



NRG Energy, Inc.

(NYSE: NRG)

Investor Presentation

June 2015



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 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 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 May 8, 2015. 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.



NRG: Corporate Overview

Key Information

Ticker:	NRG (NYSE)
Market Capitalization ¹ :	~\$8.16Bn
Net Generation Capacity ² :	~51GW
NRG Home Recurring Customers ³ :	~3MM

LTM Financial Highlights

Revenues:	\$16.2Bn
Adjusted EBITDA:	\$3.2Bn
Adjusted Cash From Operations:	\$1.4Bn
Free Cash Flow Before Growth:	\$830MM

NRG in the Power Sector Value Chain

Fuel Supply & Transportation

Power Generation

- ✦ Regulated Utilities
- ✦ **Competitive Generators (merchant, contracted)**
- ✦ **Renewables**

Transmission & Distribution

Retail (Customer)

- ✦ Cost of service
- ✦ **Competitive markets (Residential and C&I)**
- ✦ **New products and services (rooftop solar, personal power, EV charging solutions)**

The **nrg**
Difference:

- ✦ Largest U.S competitive power generation portfolio with significant fuel and geographic diversity
- ✦ Leading retail energy platform across competitive markets and products that serves as a natural hedge for wholesale generation and provides foundation for high growth distributed businesses
- ✦ National leader in clean energy sector with ~4,200 MW⁴ of utility-scale renewable generation projects
- ✦ Competitive cost of capital through majority ownership of NYLD
- ✦ Strong free cash flow coupled with long history of balanced capital allocation

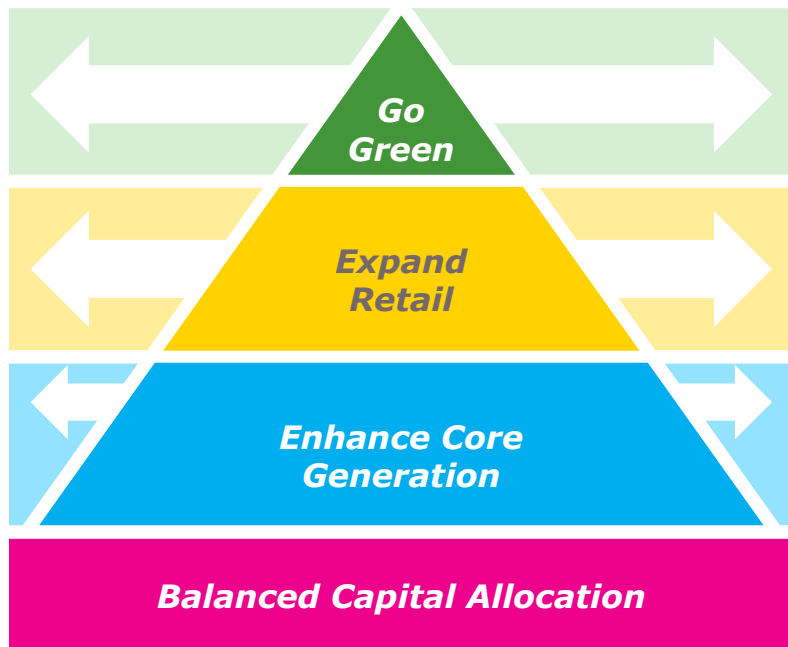
Leading national competitive electricity platform with history of strong Free Cash Flow yield

¹ As of 6/5/2015; Assumes ~334.5 MM shares outstanding; ² Net generation capacity as of 3/31/2015 (excludes capacity attributable to non-controlling interests); ³ Per NRG Energy filings as of 3/31/2015; ⁴ Total solar and wind capacity as of 3/31/15 including non-controlling interest



NRG: Premium Competitive Energy Business Platform

Competitive Energy Business Model...

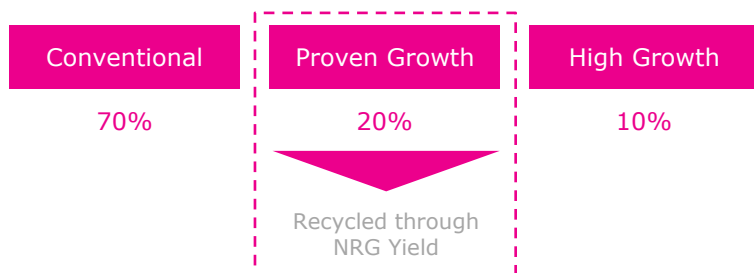


...Organized Around the "NRG Group of Companies"...



...and Augmented by Balanced Capital Allocation

NRG Capital Allocation Framework



NRG Use of NRG Yield Drop Down Proceeds¹

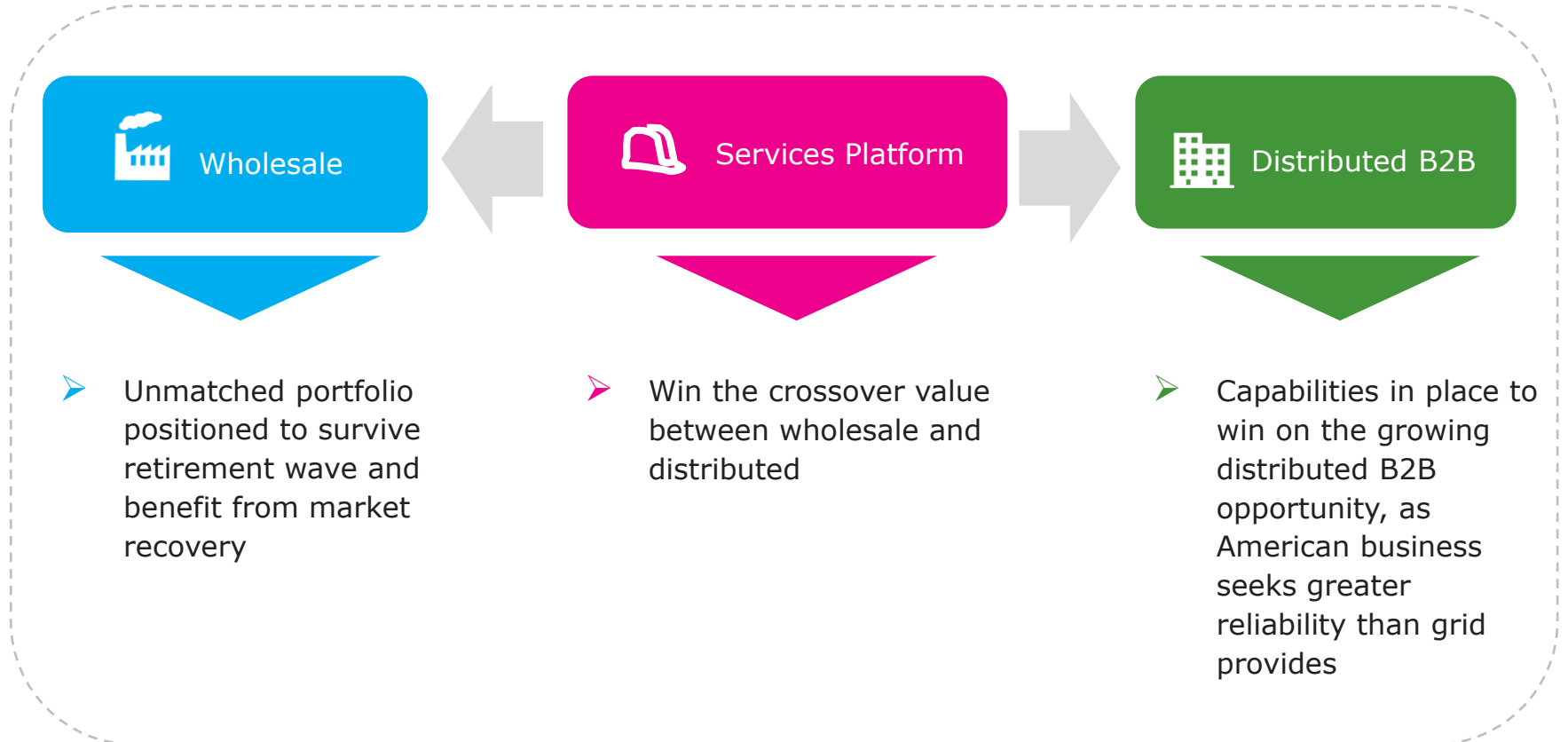


¹ Allocation of cash in an amount equal to the drop down proceeds equally among corporate debt reduction, repurchase of NRG shares and reinvestment in contracted assets

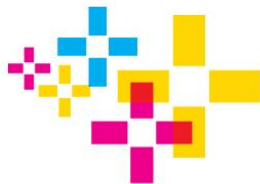


NRG Business: Platform Approach to the Energy Business

NRG Business Platform



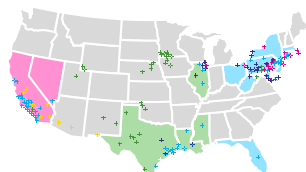
Platform that combines leading wholesale generation fleet with value-add services



NRG Business: Leading Wholesale Generation Portfolio

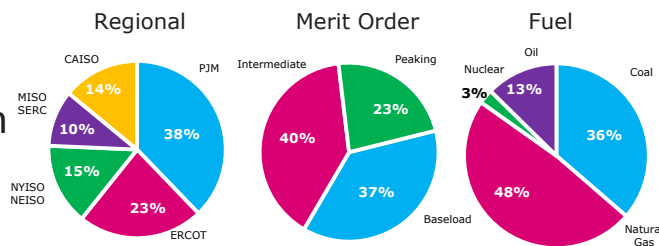
Wholesale

✓ Scale



46,100 MW¹

✓ Diversification



✓ Environmentally Controlled

Key Markets:

