nrg

Power to be free℠

NRG Energy's

Third Quarter 2014 Results Presentation

November 5, 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,” “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 the anticipated benefits of acquisitions, 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 retain retail customers and to grow our NRG Home Solar business, our ability to realize value through our commercial operations strategy and the creation of NRG Yield, the ability to successfully integrate businesses of acquired companies, the ability to realize anticipated benefits of transactions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, our ability to close the drop-down transactions with NRG Yield, and our ability to complete share repurchases 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.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA and free cash flow guidance are estimates as of November 5, 2014. These estimates are based on assumptions believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance, except as required by law. The foregoing review of factors that could cause NRG’s actual results to differ materially from those contemplated in the forward-looking statements included in this Earnings Presentation should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

Agenda

Strategic Update

David Crane

Operational and Commercial Review

Mauricio Gutierrez

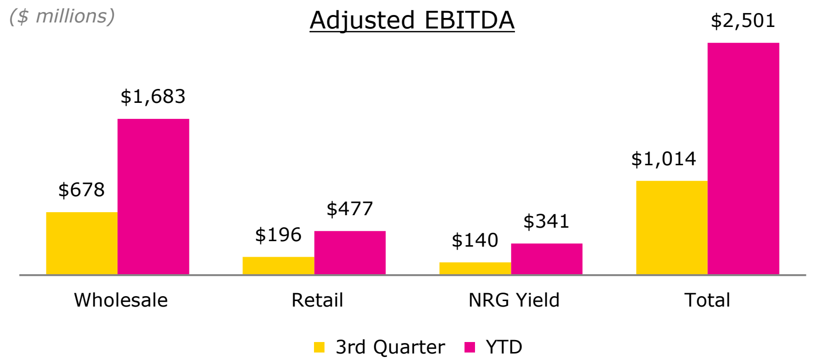
Financial Results

Kirk Andrews

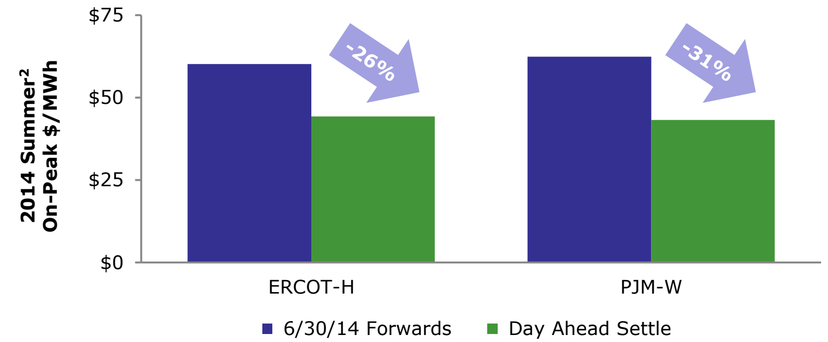
Closing Remarks and Q&A

Business Update

1 Solid Financial Performance…



2 … Inhibited By No Extreme Weather or Pricing[1] …

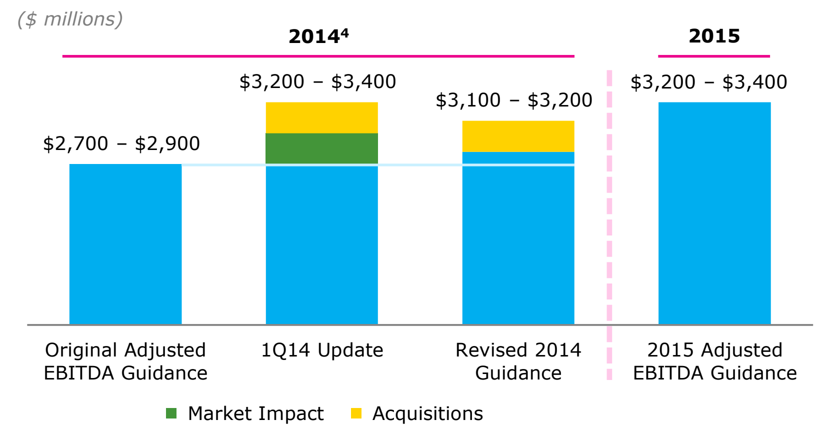


3 … Masks Positive Trends …

+ Strengthened wholesale market fundamentals:
  - Northeast capacity market reforms; higher price caps in Texas
  - Impact of MATS and CSAPR implementations
+ Full-year impact of successful acquisitions
+ Continued organic growth in retail business
+ Enhanced liquidity from drop-downs to NRG Yield
+ Rapid growth at NRG Home Solar

Announcing Investor Day in January 2015 … More to Come

4 … Building Momentum for 2015 & Beyond[3]



Strong Operational Performance, But Virtually No Weather; Well-Positioned for 2015

[1] Source: ERCOT, PJM
[2] July through September
[3] 2014 guidance includes negative contribution of $50 MM from NRG Home Solar; 2015 guidance excludes negative contribution of $100 MM from NRG Home Solar
[4] Original guidance provided on 4Q13 earnings call on 2/28/2014; Market Impact and impact of Acquisitions on 2014 guidance disclosed on 1Q14 earnings call on 5/6/2014

Successful Business Acquisition Model Across the Platform

Edison Mission Scorecard

($ millions)

	Annual Run Rate	
	Goal[1]	Final
SG&A Synergies	$70	$70
Operational Synergies, Spend Optimization	$10	$30
Total	**$80**	**$100**

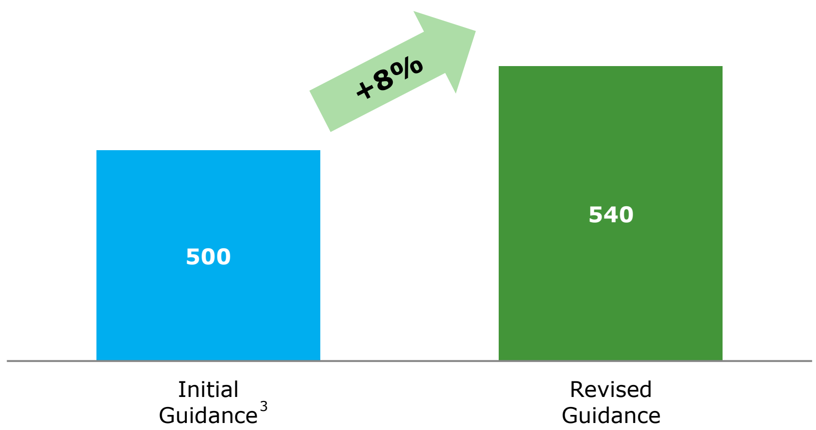
- Investing at **5.5x EV/EBITDAR** at Midwest Generation to drive $130 – $150 MM of run-rate EBITDAR, inclusive of spend optimization[2]
- First set of assets acquired from EME to be dropped down to NYLD; **$480 MM of cash proceeds** to NRG

Delivered on Edison Mission Synergy Commitment

Dominion Customer Integration Progress

(Customers in 000's)

End of Year Target for Retained Customer Accounts



Exceeding End Of Year Customer Retention Targets

Driving Value Realization from Highly Accretive Transactions

[1] Based on initial synergy guidance provided on 1/7/2014
[2] Based on information provided on 2Q14 earnings call on 8/7/2014 and forward curves as of that date
[3] As previously announced on 4/1/2014

Winning in the West
Proving the Integrated Energy Platform

A Leading California Repowering Effort…

Marsh Landing
720 MW

El Segundo
550 MW

Walnut Creek
500 MW

New Projects

Carlsbad
600 MW

Mandalay
262 MW

…With Key Recent Successes

20-Year PPA for Carlsbad[1]
600 MW

20-Year PPA for Mandalay[1,2]
262 MW

Preferred Resources PPAs[1,2]
178 MW

Demand Response

Energy Efficiency

Energy Storage

Strong Momentum Given NRG's Capabilities Across Conventional & Distributed Resources

[1] Subject to CPUC approval
[2] Selected under recent RFO with Southern California Edison

