

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 31, 2018**

NRG ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-15891
(Commission File Number)

41-1724239
(IRS Employer Identification No.)

804 Carnegie Center, Princeton, New Jersey 08540
(Address of principal executive offices, including zip code)

(609) 524-4500
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously announced, on February 6, 2018, NRG Energy, Inc. ("NRG") entered into a Purchase and Sale Agreement (the "Purchase Agreement") with NRG Repowering Holdings LLC, a wholly owned subsidiary of NRG (together with NRG, the "NRG Parties"), and GIP III Zephyr Acquisition Partners, a subsidiary of Global Infrastructure Management LLC ("GIP"), pursuant to which the NRG Parties agreed to sell to GIP one hundred percent (100%) of the outstanding membership interests of Zephyr Renewables LLC (the "Company").

On August 31, 2018, the NRG Parties completed the sale of the Company to GIP pursuant to the terms of the Purchase Agreement for an aggregate purchase price, payable in United States funds, of one billion three hundred forty-seven million five hundred thousand dollars (\$1,347,500,000). In connection with the transaction, NRG has concluded that the Company is a discontinued operation. In addition, the transaction resulted in the deconsolidation of AC Solar Holdings LLC (which indirectly owns the Agua Caliente project) and discontinued operations treatment for Carlsbad Energy Holdings LLC ("Carlsbad"). The sale of the Company and the resulting transactions are collectively referred to as the "Zephyr Transaction." Pursuant to a Right of First Offer Agreement between NRG Yield, Inc. and NRG dated July 22, 2013, and in connection with Zephyr Transaction, NRG Yield, Inc. has agreed to purchase Carlsbad which is expected to close later in 2018.

At the time of sale, the Company owned, among other things, (a) one hundred percent (100%) of the Class B shares and one hundred percent (100%) of the Class D shares of NRG Yield, Inc. and (b) one hundred percent (100%) of the Class B membership units and one hundred percent (100%) of the Class D membership units of NRG Yield LLC. Collectively these units and shares represent a 45.2% economic interest and a 55% voting interest.

The description of the Purchase Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information.

The unaudited condensed pro forma consolidated balance sheet as of June 30, 2018 and unaudited condensed pro forma consolidated statements of income for the six months ended June 30, 2018 and the years ended December 31, 2017, 2016 and 2015 are included as Exhibit 99.1 hereto and are incorporated herein by reference.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
2.1†*	<u>Purchase and Sale Agreement, dated as of February 6, 2018, by and among NRG Energy, Inc. and NRG Repowering Holdings LLC, and GIP III Zephyr Acquisition Partners, L.P. (incorporated by reference to Exhibit 2.9 to NRG's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 001-15891))</u>
99.1	<u>Unaudited condensed pro forma consolidated balance sheet as of June 30, 2018 and unaudited condensed pro forma consolidated statements of income for the six months ended June 30, 2018 and the years ended December 31, 2017, 2016 and 2015</u>

† Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

* This filing excludes schedules pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementary to the Securities and Exchange Commission upon request by the Commission.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

September 7, 2018

NRG Energy, Inc.
(Registrant)

By: /s/ Brian E. Curci
Brian E. Curci
Senior Vice President and General Counsel

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following Unaudited Pro Forma Condensed Consolidated Financial Statements of NRG Energy, Inc. and its consolidated subsidiaries are included herein:

Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2018;

Unaudited Pro Forma Condensed Consolidated Statement of Operations for the six months ended June 30, 2018;

Unaudited Pro Forma Condensed Consolidated Statements of Operations for the years ended December 31, 2017, 2016 and 2015; and

Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

The Unaudited Pro Forma Condensed Consolidated Financial Statements are presented for informational purposes only to provide an understanding of NRG's historical financial results as adjusted for the Zephyr Transaction that was completed on August 31, 2018. The Unaudited Pro Forma Condensed Consolidated Financial Statements presented in this report are for illustrative purposes only and are not necessarily indicative of the results of operations that would have been achieved had the pro forma events taken place on the dates indicated, or NRG's future consolidated results of operations.

