



Policy and the Clean Energy Economy

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Safe Harbor Statement

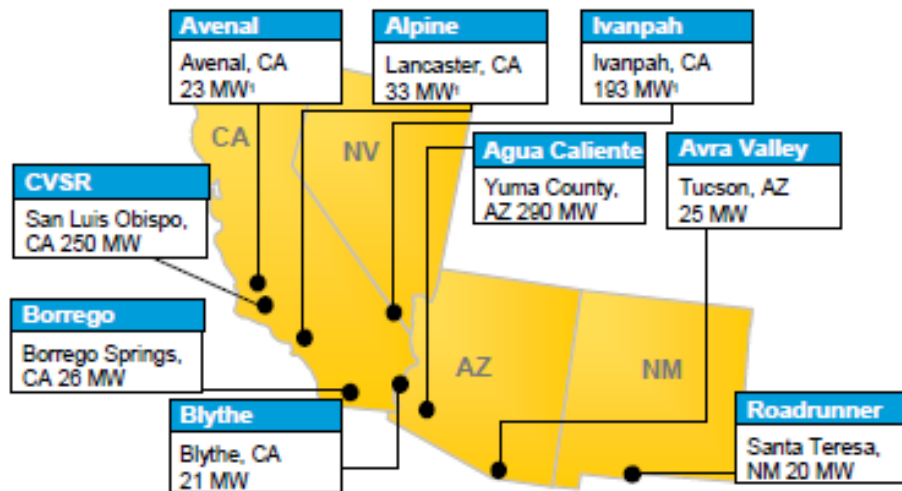


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NRG's Utility-Scale Solar Portfolio



2011 Highlights

- ❖ Finalized ownership of three large DOE-backed solar projects
- ❖ \$3.2 BN of non-recourse project financing secured (\$3.0 BN under DOE guarantee)¹
- ❖ All ~880 (net) MW fully permitted with approved 20 – 25 year PPA; ~730 MW now under construction; 64 MW operational¹
- ❖ All PV with exception of Ivanpah; proven and diversified technology suppliers

Plant	Status	Financing Status	COD	PPA
Avenal	Operating	Closed, 9/2011 (\$105 MM) ¹	Q3 2011	PG&E, 20 years
RoadRunner	Operating	Closed, 5/2011 (\$73 MM)	Q3 2011	El Paso, 20 years
Blythe	Operating	Closed, 5/2010 (\$36 MM)	Q4 2009	SCE, 20 years
Agua Caliente	Construction	Closed, 8/2011 (\$967 MM)	2012-2014	PG&E, 25 years
CVSR	Construction	Closed, 9/2011 (\$1.2 BN)	2012-2013	PG&E/SCE, 25 years
Ivanpah	Construction	Closed, 4/2011 (\$0.8 BN) ¹	Q1-Q3 2013	PG&E, 20-25 years
Alpine	Development	In process, Q1 2012	Q3 2012	PG&E, 20 years
Avra Valley	Development	In process, Q1 2012	Q3 2012	TEP, 20 years
Borrego	Development	In process, Q1 2012	Q3 2012	SDG&E, 25 years



Completed crucial project financing and operations milestones in third quarter to achieve major advances in utility-scale solar pipeline

¹Financing and MW capacity net of third-party project ownership

"Big Solar" !!