NRG Home: Establishing a New Home Solar Industry Leader

Integrating the Platform…

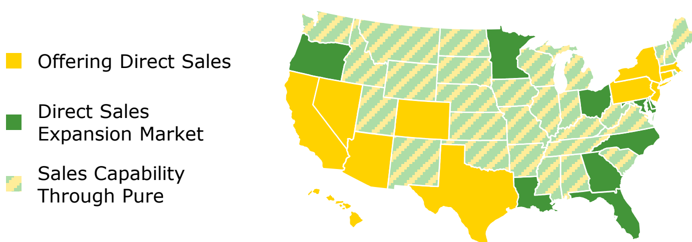
Strong Customer Acquisition Engine

ROOF DIAGNOSTICS SOLAR, Pure Energies → *Direct Acquisition Platforms*

+

NRG Retail, GOAL ZERO → *Indirect Acquisition Platforms*

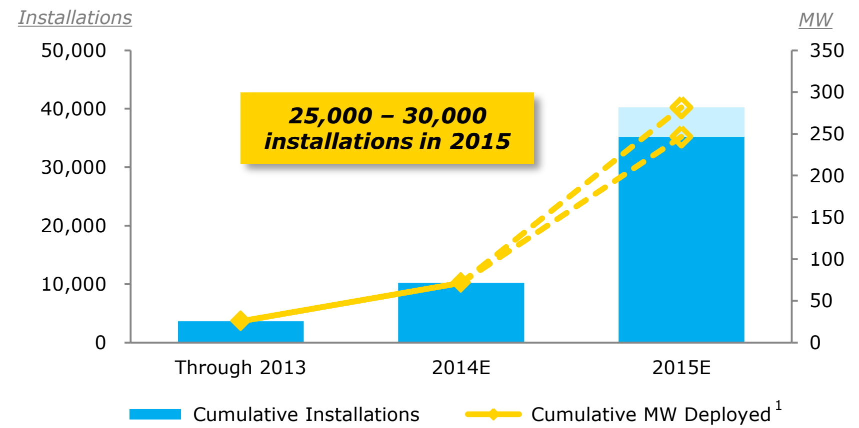
Growing National Presence



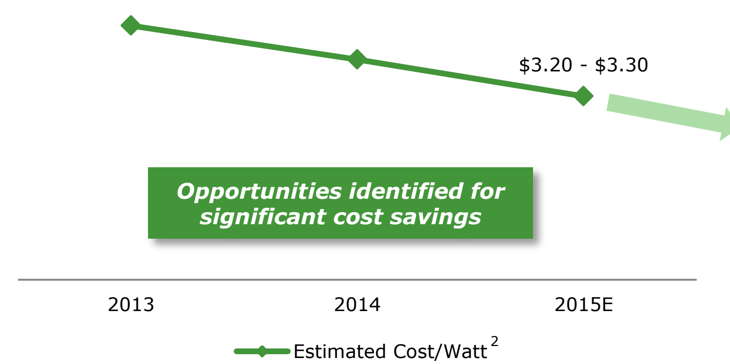
Leveraging Strong Execution

- ***Financial***: Funding vehicles closed or under negotiation to support approximately $600 MM in system cost
- ***Operational Excellence***: Commitment to fast installations and optimized customer adoption process

…Enables Rapid Near-Term Growth…



…And Meaningful Cost Reductions



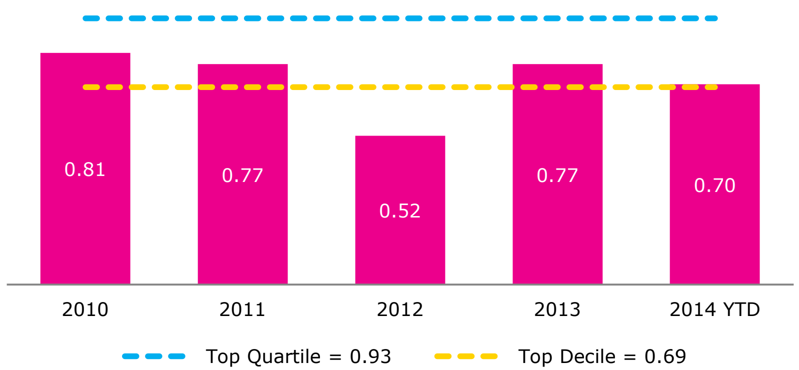
NRG Home Solar Platform Now Positioned for Rapid Growth

[1] Projections based on 7 kW average system size
[2] Includes overhead and other indirect cost allocations

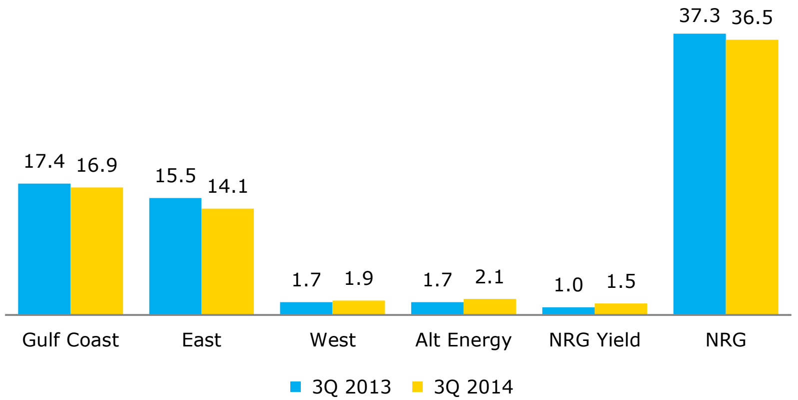
Operational and Commercial Review

Plant Operations

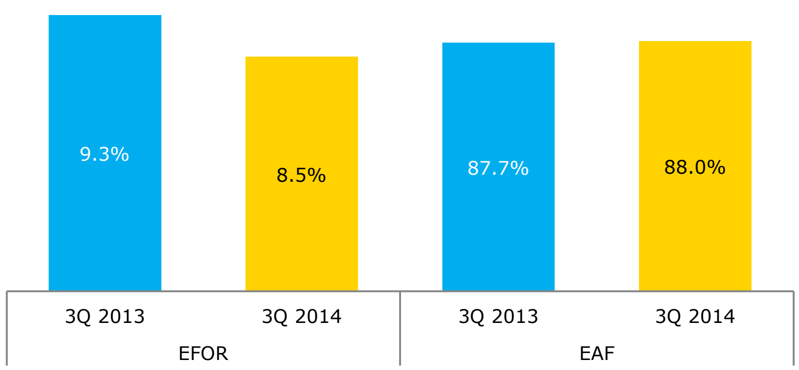
Safety: OSHA Recordable Rate[1]



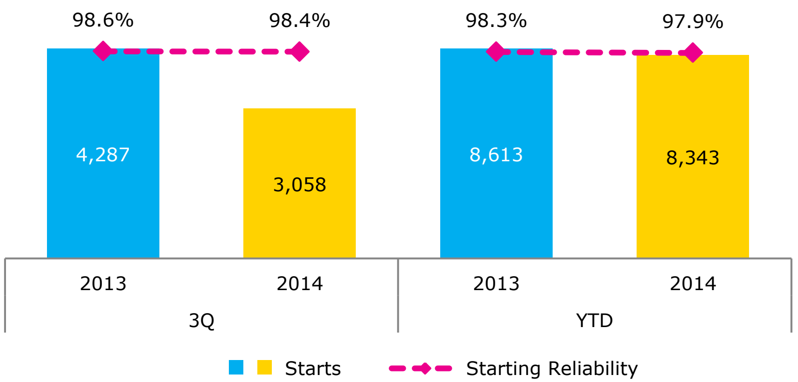
Net Production (TWh)[2]



Coal and Nuclear EFOR and EAF[3] (%)



Gas and Oil Unit Starts and Reliability



Improving On All Key Operational Metrics

Note: 2013 data pro forma for Edison Mission acquisition

[1] Top decile and top quartile based on Edison Electric Institute 2011 Total Company Survey results; Pre-2013 performance shown is for NRG standalone (not pro forma for GenOn combination)

[2] All NRG-owned domestic generation; Excludes line losses, station service, and other items; Not pro forma for Alta Wind acquisition

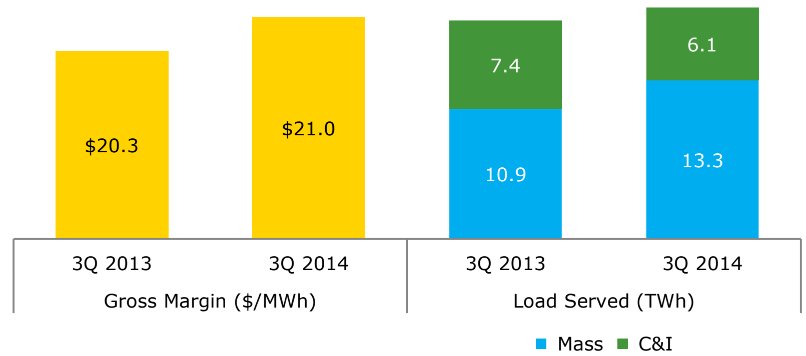
[3] EFOR = Equivalent Forced Outage Rate; EAF = Equivalent Availability Factor

Retail Operations

Highlights

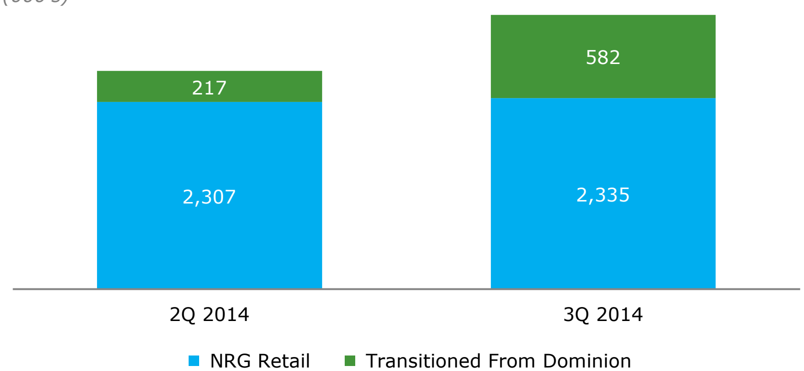
- 3Q 2014 Adjusted EBITDA of $196 MM
- Sustaining unit margins and customer count while expanding service relationship
- Dominion integration nearly complete; Target end-of-year customer count ahead of plan
- Closed acquisition of Goal Zero, further broadening NRG's product suite for consumers

Unit Gross Margin[1] & Load Served



Retail Customer Count

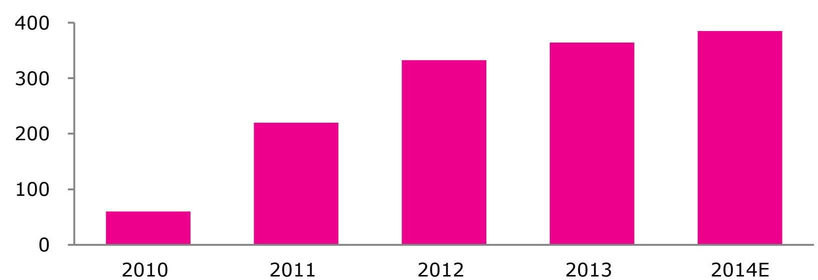
(000's)



