NRG Energy Inc.

First Quarter 2020 Earnings Presentation

May 07, 2020

Safe Harbor

Forward-Looking Statements

In addition to historical information, the information presented in this presentation 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 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 be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated herein include, among others, the potential impact of COVID-19 or any other pandemic on the Company’s operations, financial position, risk exposure and liquidity, 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 regulations, the condition of capital markets generally, our ability to access capital markets, cyberterrorism and inadequate cybersecurity, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions, repowerings or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to achieve margin enhancement under our publicly announced transformation plan, our ability to achieve our net debt targets, our ability to maintain investment grade credit metrics, our ability to proceed with projects under development or the inability to complete the construction of such projects on schedule or within budget, the inability to maintain or create successful partnering relationships, our ability to operate our business efficiently, our ability to retain retail customers, our ability to realize value through our commercial operations strategy, the ability to successfully integrate businesses of acquired companies, our 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, and our ability to execute our Capital Allocation Plan. Achieving investment grade credit metrics is not a indication of or guarantee that the Company will receive investment grade credit ratings. Debt and share repurchases 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, free cash flow guidance and excess cash guidance are estimates as of May 7, 2020. These estimates are based on assumptions the company 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 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

Business Review

Mauricio Gutierrez, President and CEO

Financial Review

Kirk Andrews, EVP and CFO

Closing Remarks

Mauricio Gutierrez, President and CEO

Q&A

Key Messages

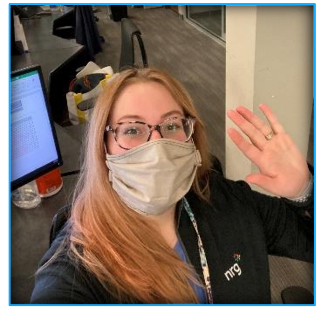
Comprehensive COVID-19 Response to Maintain Safe and Reliable Operations

Reaffirming 2020 Guidance
Integrated Platform to Provide Stable Results

Enhanced Disclosures Aligned with Business Model

COVID-19
Comprehensive Response





Employees

- Activated Crisis Management Team on January 21st
- Closed offices March 17th; **~95%** of office personnel working remote
- Implemented Infectious Disease & Pandemic Policy, social distancing, travel bans, restricted plant access, and cleaning protocols
- Expanded employee health benefits and financial assistance
- Developing regional return-to-work plan, prioritizing health and safety

Operations

- No material financial impact to planned plant maintenance outages; well prepared for summer
- STP nuclear refueling outage executed on schedule
- Work-stop for non-essential projects
- Paused all face-to-face retail marketing activities
- Halted late and non-pay disconnects for residential customers in ERCOT

Community

- Pledged **$2 million** towards front line relief efforts through PositiveNRG
- Support directed to:
  - First responders for safety supplies, including PPEs
  - Community relief fund for small businesses
  - Teachers and educators

positivenrg
a philanthropic initiative

Continuing Safe and Reliable Operations while Serving Our Customers and Communities

Business Highlights

Q1 Business Highlights

☑ **Strong Financial and Operational Results**

- ☑ Top decile safety performance
- ☑ Resilient financial and operational results through mild weather
- ☑ Adhering to capital allocation strategy while balancing liquidity; current share count of 244 MM

☑ **Comprehensive Response to COVID-19**

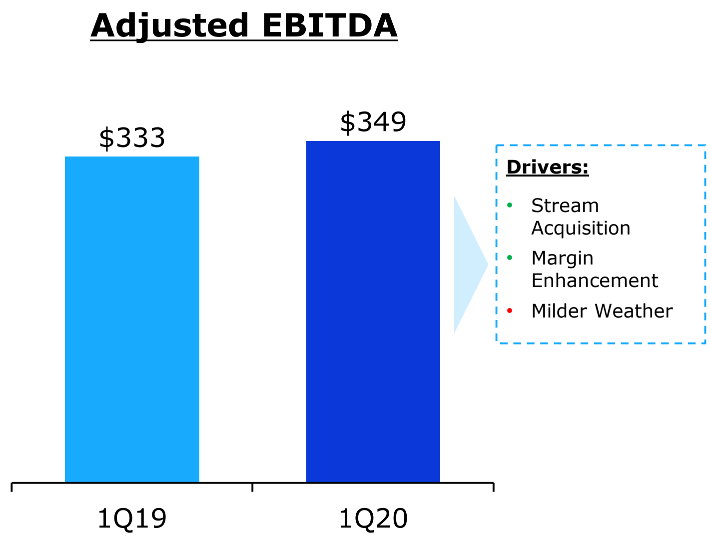
- ☑ Rapid implementation of Pandemic Plan
- ☑ Pledged over $2 MM to COVID-19 relief efforts

☑ **Enhanced Disclosures to Align with Business**

- ☑ Announcing enhanced integrated disclosures
- ☑ Published 2019 Sustainability Report, May 6th

Year over Year Results and Drivers

($ millions)



Reaffirming 2020 Guidance:

