



NEWS RELEASE

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TXU Corp. Outlines Climate Change Principles, Recognizes USCAP Efforts DALLAS, TX -

TXU Corp. (**NYSE:TXU**) today outlined its principles on climate change and recognized the related efforts of the United States Climate Action Partnership (USCAP).

Mike McCall, chairman and chief executive officer, TXU Wholesale, said, "Global climate change is an important and long-term issue. With growing concern about the potential effects of greenhouse gases on global climate, it's essential that we all focus our efforts to develop and deploy technologies that will reduce greenhouse gas emissions."

"We'd also like to acknowledge the work of some of our closest partners, who are members of USCAP. These companies have worked on advanced technology solutions in Texas to help address complex environmental and energy issues," continued McCall. "We're proud of their work on our comprehensive plan. Neither the environment nor the public wins if we fail to replace the nation's aging power plants with new, more efficient and cleaner power generation technologies."

McCall concluded, "We need to fully review the USCAP report, but it appears that our plan to develop carbon capture and storage-ready units and other advanced coal technology to meet Texas' substantial electric power needs is consistent with USCAP's position. TXU will continue to actively participate with key stakeholders and policymakers to develop long-term, comprehensive solutions to this global challenge."

Electric power markets across the U.S. face significant challenges, including the need to ensure the reliability of power supplies, replace aging and inefficient infrastructure, increase the country's energy security, and achieve improved environmental performance. TXU's program is one of many across the country addressing this challenge by investing in advanced, cleaner new units to meet these multi-faceted needs.

TXU Principles on Climate Change

TXU's approach to addressing climate change is based upon a set of principles, which it outlined today. The company's principles with respect to global climate change include:

- Climate change is a global issue requiring a comprehensive solution addressing all greenhouse gases, sources and economic sectors in all countries;
- Development of U.S. energy and environmental policy should seek to ensure U.S. energy security and independence;
- Solutions should encourage investment in a diverse supply of new generation to meet U.S. needs to maintain adequate reserve margins and support economic growth, as well as address customers' needs for affordable and reliable energy;
- Policies should encourage significant investments in research and development and deployment of a broad spectrum of solutions, including energy efficiency and renewable energy, coal, gas and nuclear generation technologies; and
- Any mandate to reduce greenhouse gas emissions should be developed under a market-based framework that is consistent with expected technology development timelines and supports the displacement of old, inefficient power generation technology with advanced, more efficient technology.

TXU's Vision for Lowering Greenhouse Gas Emissions

TXU is already taking steps to address concerns about global climate change, including investing in the development of new technologies and displacement of older, less efficient power plants with new, carbon capture-ready units to lower CO2 emission rates. Unfortunately, no economical technology exists today to capture and sequester CO2. However, TXU is investing to make its reference plants carbon capture-ready because it believes future technologies will enable economical capture and sequestration of CO2.

TXU's vision includes:

- **Building advanced, carbon capture-ready plants.** TXU's new reference plants will use the nation's most advanced supercritical coal technology and meet standards defined by the International Energy Agency for carbon capture- and storage-ready.
- **Displacing old, inefficient capacity.** Using the latest advanced technology, new generation units can improve air quality and environmental efficiency by displacing

older, higher-emitting power plants, reducing pollution and carbon emission intensity.

- **Investing in technology.** TXU is investing up to \$2 billion to commercialize state-of-the-art clean technologies, including the formation of a \$200 million clean energy venture fund to advance next-generation technologies.
- **Striving for lower carbon.** As announced in early November, TXU's 15-year vision is to reduce the rate at which CO₂ is released when power is generated from coal by 50 percent, such that coal compares favorably with modern gas units.

Also, consistent with this vision, TXU announced in August that it plans to develop applications to file with the U.S. Nuclear Regulatory Commission for combined construction and operating licenses for two to six gigawatts of new nuclear power generation capacity at one to three sites. TXU expects to submit the COL applications in 2008. Nuclear power is the lowest emission source of baseload power generation available.

TXU Corp., a Dallas-based energy company, manages a portfolio of competitive and regulated energy businesses primarily in Texas. In the competitive TXU Energy Holdings segment (electricity generation, wholesale marketing and retailing), TXU Energy provides electricity and related services to more than 2.2 million competitive electricity customers in Texas, more customers than any other retail electric provider in the state. TXU Power has over 18,300 MW of generation in Texas, including 2,300 MW of nuclear and 5,800 MW of coal-fired generation capacity. TXU Wholesale optimizes the purchases and sales of energy for TXU Energy and TXU Power and provides related services to other market participants. TXU Wholesale and its affiliate, TXU Renew, are the largest purchasers of wind-generated electricity in Texas and fifth largest in the United States. In addition, TXU Power Development Company and its affiliates are involved in a power generation development program in Texas and are evaluating opportunities for additional development outside of Texas. TXU Corp.'s regulated segment, TXU Electric Delivery, is an electric distribution and transmission business that complements the competitive operations, using superior asset management skills to provide reliable electricity delivery to consumers. TXU Electric Delivery operates the largest distribution and transmission system in Texas, providing power to three million electric delivery points over more than 100,000 miles of distribution and 14,000 miles of transmission lines. Visit www.txucorp.com for more information about TXU Corp.

This release contains forward-looking statements, which are subject to various risks and uncertainties. Discussion of risks and uncertainties that could cause actual results to differ materially from management's current projections, forecasts, estimates and expectations is contained in the company's SEC filings. Specifically, the company makes reference to the section entitled "Risk Factors" in its annual and quarterly reports, particularly the risk factor relating to its power generation development program in Texas. In addition to the risks and uncertainties set forth in the company's SEC filings, the forward-looking statements in this release could be affected by actions of rating agencies, the ability of the company to attract and retain profitable customers, changes in demand for electricity, the impact of weather, changes in wholesale electricity prices or energy commodity prices, the company's ability to hedge against changes in commodity prices and market heat rates, the company's ability to fund certain investments described herein, delays in approval of, or failure to obtain, air and other environmental permits and the ability of the company to resolve the consent decree issue regarding the new Sandow 5 unit, changes in competitive market rules, changes in environmental laws or regulations, changes in electric generation and emissions control technologies, changes in projected demand for electricity, the ability of the company and its contractors to attract and retain skilled labor, at projected rates, for planning and building new generating units, changes in the cost and availability of materials necessary for the planned new generation units, the ability of the company to negotiate and finalize engineering, procurement and construction contracts for its reference plants in a timely manner and at projected costs, the ability of the company to manage the significant construction program to a timely conclusion with limited cost overruns, the ability of the company to implement the initiatives that are part of its performance improvement program and growth strategy and the terms under which the company executes those initiatives, and the decisions made and actions taken as a result of the company's financial and growth strategies.

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