Expanding the Customer Relationship

(000's)

Customers Subscribing to Multiple Products & Services



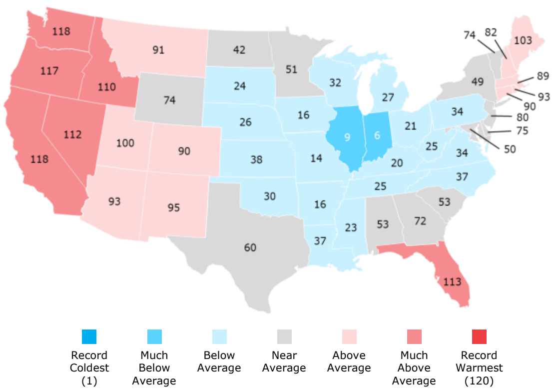
Enhancing Leadership Position with Expanding Customer Value Propositions

[1] Excludes O&M and SG&A

Summer 2014 Review

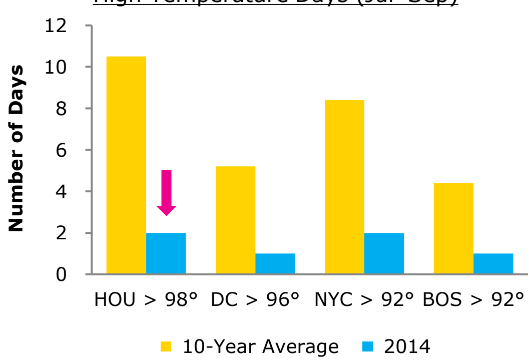
Mild Weather & Lack of Heat Over Much of US…

Statewide Average Temperature Ranks
July – September 2014 (1895–2014)



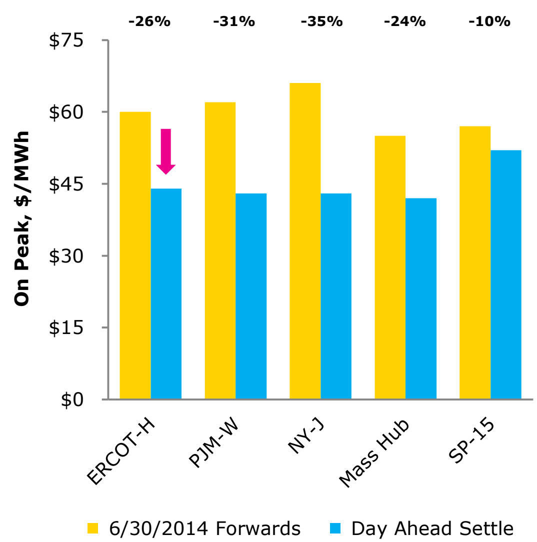
Source: NOAA as of 10/6/2014

High Temperature Days (Jul–Sep)



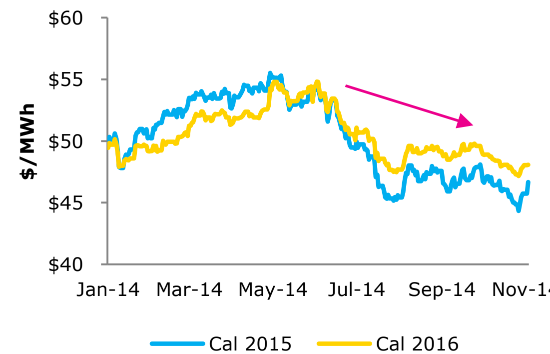
… Resulted in Weak Spot Prices in Key Markets …

Summer Forwards Versus Actuals[1]

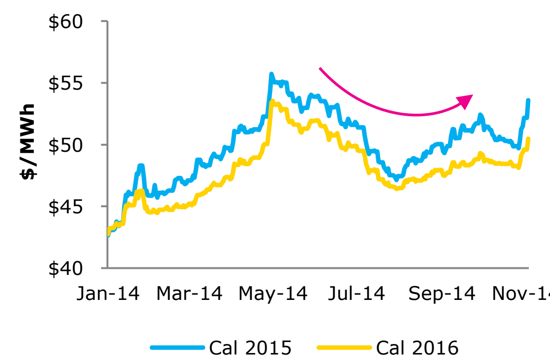


… Impacting Forwards[2]

ERCOT-Houston On-Peak



PJM-West On-Peak



Mild Summer and Lack of Sustained Weather Impacted Spot and Forward Market

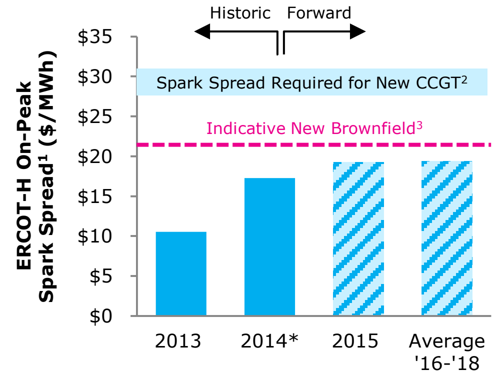
Source: ERCOT, PJM, NRG estimates
[1] Summer represents July through September
[2] Through 11/3/2014

Market Outlook

PJM: Favorable Trends and Capacity Reforms

- MATS Implementation: Coal Retirements
- Demand Response: FERC Jurisdiction
- Capacity Performance: Reliability and Fuel Certainty
- Gas Basis: Infrastructure Build-Out

ERCOT: Strong Fundamentals, But No Price Formation



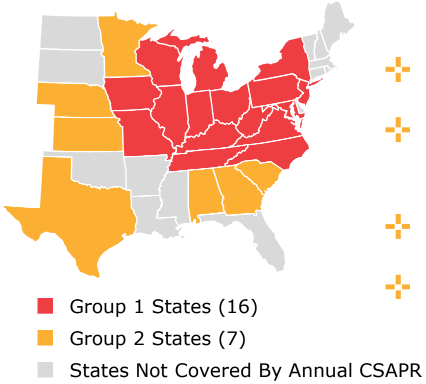
- Higher price caps
- ORDC implementation
- Strong demand growth
- No capacity market

* YTD and forwards as of 10/31/2014

Capacity Performance Focused on Fuel Certainty

Fuel Type	Total PJM *(GW)*	NRG PJM *(GW)*
Coal & Nuclear	104.8 (58%)	10.7 (62%)
Dual-Fuel	21.8 (12%)	3.2 (19%)
Oil	13.6 (8%)	1.2 (7%)
Natural Gas	28.9 (16%)	2.0 (11%)
Renewables	10.8 (6%)	0.1 (1%)
Total	**179.8**	**17.1**

CSAPR: Dusting Off the Compliance Strategy



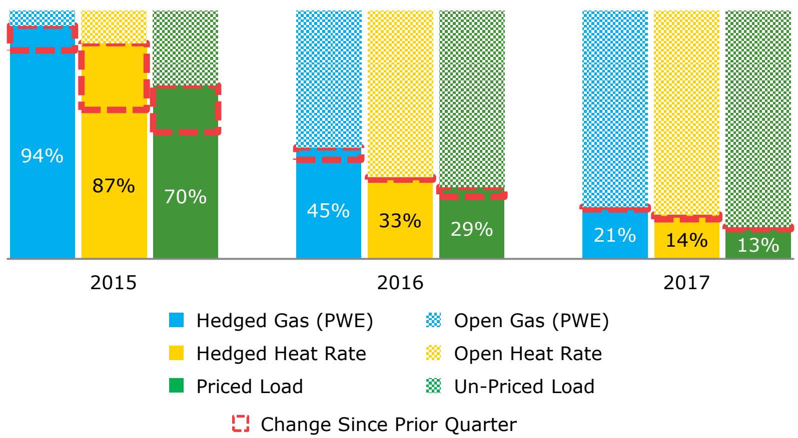
- Fuel conversions (coal to gas)
- Back end controls optimization
- Allowance allocations
- Fuel quality and mix

NRG's Portfolio Remains Well-Positioned to Capture Market Upside

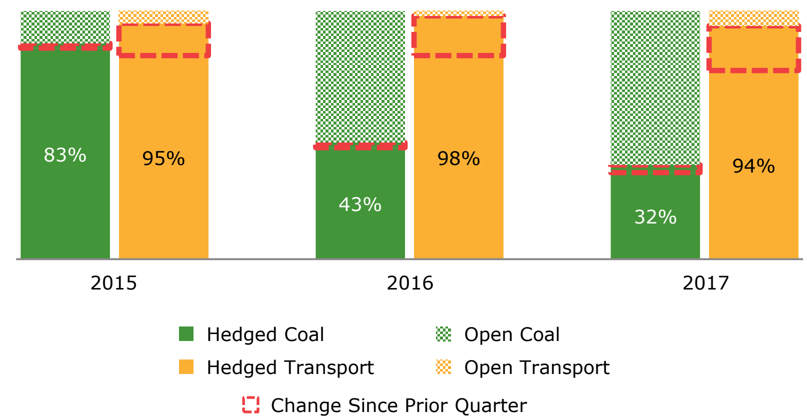
[1] 2013 spark spread calculated using actual RT settles vs. 7 heat rate x Houston Ship Channel gas; 2014 spark spreads are a combination of YTD actual RT settles and balance of year forwards; 2015 – 2018 spark spreads based on forward on-peak power prices vs. 7 heat rate x Houston Ship Channel gas
[2] CCGT CONE range calculated based on overnight capital cost in the range of $800/kW to $900/kW; Spark spreads =(On-peak power - 7 heat rate x Houston Ship Channel gas)
[3] Indicative new brownfield based on overnight build cost of $700/kW and 6.3 heat rate CCGT

