer

Christian Schade
Executive Vice President and
Chief Financial Officer

Mauricio Gutierrez
Executive Vice President and
Chief Operating Officer

Denise Wilson
Executive Vice President and
Chief Administrative Officer

Michael Bramnick
Executive Vice President and
General Counsel

Jim Ingoldsby
Senior Vice President and
Chief Accounting Officer

John Ragan
Executive Vice President and
Regional President, Texas

Drew Murphy
Executive Vice President and
Regional President, Northeast

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

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





FORM 10-K

STOCKS

Stock Information
and Research
BNY Mellon
480 Wall Street
Jersey City, NJ

Stock Information
NRC Energy
c/o BNY Mellon
PO Box 1000
Pittsburgh, PA
15200-1000
www.nrc.com

Stock Information
NRC Energy
under the name

Financial Information
NRC Energy
Form 10-K
www.nrc.com