$1,900 - $2,100 MM Adjusted EBITDA

$1,275 - $1,475 MM FCFbG

Delivered Strong First Quarter Results; Reaffirming 2020 Guidance

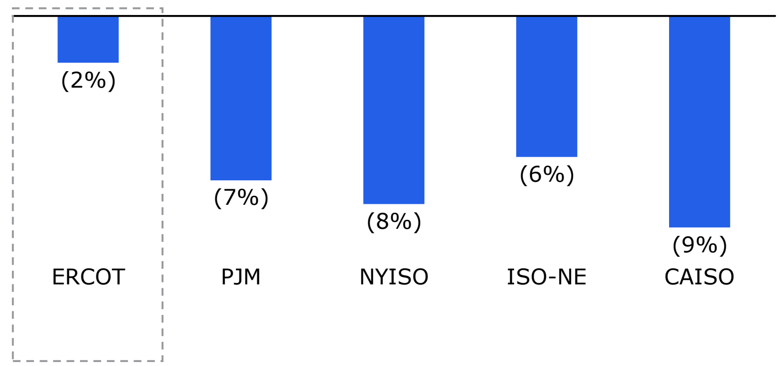
COVID-19
Market Impact / Outlook

COVID-19 Impacting 2020 Load and Prices…

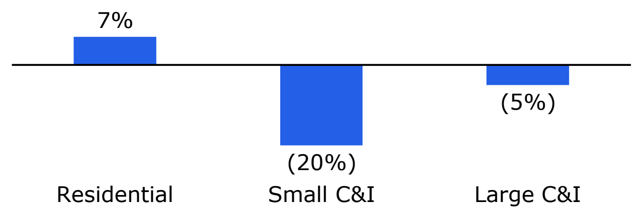
- **Power demand declines across all regions with ERCOT residential remaining resilient**
  - Load impacts vary significantly by subregion and customer type; ERCOT residential up 7% in April
  - ERCOT demonstrating relative strength particularly outside of West Texas
- **Expect measured recovery in power demand and prices as economy slowly reopens**
  - ERCOT summer prices down 25% from pre-COVID levels; actual summer prices remain weather and wind production dependent
- **Texas economy remains one of the healthiest and most diverse with strong population growth**
  - ERCOT continues to require new build to maintain long-term reliability; CDR overstate new builds
  - Solar development at-risk over medium-term as result of tax equity and weak forward power prices

…Load Impacts Varying Significantly By Subregion and Customer Type

Load Reductions by ISO[1]
April 2020



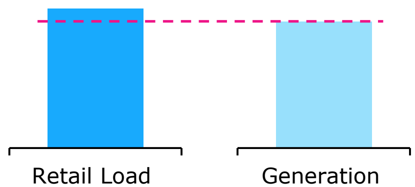
Impact by Customer Type[2]
April 2020



ERCOT Load Demonstrates Relative Strength and Robust Outlook; Full Impact of COVID-19 Related Customer Bad Debt and Attrition Remains Unknown

[1] NRG estimates for April 2020 Weather normalized system wide load; [2] Based on internal analysis

COVID-19
Strengthened Platform = Stable Results

	2020[1]		Positioned To Thrive
1 **Balanced Portfolio**		✓	• Multi-Brand / Multi-Channel Retail Platform • Texas Residential Retail Focused • Limited Direct Exposure to Oil / West Texas
2 **Strong Balance Sheet**	**2.50-2.75x** **Net Debt/Adj. EBITDA**	✓	• No Near-Term Maturities • Strong Liquidity, $2.0 Bn[1] • On Track for Investment Grade Rating
3 **Significant Excess Cash Flow**	**Clear Capital Allocation Framework**	✓	• Track Record of Execution • Supports 7-9% Annual Dividend Growth and Significant Return of Capital • Supports Opportunistic Growth
4 **Solid Foundation**	**Comprehensive Sustainability Framework**	✓	• Enhanced Financial Disclosures • Best-in-Class Sustainability Reporting • Strong Governance

Focused on Validating Durability of Integrated Platform Through Varying Cycles

[1] As of 3/31/2020

Enhancing Disclosures
Segments Aligned with Integrated Strategy

	ERCOT	East / West
Earnings Mix	**~70%** Adj EBITDA	**~30%** Adj EBITDA
Strategy	**Stability through Integrated Platform**	**Grow Retail / Streamline Generation**
Characteristics	• Integration of Two Counter-Cyclical Businesses Provides Stability • Leading Retail Platform (33% market share) • Purest Competitive Market • Strong / Resilient Power Demand	• Pursuing Additional Portfolio Rebalancing • Scalable Retail Platform (<5% market share) • Capacity / Reliability Focused Fleet • Maintain Energy / Site Option

Introducing EBITDA Sensitivities[1]

ERCOT:

	2020	2021
Power Price: +/- $1/MWh	<$5 MM	$12 MM

East / West:

	2020	2021
Power Price: +/- $1/MWh	<$5 MM	$8 MM

Improves Clarity of ERCOT Integrated Platform and Continued Portfolio Rebalancing Opportunity in East / West

[1] See slides 19-20

Financial Review

2020 Segment Update

($ millions)

Old Segments		*2019 Results*
Retail *Texas* *East*	 *$729* *191*	*$ 920*
Generation *Texas* *East/Other[3]*	 *610* *447*	*1,057*
Adjusted EBITDA		***$1,977***

New Segments	*2019 Results[1]*	2020 Guidance[2]
Texas	*$1,339*	$1,350-1,500
East/West/Other[3]	*638*	$550-600
Adjusted EBITDA	***$1,977***	**$1,900 - $2,100**

New Segment	Operations	Margin details
Texas	ERCOT generation and retail	▪ Revenues - primarily retail ▪ COGS – fuel/purchased power
East	PJM/NYISO/NEPOOL generation and all other retail	▪ Revenues – retail electric/gas, capacity and energy ▪ COGS – fuel/purchased power
West/ Other	CAISO/MISO generation results, renewable equity investments, international activity and corporate	▪ Revenues – resource adequacy and energy ▪ COGS - fuel

Segments are now aligned with our geographically driven integrated model

[1] Reflects 2019 changes in reportable segments; [2] 2020 Guidance excludes Agua Caliente; [3] Includes Corporate segment

1Q 2020 Results

($ millions)

	Three Months Ended 3/31/2019	Three Months Ended 3/31/2020	2020 Guidance
Texas	$179	$195	$1,350-1,500
East/West/Other[1]	154	154	$550-600
Adjusted EBITDA	**$333**	**$349**	**$1,900 - $2,100**
Free Cash Flow before Growth ("FCFbG")	**$10**	**$167**	**$1,275-$1,475**

Highlights:

