



BUSINESS SOLUTIONS

ROBERT GAUDETTE

ANALYST DAY 2018



KEY TAKEAWAYS



ANALYST DAY 2018

1

The commercial and industrial energy services market is strong today

2

NRG is uniquely positioned to win in this market

3

Our competitive advantages enable us to reach growth targets at attractive rates

MARKET & BUSINESS OVERVIEW



Supply

- ~59,000 meters
- ~20 TWh load
- ~11% of 2018 ERCOT market share
- Across all competitive markets

Distributed Energy Resources (DER)



- ~4,900 customers
- ~2,500 MWs demand response
- ~12% of 2018/19 Northeast market share
- Top 3 distributed energy resources provider
- Leading network operating center

Services



- Advisory and consulting
- Digital interface and custom insights
- Partnerships
- Data and analytics

NRG Business Solutions

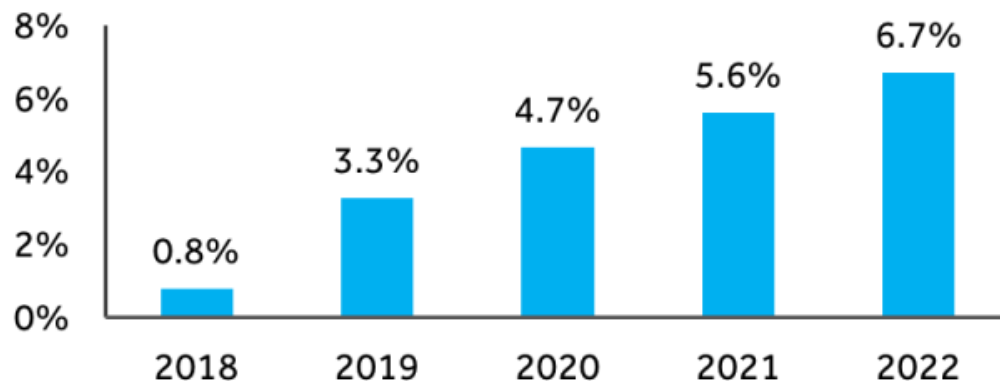


C&I Customer Market 2016¹

Nationwide
2,325
TWh

Nationwide Growth
6.7%
By 2022

EIA % of C&I Energy Consumption Increase vs 2017



Customer Demands Increasing



More Sophistication



Information and Data



Complexity

...IS SEEING SUBSTANTIAL GROWTH

¹ Derived from 2016 Energy Information Agency, energy consumption by sector & source and total retail billed volumes

The Competition

Pure Play Retailer



Gentailer



Portfolio of Companies



...WHILE THE COMPETITION LACKS THE TOOLS
NEEDED TO SERVE EMERGING OPPORTUNITIES



Wholesale

- Market interface
- Product development & management
- Regulatory presence

Business Solutions

- Customer-focused organization
- Commercial innovation
- Unique platform

Retail

- Leading retail platform
- Customer-first culture
- Brand propagation

...CREATES A UNIQUE COMPETITIVE ADVANTAGE

ESSENTIAL PRODUCT LINES AND SERVICES

SUPPLY MARKET OPPORTUNITY IS EVOLVING FROM SIMPLY PROVIDING MEGAWATTS...

Traditional Supply

Characteristics

- Volume-based business
- Low touch
- Source for future upsell

Keys to Success

- Speed of transaction
- Efficiency
- Scale

Structured Supply

Characteristics

- Service-based business
- High-touch
- Custom products

Keys to Success

- Increase advisory
- Evaluate best product mix
- Risk sharing



...TO BECOMING AN ENERGY PARTNER

¹DNV GL April 2017 Retail Landscape

Product Characteristics

- Portfolio management to market obligations
- Risk management and automation
- Individual customer curtailment plans
- Generates multiple income streams
- Provides resiliency when asset-backed

Keys to Success

- Strong customer relationships (95% renewal rate)
- Efficiency
- Market understanding and interfaces
- Risk sharing