The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2018 gives pro forma effect to the Zephyr Transaction as if it had occurred on June 30, 2018. The Unaudited Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 2018 and for the years ended December 31, 2017, 2016 and 2015 give effect to the Zephyr Transaction as if it had occurred on January 1, 2015, the beginning of the earliest period presented.¹

The pro forma adjustments are based on currently available information, estimates and assumptions that NRG believes are reasonable in order to reflect, on a pro forma basis, the impact of the Zephyr Transaction on its historical financial information. Differences between these preliminary estimates and the final divestiture accounting may occur and these differences could have a material effect on the accompanying Unaudited Pro Forma Condensed Consolidated Financial Statements and NRG's future financial position and results of operations.

The Unaudited Pro Forma Condensed Consolidated Financial Statements should be read in conjunction with:

- the accompanying notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements; and
- NRG's condensed consolidated financial statements for the six months ended June 30, 2018 and the notes relating thereto, included in NRG's Quarterly Report on Form 10-Q for the six months ended June 30, 2018, and NRG's consolidated financial statements for the years ended December 31, 2017, 2016 and 2015 and the notes relating thereto, included in NRG's Annual Report on Form 10-K for the year ended December 31, 2017.

(1) The pro forma impact of deconsolidating AC Solar Holdings LLC is reflected as of and for the six months ended June 30, 2018, and for the year ended December 31, 2017 only.

NRG ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2018

(In millions, except shares)	June 30, 2018 As Reported (a)	Pro Forma Adjustments	June 30, 2018 Pro Forma
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 980	\$ 1,103(b)(c)	\$ 2,083
Funds deposited by counterparties	71	—	71
Restricted cash	286	(263)(b)	23
Accounts receivable, net	1,371	(134)(b)	1,237
Inventory	485	(49)(b)(f)	436
Derivative instruments	851	(4)(b)(f)	847
Cash collateral paid in support of energy risk management activities	224	—	224
Accounts receivable - affiliate	57	1(b)(d)	58
Current assets - held for sale	100	—	100
Prepayments and other current assets	328	(73)(b)(e)	255
Current assets - discontinued operations	—	4(f)	4
Total current assets	4,753	585	5,338
Property, plant and equipment, net	12,774	(9,122)(b)(d)	3,652
Other Assets			
Equity investments in affiliates	1,055	(625)(b)	430
Notes receivable, less current portion	15	(4)(b)	11
Goodwill	539	—	539
Intangible assets, net	1,860	(1,226)(b)(d)(f)	634
Nuclear decommissioning trust fund	694	—	694
Derivative instruments	426	(53)(b)(f)	373
Deferred income taxes	126	(120)(b)	6
Non-current assets held-for-sale	50	—	50
Other non-current assets	655	(376)(b)	279

Non-current assets - discontinued operations	—	517(f)	517
Total other assets	5,420	(1,887)	3,533
Total Assets	\$ 22,947	\$ (10,424)	\$ 12,523
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt and capital leases	\$ 952	\$ (742)(b)(g)	\$ 210
Accounts payable	975	(170)(b)(f)	805
Accounts payable - affiliate	29	—	29
Derivative instruments	709	(8)(b)	701
Cash collateral received in support of energy risk management activities	72	—	72
Current liabilities held-for-sale	74	—	74
Accrued expenses and other current liabilities	719	(76)(b)(d)	643
Accrued expenses and other current liabilities - affiliate	133	—	133
Current liabilities - discontinued operations	—	47(f)	47
Total current liabilities	3,663	(949)	2,714
Other Liabilities			
Long-term debt and capital leases	14,821	(7,196)(b)(f)(g)	7,625
Nuclear decommissioning reserve	274	—	274
Nuclear decommissioning trust liability	410	—	410
Deferred income taxes	17	—	17
Derivative instruments	285	(37)(b)	248
Out-of-market contracts, net	195	(11)(b)	184
Non-current liabilities held-for-sale	12	—	12
Other non-current liabilities	1,130	27(b)(e)(f)	1,157
Non-current liabilities - discontinued operations	—	505(f)	505
Total non-current liabilities	17,144	(6,712)	10,432
Total Liabilities	20,807	(7,661)	13,146
Redeemable noncontrolling interest in subsidiaries	69	(50)(b)	19
Stockholders' Equity			
Common stock	4	—	4
Additional paid-in capital	8,481	—	8,481
Accumulated deficit	(5,920)	(280)(b)	(6,200)
Less treasury stock, at cost — 116,267,484 shares	(2,871)	—	(2,871)
Accumulated other comprehensive (loss)/income	(60)	4(b)	(56)
Noncontrolling interest	2,437	(2,437)(b)	—
Total Stockholders' Equity	2,071	(2,713)	(642)
Total Liabilities and Stockholders' Equity	\$ 22,947	\$ (10,424)	\$ 12,523
			\$ —