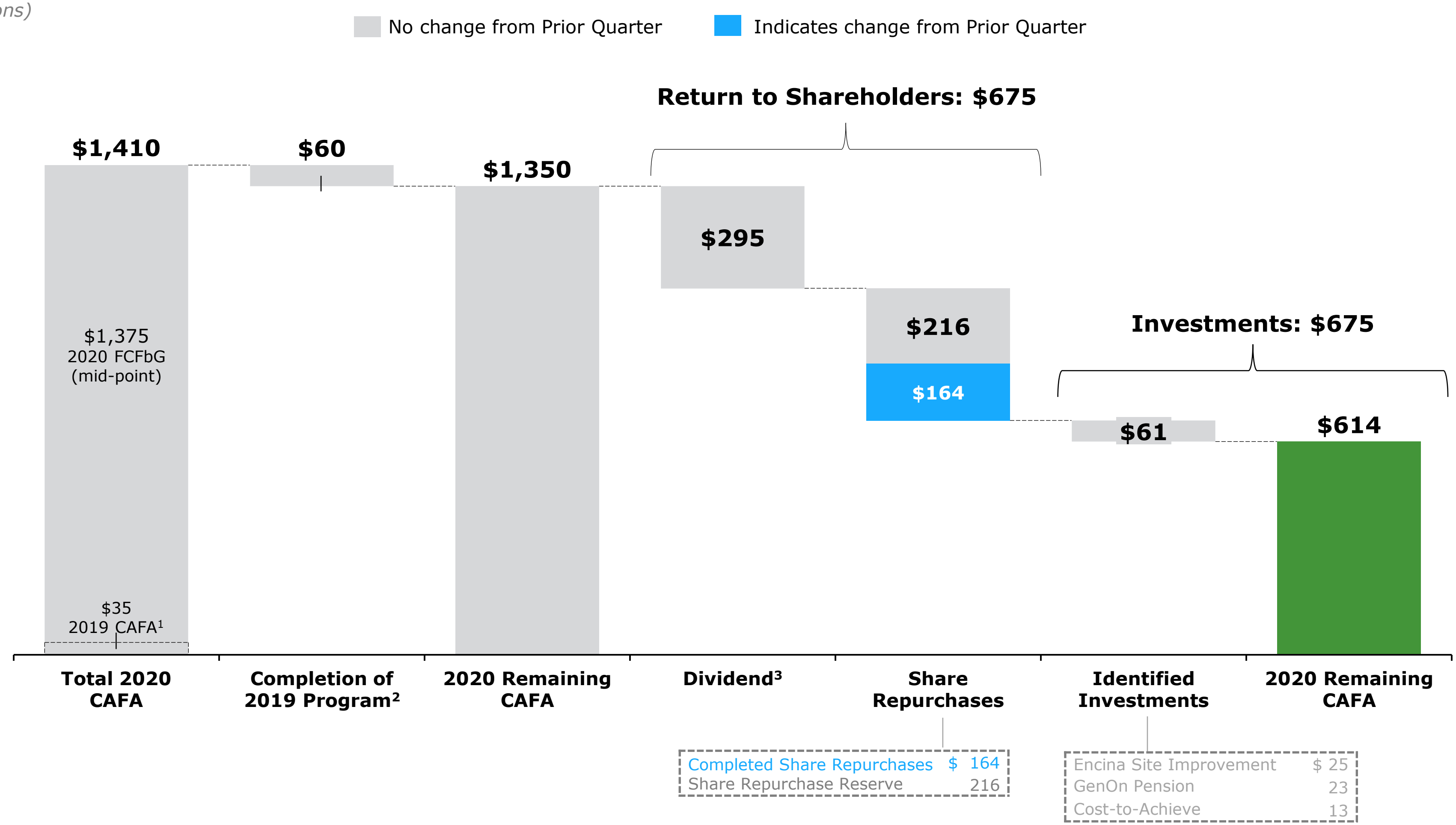
- Strong Q1 results reflecting the integrated business model; COVID-19 impact minimal
- Expected increase in COVID related costs, including Bad Debt, with offsets from cost management and relief funds
- Strong liquidity under current COVID-19 market conditions with precautionary $635 MM draw under revolving credit facility
- Completed $224 MM share repurchases[2] at an average price of $33.05/share

COVID-19 Impact Manageable; Reaffirming 2020 Guidance

[1] Includes Corporate segment; [2] Includes $60 MM share repurchases from 2019 carried over into 2020

2020 Capital Allocation

($ millions)



>40% of Share Repurchases Completed under New Policy; ~$600 MM of Uncommitted Capital Available

[1] See slide 11 of 4Q19 presentation for details; [2] Remaining balance of the 2019 $250MM share repurchase authorization, which was completed in Jan-Feb 2020; [3] Estimate based on an $1.20 annual dividend and 244 MM outstanding shares as of 05/07/2020

Closing Remarks

2020 Priorities

- ☐ **Deliver on Financial and Operational Objectives**
  - ☑ Reaffirming 2020 guidance
  - ☑ Strong year-to-date financial, operational and safety performance

- ☐ **Complete 3-Year Transformation Plan**
  - ☐ $215 MM cumulative EBITDA-accretive margin enhancement ($80 MM in 2020) – on track

- ☐ **Perfect and Grow Integrated Platform**
  - ☑ Enhance transparency through regional integrated financial disclosures and sensitivities
  - ☐ Grow retail and increase renewable supply through capital-light (PPA) strategy
  - ☐ Portfolio / real-estate optimization

- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☑ Increase annual dividend from $0.12 to $1.20 per share
  - ☐ Execute $380 MM share repurchases as part of long-term 50% return of capital program
  - ☐ Achieve investment grade credit rating

Appendix

Committed to Sustainability

NRG Sustainability Framework

- Sustainable Business
- Sustainable Operations
- Sustainable Customers
- Sustainable Suppliers
- Sustainable Workplace

Industry-Leading Disclosure

10th Sustainability Report

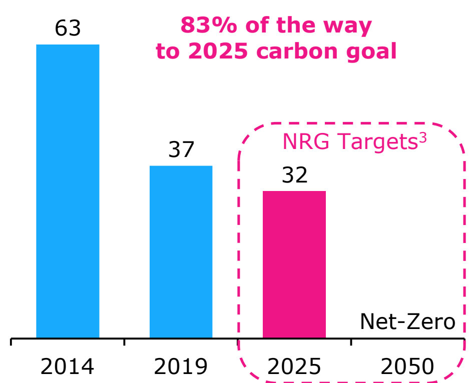
TCFD
SASB

Comprehensive Approach

CDP SUPPLIER ENGAGEMENT LEADER
SCIENCE BASED TARGETS

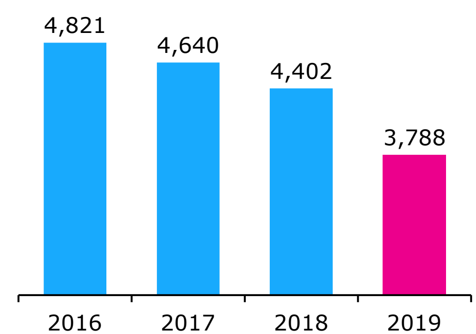
Environmental Leadership[1]