East (24,600 MW)

**Scale and Diversification
Insurance Product (Capacity)
Maintain Energy Option**

Gulf (15,000 MW)

**Integrated Platform
Brownfield Advantage**

West (6,500 MW)

**Renewables
Fast Start Gas
Preferred Resources**

Portfolio of ~150 plants create unique competitive advantage to survive and thrive

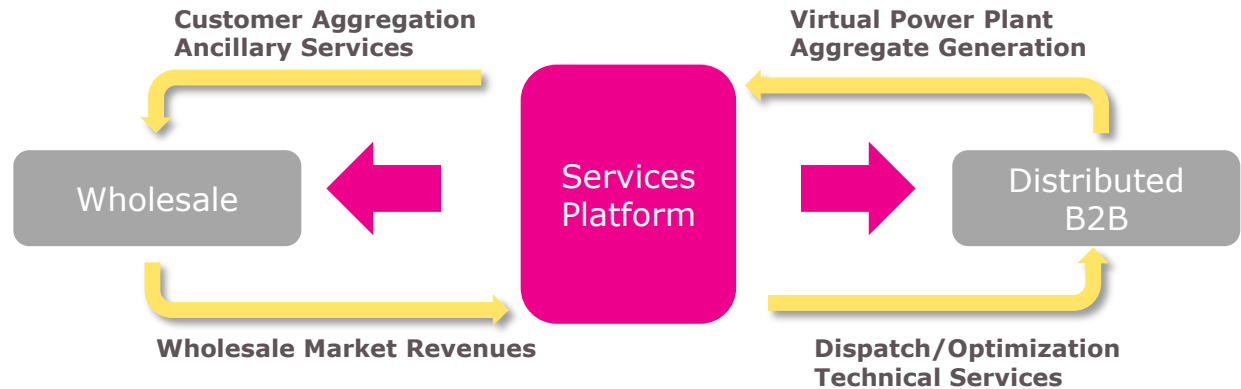
¹ Excludes international and renewable portfolio; Excludes NRG Yield



NRG Business: Services & Distributed B2B

Services

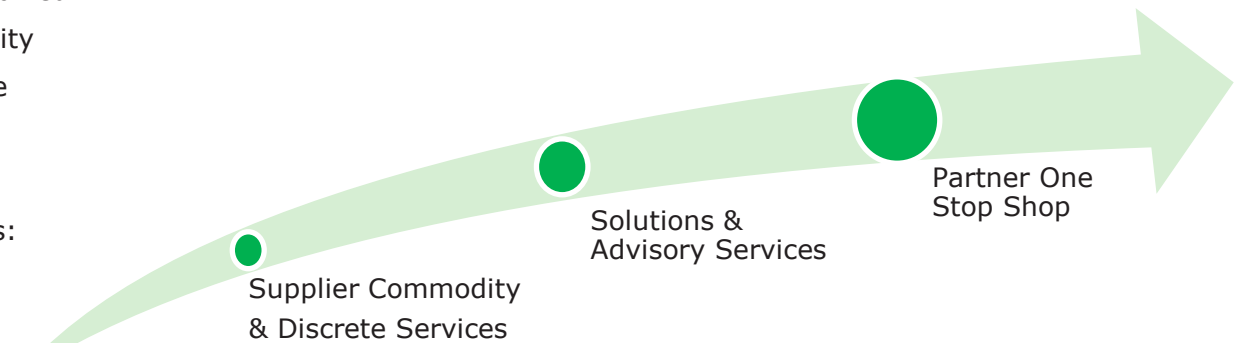
- ✓ Commercial
- ✓ Operations
- ✓ Maintenance
- ✓ Technical Services
- ✓ Development
- ✓ EPC
- ✓ Asset Mgmt



Distributed B2B

NRG's Distributed B2B Energy platform in place to provide solutions across all customer needs...

- ✓ Over 10,000 customers combined
- ✓ 1,900 MW equivalent¹ Capacity
- ✓ 1,400 MW Demand Response
- ✓ Presence in 12 States
- ✓ 264 Gensets installed
- ✓ Increasing Portfolio Offerings:
 - **2004** - District Energy CHP
 - **2009** - Reliant and GME C&I
 - **2012** - EA Reliability
 - **2013** - ECS Demand Response
 - **2014** - FCE² (Fuel Cell Energy)



...focusing on increasingly higher value services

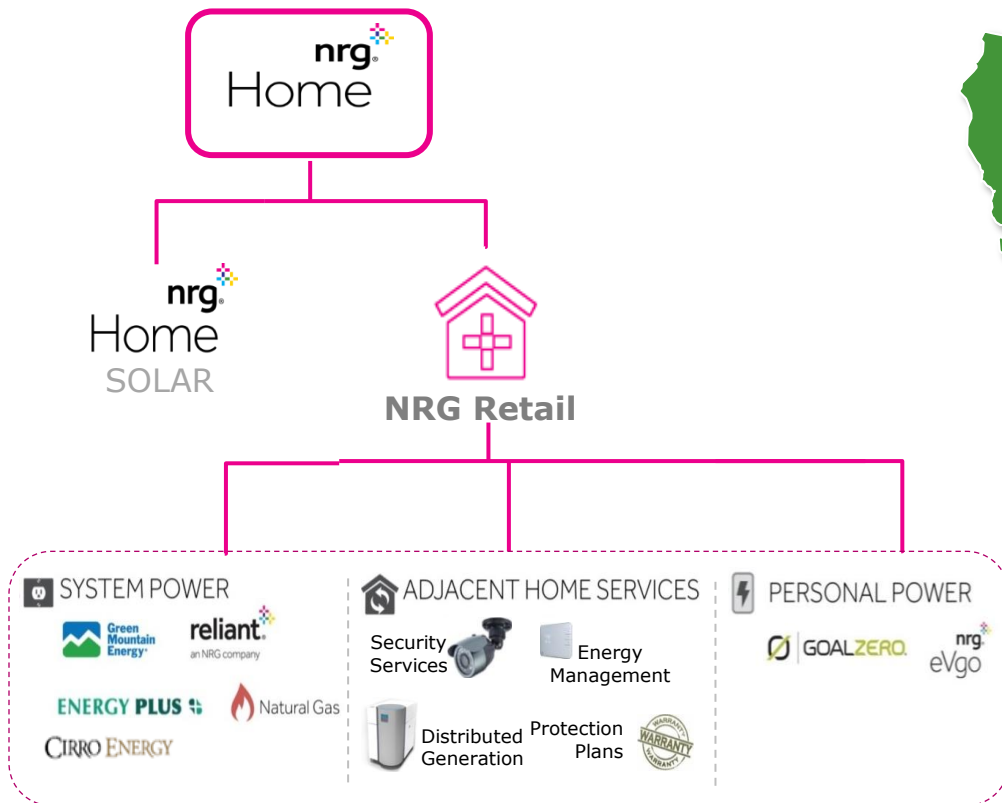
¹ Includes thermal and electric capacity for District Energy, CHP and Reliability (excludes regional Cogen considered wholesale)