See accompanying notes to unaudited pro forma condensed consolidated financial statements

NRG ENERGY, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2018

(In millions, except per share amounts)	June 30, 2018 As Reported (a)	Pro Forma Adjustments	June 30, 2018 Pro Forma
Operating Revenues			
Total operating revenues	\$ 5,343	\$ (656)(b)(d)	\$ 4,687
Operating Costs and Expenses			
Cost of operations	3,609	(190)(b)(d)(f)	3,419
Depreciation and amortization	462	(231)(b)	231
Impairment losses	74	—	74
Selling, general and administrative	402	(21)(b)(d)	381
Reorganization costs	43	(3)(b)	40
Development costs	29	(21)(b)	8
Total operating costs and expenses	4,619	(466)	4,153
Gain on sale of assets	16	—	16
Operating Income/(Loss)	740	(190)	550
Other Income/(Expense)			
Equity in earnings of unconsolidated affiliates	16	(5)(b)(d)	11
Other income/(expense), net	(23)	1(b)	(22)
Loss on debt extinguishment, net	(3)	—	(3)
Interest expense	(369)	139(b)(f)	(230)
Total other expense	(379)	135	(244)
Income before Continuing Operations Before Income Taxes	361	(55)	306
Income tax expense	7	5(b)	12
Income from Continuing Operations	354	(60)	294
Income from discontinued operations, net of income tax	(25)	4(f)	(21)
Net Income	329	(56)	273
Less: Net income/(loss) attributable to noncontrolling interest and redeemable noncontrolling interests	(22)	10(b)(d)	(12)

Net Income Attributable to NRG Energy, Inc.	351	(66)	285
Earnings Per Share Attributable to NRG Energy, Inc. Common Stockholders			
Weighted average number of common shares outstanding — basic	314		314
Income/(loss) from continuing operations per weighted average common share - basic	1.20		0.97
Income/(loss) from discontinued operations per weighted average common share - basic	(0.08)		(0.07)
Earnings per Weighted Average Common Share — Basic	<u>\$ 1.12</u>		<u>\$ 0.91</u>
Weighted average number of common shares outstanding — diluted	318		318
Income/(loss) from continuing operations per weighted average common share - diluted	1.18		0.96
Income/(loss) from discontinued operations per weighted average common share - diluted	(0.08)		(0.07)
Earnings per Weighted Average Common Share — Diluted	<u>\$ 1.10</u>		<u>\$ 0.90</u>

See accompanying notes to unaudited pro forma condensed consolidated financial statements