U.S. CO_2e Emission Goals ($MMtCO_2e$[2])



Carbon Reduction Target: 50% by 2025; net-zero by 2050

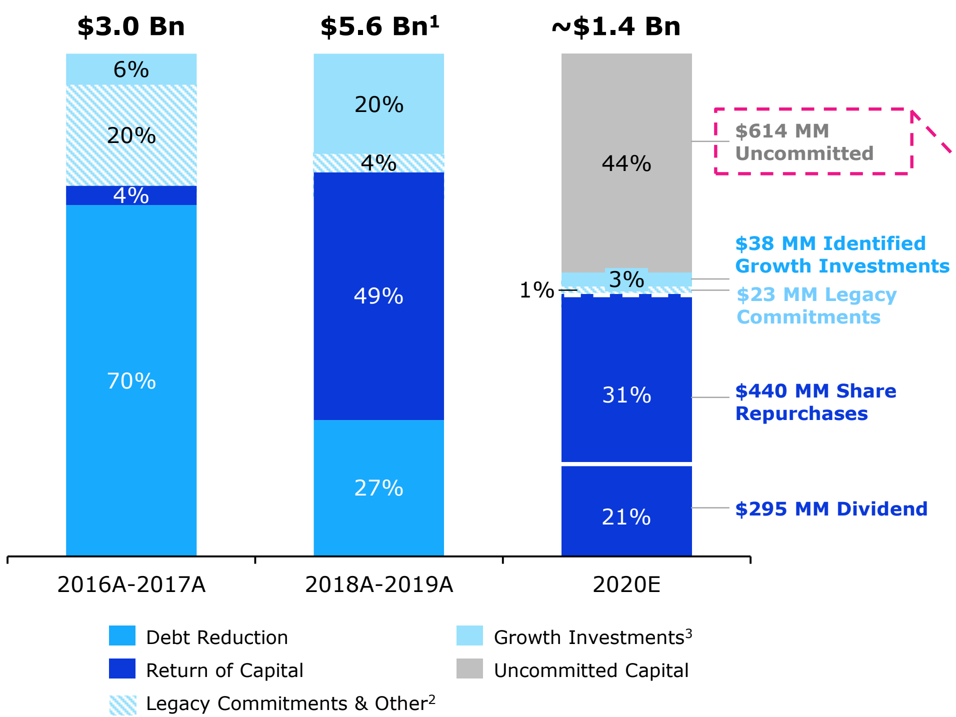
Revenue Carbon Intensity (U.S. tCO_2e[4]/$ MM)



[1] Data as of December 31, 2019; [2] Million Metric tons of carbon dioxide equivalent; [3] As of December 31, 2019; NRG's goal is to reduce its total U.S. Scope 1, 2 (purchased electricity) and 3 (business travel) CO_2e emissions by 50% by 2025, and 'net-zero' by 2050, using 2014 as a baseline; [4] Tons of carbon dioxide equivalent

2020 Capital Allocation Plan

Stabilize | Right-Size | Redefine



Capital Allocation Priorities

Maintain **top decile** safety and operational excellence

Maintain Investment Grade Credit metrics of **2.50-2.75x** Net Debt / Adjusted EBITDA

50% Opportunistic	50% Return of Capital
Hurdle rate of 12-15% unlevered pretax return with 5-year payback	Dividend $1.20 / share and 7-9% annual growth
Share Repurchases	Share Repurchases

Capital Allocation Strategy Remains On Track

[1] Includes asset sale proceeds; [2] Primarily GenOn, Renew and Petra Nova; [3] Includes cost to achieve Transformation Plan

Capacity Clears & Unsold

Capacity Revenue by Calendar[1] Year ($ MM)

Market	2020	2021
PJM	$282	$299
ISO-NE	$110	$90
NYISO[2]	$151	$195
CAISO[2]	$58	$52

Illustrative: Assumes uncleared capacity clears at current market levels

Market	Planning Year	Average Price ($/kW-Month)	Estimated Qualified Capacity[3]	Percentage Sold[4]	MWs Cleared
ISO-NE	2019-2020	$7.03	1,529	100%	1,529
	2020-2021	$5.30	1,529	100%	1,529
	2021-2022	$4.63	1,529	100%	1,529
	2022-2023	$3.80	1,517	100%	1,517
	2023-2024	$2.00	1,517	50%	757
NYISO	2020	$4.62	2,724	85%	2,311
	2021	$5.74	2,828	35%	984
CAISO	2020	$5.81	838	100%	838
	2021	$5.19	838	41%	347

Market	Region	Planning Year	Average Price ($/MW-Day)	MWs Cleared
PJM	ComEd	2020-2021	$188.12	3,315
		2021-2022	$195.55	3,995
PJM	DPL South	2020-2021	$187.87	519
		2021-2022	$165.73	552
PJM	PEPCO	2020-2021	$86.04	67
		2021-2022	$140.00	72
PJM	Net Total	2020-2021	$186.34	3,901
		2021-2022	$191.12	4,619

*PJM data as of 5/23/2018

[1] Capacity revenue excludes cleared DER of: 2,919 MW at $84.15 $/MW-day in 2019-2020, 1,633 MW at $116.06 $/MW-day in 2020-2021 and 3,203 MW at $154.73 $/MW-day in 2021-2022; [2] NYISO & CAISO values include sold and unsold revenue; unsold revenue is estimated as of 3/31/2020 and is subject to change; NYC estimated qualified capacity is ~1.2 GW; NYISO – Rest of State estimated qualified capacity is ~1.5 GW; [3] Capacity that can be bid in a capacity auction; estimated as of 3/31/2020 and is subject to change; [4] Percentage of the total qualified capacity that has been sold as of 3/31/2020

