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# Potomac River Generating Station Underground Storage Tank Update

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Presentation to the Potomac River Generating Station  
Monitoring Group

April 23, 2014

# Safe Harbor

## **Forward Looking Statements**

In addition to historical information, the information presented in this communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as “may,” “will,” “should,” “could,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “expect,” “intend,” “seek,” “plan,” “think,” “anticipate,” “estimate,” “predict,” “target,” “potential” or “continue” or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about subsurface environmental conditions at the site of the former Potomac River Generating Station, the Company’s future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, the condition of capital markets generally, our ability to access capital markets, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify or successfully implement acquisitions and repowerings, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to obtain federal loan guarantees, the inability to maintain or create successful partnering relationships, our ability to operate our businesses efficiently including NRG Yield, our ability to obtain and retain retail customers, our ability to realize value through our commercial operations strategy and the creation of NRG Yield, the ability to successfully integrate acquired businesses of NRG and GenOn, the ability to realize anticipated benefits of our acquisitions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, and share repurchase under the Capital Allocation Plan may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws. Furthermore, any common stock dividend is subject to available capital and market conditions.

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# Summary

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As part of deactivating the Potomac River plant, two underground diesel fuel tanks were emptied, cleaned and filled with concrete in accordance with Virginia environmental regulations. The tanks appear to have leaked, so an environmental assessment was performed. Some petroleum constituents were found to have moved below ground in the direction of the Potomac River.

NRG Potomac River LLC (“NRG”) will propose a corrective action plan to the Virginia DEQ on or before September 5, 2014 as requested by Virginia DEQ’s March 4, 2014 letter.

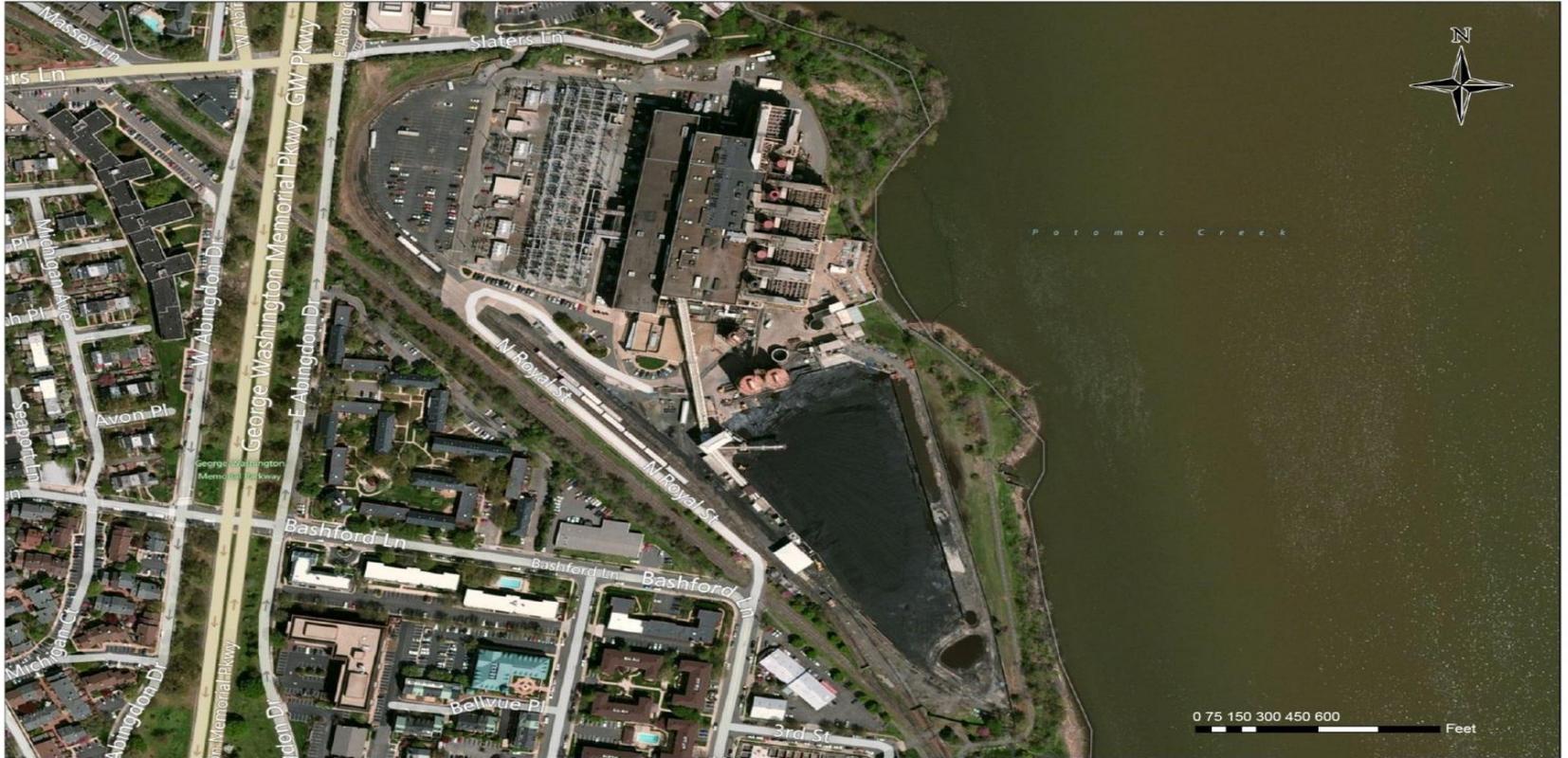
NRG has made it a priority to address and fully resolve the situation at the plant, and we’ll work with VDEQ and other stakeholders to find the right solution.