Managing Commodity Price Risk

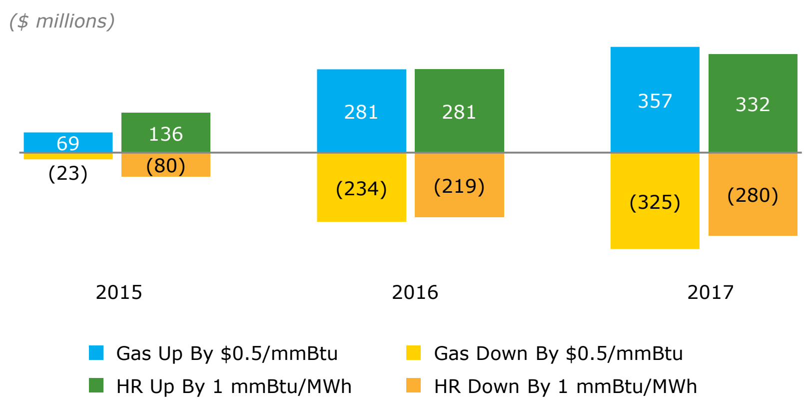
Coal and Nuclear Generation and Retail Hedge Position[1,2]



Coal and Transport Hedge Position[1,4]



Coal and Nuclear Generation Sensitivity to Gas Price and Heat Rate[1,3]



Commercial Highlights

- Significant increase in 2015 hedges for the coal and nuclear fleet
- Adequate coal and oil inventory levels for the winter
- Announcing 360 MW brownfield gas peaker[5] in ERCOT at ~$400/kW

[1] Hedge profile as of 10/31/2014 and generation dispatch as of 10/3/2014; Refer to page 31 for detailed regional breakdown
[2] Retail Priced Load includes Term load, Hedged Month-to-month load, and Indexed load
[3] Price sensitivity reflects gross margin change from $0.5/MMBtu gas price, 1 mmBtu/MWh heat rate move
[4] Coal position excludes existing coal inventory
[5] Represents average annual peaking capacity

Financial Results

Financial Summary

Results

($ millions)	Three Months Ended 9/30/2014	Nine Months Ended 9/30/2014
Wholesale[1]	$ 678	$ 1,683
Retail	196	477
NRG Yield	140	341
Adjusted EBITDA	**$ 1,014**	**$ 2,501**
Free Cash Flow before Growth	**$ 526**	**$ 812**

Highlights

- Executed definitive agreement to sell additional assets to NRG Yield for $480 MM, bringing total proceeds from drop-downs during 2014 to $830 MM
- ~$190 MM in net proceeds from new tax equity facility closed in 4Q
  - Monetizing wind the tax benefits (primarily PTC) in advance of future drop downs to NRG Yield
- Completed acquisition of the 947 MW Alta Wind facility by NRG Yield for $870 MM[2]
- Maintaining strong liquidity with significant YTD refinancing offering activity while executing value-enhancing acquisitions

[1] In accordance with GAAP, 2014 results restated to include full impact of the assets associated with the drop-down transaction closed on 6/30/2014
[2] Excludes $53 MM working capital adjustment paid to seller at closing

Guidance Overview

($ millions)	2014	2015
Wholesale[1] *Previous*	$2,040 – $2,115 *$2,200 – $2,320*	$2,025 – $2,125
Retail *Previous*	$620 – $650 *$600 – $675*	$625 – $700
NRG Yield *Previous*	$455 *$410*	$585
Adjusted EBITDA *Previous*	**$3,100 – $3,200** *$3,200 – $3,400*	**$3,200 – $3,400**
Free Cash Flow before Growth *Previous*	**$950 – $1,050** *$1,200 – $1,400*	**$1,100 – $1,300**

Incremental Changes to 2014 FCFbG[2]

Interest expense from Alta Wind and timing of bond redemptions	(~$50)
Coal and oil inventory build	(~$50)
Timing of working capital and environmental capex	(~$50)

nrg Home SOLAR **2015 Forecast[3]**

Contribution to Adj. EBITDA[4] (Excluded in 2015 Guidance)	(~$100)
2015 NRG Capital (Net of Tax Equity)	< $150
Target Returns (NRG Capital)	> 8%

Broader Overview on Investor Day

Revising 2014 and Initiating 2015 Guidance; Introducing NRG Home Solar Targets

[1] 2014 guidance includes negative contribution of $50 MM from NRG Home Solar; 2015 guidance excludes negative contribution of $100 MM from NRG Home Solar
[2] In addition to change in Adjusted EBITDA guidance
[3] In addition to projections of 25,000 – 30,000 installed systems in 2015 and installed cost/W of $3.20 – $3.30 by year-end 2015
[4] Includes Selling, Marketing, General, and Administrative costs offset by gross margin from system sales

Second Drop-Down to NRG Yield

Assets Being Dropped Down

Walnut Creek

- 500 MW fast-start, efficient natural gas facility in CA
- 10-year PPA with SCE[1]
- COD achieved in May 2013

Tapestry

- 204 MW wind portfolio across 3 sites in WV & OK
- Various 20-25 year PPAs
- 2008 and 2011 CODs

Laredo Ridge

- 81 MW wind facility in Nebraska
- 20-year PPA with NPPD[1]
- COD achieved in 2011

Financial Summary

($ millions)

Estimated 2015 Financials	
Adjusted EBITDA	~$120
CAFD	~$35

Transaction Perspective

($ millions)

Transaction Summary	
Equity Proceeds to NRG[2]	$480
Plus: Debt[3]	$746
Implied Enterprise Value[4]	$1,226

Implied Transaction Value	
EV/EBITDA	10.2x
CAFD Yield	7.3%

$830 MM in NRG Capital to Be Replenished Through 2014 Drop-Downs While Driving NYLD Growth

[1] SCE = Southern California Edison; NPPD = Nebraska Public Power District
[2] Excludes $30 to $35 MM expected dividend payment to NRG as part of planned Laredo Ridge incremental project debt financing
[3] Debt balances as of 9/30/2014; Pro forma adjusted to include additional ~$40 MM of expected incremental project debt (net of repayments) associated with Laredo Ridge
[4] Excludes working capital adjustments to be made at time of closing

2014 Capital Allocation Update

Excess Cash as of 12/31/2013:
$1,189 MM

+

2014 FCFbG Guidance:
$950 – $1,050 MM

+

Net 1Q Drop-Down Proceeds[1]:
$337 MM

+

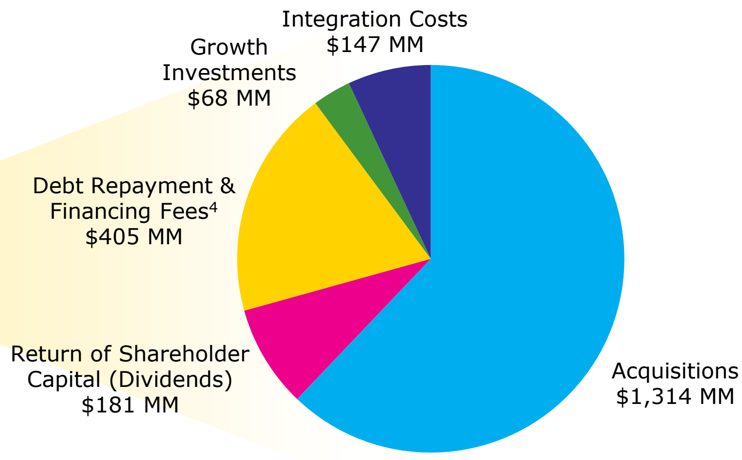
Net 4Q Drop-Down Proceeds[2]:
$390 MM

+

Net Proceeds: Wind Tax Equity and Laredo Ridge Refinancing[3]:
$290 MM

Total Cash Available for Allocation
$3,156 MM – $3,256 MM

Committed Capital
$2,115 MM



Remaining Cash Available for Allocation
$1,041 MM – $1,141 MM

At GenOn: ~$700 MM

- Reserved for fuel conversions (Portland, Shawville, Avon Lake, New Castle)

At NRG[5]: ~$400 MM

- NRG Home Solar growth
- 2015 Midwest Generation investment

NYLD Drop-Downs to Drive Significant NRG Capital Replenishment During 4Q

[1] Impact on consolidated Capital Available for Allocation (CAFA) equals net proceeds from NYLD Convertible Debt issuance in 1Q; [2] Impact on consolidated CAFA equals excess proceeds of $188 MM from NYLD 3Q Debt and Equity issuances, plus portion of $480 MM 4Q drop-down expected to be funded with NYLD revolver (~$200 MM); Balance of drop-down expected to be funded with cash-on-hand
[3] Represents proceeds from wind tax equity financing closed in 4Q14; Includes ~$100 MM of project debt, net of fees, at Laredo Ridge subsequent to 4Q refinancing [4] Includes scheduled debt amortization and $35 MM of debt repayment related to divestiture of Bayou Cove; [5] Implied based on mid-point of FCFbG guidance and pro forma for 4Q acquisition of drop-down assets from NRG and wind tax equity financing