² Equity investment

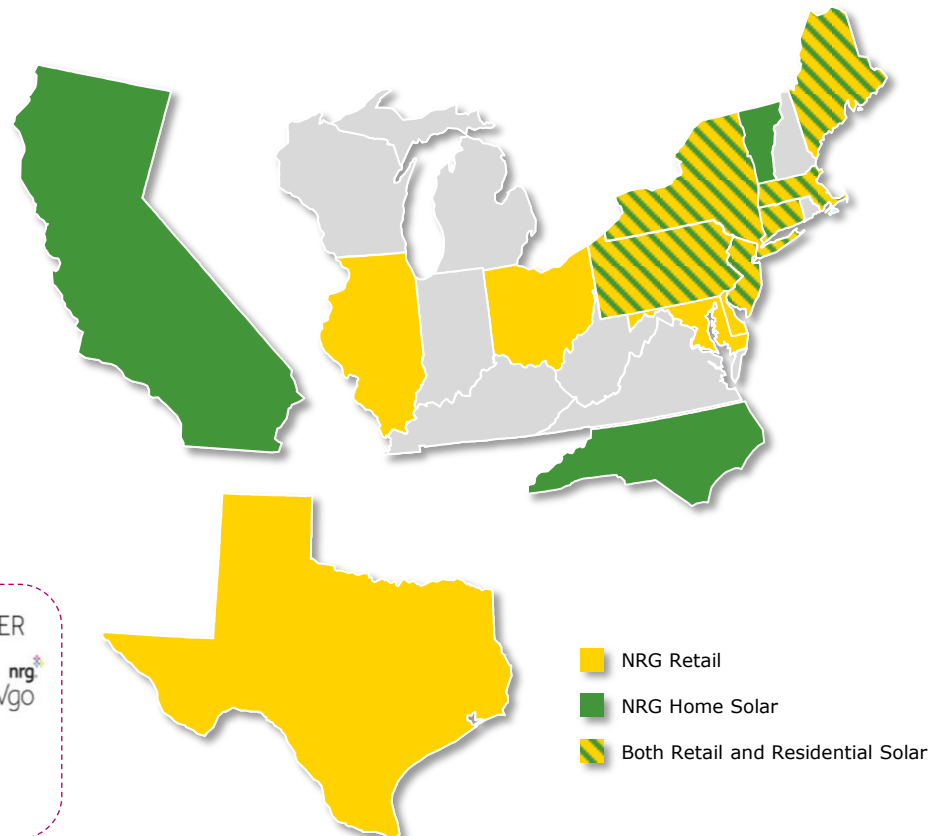


NRG Home: Overview

NRG Home: Cross-Marketing Opportunities



Geographic Presence



Powering our customers at home & on-the-go

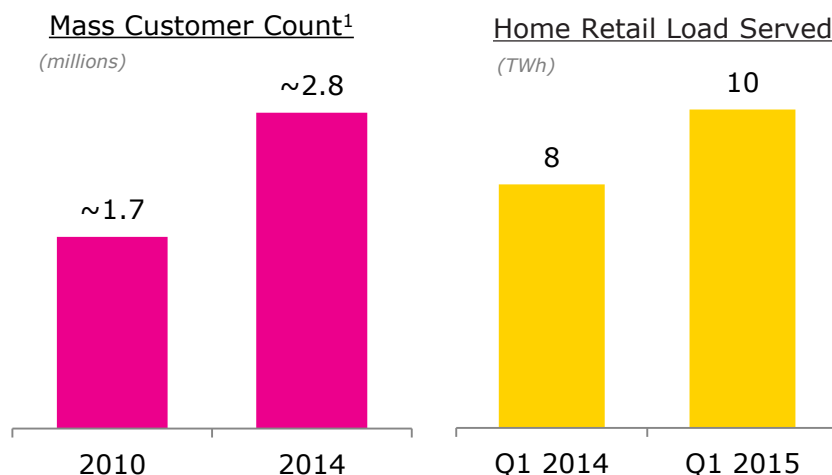


NRG Home Retail

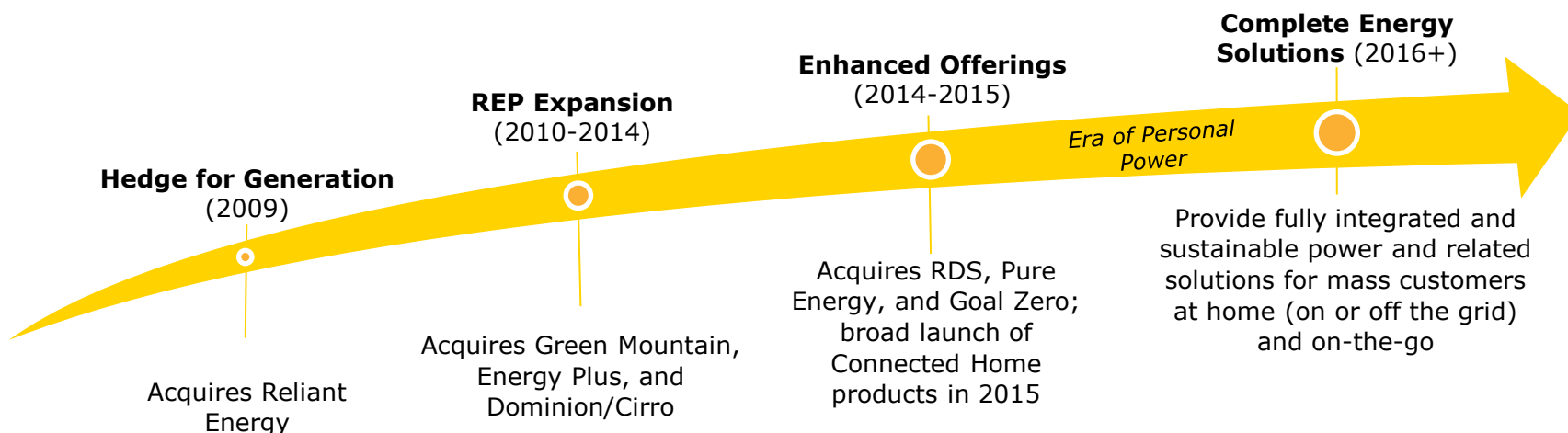
Industry-Leading Platform

- ✓ ~3 million recurring customers in Texas and the Northeast
- ✓ Leveraging industry-leading **integrated wholesale / retail** energy model
- ✓ Best-in-class, **vertically-integrated** residential solar platform through customer life cycle
- ✓ Key relationships with **major big box retailers** provide advantaged sales platform
- ✓ Ability to cross-sell NRG's full suite of consumer products and services

#1 Retail Energy Provider in TX; #2 in US



A Platform Increasingly Focused on Value-Add Products and Services and Getting Closer to Customers



¹ Excludes C&I customers which are now included as part of NRG Business. Excludes NRG Home Solar



NRG Home Solar

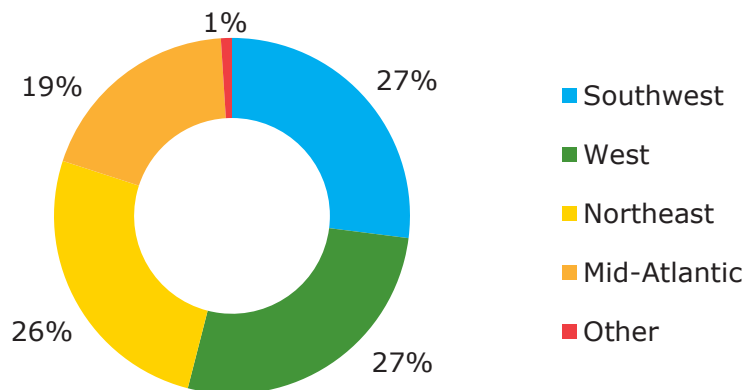
NRG Home Solar Business Model Evolution



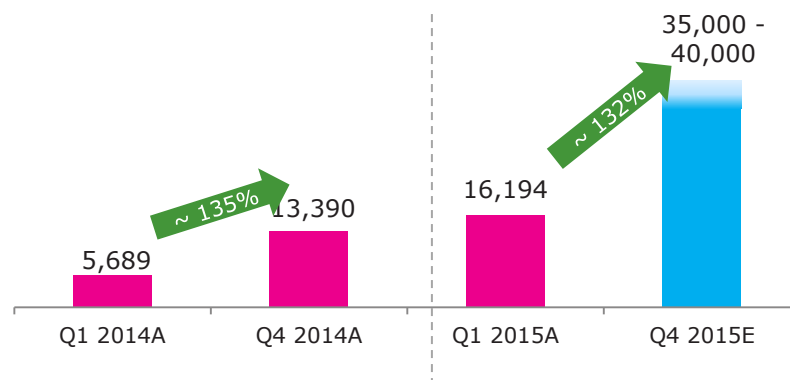
A Huge Market and Opportunity with Unique Competitive Advantage

- ✓ Fast-growing residential solar company with huge market opportunity
- ✓ Positioning within NRG provides a differentiating factor for long term value creation
- ✓ Over 16,000 customers as of Q1 2015 with expectations to grow by 132% by end of year

Geographic Distribution¹



NRG Home Solar Cumulative Customers²



NOTE: May not be representative of geographic distribution on a go-forward basis

¹ Associated with approx. \$33 MM of NYLD cumulative investment (approx. 22 MW) ; includes \$26 MM initial investment in portfolio of 2,200 leases (approx. 17MW)

² Customers represent the total number of residential customers where NRG Home Solar has installed or contracted to install a residential solar energy system



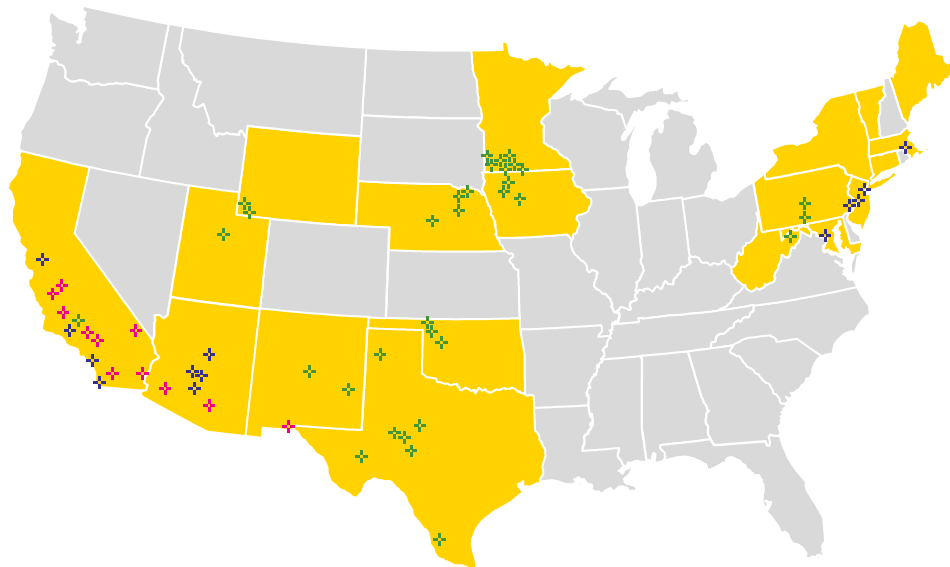
NRG Renew: Industry-Leading Clean Energy Platform