Project in photovoltaic configuration



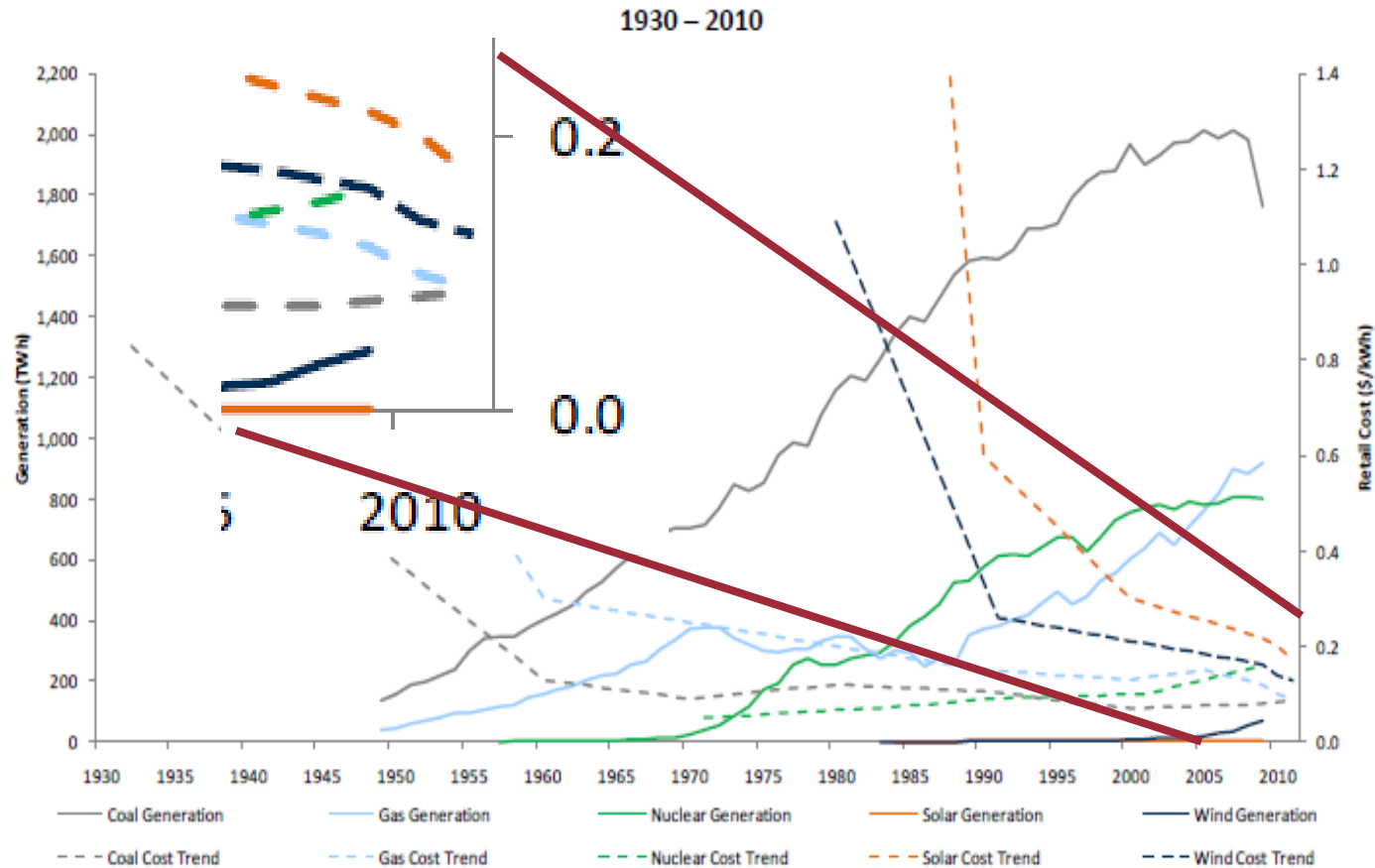
Visual Rendering of Agua Caliente Solar Project
LOOKING NORTHWEST AT PHOTOVOLTAIC FARM

Photovoltaic

Concentrating Solar Thermal



Clean energy sources rapidly approaching competitive levels ("grid parity")



Sources: EIA, MIT, American Energy Independence; NREL; Cooper; Hudson estimates.