Integrated Portfolio
Additional Modeling Data

	2020E Guidance Drivers		2021E Business Statistics	
	ERCOT	East/West	ERCOT	East/West
Operational Statistics				
Retail Sales – Current Portfolio[1,3]				
Electric Estimated Sales (TWhs)	57-59	11-13	Stable to Modest Growth	
Natural Gas Estimated Sales (MDths)	0	23-25	Stable to Modest Growth	
ERCOT Integrated Supply and East/West Generation Statistics[1]				
Total Capacity (GW)[2,4]	10	11	10	11
Estimated Generation (TWh)[2,5]	38.7	13.4	42.6	13.1
Percentage Estimated Generation Hedged[2,6]	Integrated	98%	Integrated	22%
Financial Summary				
Gross Margin Summary ($ MM)[1]				
Electric, Natural Gas, & Other Products[2,7]	$2,620-2,770	$510-560	--	--
Energy & Other[2,8]	~$60	~$290	~$60	~$260
Capacity Revenues – generation[2,9]	--	~$600	--	~$635
Implied Economic Gross Margin ($ MM)	$2,680-2,830	$1,400-1,450	--	--
O&M, SG&A, and Other Income/Expense[1,10]	~$1,330	~$850	+/- 2%	+/- 2%
Adj EBITDA Guidance ($ MM)	**$1,350-1,500**	**$550-600**	--	**--**
Adjusted EBITDA Power Price Sensitivities and Prices				
Adj EBITDA Sensitivities ($ MM)[11]	**Bal 2020**	**Bal 2020**	**2021E**	**2021E**
Power Price Sensitivity: +/- $1/MWh	<$5	<$5	$12	$8
Around-the-Clock Power Prices[2]	**2020**	**2020**	**2021**	**2021**
ERCOT (Houston) and East/West (PJM-W Zones), 9/30/2019	$35.33	$29.38	$31.48	$28.29
ERCOT (Houston) and East/West (PJM-W Zones), 3/31/2020	$30.05	$21.23	$32.22	$26.51
ERCOT (Houston) and East/West (PJM-W Zones), 4/30/2020	$31.23	$22.57	$32.89	$28.84

Modeling Data Footnotes

[1] 2020 numbers are estimated components in isolation to the current guidance range, established as of 9/30/19 and reaffirmed on 5/7/20

[2] Annualized equivalents represent realized actuals through 3/31/20 plus forecasts through year-end based on forward prices as of 3/31/20

[3] Estimated Retail Sales assumes weather-normalized expected sales

[4] Total capacity represents net summer MWs after adjusting for ownership position excluding capacity from equity interest assets and inactive/mothballed units

[5] Estimated generation represents expected dispatch output (GWh) based on forward price curves as of 3/31/20

[6] Percentage hedged represents power equivalent hedge volumes divided by estimated generation; 'Integrated' represents the company's intention to internally cross the respective output (with exception of CBY unit 4) to its retail operations, unless otherwise optimized through other channels; Excludes coal hedging – NRG is hedged 100% and 17% of its expected coal fuel requirement for 2020 & 2021, respectively

[7] Electric, Natural Gas, and Other Products primarily represents the expected revenues net of fuel / purchased power, TDSP, capacity, and other charges

[8] Energy & Other primarily represents the expected energy revenue net of fuel, emission costs and other obligations from merchant assets. Further integration of merchant assets will shift realized margin to Electric Revenues. For hedging methodology see the 2019 10K Item 15 - Note 5, Accounting for Derivative Instruments and Hedging Activities.

[9] Capacity Revenue primarily represents generation revenue from MWs cleared in ISO auctions or sold bilaterally plus forecasted revenue from unsold Capacity. Demand Response is subsumed in Energy & Other; however, for financial reporting purposes, it is included in Capacity Revenues

[10] Includes other income from equity investments

[11] The change in power price is shaped by the level of the current forward curve and expected volumes – that is higher priced months (which are mostly associated with higher load volumes) experience a bigger change while lower priced months (which are mostly associated with lower load volumes) experience a smaller change. Power Price sensitivity represents estimated EBITDA change for an around-the-clock shift scaled to +/- $1/MWh. Natural Gas prices and expected weather normalized load volumes are assumed to remain unchanged while calculating these sensitivities. Actual portfolio EBITDA may vary differently from modeled forecast due to several factors including forced plant outages, unexpected load variability and non-linear nature of the generation portfolio

Historical Adjusted EBITDA
New Segments

($ millions)

	2017	2018	2019	1Q19	2Q19	3Q19	4Q19
Texas	$755	$1,008	$1,339	$179	$326	$584	$251
East	326	447	484	144	93	143	103
West/Other	386	361	166	15	51	70	30
Corp/Eliminations	(78)	(39)	(12)	(5)	(1)	(5)	(0)
Adjusted EBITDA	**$1,389**	**$1,777**	**$1,977**	**$333**	**$469**	**$792**	**$384**
Pro Forma Changes to Portfolio[1]:							
Agua/Ivanpah deconsolidation	$102	$ 65	$ -	$ -	$ -	$ -	$ -
Cottonwood lease[2]	40	40	3	3	-	-	-
Encina, prior to deactivation	47	48	1	-	-	1	-
Contribution from assets prior to sale[3]	32	46	1	1	-	-	-
Impact from Portfolio Changes	**$ 221**	**$199**	**$5**	**$4**	**$0**	**$1**	**$0**

Business Metrics

	2017	2018	2019	1Q19	2Q19	3Q19	4Q19	1Q20
Texas								
Mass Electricity Sales Volume (GWh)	36,169	37,846	38,958	7,990	9,130	13,468	8,370	7,748
C&I Electricity Sales Volume (GWh)	19,586	20,192	18,976	4,549	4,720	5,030	4,677	4,456
GWh Generated	38,694	38,214	37,995	7,634	10,645	11,793	7,923	6,036
East								
Mass Electricity Sales Volume (GWh)	6,221	7,968	9,918	2,494	1,913	2,934	2,577	2,548
C&I Electricity Sales Volume (GWh)	814	984	1,214	282	288	334	310	389
Natural Gas Sales Volume (MDth)	3,212	11,253	23,359	10,547	3,054	1,693	8,065	10,509
GWh Generated	9,944	10,119	6,913	2,482	957	2,662	813	502
West/Other								
GWh Generated	11,394	10,970	9,462	1,939	1,579	3,084	2,956	2,356

[1] All listed portfolio changes are included in West/Other with exception to Keystone Conemaugh which is included in East; [2] Reflects pro-forma lease expense; [3] Comprised of BETM, Guam, Sherbino, Keystone Conemaugh and Resi Solar