Closing Remarks and Q&A

2014: Grading Our Year

Enhance Core Generation Portfolio

- ☑ Close the Edison Mission transaction and deliver on business and synergy commitments
- ☑ Manage our ~54 GW fleet to perform safely, reliably, and profitably, especially during the all-important summer season
- ☑ Execute on additional contracted development opportunities in core markets to provide further drop-down candidates to NRG Yield

Expand Retail Business

- IN PROGRESS Transform the retail business by offering NRG's full suite of products and services both in the home and at work
- ☑ Retain balanced customer count and margin strategy in core retail markets
- ☑ Add residential solar to retail product offerings

Go Green

- ☑ Meaningfully expand our distributed solar business through strategic partnerships
- ❑ Restock the pipeline of utility scale assets for further drop-down opportunities to NRG Yield
- IN PROGRESS Successfully implement replicable renewable micro-grid model; first in Caribbean

Maintain Prudent Capital Allocation

- ☑ Adhere to PBSM discipline while maintaining balance sheet flexibility
- ❑ Enhance return of capital to shareholders through increased dividend or share buyback
- ☑ Successfully execute drop-downs to NRG Yield and deploy proceeds on an accretive basis

Significant Success in 2014 Positions NRG For Success in 2015 and Beyond

Appendix

Generation Organizational Structure

NRG Energy, Inc. (54,414[1] MW)

Renewables (2,911 MW)

Solar:
- Agua Caliente
- Community Solar
- CVSR[2]
- Distributed Solar
- Ivanpah

Wind:
- Bingham Lake
- Broken Bow
- Buffalo Bear
- Cedro Hill
- Community Wind
- Crofton Bluffs
- Crosswinds
- Eastridge
- Elbow Creek
- Elkhorn Ridge
- Forward
- Goat Mountain
- Hardin
- High Lonesome
- Jeffers
- Langford
- Laredo Ridge
- Lookout
- Mountain Wind
- Odin
- Pinnacle
- San Juan Mesa
- Sherbino
- Sleeping Bear
- Spanish Fork
- Storm Lake
- Taloga
- West Pipestone
- Westridge
- Wildorado

NRG Yield (2,984 MW)

- Alta Wind
- Alpine
- Avenal
- Avra Valley
- Blythe
- Borrego
- CVSR[2]
- Distributed Solar
- Dover
- El Segundo EC
- GenConn Devon
- GenConn Middletown
- High Desert
- Kansas South
- Marsh Landing
- Paxton
- Princeton
- Roadrunner
- South Trent
- Tucson

Gulf Coast (15,797 MW)

- Bayou Cove
- Big Cajun II
- Cedar Bayou
- Cedar Bayou 4
- Choctaw
- Cottonwood
- Greens Bayou
- Gregory
- Limestone
- Sabine Cogen
- San Jacinto
- Shelby County
- South Texas Project
- SR Bertron[3]
- TH Wharton
- WA Parish

Peaker Finance Co (1,056 MW)

- Big Cajun I
- Rockford
- Sterlington

Other (749 MW)

- Doga
- Gladstone

West (7,617 MW)

- Coolwater
- El Segundo
- Ellwood
- Encina
- Etiwanda
- Long Beach
- Mandalay
- Midway Sunset
- Ormond Beach
- Saguaro
- San Diego Jet
- Sunrise
- Walnut Creek
- Watson

East (24,356 MW)

- Ambit
- Arthur Kill
- Astoria
- Aurora
- Avon Lake
- Brunot Island
- Cheswick
- Conemaugh[4]
- Connecticut Jets
- Devon
- Dunkirk
- Fisk
- Hunterstown CC
- Huntley
- Indian River
- Joliet
- Keystone[4]
- Middletown
- Montville
- New Castle
- Niles
- Osceola
- Oswego
- Powerton
- Seward
- Vienna
- Waukegan
- Will County

GenOn Americas Generation (7,596 MW)

- Pittsburg
- Bowline
- Canal
- Martha's Vineyard

GenOn Mid-Atlantic (4,683 MW)

- Chalk Point
- Dickerson
- Morgantown

REMA (2,210 MW)

- Blossburg
- Gilbert
- Glen Gardner
- Hamilton
- Hunterstown CT
- Mountain
- Orrtana
- Portland
- Sayerville
- Shawnee
- Shawville
- Titus
- Tolna
- Warren
- Werner

Part of GenOn Energy, Inc. Intercompany Revolver first lien package and subject to covenants of GenOn Unsecured Notes

LEGEND

- Segments
- Separate Credit Facility
- Equity Investments

[1] Capacity controlled by NRG as of 9/30/2014
[2] NRG Yield owns 48.95% interest in CVSR; Remaining 51.05% interest is included in Renewables
[3] 727 MW not anticipated to return to service in 2014, therefore not included in total MW
[4] NRG and GenOn jointly own/lease portions of these plants; GenOn portion is subject to REMA liens

Consolidated Debt Structure

($ millions)
As of 9/30/2014

LEGEND
- Recourse Debt
- Non-Recourse Debt
- SEC Filer

NRG Energy, Inc.

Revolver $2.5 BN due 2018[1]	$	–
Senior notes due 2018-2024		6,411
Term loan due 2018		1,992
Tax exempt bonds due 2038-2045		373
Total	**$**	**8,776**

GenOn Energy, Inc.

Unsecured notes due 2017-2020	$ 1,950
GenOn Hunterstown WG LP	40
Secured revolver from NRG Energy, Inc. (Intercompany)[2]	–

REMA

Capital lease	$	3
Operating leases[3]		–

GenOn Americas Generation

Senior unsecured notes due 2021 & 2031	$	850

GenOn Mid-Atlantic

Capital lease	$	6
Operating leases[3]		–

Agua Caliente

Project financing due 2037	$	898

Other Conventional

Other non-recourse debt	$	11

Other Solar Financings

Project financings	$	131

Peaker Finance Co.

Bonds due 2019	$	135

Ivanpah

Project financing due 2014, 2015	$	408
Project financing due 2038		1,187

Midwest Generation

Operating leases[4]	$	–

EME Wind

Project financings due 2014-2027	$	712

Walnut Creek

Project financing due 2023	$	391

EME – Other

Project financings	$	65

CVSR[5]

Project financing due 2014	$	21
Project financing due 2037		794

NRG Yield, Inc.

Senior convertible notes	$	345

NRG Yield Operating LLC

Revolver $450 MM due 2019[6]	$	–
Green Bond notes		500

Marsh Landing

Term loans due 2017 & 2023	$	477

Thermal

Senior secured notes due 2017-2025	$	124

Renewable

Project financings	$ 2,151

El Segundo

Project financing due 2023	$	506

Note: Debt balances exclude discounts and premiums
[1] $1,209 MM of LC's were issued and $1,302 MM of the Revolver was available
[2] $219 MM of LC's were issued and $281 MM of the Intercompany Revolver was available
[3] The present values of lease payments (10% discount rate) for GenOn Mid-Atlantic and REMA operating leases are $723 MM and $389 MM, respectively
[4] The present value of lease payments (10% discount rate) for Midwest Generation operating lease is $158 MM; This lease is guaranteed by NRG Energy, Inc.
[5] NRG Yield owns 48.95% of CVSR
[6] $27 MM of LC's were issued and $423 MM of the Revolver was available

Recourse / Non-Recourse Debt

($ millions)	9/30/2014	6/30/2014	3/31/2014	12/31/2013
Recourse Debt				
Term Loan Facility	$ 1,992	$ 1,996	$ 2,002	$ 2,007
Senior Notes	6,411	6,636	6,418	5,717
Tax Exempt Bonds	373	373	373	373
Recourse Debt Subtotal	**$ 8,776**	**$ 9,005**	**$ 8,793**	**$ 8,097**
Non-Recourse Debt				
Total NRG Yield[1]	$ 4,103	$ 2,020	$ 2,060	$ 1,783
GenOn Senior Notes	1,950	1,950	1,949	1,950
GenOn Americas Generation Notes	850	850	850	850
Solar (Non-NRG Yield)[2]	3,439	3,489	3,409	3,647
Conventional	186	187	147	177
Edison Mission Energy	1,168	1,228	1,187	-
Capital Lease	9	10	11	13
Non-Recourse Debt and Capital Lease Subtotal	**$ 11,705**	**$ 9,734**	**$ 9,613**	**$ 8,420**
Total Debt	**$ 20,481**	**$ 18,739**	**$ 18,406**	**$ 16,517**

Note: Debt balances exclude discounts and premiums
[1] Includes Convertible Notes and various project financings; Excludes proportionate CVSR debt
[2] Includes 100% of CVSR project debt in Solar (Non-NRG Yield); NRG Yield owns 48.95% of the project

NRG Residual Adjusted EBITDA and Debt

($ millions)	2014 Guidance[1]	2015 Guidance[1]
Adjusted EBITDA	**$3,100 – $3,200**	**$3,200 – $3,400**
Less: Partner's share of Adjusted EBITDA in consolidated projects (non-controlling interests; i.e. Agua Caliente, Ivanpah)	(70)	(110)
NRG Proportionate Adjusted EBITDA	**$3,030 – $3,130**	**$3,090 – $3,290**
Less: NRG Yield Adjusted EBITDA	(455)	(585)
Less: NRG Yield Drop-Down Pipeline Adjusted EBITDA[2]	(230)	(325)
NRG Residual Adjusted EBITDA	**$2,345 – $2,445**	**$2,180 – $2,380**