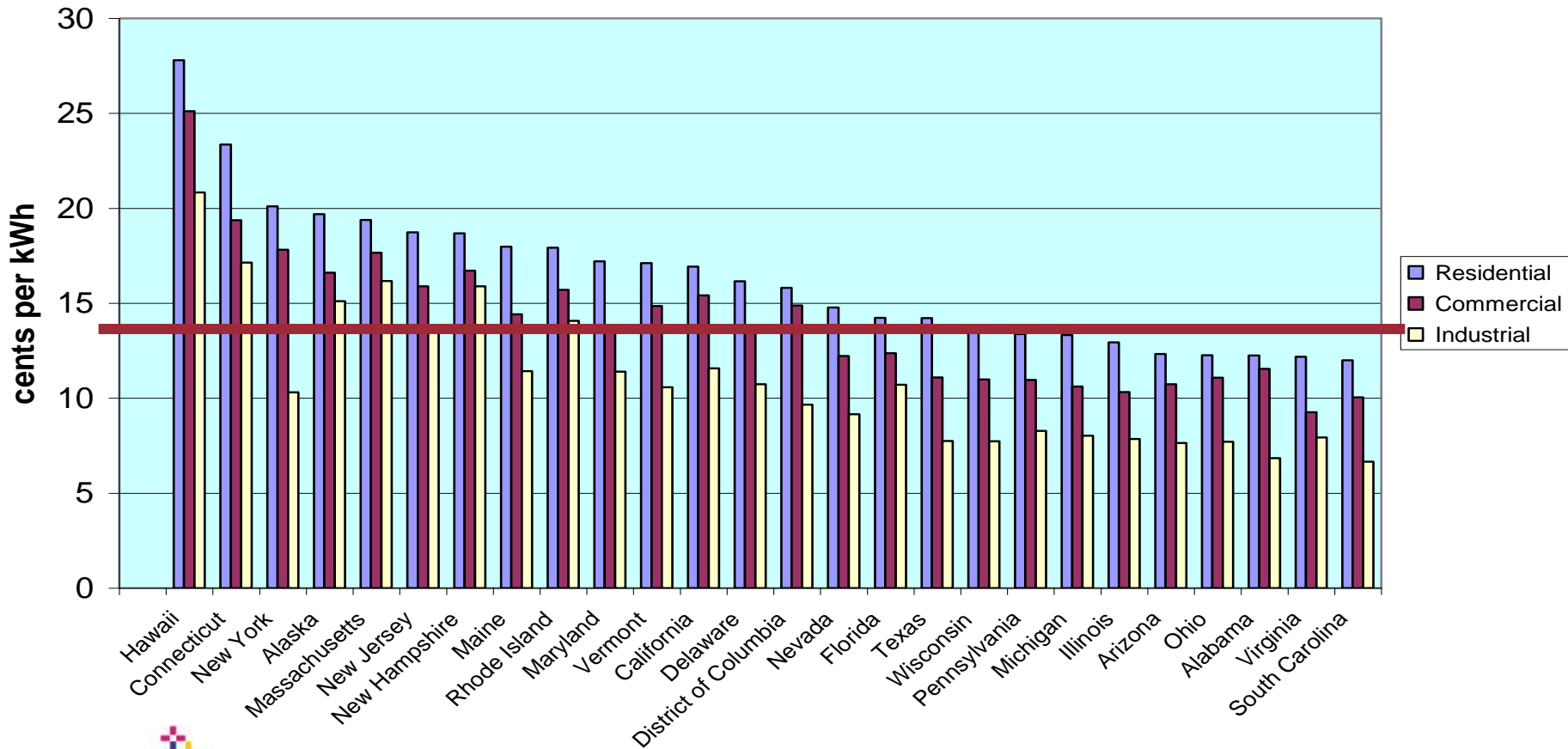
Cost reductions make distributed resources increasingly attractive



Projected solar costs and retail rates



Illustrative 2016 Average Retail Rate Projection
EIA 2009 actual rate data
with real 2% annual increase assumed until 2016



Key Arenas Where Development and Policy Intersect



Technology Cost

Costs above market but declining rapidly

- Need effective, transitional ways to bridge gap
- Supply side (tax credits and depreciation)
- Demand side (RPS / CES)
- Solutions to make tax benefits easier to utilize for entities with low tax liability
- A thoughtful mix of the above minimizes impacts and speeds transition to competitive cost structures

Technology Risk

Performance and certainty increasing

- Private debt finance is increasingly useable for DG and smaller utility scale solar projects
- Limited tax equity available but challenges remain, especially for larger projects
- Loan guarantees likely still useful for large scale projects, if they become available again

System Integration

Siting/transmission (utility scale); Rate/distribution impacts (DG)

- Efficient and environmentally effective ways to site large numbers of projects on suitable private and public lands
- Rate design and interconnection protocols that remove / reduce utility disincentives to sponsor DG

Thoughts on RGGI



- Primary clean tech drivers in CA have been state RPS, federal investment tax credit and related 1603 treasury grant program, and federal loan guarantees -- not AB 32 cap & trade
- Aggressive price-driven reductions in a regional cap and trade approach may well be unsustainable
- Emerging low cost EV and renewable options suggest an alternative approach – RPS, state procurement and infrastructure development play the lead role, potentially supported by moderate emission prices