# Background

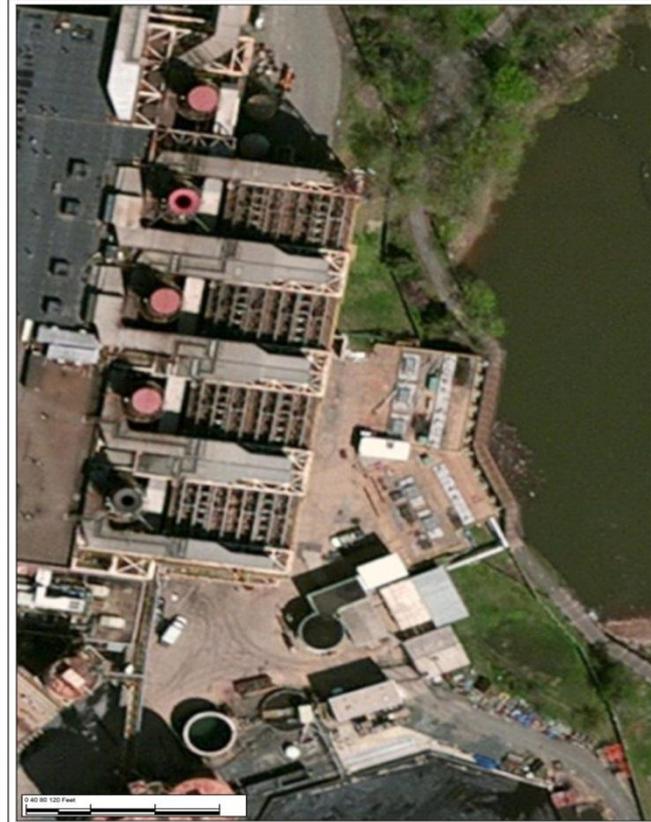
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- When the plant operated, the station had two 25,000 gallon underground storage tanks (USTs) for diesel fuel.
- The fuel was used to start the plant's boilers.
- In 2012 when the plant closed, the tanks were emptied, cleaned and permanently closed in place by filling them with concrete eliminating all sources of oil from the site.
- After the tanks were closed, we conducted soil tests outside of the tanks as required by VDEQ regulations. These tests indicated that some oil had been released from the tanks.
- As a result, a more comprehensive environmental assessment was performed.

# Potomac River Generation Station



# Study Area



# Environmental Assessment

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- In December 2013 environmental consultants for NRG conducted an environmental assessment of the entire area surrounding the storage tanks.
- The area between the plant building and the river was screened using laser-induced fluorescence (LIF) technology. LIF indicates the presence of petroleum hydrocarbons.
- LIF tests were performed at 46 locations.
- The results of the LIF study were then used to determine the best location for soil samples and monitoring wells.

# Environmental Assessment

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- Based on the results of the LIF survey, 9 soil borings and 13 groundwater monitoring wells were installed and tested.
- Soil and groundwater samples were tested for the presence of petroleum constituents.
- Soil and groundwater sample results indicated that some petroleum constituents have moved in the direction of the Potomac. To date, the only “free product” (liquid oil) observed has been in wells nearest to the tanks themselves. Petroleum constituents observed were 20-30’ below ground surface.
- There is currently no evidence that petroleum constituents pose a risk to human health or a risk to sources of drinking water.

# Test Results

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- 4 of the 9 soil test borings had no detectable petroleum. The remainder contained petroleum constituents consistent with diesel fuel.
- Samples from eleven groundwater wells exhibited concentrations of petroleum constituents.
- Since January, free product has been observed in two wells, relatively near the tanks themselves. Product is being monitored and removed weekly.
- Dissolved petroleum constituents appear to be moving with groundwater east towards the river.
- A sample of a small water seep through a sheet pile bulkhead wall into the river exhibited petroleum constituents.

# Next Steps

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NRG has engaged expert independent environmental consultants to identify the best way to address the release.

Working with these consultants, NRG will develop a Corrective Action Plan to submit to VDEQ no later than September 5, 2014 in compliance with VDEQ's March 4 letter.

NRG will implement the Corrective Action Plan as soon as the VDEQ approves it.

Even before we submit the CAP, we will assess and implement interim measures to collect petroleum constituents.

In the meantime, we will continue monitoring and reporting activities at the site. We will also check for and remove any free petroleum product that is found on a weekly basis.

Thank you