Strategy & Highlights

- ✦ NRG is the **3rd largest** US-based renewables operator and developer
- ✦ **~4,200 MW** of wind and solar capacity in operation and under construction¹
- ✦ Burgeoning **distributed solar** business and focus on B2B sustainability partnerships
- ✦ Single Customer Multi-Site Strategy
- ✦ B2B2E: Converting employees of customer companies into NRG customers

Key Projects

- ✦ **Kaiser Permanente:** Distributed Solar Program that will include up to 170MW across 170 Kaiser Permanente sites in California. Overall strategy to reduce greenhouse gas emissions by 30% by 2020
- ✦ **Necker Island:** Renewable power partnership with NRG and the Virgin Limited Edition to help take Necker Island off the grid. Upon completion, will feature a 1.0MW microgrid (including solar arrays, wind turbines and energy storage) and reduce diesel energy usage on the island by at least 75%
- ✦ **Unilever:** Partnership with Unilever to achieve its goal to purchase 100% clean power by 2020 in the U.S. NRG's Langford Wind Farm presents Unilever with a single source to meet Unilever's U.S. manufacturing load



- ✦ Utility-Scale Solar
- ✦ Distributed Solar
- ✦ Utility-Scale Wind

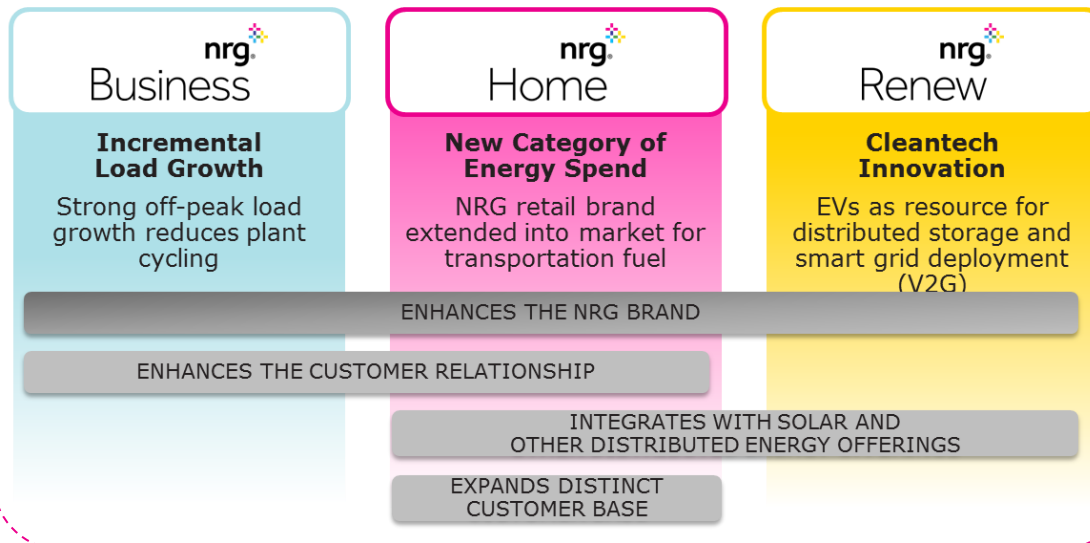
¹ As of 3/31/15, includes Non-controlling interests and sites that Renew operates or oversees the operation but does not own



eVgo: A Distinct Business With Strong NRG Linkages

Substantial Partnership Network that will Position eVgo to Capture Substantial Market Share

NRG eVgo Value throughout NRG



48 Retail hosts



65 REV hosts



Subscription Partnerships



"No Charge to Charge"
2-year eVgo subscription embedded with every new EV sale



2014: Pilot program in California
2015-16: Entry into Nissan-type services agreement with paid subscriptions



Carbon 360: Leveraging NRG's Coal Assets

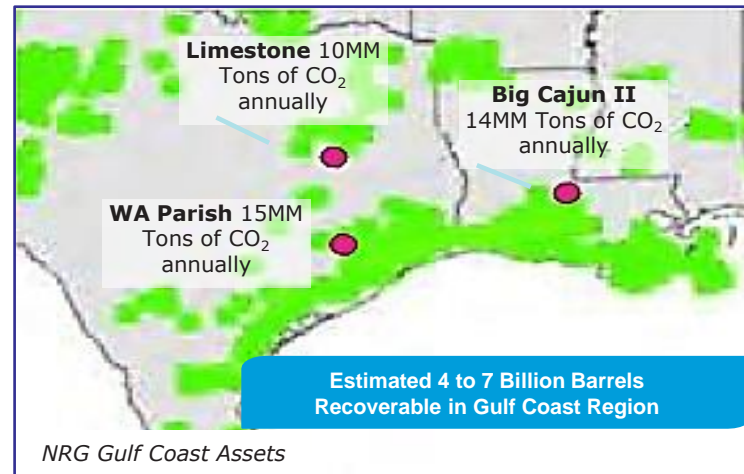
Carbon Capture Opportunity

Value to NRG:

- ✓ Enhances value and useful life of flagship coal fleet
- ✓ Provides unique and effective carbon hedge
- ✓ Preserves fuel diversity

Intrinsic Value:

- ✓ Capitalizes on abundant Gulf Coast EOR resources
- ✓ Captures significant value from existing assets
- ✓ Contributes to significant EBITDA growth



Vast Market Opportunity in Redefining CO₂

Gas-to-Liquids



Optimize conversion of natural gas to fuel products

Global market opportunity¹
\$9 BN

Additional Beneficial Use

Enhanced Oil Recovery



Tap into vast Gulf Coast opportunity for tertiary oil recovery

Gulf Coast opportunity²
\$95 BN

Primary Approach

Construction Materials



Support in the fabrication of precast concrete products

U.S. market opportunity³
\$8 BN

Additional Beneficial Use

NRG Carbon 360 is helping to reduce the carbon intensity of the NRG generation fleet

Ticker: NYLD (C Shares) NYLD.A (A Shares)	Market Cap¹: ~\$4.1 BN
Estimated Dividend Yield¹: ~3.1%	Target Dividend Growth²: 15% - 18%
Project Pipeline Capacity: ~2.3+ GW	NRG Energy Ownership Stake: 55.3%

Conventional



- ✦ 5 Facilities with 1,945 net MW
- ✦ 100% Contracted
- ✦ ~11 years average remaining PPA life

Renewable³



- ✦ 16 solar and wind facilities with 1,685 net MW
- ✦ 100% Contracted
- ✦ ~20 year average remaining PPA life⁴

Thermal



- ✦ 1.3 GW_T chilled water capacity and 123 net MW of generating capacity
- ✦ 690 customers
- ✦ Primarily long-term contracts or regulated rates

¹ As of 6/5/2015; assumes ~ 154.6 MM shares outstanding (~34.6MM Class A shares; ~42.7MM Class B shares; ~34.6MM Class C Shares, ~42.7MM Class D Shares) and a 2Q'15 annualized dividend of \$0.80 per share

² Represents target 5-year CAGR

³ Stated MW in pipeline as of 3/31/15; Does not estimate MWs from DG Solar and Residential Solar partnerships or include recent Spring Canyon acquisition

⁴ Weighted by Cash Available for Distribution (CAFD)



New NRG Yield Share Class Approval

Enables efficient NRG capital replenishment and continued robust NRG Yield growth while preserving critical strategic partnership between NRG and NYLD

- + New 1/100th vote class C shares approved on May 5
 - Primary source of future NYLD equity
 - \$20+ billion in equity funding capacity without reliance on NRG capital¹
 - Preserves critical strategic partnership/NRG control
- + Stock split went into effect May 14th, no change in total dividends paid
- + Expanded ROFO
 - ~900MWs of wind assets – targeted for dropdowns in Q2 2015
 - Up to \$250 million of equity investments in residential solar and distributed generation portfolios - ongoing
 - ~800MWs of new, long-term contract natural gas assets in California (COD 2017, 2020)

A win for all stakeholders

¹ For illustrative purposes, based on split-adjusted NYLD share price of \$25.00/share, NYLD can issue ~ 823 million new Class C shares before NRG voting percentage falls below 50%



ROFO Pipeline

2015 Acquisitions and Investments

	Project	Technology	Net MW	COD	Off-Take
Acquisitions closed in Q2 2015	University of Bridgeport	Fuel Cell	1.4	2015	12-year PPA with University of Bridgeport
	Spring Canyon II & III	Wind	56	2014	25-year PPA with Platte River Power Authority
\$150 MM Commitment	Residential Solar Lease	Solar	TBD	2015+	20 year lease with Residential Customers
\$100 MM Commitment	Distributed Solar	Solar	TBD	2015+	Long-term PPA with Commercial & Industrial (C&I) Customers

NRG ROFO Assets, As Amended

	Project	Technology	Net MW	COD	Off-Take
Expected to Be Offered 2015 & Beyond	CVSR	PV	128	2013	25-year PPA with PG&E ¹
	Agua Caliente ²	PV	148	2014	25-year PPA with PG&E ¹
	Ivanpah ³	Solar Thermal	189	2013	20-25-year PPAs with PG&E and SCE ¹
	Other Wind Assets	Wind	934	Various	Various long-term contracts
Expected to Be Offered 2017 & Beyond	Carlsbad ^{4,5}	Natural Gas	533	Fall 2017	20-year PPA with SDG&E ¹
	Puente (Formerly Mandalay Bay) ⁴	Natural Gas	262	Spring 2020	20-year PPA with SCE ¹
Up to \$250 MM Equity Investment	Residential and DG Solar Portfolios	Solar	TBD	2016+	Long Term Agreements with Residential and C&I Customers

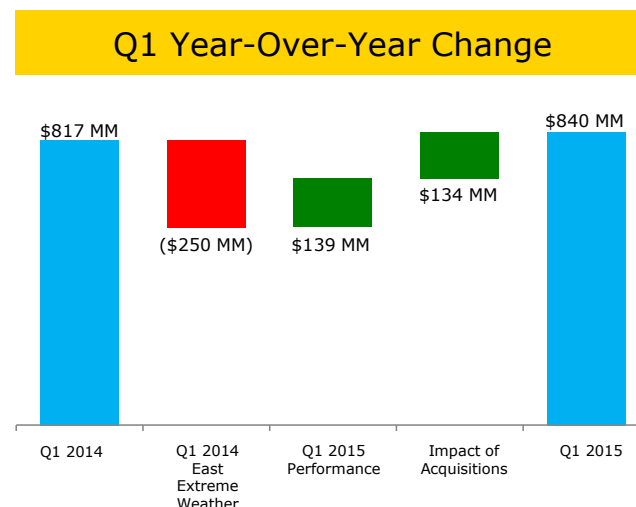
¹ SCE – Southern California Edison; PG&E – Pacific Gas & Electric; ² Capacity represents 51% NRG ownership; Remaining 49% of Agua Caliente is owned by MidAmerican Energy Holdings, Inc. SDG&E – San Diego Gas & Electric; ³ Capacity represents 50.05% NRG ownership; Remaining 49.95% is owned by Google, Inc. and BrightSource Energy, Inc.; ⁴ Subject to applicable regulatory approvals and permits



NRG Financial Summary

Results

	2015	2015
(\$ millions)	1 st Quarter	Guidance
Business & Renew ¹	\$552	\$1,935-\$2,060
Home Retail	166	575-650
NRG Yield	122	690
Adjusted EBITDA ²	\$840	\$3,200-\$3,400
Free Cash Flow before Growth	\$364	\$1,100-\$1,300



Highlights

- ✦ NYLD Recap approved – provides both ongoing NRG capital replenishment and substantial NYLD equity funding capacity
- ✦ Announced new plan for capital allocation relative to NYLD dropdown proceeds
- ✦ Residential solar partnership with NYLD: capital cost advantage for NRG Home Solar and new source of NYLD growth
- ✦ NRG Home Solar tax equity runway extended: closed two new facilities with ~\$170 million tax equity commitment for ~13,000 leases
- ✦ Announced \$100 MM partnership between NYLD and NRG to invest in DG Solar assets
- ✦ Repurchased \$56 million of \$100 million Phase II 2015 common stock buyback program
 - Increasing Phase II by \$81 million; \$125 million remaining

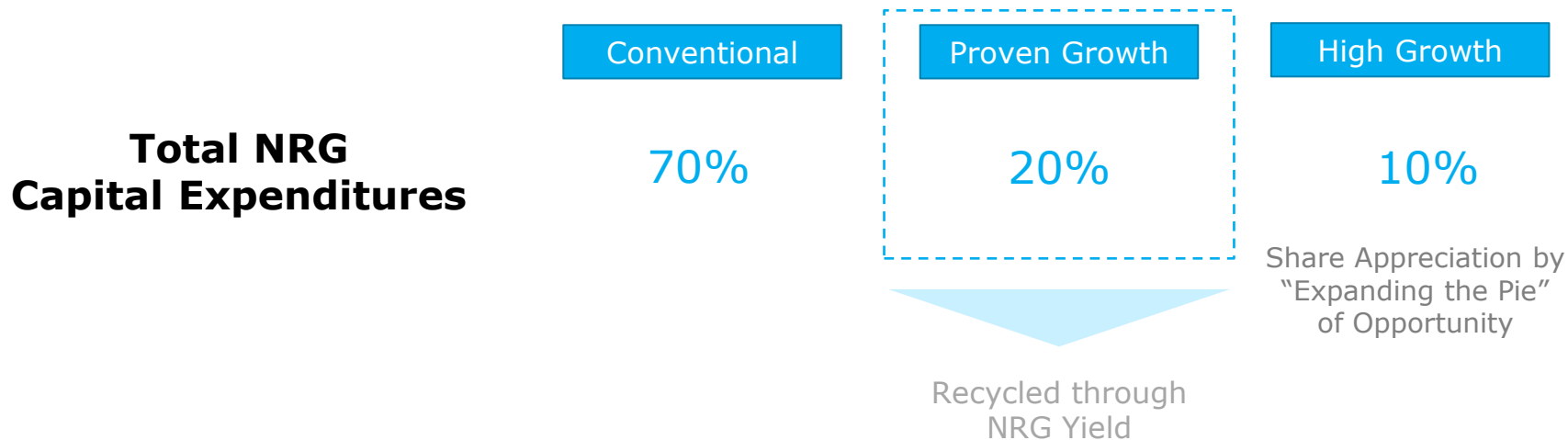
¹ Includes Corporate Segment

² 1st quarter and 2015 FY guidance excludes negative contribution from NRG Home Solar of \$40 MM, and \$100 MM, respectively



NRG Capital Allocation Strategy

Capital allocation focus remains in-line with current sources of cash flow while earmarking a modest portion for long-term growth opportunities



Relative Portion of Dropdown Proceeds¹

Equity
(Share Buybacks)

33%

Debt

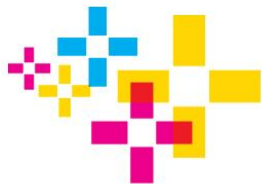
33%

Reinvestment in Growth

33%

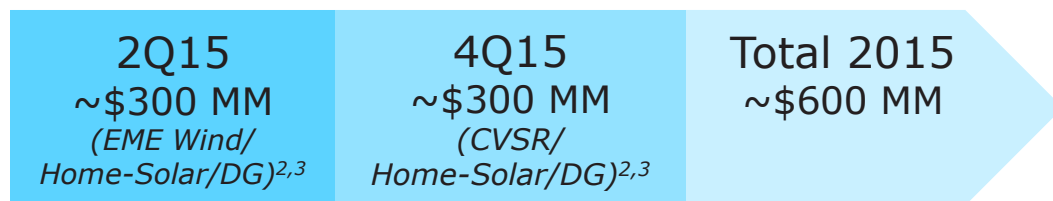
Instituting a systematic capital allocation program that connects value of conventional asset contributions to value for NRG shareholders

¹ Allocation of cash in an amount equal to the drop down proceeds equally among corporate debt reduction, repurchase of NRG shares and reinvestment in contracted assets



NRG Allocation of Expected \$600 million 2015 Dropdowns¹

Estimated Proceeds² from Yield Dropdowns Through End of 2015



"1/3" Allocation Guideline¹

~\$200 MM	~\$200 MM	~\$200 MM
Shareholder Return	Deleverage	Future Yield Eligible Investment

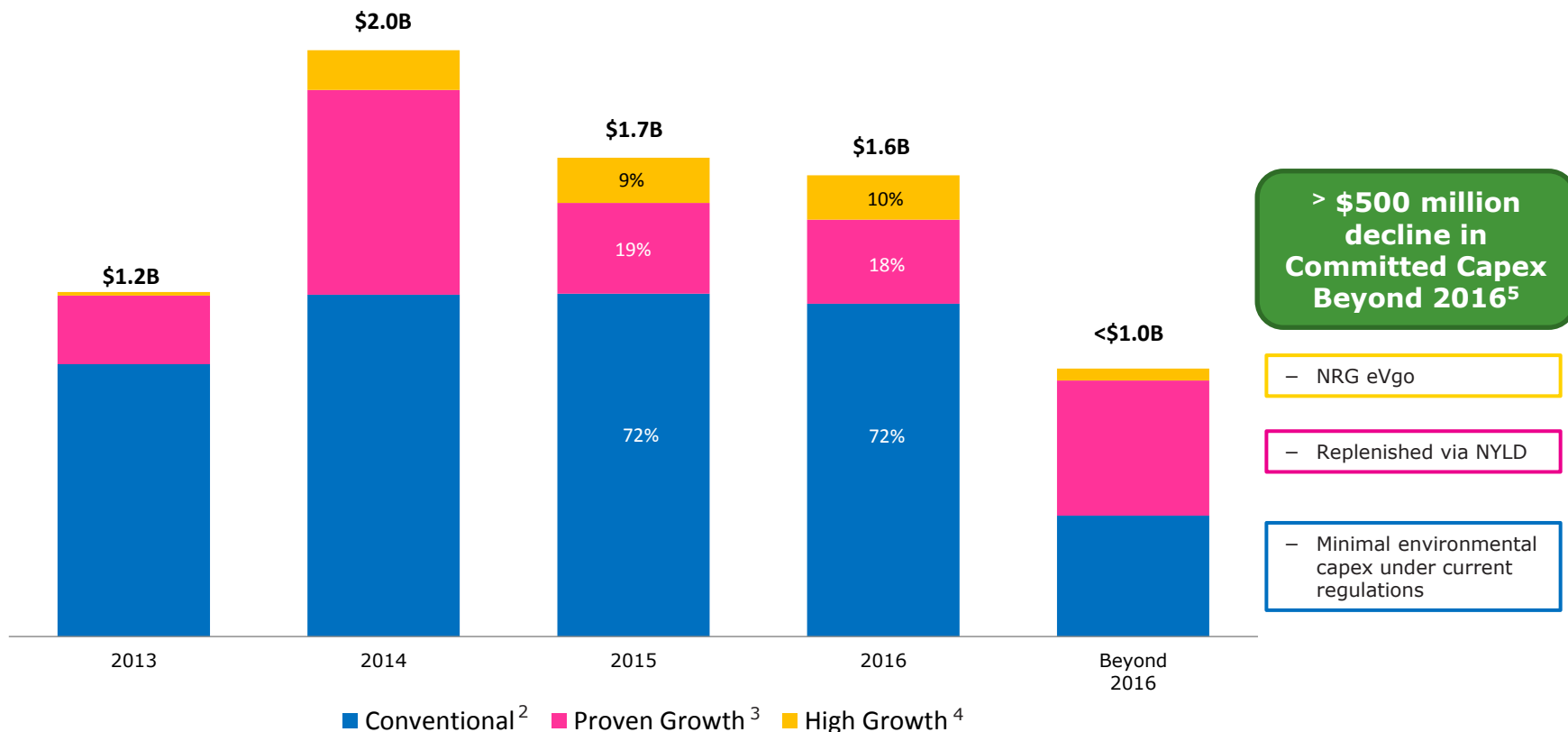
¹ Allocation of cash in an amount equal to the drop down proceeds in thirds to corporate debt reduction, repurchase of NRG shares and reinvestment in contracted assets

² Subject to negotiation with and approval by NYLD Independent Directors

³ Assets currently expected to be offered to NYLD in 2015



NRG Capital Expenditures¹



70% / 20% / 10% allocation of spend; targeting significant decline in committed capital expenditures beyond 2016

¹ Includes capex and acquisitions, net of financing and tax equity

² Conventional includes maintenance, environmental, and growth capex (fuel conversions and repowerings)

³ Proven Growth includes NRG Home Solar and Renew growth projects (primarily NYLD eligible)

⁴ High Growth includes NRG eVgo and NRG Carbon 360

⁵ Includes \$350 MM reduction in maintenance and environmental and \$240 MM reduction in fuel conversions



NYLD 2015 Financial Overview

(\$ in millions)

Q1 Results		
	1 st Quarter	1 st Quarter Guidance
Adjusted EBITDA	\$ 122	\$ 125
CAFD	6	(10)

1st Quarter CAFD benefited from one-time cash distribution from Avenal Solar Project

2015 Financial Guidance		
	2 nd Quarter	Full Year
Adjusted EBITDA	\$ 195	\$ 690
CAFD	35	195

2015 Financial Guidance

Full Year EBITDA Guidance Impacted by:

- ✦ Lower than expected wind production since the beginning of the year
- ✦ Partially offset by impact of acquisitions and Residential and DG Solar Partnerships

Full Year CAFD guidance maintained due to Q1 distribution from Avenal

Maintaining CAFD guidance of \$195 million

Appendix



NRG: Premium Competitive Energy Platform

NRG Group of Companies - Organized Around the Customer and Distinct Value Propositions

Home

- ✦ Leading retail energy platform with ~3.0 million recurring residential customers
- ✦ Smart energy management, home solutions, and personal power
- ✦ Rapidly growing residential solar business

Business

- ✦ Largest US competitive generation portfolio with over 51 GW of capacity
- ✦ Full suite of energy management services and retail energy supply for commercial and industrial customers
- ✦ Unique range of on-site generation offerings through dGen business

Renew

- ✦ Leading renewable development and operations platform
- ✦ Commercialized renewable microgrid solutions and green B2B initiatives
- ✦ Innovative focus on sustainable and distributed energy future

eVgo

- ✦ Provider of charging solutions directly to electric car owners as well as businesses
- ✦ Over 300 DC fast chargers nationwide

Carbon 360

- ✦ National leader in integrating carbon capture, utilization and sequestration solutions

NRG YIELDSM

- ✦ NRG Yield, Inc. is a dividend growth-oriented company formed to serve as the primary vehicle through which NRG Energy, Inc. owns, operates and acquires contracted renewable and conventional generation and thermal infrastructure assets
- ✦ First of its kind YieldCo

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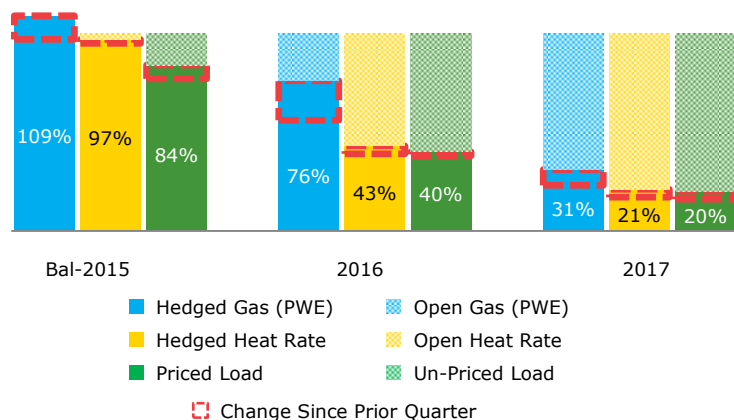
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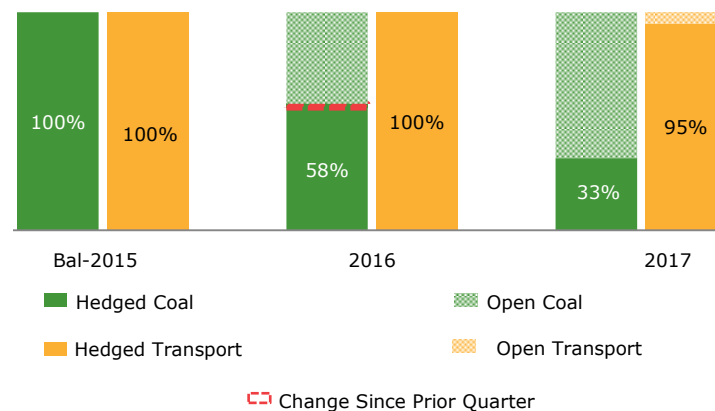
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Managing Commodity Price Risk

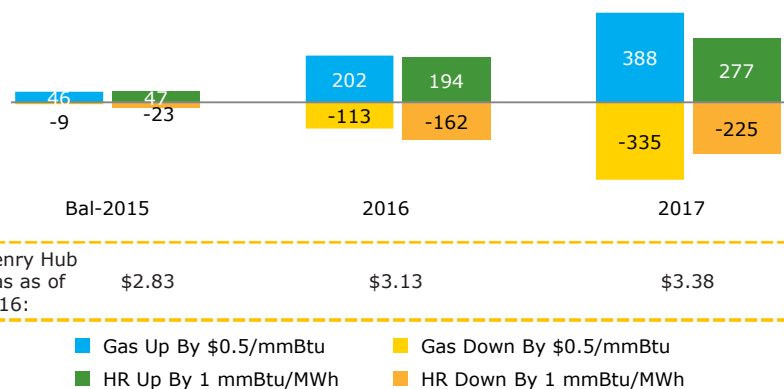
Coal and Nuclear Generation and Retail Hedge Position^{1,2}



Coal and Transport Hedge Position^{1,4}



Coal and Nuclear Generation Sensitivity to Gas Price and Heat Rate^{1,3}



Commercial Highlights

- 2016 hedge levels increased significantly, locking down earnings during higher-than-average capex years
- Integrated portfolio performed well in ERCOT despite weak prices
- Winter weather in ISO-NE drove positive results for the NE portfolio

¹ Portfolio as of 4/16/2015; Bal-2015 reflects May through December

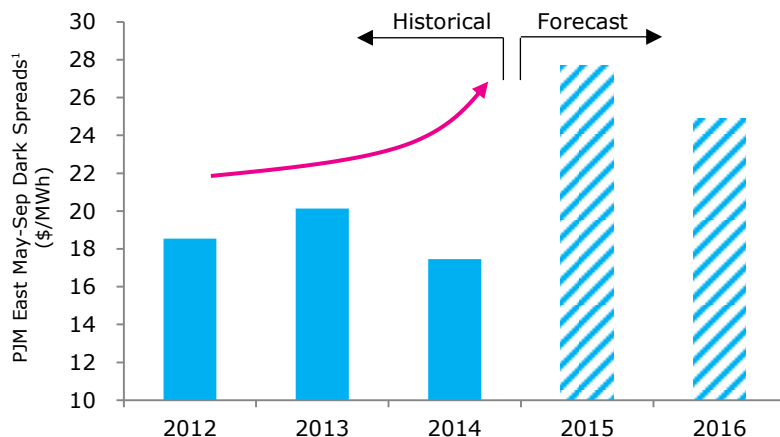
² Retail Priced Load includes Term load, Hedged Month-to-month load, and Indexed load

³ Price sensitivity reflects gross margin change from \$0.5/mmBtu gas price, 1 mmBtu/MWh heat rate move

⁴ Coal position as of 3/31/2015, excluding existing coal inventory

NRG Business: Market Outlook

East: Robust Energy Market Benefits Existing Portfolio



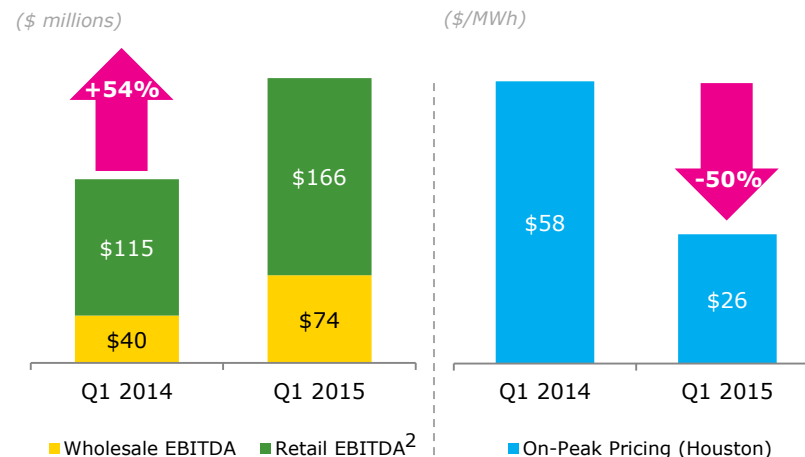
Short Term - Focus on Energy

- Supply rationalization (retirements) reflected in forward energy market
- ~17GW diverse portfolio benefits from robust pricing

Medium Term - Focus on Capacity

- Capacity market improvements focused on reliability
- Large diverse portfolios well positioned under new CP
- New CCGT generation impacting energy margins

ERCOT: Integrated Platform Performs Well Under Multiple Market Scenarios



- Retail performance counter cyclical to wholesale – mitigates low prices
- Fundamentals remain strong - load growth of ~2%, rolling 12 months³
- Depressed forward prices with minimal premium – leading to retirements

Diverse NRG portfolio well positioned to benefit from near-term and longer-term opportunities

¹ Historical Dark spread is calculated as May-Sep Day Ahead On-Peak PJM East - 10.5 Heat Rate * (NAPP + \$20/ton transport); Forward Dark spread is calculated as May-Sep Forward On-Peak PJM East - 10.5 Heat Rate * (NAPP + \$20/ton transport)

² Retail EBITDA not constrained to ERCOT; includes Total NRG Home Retail

³ Source: PIRA. Weather Normalized



NRG Business: Strengthening the Portfolio

		MW	Project Description	Estimated COD
Repowering / Other	Robinson Peakers	360 ¹	Natural Gas	Spring'16
	Carlsbad Peakers ²	533	Natural Gas	Fall'17
	Puente (Formerly Mandalay Bay) ²	262	Natural Gas	Spring'20
Fuel Conversions	GenOn Facilities ³ / Dunkirk	2,505	Natural Gas or Oil	Summer'16
	Big Cajun II Unit 2 ⁵	575	Natural Gas	Summer '15
	Joliet Units 6-8 ^{4,5}	1,326	Natural Gas	Summer'16
Environmental Compliance	Big Cajun II Units 1, 3	921	ACI & DSI	Spring'15
	Parish 5-8 / Limestone 1-2	4,193	ACI & CEMS	Spring'15
	Waukegan 8 / Powerton 5 & 6 ⁴	1,986	DSI/ESP Upgrade	Spring'15 / Fall'16

- ✚ Making portfolio environmentally compliant
- ✚ Investments at attractive multiples to increase longer term value of generating assets
- ✚ Spend on growth and environmental capex front loaded in 2015-2016

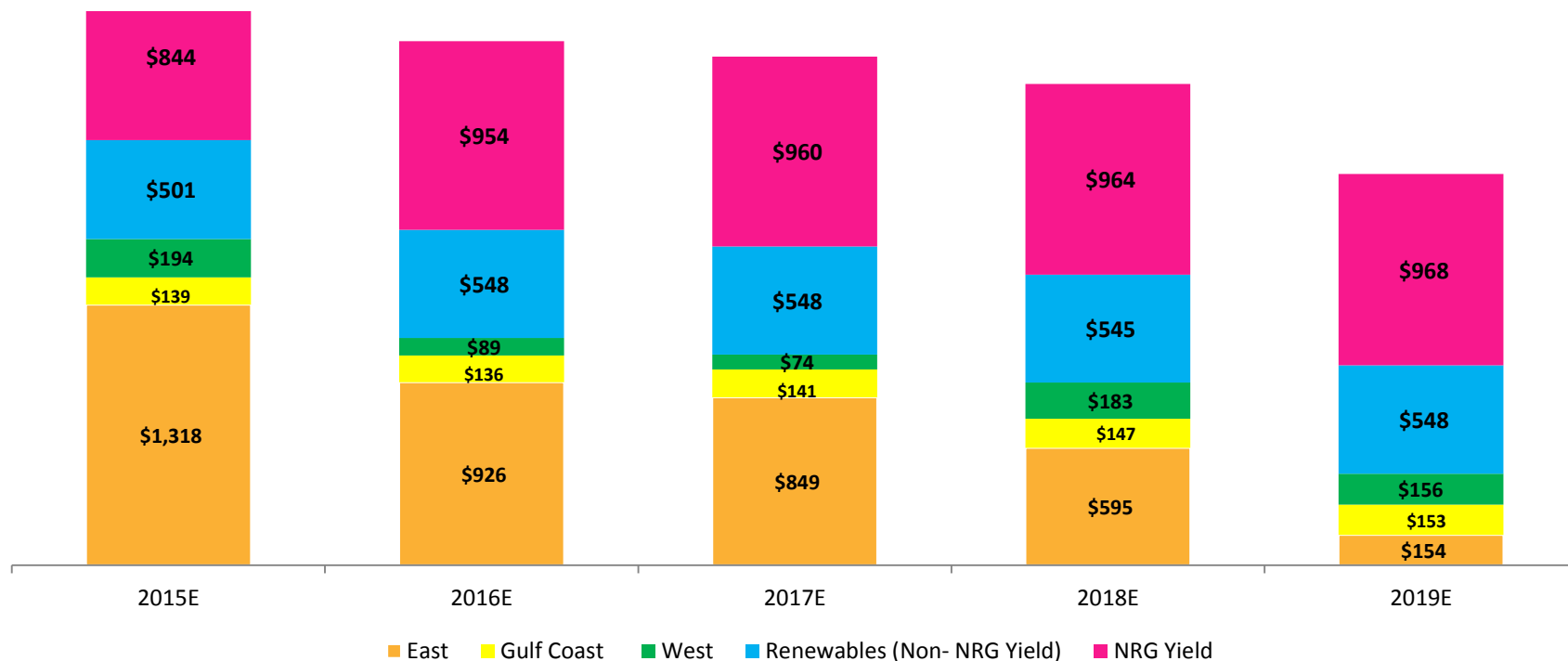
Enhancing portfolio competitiveness through capital allocation and improved operating cost

¹ Represents average annual peaking capacity ² Subject to applicable regulatory approvals and permits ³ Includes Avon Lake Units 7&9, New Castle Units 3-5, Portland Units 1-2 and Shawville Units 1-4 ⁴ Assets owned by MidWest Generation ⁵ Joliet 6-8 and Big Cajun 2 Unit II are categorized as Environmental Compliance in Reporting ⁶ Weighted Average Multiple for Portfolio of Projects



Fixed Contracted and Capacity Revenue

(\$ millions)



Notes:

- ✦ East includes cleared capacity auction for PJM through 2018 and New England through May 2019
- ✦ Gulf Coast region includes the MISO auction and fixed Co-Op contracts
- ✦ West includes committed Resource Adequacy contracts and tolling agreements
- ✦ Renewables include wind and solar assets
- ✦ NRG Yield includes both contracted capacity and contracted energy revenues, in 2015 Alta Wind X and XI are excluded



Residential Solar Monetization for NRG through NYLD Partnership

Illustrative Impact of Monetization through NYLD Partnership

Total CAPEX: ~\$220 MM¹

Tax Equity Proceeds: ~\$170 MM

Value to NRG: ~\$100 MM

NYLD Proceeds: \$150 MM

- ✦ Monetization of leases at a **value** to NRG today
- ✦ Improves NRG Home Solar competitiveness via NYLD low cost of capital
- ✦ Structured as a partnership to permit both NRG and NYLD ongoing benefits of customer relationship and contracted cashflows, respectively
 - NYLD - 95% of economics through lease period
 - NRG - retains 95% of post-lease value
- ✦ \$150 million program initially – expected to be increased through NYLD approval of future funding once initial program fully utilized
 - Current program ~13,000 leases

¹ Estimated, excludes any overhead allocation



Appendix: Reg. G Schedules



Reg. G: 1Q Free Cash Flow before Growth

(\$ millions)	3/31/2015	3/31/2014	Variance
Adjusted EBITDAR	\$ 873	\$ 845	\$ 28
Less: GenOn & EME operating lease expense	(33)	(28)	(5)
Adjusted EBITDA	\$ 840	\$ 817	\$ 23
Interest payments	(258)	(208)	(50)
Income tax	(1)	-	(1)
Collateral / working capital / other	(281)	(217)	(64)
Adjusted EBITDA from NRG Home Solar	(40)	(1)	(39)
Cash Flow from Operations	\$ 260	\$ 391	\$ (131)
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	40	(223)	263
Merger and integration costs	12	33	(21)
Collateral	213	407	(194)
Adjusted Cash Flow from Operations	\$ 525	\$ 608	\$ (83)
Maintenance capital expenditures, net ¹	(85)	(62)	(23)
Environmental capital expenditures, net	(49)	(50)	1
Preferred dividends	(2)	(2)	-
Distributions to non-controlling interests	(25)	(7)	(18)
Free Cash Flow before Growth	\$ 364	\$ 487	\$ (123)

¹ 1Q 2015 and 1Q 2014 maintenance capex excludes merger and integration capex of \$3 MM and \$5 MM, respectively



Reg. G: Full-Year Free Cash Flow before Growth

(\$ millions)	12/31/2014	12/31/2013	Variance
Adjusted EBITDAR	\$ 3,256	\$ 2,746	\$ 510
Less: GenOn & EME operating lease expense	(128)	(110)	(18)
Adjusted EBITDA	\$ 3,128	\$ 2,636	\$ 492
Interest payments	(1,119)	(935)	(184)
Income tax	7	60	(53)
Collateral / working capital / other	(506)	(491)	(15)
Cash Flow from Operations	\$ 1,510	\$ 1,270	\$ 240
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	9	267	(258)
Merger and integration costs	95	141	(46)
Collateral	(89)	47	(136)
Adjusted Cash Flow from Operations	\$ 1,525	\$ 1,725	\$ (200)
Maintenance capital expenditures, net ¹	(254)	(325)	71
Environmental capital expenditures, net	(254)	(104)	(150)
Preferred dividends	(9)	(9)	-
Distributions to non-controlling interests	(57)	(5)	(52)
Free Cash Flow before Growth	\$ 951	\$ 1,282	\$ (331)

¹ Full-Year 2014 and Full-Year 2013 maintenance capex excludes merger and integration capex of \$28 MM and \$31 MM, respectively



Reg. G: 2015 Guidance

Appendix Table A-1: 2015 Guidance

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Adjusted EBITDA

(\$ millions)

	2015 Guidance
Business and Renew	\$1,935 - 2,060
Home – Retail	575 - 650
NRG Yield	690
Adjusted EBITDA¹	\$3,200 - \$3,400
Interest payments	(1,160)
Income tax	(40)
Working capital / other ²	250
Adjusted EBITDA from Home Solar	(100)
Cash Flow from Operations	\$2,150 - \$2,350
Maintenance capital expenditures, net	(480) - (510)
Environmental capital expenditures, net	(305) - (335)
Preferred dividends / other distributions ³	(190) - (210)
Free Cash Flow before Growth	\$1,100 - \$1,300

¹ 2015 guidance excludes negative contribution of \$100 MM from NRG Home Solar

² Primary drivers include tax receipts associated with Capistrano of \$60M, reduction in net AR/AP of \$120M, and reduction in fuel inventory of \$50M,

³ Includes Yield distributions to public shareholders of \$57M, Capistrano and Solar distributions to non-controlling interests of \$73M and \$70M, respectively, and preferred dividends of \$10M



Reg. G

Appendix Table A-1: First Quarter 2015 Adjusted EBITDA Reconciliation by Operating Segment

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

(\$ millions)	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	104	(45)	29	(50)	(11)	(147)	(120)
Plus:							
Net loss attributable to non-controlling interest	-	-	-	(6)	(5)	(5)	(16)
Interest expense, net	-	-	18	31	70	179	298
Income tax	-	-	-	(6)	(4)	(63)	(73)
Depreciation, amortization, and ARO expense	30	5	240	64	55	7	401
Amortization of contracts	-	-	(12)	(1)	12	1	-
EBITDA	134	(40)	275	32	117	(28)	490
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	4	-	12	3	19
Integration & transaction costs	-	-	-	-	-	10	10
Deactivation costs	-	-	3	-	-	-	3
NRG Home Solar EBITDA	-	40	-	-	-	-	40
Mark to Market (MtM) losses / (gains) on economic hedges	32	-	253	-	(7)	-	278
Adjusted EBITDA	166	-	535	32	122	(15)	840



Reg. G

Appendix Table A-2: First Quarter 2014 Adjusted EBITDA Reconciliation by Operating Segment

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

(\$ millions)	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	185	(2)	(6)	(48)	22	(207)	(56)
Plus:							
Net (loss)/ income attributable to non-controlling interest	-	-	-	(17)	4	2	(11)
Interest expense, net	1	-	17	26	26	182	252
Loss on Debt Extinguishment	-	-	-	1	-	40	41
Income tax	-	-	-	-	3	(34)	(31)
Depreciation, amortization, and ARO expense	30	1	230	49	24	6	340
Amortization of contracts	(1)	-	1	-	1	-	1
EBITDA	215	(1)	242	11	80	(11)	536
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	(3)	-	12	2	11
Integration & transaction costs, gain on sale	-	-	(18)	-	-	12	(6)
Deactivation costs	-	-	3	-	-	-	3
Legal Settlement	4	-	-	-	-	-	4
NRG Home Solar EBITDA	-	1	-	-	-	-	1
Mark to Market (MtM) (gains) / losses on economic hedges	(104)	-	371	1	-	-	268
Adjusted EBITDA	115	-	595	12	92	3	817



Reg. G

Appendix Table A-3: First Quarter 2015 Regional Adjusted EBITDA Reconciliation for NRG Business

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

(\$ millions)	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	88	35	(24)	(64)	(6)	29
Plus:						
Interest expense, net	18	-	-	-	-	18
Depreciation, amortization, and ARO expense	77	145	16	2	-	240
Amortization of contracts	(14)	2	(1)	1	-	(12)
EBITDA	169	182	(9)	(61)	(6)	275
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	(1)	1	1	3	4
Deactivation costs	2	-	1	-	-	3
Mark to Market (MtM) losses / (gains) on economic hedges	253	(65)	(1)	66	-	253
Adjusted EBITDA	424	116	(8)	6	(3)	535



Reg. G

Appendix Table A-4: First Quarter 2014 Regional Adjusted EBITDA Reconciliation for NRG Business

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

(\$ millions)	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	184	(300)	6	106	(2)	(6)
Plus:						
Interest expense, net	16	1	-	-	-	17
Depreciation, amortization, and ARO expense	70	143	12	4	1	230
Amortization of contracts	(5)	6	(2)	2	-	1
EBITDA	265	(150)	16	112	(1)	242
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	(1)	-	-	(3)	1	(3)
Integration & Transaction Costs, gain on sale	6	(24)	-	-	-	(18)
Deactivation Costs	2	-	1	-	-	3
Mark to Market (MtM) losses / (gains) on economic hedges	247	239	2	(117)	-	371
Adjusted EBITDA	519	65	19	(8)	-	595



Reg. G

Appendix Table A-5: Full Year 2014 Regional Adjusted EBITDA Reconciliation

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

(\$ millions)	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income / (Loss) Attributable to NRG Energy, Inc.	138	(53)	1,094	(163)	65	(947)	134
Plus:							
Net income attributable to non-controlling interest	-	(19)	(1)	1	16	1	(2)
Interest expense, net	1	1	75	133	165	823	1,198
Income tax	-	-	1	-	4	(2)	3
Depreciation, amortization, and ARO expense	123	6	1,002	247	136	32	1,546
Amortization of contracts	(2)	-	(29)	8	18	1	(4)
EBITDA	260	(65)	2,142	226	404	(92)	2,874
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	11	(12)	47	27	73
Integration & transaction costs	3	-	1	-	4	76	84
Deactivation costs	5	-	-	-	-	-	5
Legal settlement	-	-	41	-	-	1	42
Sale of businesses	-	-	(35)	-	-	-	(35)
Asset write-offs and impairments	-	-	81	29	-	(13)	97
Mark to Market (MtM) losses / (gains) on economic hedges	337	-	(343)	(6)	-	(1)	(13)
Adjusted EBITDA	604	(65)	1,898	237	455	(1)	3,128



NYLD Reg. G: Actuals

(\$ millions)	<u>Three Months Ended</u>	
	3/31/2015	3/31/2014
Net Income / (Loss)	(16)	26
Plus:		
Income tax	(4)	3
Interest expense, net	70	26
Depreciation, amortization, and ARO expense	55	24
Amortization of contracts	12	1
Mark to Market (MtM) Losses/(Gains) on economic hedges	(7)	-
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	12	12
Adjusted EBITDA	122	92
Pro-rata Adjusted EBITDA from unconsolidated affiliates	(13)	(13)
Cash distributions from unconsolidated affiliates	40	7
Cash interest paid	(57)	(22)
Maintenance Capital expenditures	(3)	(3)
Change in other assets	(37)	(22)
Principal amortization of indebtedness	(46)	(34)
Cash Available for Distribution	6	5



NYLD Reg. G: 2015 Guidance

<i>(\$ millions)</i>	Q2 2015	Full Year 2015¹
Adjusted EBITDA	195	690
Pro-rata Adjusted EBITDA from unconsolidated affiliates	(21)	(89)
Cash distributions from unconsolidated affiliates	9	79
Cash interest paid	(66)	(241)
Maintenance Capital expenditures	(5)	(19)
Change in other assets	(29)	(12)
Principal amortization of indebtedness	(48)	(213)
Cash Available for Distribution	35	195

¹ Guidance excludes the impact of interest on revolver temporarily used to fund the recent transaction with NRG Energy which equates to \$3 million on an annualized basis



Reg. G

- 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.