	Debt as of 9/30/2014
Recourse Debt	8,775
Non-Recourse Debt	11,740
Consolidated Debt	**$20,515**
Less: Partner's share of Debt in consolidated projects (non-controlling interests; i.e. Agua Caliente, Ivanpah)	(1,240)
Plus: NRG's share of debt in unconsolidated Projects	270
NRG Proportionate Debt	**$19,545**
Less: NRG Yield Proportionate Debt[3]	(4,670)
Less: NRG Yield Drop-Down Pipeline Proportionate Debt	(2,635)
NRG Residual Debt	**$12,240**

Note: Debt balances exclude discounts and premiums
[1] 2014 guidance includes negative contribution of $50 MM from NRG Home Solar; 2015 guidance excludes negative contribution of $100 MM from NRG Home Solar
[2] Includes assets associated with announced drop-down in 4Q14
[3] Represents NRG Yield's portion of NRG Consolidated debt of $4,103 MM, plus its share of pro rata debt associated with Avenal, GenConn, and its 48.95% interest in CVSR of $399 MM

Liquidity Update

($ millions)		9/30/2014		12/31/2013
Cash & cash equivalents	$	1,953	$	2,254
Restricted cash		339		268
Total Cash	**$**	**2,292**	**$**	**2,522**
NRG Corporate credit facility availability		1,302		1,173
Total Liquidity	**$**	**3,594**	**$**	**3,695**

YTD Sources & Uses of Liquidity

Sources		($ millions)
$	**1,226**	Adjusted cash flow from operations
	1,100	Debt proceeds, 6.25% senior notes due 2022
	1,000	Debt proceeds, 6.25% senior notes due 2024
	630	Equity issuance, NRG Yield, net of fees
	492	Green Bond issuance, NRG Yield, net of fees
	337	Convertible debt proceeds, NRG Yield, net of fees
	129	Increase in credit facility availability
	92	Other, net
	81	Proceeds from sale of assets, net

Uses		
$	**2,869**	Acquisitions and growth investments, net
	1,615	Debt repayments, excluding cash grant debt repayments
	369	Maintenance and environmental capex, net
	140	Common and preferred stock dividends
	100	Collateral
	95	Merger and integration-related payments

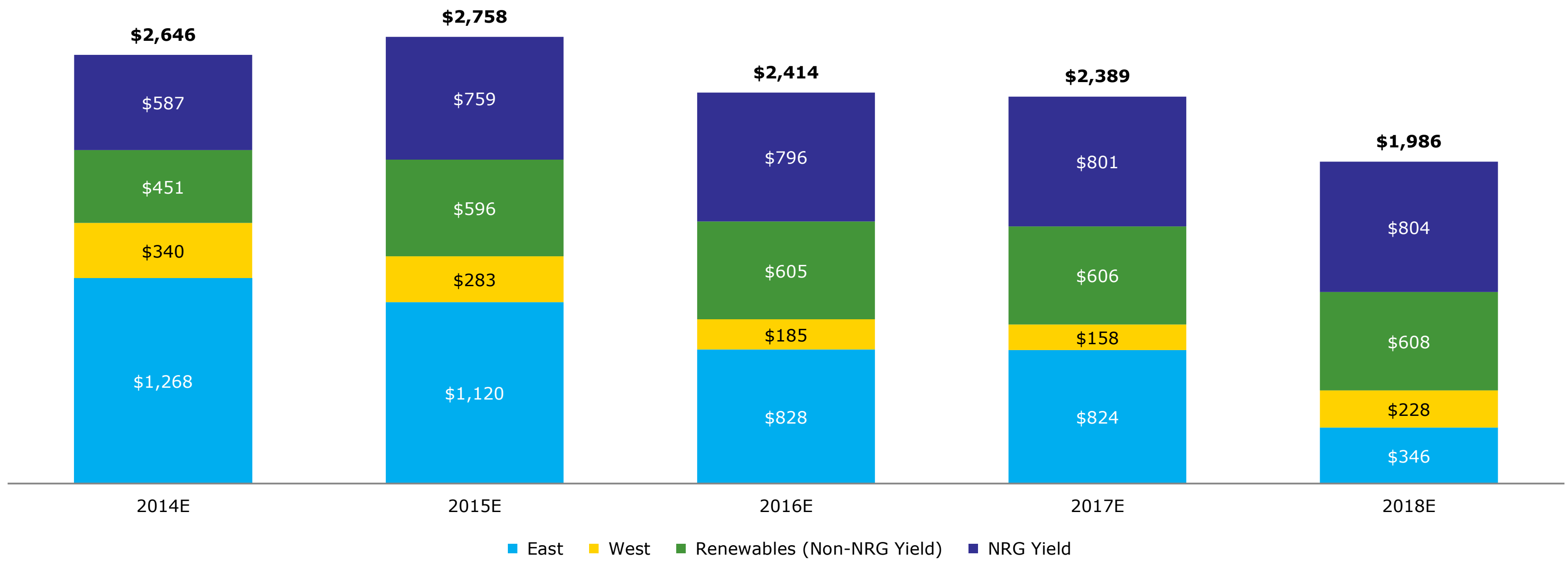
2014 Capital Expenditures and Growth Investments Guidance

			Growth Investments, net			
($ millions)	**Maintenance**	**Environmental**	**Conventional Investments**	**Operational Improvements**	**Solar Investments**	**Total**
Capital Expenditures						
Retail	$ 23	–	–	–	–	**$ 23**
NRG Yield	12	–	28	–	(1)	**39**
Wholesale						
Gulf Coast	145	123	17	–	–	**285**
East	168	186	–	20	–	**374**
West	10	–	–	–	–	**10**
Renewables	–	–	1	–	369	**370**
Corporate (Including New Businesses)	57	(3)	41	–	–	**95**
Total Cash Capital Expenditures	**$ 415**	**$ 306**	**$ 87**	**$ 20**	**$ 368**	**$ 1,196**
Other Investments[1]	–	–	(14)	–	68	**54**
Project Funding, net of fees[2]						
Conventional Assets	(33)	–	(48)	–	–	**(81)**
Solar Assets	–	–	–	–	(412)	**(412)**
Total Capital Expenditures and Growth Investments, net[3]	**$ 382**	**$ 306**	**$ 25**	**$ 20**	**$ 24**	**$ 757**

Note: Reflects midpoint estimates of maintenance, environmental, and growth capital expenditure ranges
[1] Includes investments, restricted cash, and network upgrades
[2] Includes net debt proceeds, cash grants, and third-party contributions
[3] Maintenance includes $28 MM of merger and integration cash capital expenditures

Fixed Contracted and Capacity Revenue

($ millions)



Notes:

- East includes cleared capacity auction for both PJM and New England through May 2018
- West includes committed Resource Adequacy contracts and tolling agreements
- Renewables (Non-NRG Yield) includes wind and solar assets
- NRG Yield includes both contracted capacity and contracted energy revenues, including Thermal[1]

[1] 2Q14 earnings presentation on 8/7/2014 excluded contracted revenues associated with Thermal business

3Q 2014 Generation & Operational Performance Metrics

(MWh 000's)	2014 Generation[1]	2013 Generation[1]	MWh Change	% Change	2014 EAF[2,5]	2014 NCF[3,5]	2013 EAF[2,5]	2013 NCF[3,5]
Gulf Coast – Texas	11,982	12,968	(985)	(8%)	93%	51%	91%	52%
Gulf Coast – South Central	4,906	4,415	491	11%	93%	43%	88%	39%
East	14,097	15,549	(1,452)	(9%)	92%	26%	88%	27%
West	1,919	1,729	191	11%	96%	11%	98%	10%
Renewables	2,116	1,684	432	26%	86%	59%	96%	32%
NRG Yield[4]	1,467	995	472	47%	98%	19%	91%	14%
Total	**36,486**	**37,338**	**(852)**	**(2%)**	**93%**	**32%**	**86%**	**30%**
Gulf Coast – Texas Nuclear	2,538	2,492	46	2%	100%	98%	96%	96%
Gulf Coast – Texas Coal	7,098	7,860	(761)	(10%)	91%	77%	92%	85%
Gulf Coast – South Central Coal	2,412	2,427	(15)	(1%)	87%	73%	82%	73%
East Coal	11,295	12,561	(1,266)	(10%)	86%	46%	86%	48%
Baseload	**23,344**	**25,340**	**(1,996)**	**(8%)**	**88%**	**59%**	**88%**	**62%**
Renewables Solar	460	290	170	59%	82%	45%	0	28%
Renewables Wind	1,656	1,394	262	19%	92%	77%	96%	37%
NRG Yield Solar	274	242	32	13%	91%	36%	0	32%
NRG Yield Wind	223	54	169	313%	97%	28%	96%	24%
Intermittent	**2,613**	**1,980**	**633**	**32%**	**89%**	**50%**	**96%**	**31%**
East Oil	407	542	(135)	(25%)	98%	3%	83%	3%
Gulf Coast – Texas Gas	2,346	2,616	(270)	(10%)	93%	20%	88%	19%
Gulf Coast – South Central Gas	2,493	1,987	506	25%	96%	31%	90%	24%
East Gas	2,395	2,446	(51)	(2%)	94%	17%	95%	17%
West Gas	1,919	1,729	191	11%	96%	11%	98%	10%
NRG Yield Oil	0	3	(3)	(94%)	99%	9%	97%	8%
NRG Yield Gas	437	257	180	70%	100%	15%	93%	9%
NRG Yield Conventional	437	260	177	68%	99%	13%	94%	8%
NRG Yield Thermal[4]	532	438	94	21%	98%	23%	93%	20%
Intermediate / Peaking	**10,530**	**10,018**	**511**	**5%**	**96%**	**14%**	**89%**	**13%**