...IS POSITIONED TO GROW AS CUSTOMER
NEEDS EVOLVE

ABDR Partnership Case Study

**Strong Partnership****Innovative Solutions****Compelling Value**

- Combined sales strategy
- Cummins technology and O&M
- NRG commercial acumen and demand response business
- NRG network operating center and trading floor

- On-site, gas fired back-up generation
- Participate in demand response
- Asset optimization
- On-site resiliency and energy cost reduction

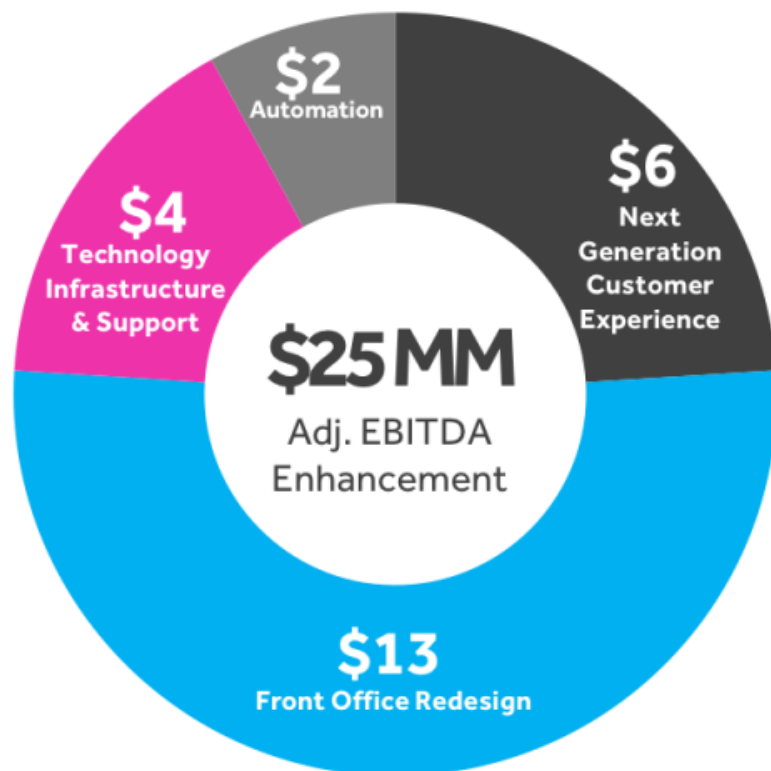
- Returns significantly above capital allocation thresholds
- Leverages commercial capabilities
- Target ~225 MWs installed in next five years
- Developing opportunity: ~5 MWs under construction & operational; 100+ MWs in advanced development

...CREATES A COMPELLING PRODUCT FOR OUR CUSTOMERS
AND INVESTMENT OPPORTUNITY FOR NRG

Advisory & Consulting**Digital Interface & Customer Experience****Data & Analytics****Partnerships**

FINANCIALS

Margin Enhancement Sources



Action Plan

- ☐ Shorten sales cycle
 - ☐ Improve close rates
 - ☐ Grow deal size, advocacy & brand equity
 - ☐ Establish sustainable partnerships
-
- ☐ Modernize & digitize the organization
 - ☐ Automated & efficient deal process
 - ☐ Customer insights
 - ☐ Seamless internal data access
 - ☐ Platform enhancement
-
- ☐ Data collection & analysis
 - ☐ Advisory-based consultative sales
 - ☐ Product & service expansion

...ON TRACK TO CAPTURE \$25 MM THROUGH
TARGETED PROGRAMS

Adj. EBITDA Outlook (\$ MM)



...AND OPPORTUNITIES TO GROW THE BUSINESS

- Leveraging the strengths of the NRG integrated platform to capitalize on market opportunities

- Delivering customers essential products while executing partnerships to further enhance offering and customer experience

- Growing the business through margin enhancement and additional opportunities that exceed capital allocation plan return thresholds



THANK YOU

ANALYST DAY 2018