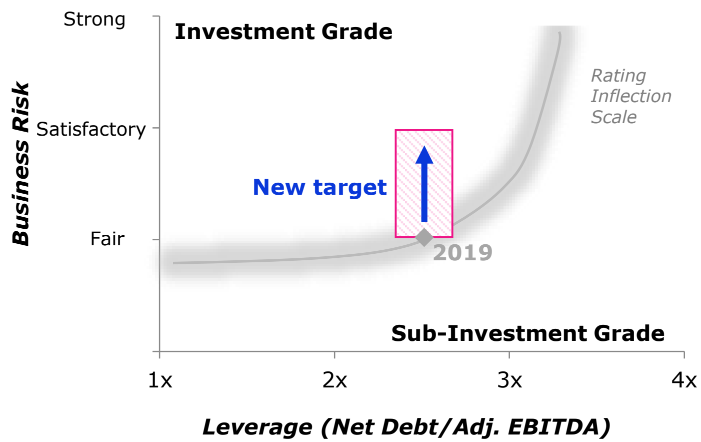
Corporate Credit Profile/Targets

($ millions)

	2020 Guidance
Corporate Debt[1]	**$5,925**
Cash & Cash Equivalents[2]	(500)
Corporate Net Debt	**~$5,425**
Adj. EBITDA[3]	**$2,000**
Less: MWG Adj. EBITDA, net of cash distribution	-
Other Adjustments[4]	150
Corporate Adj. EBITDA	**$2,150**

	Target Investment Grade Metrics
Net Debt / Adj. EBITDA	**2.50 - 2.75x**
Adj. CFO/ Net Debt	**27.5 – 32.5%**
(Adj. CFO + Interest) / Interest	**5.5 – 6.5x**

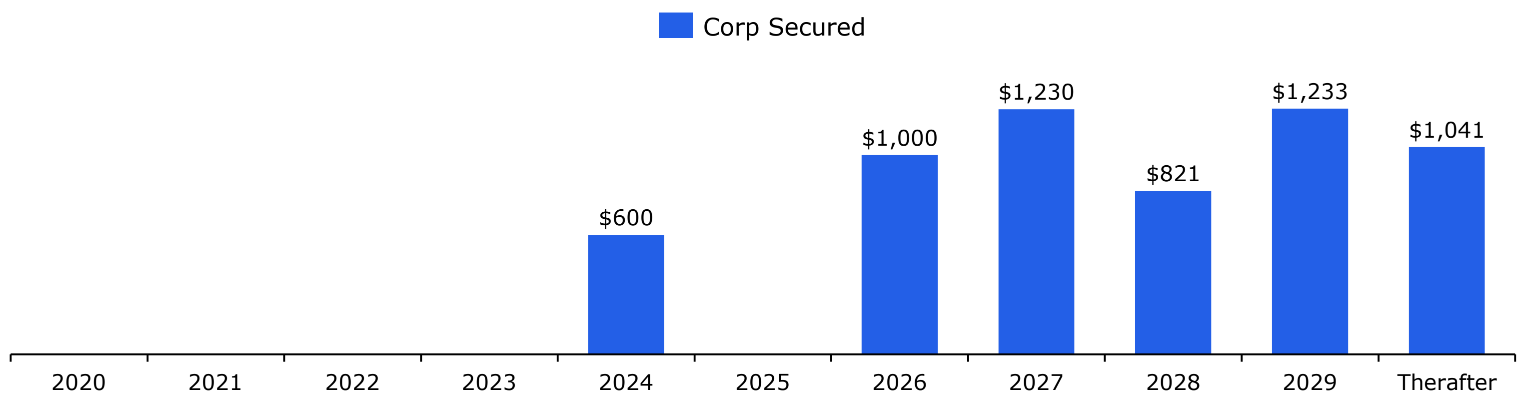
Illustrative NRG Credit Profile



[1] Balance at 3/31/2020; excludes revolver draw of $635MM; [2] Comprises minimum cash assuming excess capital is fully deployed; [3] Midpoint of 2020 guidance ranges; [4] Includes non-cash expenses (e.g. nuclear amortization, equity compensation amortization, and bad debt expense) and non-recurring items that are included in Adj. EBITDA

Recourse Debt Maturity Schedule

(millions)



Recourse Debt	Principle
7.25% Senior notes, due 2026	$1,000
6.625% Senior notes, due 2027	$1,230
5.75% Senior notes, due 2028	$821
5.25% Senior notes, due 2029	$733
2.75% Convertible Senior Notes, due 2048[1]	$575
3.75% Senior Secured First Lien Notes, due 2024	$600
4.45% Senior Secured First Lien Notes, due 2029	$500
Revolving Credit Facility[2]	$635
Tax-exempt bonds	$466
Recourse Debt	**$6,560**

NRG Energy, Inc. Credit Rating	
S&P	**Moody's**
BB Positive	**Ba1 Positive**

Uniform Maturity Schedule with No Maturity Walls

[1] Starting in Dec. 2024 and for limited periods of times, these notes will become convertible in our common stock upon the occurrence of certain events or circumstances; [2] Balance outstanding as of 3/31/20 expected to be fully repaid by 12/31/20

Appendix: Reg. G Schedules

Reg. G

Appendix Table A-1: 2020 Guidance

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Adjusted EBITDA and to Income from Continuing Operations:

($ millions)	**2020 Guidance**
Income from Continuing Operations[1]	**$980 - $1,180**
Income tax	20
Interest Expense	335
Depreciation, Amortization, Contract Amortization, and ARO Expense	480
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	65
Other Costs[2]	20
Adjusted EBITDA	**$1,900 - $2,100**
Interest payments	(335)
Income tax	(20)
Working capital / other assets and liabilities	(95)
Adjusted Cash Flow from Operations	**$1,450 - $1,650**
Maintenance capital expenditures, net	(165) – (185)
Environmental capital expenditures, net	(0) - (5)
Free Cash Flow before Growth	**$1,275 - $1,475**

[1] For purposes of guidance fair value adjustments related to derivatives are assumed to be zero; [2] Includes deactivation costs and cost-to-achieve expenses

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Appendix Table A-2: First Quarter Adjusted EBITDA Reconciliation by Operating Segment

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Income/(Loss) from Continuing Operations