[1] Excludes line losses, station service and other items; 2013 performance pro forma for acquisition of Edison Mission; Not pro forma for acquisition of Alta Wind
[2] EAF – Equivalent Availability Factor
[3] NCF – Net Capacity Factor
[4] Includes MWh_T (thermal heating & chilled water, MWh equivalent); NCF not inclusive of MWh_T
[5] Renewables and NRG Yield Wind EAF and NCF values do not factor in EME Wind and Alta Wind as no EAF/NCF data available

2014 YTD Generation & Operational Performance Metrics

(MWh 000's)	2014 Generation[1]	2013 Generation[1]	MWh Change	% Change	2014 EAF[2,5]	2014 NCF[3,5]	2013 EAF[2,5]	2013 NCF[3,5]
Gulf Coast – Texas	32,131	32,230	(100)	(0%)	86%	46%	84%	44%
Gulf Coast – South Central	13,616	13,111	505	4%	82%	40%	83%	39%
East	44,998	43,187	1,811	4%	83%	27%	83%	25%
West	4,250	3,395	856	25%	91%	8%	89%	7%
Renewables	7,787	6,725	1,062	16%	85%	41%	97%	33%
NRG Yield[4]	4,076	2,489	1,587	64%	95%	18%	91%	13%
Total	**106,858**	**101,137**	**5,720**	**6%**	**85%**	**30%**	**82%**	**28%**
Gulf Coast – Texas Nuclear	6,516	6,018	498	8%	85%	85%	78%	78%
Gulf Coast – Texas Coal	20,910	21,203	(292)	(1%)	88%	76%	90%	77%
Gulf Coast – South Central Coal	7,628	7,671	(43)	(1%)	88%	78%	86%	78%
East Coal	38,271	36,062	2,209	6%	80%	52%	83%	46%
Baseload	**73,325**	**70,953**	**2,372**	**3%**	**83%**	**62%**	**84%**	**58%**
Renewables Solar	1,221	714	507	71%	80%	40%	0	23%
Renewables Wind	6,566	6,011	554	9%	91%	43%	97%	46%
NRG Yield Solar	761	583	178	30%	99%	34%	0	26%
NRG Yield Wind	423	247	176	71%	98%	34%	99%	37%
Intermittent	**8,971**	**7,556**	**1,415**	**19%**	**90%**	**39%**	**97%**	**32%**
East Oil	1,270	850	420	49%	88%	3%	79%	2%
Gulf Coast – Texas Gas	4,704	5,010	(306)	(6%)	85%	14%	81%	10%
Gulf Coast – South Central Gas	5,988	5,440	548	10%	80%	25%	82%	22%
East Gas	5,458	6,275	(818)	(13%)	82%	13%	89%	15%
West Gas	4,250	3,395	856	25%	91%	8%	89%	7%
NRG Yield Oil	14	7	6	87%	96%	9%	88%	4%
NRG Yield Gas	1,112	296	817	276%	94%	14%	94%	9%
NRG Yield Conventional	1,126	303	823	272%	94%	12%	94%	7%
NRG Yield Thermal[4]	1,765	1,355	410	30%	94%	22%	78%	11%
Intermediate / Peaking	**24,562**	**22,629**	**1,933**	**9%**	**87%**	**11%**	**82%**	**10%**

[1] Excludes line losses, station service and other items; 2013 performance pro forma for acquisition of Edison Mission; Not pro forma for acquisition of Alta Wind
[2] EAF – Equivalent Availability Factor
[3] NCF – Net Capacity Factor
[4] Includes MWh_T (thermal heating & chilled water, MWh equivalent); NCF not inclusive of MWh_T
[5] Renewables and NRG Yield Wind EAF and NCF values do not factor in EME Wind and Alta Wind as no EAF/NCF data available

Fuel Statistics

Domestic	3Q 2014	3Q 2013[1]	Year To Date 2014	Year To Date 2013[1]
Coal Consumed (mm Tons)	12.5	9.4	35.1	26.9
PRB Blend	**70%**	**61%**	**64%**	**61%**
East	62%	10%	48%	10%
Gulf Coast – Texas	69%	75%	70%	74%
Gulf Coast – South Central	100%	100%	100%	100%
Bituminous	**12%**	**20%**	**17%**	**20%**
East	25%	75%	37%	71%
Lignite & Other	**18%**	**19%**	**19%**	**19%**
East	13%	15%	15%	19%
Gulf Coast – Texas	31%	25%	30%	26%
Cost of Coal ($/Ton)	**$ 41.98**	**$ 45.66**	**$ 44.17**	**$ 45.18**
Cost of Coal ($/mmBtu)	**$ 2.46**	**$ 2.57**	**$ 2.54**	**$ 2.56**
Cost of Gas ($/mmBtu)	**$ 3.63**	**$ 3.75**	**$ 4.88**	**$ 4.10**

[1] NRG standalone; Not pro forma for Edison Mission

Hedge Disclosure: Coal and Nuclear Operations

	Gulf Coast[1]			East[1]			GenOn[1]		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Net Coal and Nuclear Capacity (MW)[2]	6,290	6,290	6,290	10,401	8,732	7,280	5,317	4,526	4,086
Forecasted Coal and Nuclear Capacity (MW)[3]	5,314	5,263	5,270	5,805	3,771	3,265	2,868	1,927	1,874
Total Coal and Nuclear Sales (MW)[4]	5,371	2,787	1,287	5,059	1,251	498	2,391	983	499
Percentage Coal and Nuclear Capacity Sold Forward[5]	**101%**	**53%**	**24%**	**87%**	**33%**	**15%**	**83%**	**51%**	**27%**
Total Forward Hedged Revenues[6]	$2,104	$1,070	$519	$2,124	$629	$191	$1,107	$522	$186
Weighted Average Hedged Price ($ per MWh)[6]	**$44.73**	**$43.69**	**$46.06**	**$47.93**	**$57.25**	**$43.75**	**$52.86**	**$60.46**	**$42.67**
Average Equivalent Natural Gas Price ($ per MMBtu)[6]	**$4.25**	**$4.52**	**$4.87**	**$3.83**	**$4.38**	**$4.32**	**$3.89**	**$4.50**	**$4.35**
Gas Price Sensitivity Up $0.50/MMBtu on Coal and Nuclear Units	$(10)	$115	$178	$79	$166	$179	$55	$75	$88
Gas Price Sensitivity Down $0.50/MMBtu on Coal and Nuclear Units	$18	$(112)	$(176)	$(41)	$(122)	$(149)	$(28)	$(45)	$(70)
Heat Rate Sensitivity Up 1 MMBtu/MWh on Coal and Nuclear Units	$44	$130	$164	$92	$151	$168	$50	$69	$84
Heat Rate Sensitivity Down 1 MMBtu/MWh on Coal and Nuclear Units	$(30)	$(112)	$(149)	$(51)	$(107)	$(131)	$(27)	$(45)	$(66)

[1] Portfolio as of 10/31/2014; East is inclusive of GenOn
[2] Net Coal and Nuclear capacity represents nominal summer net MW capacity of power generated as adjusted for the Company's ownership position, excluding capacity from inactive/mothballed units, and inclusive of capacity associated with Edison Mission
[3] Forecasted generation dispatch output (MWh) based on forward price curves as of 10/3/2014, which is then divided by number of hours in a given year to arrive at MW capacity; Dispatch takes into account planned and unplanned outage assumptions
[4] Includes amounts under power sales contracts and natural gas hedges; Forward natural gas quantities are reflected in equivalent MWh based on forward market implied heat rate as of 10/31/2014 and, combined with power sales, provides equivalent MWh hedged, which is then divided by number of hours in given year to arrive at MW hedged; Coal and Nuclear Sales include swaps and delta of options sold which is subject to change; For detailed information on the Company's hedging methodology through use of derivative instruments, see discussion in 2013 10K Item 15 - Note 5, Accounting for Derivative Instruments and Hedging Activities, to the Consolidated Financial Statements; Includes inter-segment sales from the Company's wholesale power generation business to the Retail Business
[5] Percentage hedged is based on Total Coal and Nuclear sales as described above (4) divided by the forecasted Coal and Nuclear Capacity (3)
[6] Represents all coal and nuclear sales, including energy revenue and demand charges; For purpose of consistency, rail rates for South Central were held constant

Appendix:
Reg. G Schedules

Reg. G: 3Q 2014 Free Cash Flow before Growth

($ millions)	9/30/2014	9/30/2013	Variance
Adjusted EBITDAR	**$ 1,042**	**$ 1,018**	**$ 24**
Less: GenOn operating lease expense	(28)	(18)	(10)
Adjusted EBITDA	**$ 1,014**	**$ 1,000**	**$ 14**
Interest payments	(257)	(152)	(105)
Income tax	(1)	(3)	2
Collateral / working capital / other	(12)	56	(68)
Cash Flow from Operations	**$ 744**	**$ 901**	**$ (157)**
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	103	6	97
Merger and integration costs	12	36	(24)
Collateral	(197)	(99)	(98)
Adjusted Cash Flow from Operations	**$ 662**	**$ 844**	**$ (182)**
Maintenance capital expenditures, net[1]	(27)	(52)	25
Environmental capital expenditures, net	(92)	(17)	(75)
Preferred dividends	(2)	(2)	-
Distributions to non-controlling interests	(15)	–	(15)
Free Cash Flow before Growth	**$ 526**	**$ 773**	**$ (247)**

