



## **NRG Announces Asset Sales Including Sale of its Interest in NRG Yield, Renewables Platform, ROFO Pipeline and South Central Business**

February 7, 2018

- \$2.8 Billion cash proceeds<sup>1</sup>
- \$7.0 Billion of debt to be removed<sup>2</sup>
- Revising asset sale cash proceeds target to approximately \$3.2 Billion
- NRG investor conference call and webcast today at 8:30 a.m. Eastern

PRINCETON, N.J.--(BUSINESS WIRE)--Feb. 7, 2018-- "Today's announcement represents a significant milestone in simplifying our value proposition, optimizing our portfolio, and strengthening our balance sheet to create significant shareholder value," said Mauricio Gutierrez, President and Chief Executive Officer, NRG. "These sale processes were rigorous and highly competitive. I am pleased with the outcome and confident in our ability to work with our counterparties to bring these transactions to a swift close."

### **NRG Sells Ownership in NRG Yield and Renewable Platform**

NRG Energy, Inc. (NYSE: NRG) and Global Infrastructure Partners (GIP) have entered into a Purchase Agreement for GIP to purchase NRG's ownership in NRG Yield and NRG's Renewables Platform for cash proceeds of \$1.375 billion, subject to certain adjustments.

The purchase and sale agreement includes the sale of NRG's ownership in NRG Yield's Class B and Class D shares, NRG's renewable energy development and operations platforms, NRG's renewable energy non-ROFO (Right of First Offer) backlog and pipeline, and the NRG ROFO updated pipeline, with the exception of four assets which are addressed in separate agreements as further detailed below.

The transaction is expected to close in the second half of the year and is subject to various customary closing conditions, approvals and consents, including: Federal Energy Regulatory Commission (FERC); California Public Utility Commission (CPUC); Connecticut Public Utilities Regulatory Authority (CT PURA); Department of Energy (DOE); Pennsylvania Public Utilities Authority (PAPUC); and antitrust review under Hart-Scott-Rodino. The transaction is not subject to shareholder approval.

The sale of NRG's Renewables Platform and NRG's interest in NRG Yield does not impact NRG's commitment to provide comprehensive energy solutions for corporate and residential customers.

### **NRG ROFO and Accelerated Drop Downs to NRG Yield**

NRG and NRG Yield entered into Purchase and Sale Agreements for NRG Yield to purchase NRG's interest in the following ROFO pipeline assets: 527 MW Carlsbad Energy Center and 154 MW Buckthorn Solar for additional cash proceeds of \$407 million, subject to certain adjustments.

The Carlsbad Energy Center and Buckthorn Solar drop downs are expected to close before year-end and are subject to both projects achieving commercial operations status as well as various customary closing conditions and approvals.

As part of the sale of NRG's interest in NRG Yield, NRG and NRG Yield agreed to maintain a ROFO agreement for NRG's remaining 102 net MW ownership in Agua Caliente, and also amended the ROFO agreement to remove Ivanpah as a ROFO asset.

### **NRG Sells South Central Business**

NRG and Cleco Corporate Holdings LLC (Cleco) entered into a Purchase and Sale Agreement for Cleco to purchase NRG's South Central business for a total purchase price and cash proceeds of \$1.0 billion, subject to certain adjustments.

The South Central business owns and operates a 3,555 MW portfolio of generation assets consisting of 225 MW Bayou Cove, 430 MW Big Cajun-I, 1,461 MW Big Cajun-II, 1,263 MW Cottonwood and 176 MW Sterlington, and serves a customer base of cooperatives, municipalities and regional utilities under load contracts.

As part of the transaction, NRG is further optimizing value through entering into a sale leaseback agreement for its 1,263 MW Cottonwood plant, a highly efficient CCGT natural gas-fired combined cycle plant, through May 2025.

The transaction is expected to close in the second half of the year and is subject to various customary closing conditions, approvals and consents; including: Federal Energy Regulatory Commission (FERC); Louisiana Public Service Commission (LPSC); Committee on Foreign Investment in the United States (CFIUS); and antitrust review under Hart-Scott-Rodino.

### **NRG Revises Asset Sale Cash Proceeds Target**

Today's announcement brings NRG's cumulative Transformation Plan asset sales to \$2.9 billion in anticipated cash proceeds, including approximately \$150 million<sup>3</sup> of asset monetization closed in the second half of 2017. NRG expects to announce additional asset sales over the course of 2018 and is revising its total asset sales cash proceeds target to approximately \$3.2 billion.

### **NRG to Host Investor Conference Call and Webcast**

NRG plans to host an investor conference call and webcast at 8:30 a.m. Eastern today. A live webcast of the conference call, including presentation materials, can be accessed through NRG's website at <http://www.nrg.com> and clicking on "Webcasts & Presentations" under the "Investors" section at the bottom of the home page. The webcast will be archived on the site for those unable to listen in real time.

#### **Advisors**

Citi is serving as lead financial advisor on the sale of NRG Yield and Renewables, alongside Goldman Sachs and Morgan Stanley as co-financial advisors. Jones Day is serving as legal advisor.

Goldman Sachs and Morgan Stanley are serving as co-lead financial advisors on the sale of South Central, alongside Citi as co-financial advisor. Jones Day is serving as legal advisor.

#### **About NRG**

NRG is the leading integrated power company in the U.S., built on the strength of our diverse competitive electric generation portfolio and leading retail electricity platform. A Fortune 500 company, NRG creates value through best in class operations, reliable and efficient electric generation, and a retail platform serving residential and commercial businesses. Working with electricity customers, large and small, we implement sustainable solutions for producing and managing energy, developing smarter energy choices and delivering exceptional service as our retail electricity providers serve almost three million residential and commercial customers throughout the country. More information is available at [www.nrg.com](http://www.nrg.com). Connect with NRG Energy on Facebook and follow us on Twitter @nrgenergy.

#### **Safe Harbor**

In addition to historical information, the information presented in this press release 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, anticipated benefits or costs of acquisitions or divestitures, 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, 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, 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 implement and execute on our publicly announced transformation plan, including any cost savings, margin enhancement, asset sale, and net debt targets, our ability to proceed with projects under development or the inability to complete the construction of such projects on schedule or within budget, risks related to project siting, financing, construction, permitting, government approvals and the negotiation of project development agreements, our ability to progress development pipeline projects, the timing or completion of GenOn's emergence from bankruptcy, the inability to maintain or create successful partnering relationships, our ability to operate our businesses 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, our ability to close the Drop Down transactions with NRG Yield, and our ability to execute our Capital Allocation Plan. 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 and free cash flow guidance are estimates as of February 7, 2018. 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 press release 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](http://www.sec.gov).

<sup>1</sup> Excludes transaction costs; subject to working capital and other customary purchase price adjustments.

<sup>2</sup> Debt as of 9/30/17.

<sup>3</sup> Includes the drop down of TE Holdco (25%) and SPP to NYLD, and the sale of MN Wind.

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Source: NRG Energy, Inc.

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