	Three Months ended 3/31/20					Three Months ended 3/31/19				
($ in millions)	Texas	East	West/ Other[1]	Corp/Elim	Total	Texas	East	West/ Other[1]	Corp/Elim	Total
Income/(Loss) from Continuing Operations	**162**	**24**	**41**	**(106)**	**121**	**150**	**99**	**(23)**	**(132)**	**94**
Plus:										
Interest expense, net	-	4	1	89	94	-	5	3	100	108
Income tax	-	-	1	22	23	-	-	-	4	4
Loss on debt extinguishment	-	1	-	-	1	-	-	-	-	-
Depreciation and amortization	59	33	8	9	109	40	26	11	8	85
ARO Expense	3	8	-	-	11	3	3	1	-	7
Contract amortization	1	-	-	-	1	5	-	-	-	5
Lease amortization	-	-	-	-	-	-	-	-	-	-
EBITDA	**225**	**70**	**51**	**14**	**360**	**198**	**133**	**(8)**	**(20)**	**303**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	1	-	24	-	25	3	-	29	-	32
Acquisition-related transaction & integration costs	1	-	-	-	1	-	-	-	-	-
Reorganization costs	1	-	-	2	3	1	-	-	12	13
Deactivation costs	-	-	1	-	1	-	-	1	3	4
Gain on sale of business	-	-	-	(15)	(15)	-	-	-	-	-
Other non recurring charges	(2)	-	(1)	3	-	3	(1)	(1)	-	1
Impairments	18	-	-	-	18	-	-	-	-	-
Mark to market (MtM) (gains)/losses on economic hedges	(49)	20	(15)	-	(44)	(26)	12	(6)	-	(20)
Adjusted EBITDA	**195**	**90**	**60**	**4**	**349**	**179**	**144**	**15**	**(5)**	**333**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-3: 2020 YTD Free Cash Flow before Growth

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Cash provided by continuing operations

($ millions)		3 Months Ended 3/31/20		3 Months Ended 3/31/19
Adjusted EBITDA	**$**	**349**	**$**	**333**
Interest payments		(69)		(84)
Income Tax		(1)		-
Collateral / working capital / other		(71)		(348)
Cash provided by continuing operations	**$**	**208**	**$**	**(99)**
Merger, integration and cost-to-achieve expenses[1]		3		16
GenOn settlement		-		5
Proceeds from sale of investments		11		-
Encina site improvement		2		-
Collateral		(9)		123
Adjusted Cash Flow from Operations	**$**	**215**	**$**	**45**
Maintenance capital expenditures, net		(48)		(35)
Environmental capital expenditures, net		-		-
Distributions to Non-Controlling Interests		-		-
Free Cash Flow before Growth	**$**	**167**	**$**	**10**

[1] Includes costs associated with the Transformation Plan announced on 7/12/2017

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Appendix Table A-4: 2017-19 Adjusted EBITDA : The following table summarizes the calculation of Adjusted EBITDA providing reconciliation to Income/(Loss) from Continuing Operations:

	2017					2018					2019				
($ in millions)	Texas	East	West/ Other[1]	Corp/ Elim	Total	Texas	East	West/ Other[1]	Corp/ Elim	Total	Texas	East	West/ Other[1]	Corp/ Elim	Total
Income/(Loss) from Continuing Operations	**(742)**	**91**	**(71)**	**(623)**	**(1,345)**	**837**	**136**	**91**	**(604)**	**460**	**972**	**287**	**7**	**2,854**	**4,120**
Plus:						-	-	-	-	-	-	-	-	-	-
Interest expense, net	-	27	75	445	547	-	21	37	408	466	-	17	9	368	394
Income tax	-	-	(6)	(38)	(44)	-	1	-	6	7	-	2	1	(3,337)	(3,334)
Loss on debt extinguishment	-	-	-	49	49	-	-	-	44	44	-	-	3	48	51
Depreciation and amortization	258	112	194	32	596	156	105	127	33	421	188	121	33	31	373
ARO Expense	21	16	7	-	44	22	10	5	-	37	28	11	13	(1)	51
Contract amortization	31	-	4	-	35	26	-	1	-	27	19	-	-	-	19
Lease amortization	-	(8)	-	-	(8)	-	(8)	-	-	(8)	-	-	-	-	-
EBITDA	**(432)**	**238**	**203**	**(135)**	**(126)**	**1,041**	**265**	**261**	**(113)**	**1,454**	**1,207**	**438**	**66**	**(37)**	**1,674**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	17	-	34	(1)	50	9	-	73	1	83	12	-	104	(1)	115
Acquisition-related transaction & integration costs	-	-	-	4	4	-	2	-	7	9	1	1	-	1	3
Reorganization costs	19	2	7	16	44	21	2	3	81	107	6	-	-	17	23
Legal Settlement	-	(1)	-	-	(1)	13	-	10	6	29	3	6	2	2	13
Deactivation costs	4	2	7	8	21	-	9	1	12	22	(1)	12	7	9	27
Gain on sale of business	-	(13)	(5)	2	(16)	-	-	2	(30)	(28)	-	-	-	(6)	(6)
Other non recurring charges	(10)	(8)	-	24	6	(4)	15	(7)	(3)	1	(2)	2	(2)	(3)	(5)
Impairments	1,386	106	117	4	1,613	20	82	12	-	114	103	-	4	6	113
Mark to market (MtM) (gains)/losses on economic hedges	(229)	-	23	-	(206)	(92)	72	6	-	(14)	10	25	(15)	-	20
Adjusted EBITDA	**755**	**326**	**386**	**(78)**	**1,389**	**1,008**	**447**	**361**	**(39)**	**1,777**	**1,339**	**484**	**166**	**(12)**	**1,977**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-5: 2019 Quarterly Adjusted EBITDA : The following table summarizes the calculation of Adjusted EBITDA providing reconciliation to Income/(Loss) from Continuing Operations:

	1Q219					2Q19					3Q19					4Q19				
($ in millions)	Texas	East	West/ Other[1]	Corp/ Elim	Total	Texas	East	West/ Other[1]	Corp/ Elim	Total	Texas	East	West/ Other[1]	Corp/ Elim	Total	Texas	East	West/ Other[1]	Corp/ Elim	Total
Income/(Loss) from Continuing Operations	**150**	**99**	**(23)**	**(132)**	**94**	**259**	**60**	**18**	**(148)**	**189**	**348**	**121**	**15**	**(110)**	**374**	**215**	**7**	**(3)**	**3,244**	**3,463**
Plus:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense, net	-	5	3	100	108	-	4	3	92	99	1	4	2	88	95	-	4	-	88	92
Income tax	-	-	-	4	4	-	-	-	(1)	(1)	-	-	1	5	6	-	2	-	(3,345)	(3,343)
Loss on debt extinguishment	-	-	-	-	-	-	-	-	47	47	-	-	-	-	-	-	-	3	1	4
Depreciation and amortization	40	26	11	8	85	40	30	7	8	85	45	31	8	7	91	63	34	7	8	112
ARO Expense	3	3	1	-	7	3	3	1	-	7	3	3	11	-	17	17	3	1	-	21
Contract amortization	5	-	-	-	5	6	-	-	-	6	5	-	-	-	5	3	-	-	-	3
Lease amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	**198**	**133**	**(8)**	**(20)**	**303**	**308**	**97**	**29**	**(2)**	**432**	**402**	**159**	**37**	**(10)**	**588**	**298**	**50**	**8**	**(4)**	**352**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	3	-	29	-	32	5	-	28	-	33	3	-	22	1	26	-	-	24	1	25
Acquisition-related transaction & integration costs	-	-	-	-	-	-	-	-	1	1	1	-	-	-	1	-	-	-	1	1
Reorganization costs	1	-	-	12	13	3	-	-	(1)	2	1	-	-	-	1	1	-	-	6	7
Legal Settlement	-	-	-	-	-	3	6	2	-	11	-	-	-	-	-	-	-	-	1	1
Deactivation costs	-	-	1	3	4	-	4	3	2	9	-	2	1	2	5	(1)	6	2	3	10
Gain on sale of business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Other non recurring charges	3	(1)	(1)	-	1	-	-	2	(1)	1	3	(1)	1	(3)	-	(6)	3	(3)	(2)	(8)
Impairments	-	-	-	-	-	1	-	-	-	1	102	-	-	5	107	1	-	4	-	5
Mark to market (MtM) (gains)/losses on economic hedges	(26)	12	(6)	-	(20)	6	(14)	(13)	-	(21)	72	(17)	9	-	64	(42)	44	(5)	-	(3)
Adjusted EBITDA	**179**	**144**	**15**	**(5)**	**333**	**326**	**93**	**51**	**(1)**	**469**	**584**	**143**	**70**	**(5)**	**792**	**251**	**103**	**30**	**-**	**384**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-6: 2019 Adjusted EBITDA Reconciliation by Prior Operating Segment

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Income from Continuing Operations

	Generation		Retail		Total
($ millions)	**Texas**	**East/ West [1]**	**Texas**	**East**	
Income from Continuing Operations	**570**	**3,063**	**393**	**94**	**4,120**
Plus:					
Interest expense, net	-	391	3	-	394
Income tax	-	(3,336)	1	1	(3,334)
Loss on debt extinguishment	-	51	-	-	51
Depreciation and amortization	88	128	109	48	373
ARO Expense	27	23	1	-	51
Contract amortization	19	-	-	-	19
EBITDA	**704**	**320**	**507**	**143**	**1,674**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	12	103	-	-	115
Acquisition-related transaction & integration costs	-	1	1	1	3
Reorganization costs	-	18	5	-	23
Legal Settlement	3	10	-	-	13
Deactivation costs	(1)	28	-	-	27
Gain on sale of assets	-	(6)	-	-	(6)
Other non-recurring charges	(1)	1	(5)	-	(5)
Impairments	101	11	1	-	113
Mark to market (MtM) (gains)/losses on economic hedges	(208)	(39)	220	47	20
Adjusted EBITDA	**610**	**447**	**729**	**191**	**1,977**

[1] Includes International, remaining renewables, Corporate and eliminations

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Appendix Table A-7: 2019 and 2020 Adjusted EBITDA Reconciliation for Midwest Gen

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Income from Continuing Operations

($ millions)	2019	2020
Income from Continuing Operations[1]	**167**	**45**
Plus:		
Interest Expense, Depreciation, Amortization, Contract Amortization and ARO Expense	48	45
EBITDA	**215**	**90**
Plus: Deactivation Costs, Other non recurring charges, and Mark to market (MtM) (gains) on economic hedges	(40)	-
Plus: Operating lease expense	14	14
Adjusted EBITDAR	**189**	**104**
Less: Operating lease expense	(14)	(14)
Adjusted EBITDA	**$175**	**$90**

[1] 2019 includes a reversal of an accrual related to the settlement of the Midwest Gen asbestos litigation

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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. As NRG defines it, Adjusted EBITDA represents EBITDA excluding impairment losses, gains or losses on sales, dispositions or retirements of assets, any mark-to-market gains or losses from accounting for derivatives, adjustments to exclude the Adjusted EBITDA related to the non-controlling interest, gains or losses on the repurchase, modification or extinguishment of debt, the impact of restructuring and any extraordinary, unusual or non-recurring items plus adjustments to reflect the Adjusted EBITDA from our unconsolidated investments. 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.

Management believes Adjusted EBITDA is useful to investors and other users of NRG's financial statements in evaluating its operating performance because it provides an additional tool to compare business performance across companies and across periods and adjusts for items that we do not consider indicative of NRG's future operating performance. This measure is widely used by debt-holders to analyze operating performance and debt service capacity and by equity investors to measure our operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired. Management uses Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations, and for evaluating actual results against such expectations, and in communications with NRG's Board of Directors, shareholders, creditors, analysts and investors concerning its financial performance.

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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, integration and related restructuring 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, integration related restructuring 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, preferred stock dividends and distributions to non-controlling interests 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.

Free Cash Flow before Growth Investment is utilized by Management in making decisions regarding the allocation of capital. Free Cash Flow before Growth Investment is presented because the Company believes it is a useful tool for assessing the financial performance in the current period. In addition, NRG’s peers evaluate cash available for allocation in a similar manner and accordingly, it is a meaningful indicator for investors to benchmark NRG's performance against its peers. Free Cash Flow before Growth Investment is a performance measure and is not intended to represent net income (loss), cash from operations (the most directly comparable U.S. GAAP measure), or liquidity and is not necessarily comparable to similarly titled measures reported by other companies.