[1] 3Q 2014 and 3Q 2013 maintenance capex excludes merger and integration capex of $7 MM and $11 MM, respectively

Reg. G: YTD 2014 Free Cash Flow before Growth

($ millions)	9/30/2014		9/30/2013		Variance	
Adjusted EBITDAR	**$**	**2,585**	**$**	**2,024**	**$**	**561**
Less: GenOn operating lease expense		(84)		(57)		(27)
Adjusted EBITDA	**$**	**2,501**	**$**	**1,967**	**$**	**534**
Interest payments		(800)		(644)		(156)
Income tax		(9)		59		(68)
Collateral / working capital / other		(578)		(559)		(19)
Cash Flow from Operations	**$**	**1,114**	**$**	**823**	**$**	**291**
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements		(64)		177		(241)
Merger and integration costs		76		116		(40)
Collateral		100		59		41
Adjusted Cash Flow from Operations	**$**	**1,226**	**$**	**1,175**	**$**	**51**
Maintenance capital expenditures, net[1]		(191)		(222)		31
Environmental capital expenditures, net		(178)		(50)		(128)
Preferred dividends		(7)		(7)		-
Distributions to non-controlling interests		(38)		–		(38)
Free Cash Flow before Growth	**$**	**812**	**$**	**896**	**$**	**(84)**

[1] 3Q YTD 2014 and 3Q YTD 2013 maintenance capex excludes merger and integration capex of $20 MM and $21 MM, respectively

Reg. G: 2014 & 2015 Guidance

($ millions)	2014		2015
	Prior Guidance	Revised Guidance	Guidance
Adjusted EBITDAR	**$3,328 - $3,528**	**$3,228 - $3,328**	**$3,328-$3,528**
Less: Operating lease expense	(128)	(128)	(128)
Adjusted EBITDA[1]	**$3,200 – $3,400**	**$3,100 – $3,200**	**$3,200 – $3,400**
Interest payments[2]	(1,061)	(1,114)	(1,160)
Income tax	(40)	(40)	(40)
Working capital / other	(70)	(215)	250
Adjusted Cash Flow from Operations	**$2,029 – $2,229**	**$1,731 – $1,831**	**$2,250 – $2,450**
Maintenance capital expenditures, net	(375)-(395)	(375)-(395)	(540)-(570)
Environmental capital expenditures, net	(340)-(360)	(290)-(310)	(300)-(320)
Adjusted EBITDA from Home Solar	—	—	(100)
Preferred dividends	(9)	(9)	(7)
Distributions to non-controlling interests	(100)	(100)	(220)-(230)
Free Cash Flow before Growth	**$1,200 – $1,400**	**$950 – $1,050**	**$1,100 – $1,300**

[1] 2014 guidance includes negative contribution of $50 MM from NRG Home Solar; 2015 guidance excludes negative contribution of $100 MM from NRG Home Solar
[2] 2014 interest payments include $70 MM debt extinguishment costs associated with refinancings

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Appendix Table A-1: Third Quarter 2014 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

($ millions)	Retail	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	**88**	**147**	**223**	**76**	**25**	**(34)**	**(357)**	**168**
Plus:								
Net income attributable to non-controlling interest	-	-	-	-	6	12	(4)	14
Interest expense, net	-	4	13	4	40	34	182	277
Loss on debt extinguishment	-	-	-	-	-	-	13	13
Income tax	-	-	-	-	10	-	79	89
Depreciation, amortization, and ARO expense	32	153	68	20	34	64	13	384
Amortization of contracts	-	5	(17)	7	8	4	(1)	6
EBITDA	**120**	**309**	**287**	**107**	**123**	**80**	**(75)**	**951**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	-	2	15	(4)	8	21
Integration & transaction costs	1	-	1	-	2	-	14	18
Deactivation costs	-	-	8	1	-	-	-	9
Sale of businesses	-	-	-	-	-	-	-	-
Asset write-offs and impairments	-	10	60	-	-	12	7	89
Mark to Market (MtM) losses / (gains) on economic hedges	75	(138)	(14)	3	-	-	-	(74)
Adjusted EBITDA	**196**	**181**	**342**	**113**	**140**	**88**	**(46)**	**1,014**

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Appendix Table A-2: Third Quarter 2013 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

($ millions)	Retail	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	**(56)**	**282**	**241**	**22**	**40**	**(7)**	**(403)**	**119**
Plus:								
Net income attributable to non-controlling interest	-	-	-	-	9	17	(7)	19
Interest expense, net	1	4	12	1	20	12	174	224
Loss on debt extinguishment	-	-	-	-	-	-	1	1
Income tax	-	-	-	-	5	-	155	160
Depreciation, amortization, and ARO expense	37	142	89	13	19	26	3	329
Amortization of contracts	10	3	17	(2)	1	-	2	31
EBITDA	**(8)**	**431**	**359**	**34**	**94**	**48**	**(75)**	**883**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	1	-	13	8	(12)	17	27
Integration & transaction costs	-	-	-	-	-	-	26	26
Deactivation costs	-	-	5	2	-	-	-	7
Asset write-offs and impairments	-	-	1	-	1	3	(1)	4
Mark to Market (MtM) losses / (gains) on economic hedges	188	(184)	50	(2)	-	1	-	53
Adjusted EBITDA	**180**	**248**	**415**	**47**	**103**	**40**	**(33)**	**1,000**

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Appendix Table A-3: YTD Third Quarter 2014 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

($ millions)	Retail	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	**267**	**(56)**	**448**	**117**	**75**	**(101)**	**(735)**	**15**
Plus:								
Net income attributable to non-controlling interest	-	-	-	-	16	15	(11)	20
Interest expense, net	1	39	10	8	96	92	552	798
Loss on debt extinguishment	-	-	-	-	-	-	94	94
Income tax	1	-	-	-	15	-	(84)	(68)
Depreciation, amortization, and ARO expense	98	442	208	63	94	171	35	1,111
Amortization of contracts	3	17	(36)	4	8	4	(1)	(1)
EBITDA	**370**	**442**	**630**	**192**	**304**	**181**	**(150)**	**1,969**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	1	-	(2)	35	(1)	19	52
Integration & transaction costs	1	-	2	-	2	-	65	70
Deactivation costs	-	-	10	5	-	-	-	15
Legal settlement	4	-	-	-	-	-	-	4
Sale of businesses	-	(23)	5	-	-	-	-	(18)
Asset write-offs and impairments	-	15	60	-	-	12	9	96
Mark to Market (MtM) losses / (gains) on economic hedges	102	(109)	316	4	-	-	-	313
Adjusted EBITDA	**477**	**326**	**1,023**	**199**	**341**	**192**	**(57)**	**2,501**

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Appendix Table A-4: YTD Third Quarter 2013 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

($ millions)	Retail	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	**231**	**31**	**216**	**54**	**86**	**(45)**	**(662)**	**(89)**
Plus:								
Net income attributable to non-controlling interest	-	-	-	-	9	27	(9)	27
Interest expense, net	2	12	39	1	31	34	502	621
Loss on debt extinguishment	-	-	-	-	-	-	50	50
Income tax	-	-	-	-	5	-	(60)	(55)
Depreciation, amortization, and ARO expense	105	416	267	41	39	73	18	959
Amortization of contracts	49	14	(4)	(5)	1	-	-	55
EBITDA	**387**	**473**	**518**	**91**	**171**	**89**	**(161)**	**1,568**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	2	-	14	28	-	16	60
Integration & transaction costs	-	-	-	-	-	-	95	95
Deactivation costs	-	-	14	4	-	-	-	18
Asset write-offs and impairments	-	3	1	-	1	3	-	8
Mark to Market (MtM) losses / (gains) on economic hedges	36	(24)	209	(3)	-	-	-	218
Adjusted EBITDA	**423**	**454**	**742**	**106**	**200**	**92**	**(50)**	**1,967**

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Appendix Table A-5: NRG Intended Asset Dropdown – 4Q 2014

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

($ millions)	**2014 Q4 Drop Downs**
Income before Taxes	**3**
Adjustments to net income to arrive at Adjusted EBITDA:	
Depreciation & Amortization	81
Interest Expense, net	36
Adjusted EBITDA	**120**
Cash Interest Paid	(33)
Working Capital / Other	1
Maintenance Capital Expenditures	-
Principal Amortization of indebtedness	(53)
Cash Available for Distribution	**35**

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- EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.
- EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:
  - EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
  - EBITDA does not reflect changes in, or cash requirements for, working capital needs;
  - EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
  - Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
  - Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.
- Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.
- Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating Adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release.
- Adjusted cash flow from operating activities is a non-GAAP measure NRG provides to show cash from operations with the reclassification of net payments of derivative contracts acquired in business combinations from financing to operating cash flow, as well as the add back of merger and integration related costs. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates. The Company adds back merger and integration related costs as they are one time and unique in nature and do not reflect ongoing cash from operations and they are fully disclosed to investors.
- Free cash flow (before growth investments) is adjusted cash flow from operations less maintenance and environmental capital expenditures, net of funding, and preferred stock dividends and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each of these adjustments and the reasons NRG considers them appropriate for supplemental analysis. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on free cash flow before growth investments as a measure of cash available for discretionary expenditures.
- Cash available for distribution is adjusted EBITDA plus cash dividends from unconsolidated affiliates, less maintenance capital expenditures, pro-rata adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in others assets. Management believes cash available for distribution is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors.