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November 13, 2008

Mr. Terry Boston and PJM Board of Managers
PJM Interconnection, LLC
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Re: Mid-Atlantic Power Pathway HVDC Revision

Dear President Boston and PJM Board:

NRG Energy Inc. ("NRG") requests that the PJM Board order a new analysis of the reconfigured Mid-Atlantic Power Pathway, or "MAPP" transmission line included in the October 15, 2008 Reliability Transmission Expansion Plan ("RTEP"). The proposed RTEP alters the MAPP line from an AC line between Calvert Cliffs to the Delmarva Peninsula, to a High Voltage Direct Current ("HVDC") tie between Calvert Cliffs and Vienna, and a parallel HVDC tie from Calvert Cliffs to Indian River. Furthermore, the reconfigured line omits the Indian River to Salem portion of the line approved in the 2007 RTEP.

First, the pending recommendation by PJM that the Board approve construction of an HVDC version of the MAPP line is premised on modeling assumptions that assume the retirement of 600 MW of generation at Indian River Units 3 and 4 in 2011.¹ In fact, NRG has made considerable progress towards the installation of additional emissions controls at Indian River to allow the facility to stay online:

- NRG has committed to develop detailed engineering plans for the installation of back-end controls at Indian River Units 3 & 4 under a multi-million dollar contract awarded on October 26, 2007 to Powerspan Corp. Shaw Engineering and Sargent & Lundy are the significant subcontractors for this work.
- The engineering work is currently ongoing and NRG expects detailed cost estimates and engineering schematics in the first quarter of 2009.

¹ NRG is not clear how the retirement of Units 3 and 4 became the base case assumption for PJM.

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- The costs of installing the back-end controls at Indian River are included in NRG's projected capital expenditures budget and in its financial reports filed with the Securities and Exchange Commission.

In short, NRG currently intends that Indian River Units 3 and 4 will be available to support reliability on the Delmarva Peninsula, and commits to informing PJM in a timely manner if these plans change. NRG notes that it expects to have additional information on the viability of installing back-end controls prior to May 4, 2009, the due date for Reliability Pricing Model bids for the 2012/2013 Planning Year.

Second, the proposal to switch to dual HVDC ties and eliminate the portion of the AC line between Indian River and Salem substantially changes the costs, benefits and overall regional effects of the MAPP project on the Delmarva Peninsula. In light of these changes, it is critical that a thorough reevaluation of the project be conducted in order for the Board and stakeholders to understand the implications of a project of this magnitude prior to moving forward with it.

Third, we are concerned that PJM's evaluation of the MAPP line continues to undervalue the role generation plays in maintaining reliability and local bulk power system stability.

As you know, there is no good substitute for generation resources in providing VAR support and maintenance of other local electrical stability factors. Additionally, a mix of local generation assets provides PJM dispatch options that are simply not available with transmission solutions, including spinning reserve, regulating capacity, voltage schedules, reactive power and black-start capabilities.

Thus NRG urges the Board to require an analysis to determine whether the proposed changes to the configuration of the MAPP line are necessary to support reliability in light of the additional information presented in this letter.

Sincerely,

NRG Energy, Inc.



John Ragan
Executive Vice President & President, North East Region