NRG ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017

(In millions, except per share amounts)	December 31, 2017 As Reported (a)	Pro Forma Adjustments	December 31, 2017 Pro Forma
Operating Revenues			
Total operating revenues	\$ 10,629	\$ (1,251)(b)(d)	\$ 9,378
Operating Costs and Expenses			
Cost of operations	7,537	(403)(b)(d)	7,134
Depreciation and amortization	1,056	(462)(b)	594
Impairment losses	1,707	(176)	1,531
Selling, general and administrative	907	(68)(b)(d)	839
Reorganization costs	44	(1)(b)	43
Development costs	67	(46)(b)	21
Total operating costs and expenses	11,318	(1,156)	10,162
Other income - affiliate	87	—	87
Gain on sale of assets	16	—	16
Operating Loss	(586)	(95)	(681)
Other Income/(Expense)			
Equity in earnings of unconsolidated affiliates	31	(33)(b)(d)	(2)
Impairment losses on investments	(79)	—	(79)
Other income/(expense), net	38	(4)(b)	34
Loss on debt extinguishment, net	(53)	4	(49)
Interest expense	(890)	366(b)	(524)
Total other expense	(953)	333	(620)
Net Loss before Continuing Operations Before Income Taxes	(1,539)	238	(1,301)
Income tax expense	8	(52)(b)	(44)
Net Loss from Continuing Operations	(1,547)	290	(1,257)
Loss from discontinued operations, net of income tax	(789)	(16)	(805)
Net Loss	(2,336)	274	(2,062)
Less: Net income/(loss) attributable to noncontrolling interest and redeemable noncontrolling interests	(184)	174(b)(d)	(10)
Net Income Attributable to NRG Energy, Inc.	<u>(2,152)</u>	<u>100</u>	<u>(2,052)</u>
Earnings Per Share Attributable to NRG Energy, Inc. Common Stockholders			
Weighted average number of common shares outstanding — basic and diluted	317		317
Income/(loss) from continuing operations per weighted average common share - basic and diluted	(4.30)		(3.93)
Income/(loss) from discontinued operations per weighted average common share - basic and diluted	(2.49)		(2.54)
Earnings per Weighted Average Common Share — Basic and Diluted	<u>\$ (6.79)</u>		<u>\$ (6.47)</u>

See accompanying notes to unaudited pro forma condensed consolidated financial statements

NRG ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

(In millions, except per share amounts)	December 31, 2016 As Reported (a)	Pro Forma Adjustments	December 31, 2016 Pro Forma
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Operating Revenues				
Total operating revenues	\$	10,512	\$ (1,122)(b)(d)	\$ 9,390
Operating Costs and Expenses				
Cost of operations		7,301	(322)(b)(d)	6,979
Depreciation and amortization		1,172	(359)(b)	813
Impairment losses		702	(211)	491
Selling, general and administrative		1,095	(52)(b)(d)	1,043
Development costs		89	(41)(b)	48
Total operating costs and expenses		10,359	(985)	9,374
Other income - affiliate		193	—	193
Gain on sale of assets		(80)	—	(80)
Operating Income/(Loss)		266	(137)	129
Other Income/(Expense)				
Equity in earnings of unconsolidated affiliates		27	(44)(b)(d)	(17)
Impairment losses on investments		(268)	(1)	(269)
Other income/(expense), net		34	(4)(b)	30
Loss on debt extinguishment, net		(142)	—	(142)
Interest expense		(895)	323(b)	(572)
Total other expense		(1,244)	274	(970)
Net Loss before Continuing Operations Before Income Taxes		(978)	137	(841)
Income tax expense		5	20(b)	25
Net Loss from Continuing Operations		(983)	117	(866)
Loss from discontinued operations, net of income tax		92	—	92
Net Income		(891)	117	(774)
Less: Net income/(loss) attributable to noncontrolling interest and redeemable noncontrolling interests		(117)	165(b)(d)	48
Net Loss Attributable to NRG Energy, Inc.		(774)	(48)	(822)
Dividends for preferred shares		5	—	5
Gain on redemption of preferred shares		(78)	—	(78)
Loss Available to Common Stockholders		(701)	—	(749)

Earnings Per Share Attributable to NRG Energy, Inc.

Common Stockholders			
Weighted average number of common shares outstanding — basic and diluted		316	316
Income/(loss) from continuing operations per weighted average common share - basic and diluted		(2.51)	(2.89)
Income/(loss) from discontinued operations per weighted average common share - basic and diluted		0.29	0.29
Earnings per Weighted Average Common Share — Basic and Diluted	\$	(2.22)	\$ (2.60)

See accompanying notes to unaudited pro forma condensed consolidated financial statements

NRG ENERGY, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015

(In millions, except per share amounts)	December 31, 2015 As Reported (a)	Pro Forma Adjustments	December 31, 2015 Pro Forma
Operating Revenues			
Total operating revenues	\$ 12,328	\$ (1,019)(b)(d)	\$ 11,309
Operating Costs and Expenses			
Cost of operations	9,000	(347)(b)(d)	8,653
Depreciation and amortization	1,351	(346)(b)	1,005
Impairment losses	4,860	(38)	4,822
Selling, general and administrative	1,228	(38)(b)(d)	1,190
Reorganization costs	—	—(b)	—
Development costs	154	(65)(b)	89
Total operating costs and expenses	16,593	(834)	15,759
Other income - affiliate	193	—	193
Gain on postretirement benefits curtailment	21	—	21
Operating Loss	(4,051)	(185)	(4,236)
Other Income/(Expense)			
Equity in earnings of unconsolidated affiliates	36	(28)(b)(d)	8
Impairment losses on investments	(56)	—	(56)
Other income/(expense), net	26	(4)(b)	22
Loss on sale of equity method investment	(14)	—	(14)
Gain on debt extinguishment, net	10	9	19
Interest expense	(937)	285(b)	(652)
Total other expense	(935)	262	(673)
Net Loss before Continuing Operations Before Income Taxes	(4,986)	77	(4,909)
Income tax expense	1,345	6(b)	1,351

Loss from Continuing Operations	(6,331)	71	(6,260)
Loss from discontinued operations, net of income tax	(105)	—	(105)
Net Loss	(6,436)	71	(6,365)
Less: Net loss attributable to noncontrolling interest and redeemable noncontrolling interests	(54)	21(b)(d)	(33)
Net Loss Attributable to NRG Energy, Inc.	(6,382)	50	(6,332)
Dividends for preferred shares	20		20
Loss Available to Common Stockholders	(6,402)		(6,352)
Earnings Per Share Attributable to NRG Energy, Inc.			
Common Stockholders			
Weighted average number of common shares outstanding — basic and diluted	329		329
Income/(loss) from continuing operations per weighted average common share - basic and diluted	(19.14)		(18.93)
Income/(loss) from discontinued operations per weighted average common share - basic and diluted	(0.32)		(0.32)
Earnings per Weighted Average Common Share — Basic and Diluted	\$ (19.46)		\$ (19.25)

See accompanying notes to unaudited pro forma condensed consolidated financial statements

NRG ENERGY, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (a) Amounts represent historical financial information from NRG's Quarterly Report on Form 10-Q for the period ended June 30, 2018 or from NRG's Annual Report on Form 10-K for the years ended December 31, 2017, 2016 and 2015.
- (b) Amounts represent the assets, liabilities and operating results associated with the Company, including its interests in NRG Yield, Inc., as well as the assets, liabilities and operating results associated with AC Solar Holdings LLC, which was deconsolidated upon the sale of the Company. Upon deconsolidation, NRG's interest in AC Solar Holdings LLC is accounted for as an equity method investment measured at fair value as of August 31, 2018, and its results are reflected as equity earnings of unconsolidated affiliates.
- (c) Reflects the cash proceeds from the Zephyr Transaction of \$1.348 billion transferred on August 31, 2018.
- (d) Adjustments relate to intercompany transactions and balances between NRG and subsidiaries of the Company, which as a result of the deconsolidation, would no longer be eliminated in consolidation. These adjustments primarily reflect certain accounts receivable — affiliate and accounts payable — affiliate balances that will be retained by NRG.
- (e) Adjustments relate to balances retained by NRG, as well as contingent liabilities assumed, in accordance with the purchase and sale agreement between NRG and GIP.
- (f) Adjustments represent the assets, liabilities and operating results of Carlsbad which is treated as a discontinued operation in connection with the Zephyr Transaction.
- (g) Balance includes debt discounts and deferred finance costs of \$191 million.