UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended: September 30, 2026

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-15891

NRG Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**41-1724239**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1301 McKinney Street Houston Texas	**77010**
(Address of principal executive offices)	(Zip Code)

(713) 537-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock, par value $0.01	NRG	New York Stock Exchange
Common Stock, par value $0.01	NRG	NYSE Texas

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of October 31, 2026, there were 210,021,280 shares of common stock outstanding, par value $0.01 per share.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of NRG Energy, Inc., or NRG or the Company, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "believes," "projects," "anticipates," "plans," "expects," "intends," "estimates," "should," "forecasts," "targets," and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond NRG's control, that may cause NRG's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors, risks and uncertainties include any factors described under *Risk Factors*, in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 and Part II, Item 1A of this Form 10-Q and the following:

- General economic conditions, changes in the wholesale power and gas markets and fluctuations in the cost of fuel;
- Volatile power and gas supply costs and demand for power and gas, including the impacts of weather;
- NRG's ability to obtain and maintain retail market share;
- The imposition of tariffs, the escalation of international trade disputes, and the occurrence or re-escalation of geopolitical conflicts (including the hostilities with Iran and the conflicts in the Middle East), and inflationary impacts resulting therefrom;
- The inability of the Company to realize expected benefits from the integration of LSP Portfolio's assets and businesses;
- Hazards customary to the power production industry and power generation operations, such as fuel and electricity price volatility, unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled or forced generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that NRG may not have adequate insurance to cover losses as a result of such hazards;
- The effectiveness of NRG's risk management policies and procedures and the ability of NRG's counterparties to satisfy their financial commitments;
- NRG's ability to enter into contracts to sell power or gas and procure fuel on acceptable terms and prices;
- NRG's ability to successfully integrate, realize cost savings and manage any acquired businesses;
- NRG's ability to successfully complete pending or future acquisitions and divestitures on the anticipated terms and timing, including obtaining any required approvals and consents, and realize the expected benefits of such transactions;
- NRG's, and its counterparties', ability to successfully execute definitive agreements for, and proceed with or complete, the development and construction of new generation facilities and projects in a timely and cost effective manner;
- Changes in law, including judicial and regulatory decisions;
- Government regulation, including changes in market rules, rates, tariffs and environmental laws;
- Cyber terrorism and cybersecurity risks, data breaches or the occurrence of a catastrophic loss and the possibility that NRG may not have sufficient insurance to cover losses resulting from such hazards or the inability of NRG's insurers to provide coverage;
- Operational and reputational risks related to the use of AI and the adherence to developing laws and regulations related to the use of AI;
- Counterparties' collateral demands and other factors affecting NRG's liquidity position and financial condition;
- NRG's ability to operate its businesses efficiently and generate earnings and cash flows from its asset-based businesses in relation to its debt and other obligations;
- The liquidity and competitiveness of wholesale markets for energy commodities;
- NRG's ability to develop and innovate new products, as retail and wholesale markets continue to change and evolve;
- Price mitigation strategies and other market structures employed by ISOs or RTOs that result in a failure to adequately and fairly compensate NRG's generation units;
- NRG's ability to borrow funds and access capital markets, as well as NRG's substantial indebtedness and the possibility that NRG may incur additional indebtedness in the future;
- Operating and financial restrictions placed on NRG and its subsidiaries that are contained in NRG's corporate credit agreements, and in debt and other agreements of certain of NRG subsidiaries and project affiliates generally;
- NRG's ability to implement its strategy of finding ways to meet the challenges of climate change, clean air and protecting natural resources, while taking advantage of business opportunities;

- NRG's ability to increase cash from operations through operational and market initiatives, corporate efficiencies, asset strategy, and a range of other programs throughout NRG to reduce costs or generate revenues;
- NRG's ability to successfully evaluate investments and achieve intended financial results in new business and growth initiatives; and
- NRG's ability to develop and maintain successful partnering relationships as needed.

In addition, unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Forward-looking statements speak only as of the date they were made and NRG undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as otherwise required by applicable laws. The foregoing factors that could cause NRG's actual results to differ materially from those contemplated in any forward-looking statements included in this Quarterly Report on Form 10-Q should not be construed as exhaustive.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

2025 Form 10-K	NRG's Annual Report on Form 10-K for the year ended December 31, 2025
ACE	Affordable Clean Energy
Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation and amortization
AESO	Alberta Electric System Operator
ARO	Asset Retirement Obligation
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASU	Accounting Standards Updates – updates to the ASC
BTU	British Thermal Unit
Business	NRG Business, which serves business customers
CAA	Clean Air Act
CAISO	California Independent System Operator
CAMT	15% Corporate Alternative Minimum Tax enacted by the IRA on August 16, 2022
CDD	Cooling Degree Day
Cedar Bayou 5	Cedar Bayou Unit 5 generation facility, a 689 MW natural gas-fueled combined cycle plant
CFTC	U.S. Commodity Futures Trading Commission
CO_2	Carbon Dioxide
Company	NRG Energy, Inc.
Convertible Senior Notes	NRG's unsecured 2.750% Convertible Senior Notes due 2048, which were redeemed on July 8, 2025
Cottonwood	Cottonwood Generating Station, a 1,139 MW natural gas-fueled plant. NRG leased and operated the plant through May 2025
CPP	Clean Power Plan
D.C. Circuit	U.S. Court of Appeals for the District of Columbia Circuit
DOJ	U.S. Department of Justice
Dth	Dekatherms
Economic gross margin	Sum of retail revenue, energy revenue, capacity revenue and other revenue, less cost of fuel, purchased energy and other cost of sales
EGU	Electric Generating Unit
ELG	Effluent Limitations Guidelines which are EPA regulations issued under the federal Clean Water Act
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas, the Independent System Operator and the regional reliability coordinator of the various electricity systems within Texas
ESPP	NRG Energy, Inc. Amended and Restated Employee Stock Purchase Plan
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FGD	Flue gas desulfurization
FTRs	Financial Transmission Rights
GAAP	Generally accepted accounting principles in the United States
GHG	Greenhouse Gas
Green Mountain Energy	Green Mountain Energy Company
Greens Bayou 6	Greens Bayou Unit 6 generation facility, a 443 MW natural gas-fueled peaker plant
GW	Gigawatts
GWh	Gigawatt Hours
HDD	Heating Degree Day

Heat Rate	A measure of thermal efficiency computed by dividing the total BTU content of the fuel burned by the resulting kWhs generated. Heat Rates can be expressed as either gross or net Heat Rates, depending whether the electricity output measured is gross or net generation and is generally expressed as BTU per net kWh
Home	NRG Home, which serves residential customers
ICE	Intercontinental Exchange
IESO	Independent Electricity System Operator
ISO	Independent System Operator, also referred to as RTOs
ISO-NE	ISO New England Inc.
Ivanpah	Ivanpah Solar Electric Generation Station, a 385 MW solar thermal power plant located in California's Mojave Desert in which NRG owns 54.5% interest
kWh	Kilowatt-hours
LS Power	LS Power Equity Advisors, LLC
LSP Portfolio	The portfolio of natural gas and dual fuel generation and other assets from LS Power
LTIPs	Collectively, the NRG Energy, Inc. 2026 Long-Term Incentive Plan ("LTIP"), the NRG Energy, Inc. Amended and Restated LTIP, and the NRG Energy, Inc. 2020 Omnibus Incentive Plan (Legacy Vivint)
MDth	Thousand Dekatherms
Midwest Generation	Midwest Generation, LLC
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Units
MMDth	Million Dekatherms
MW	Megawatts
MWh	Saleable megawatt hour net of internal/parasitic load megawatt-hour
NAAQS	National Ambient Air Quality Standards
NEPOOL	New England Power Pool
NERC	North American Electric Reliability Corporation
Net Exposure	Counterparty credit exposure to NRG, net of collateral
Net Revenue Rates	Sum of retail revenues less TDSP transportation charges
Nodal	Nodal Exchange is a derivatives exchange
NOL	Net Operating Loss
NOx	Nitrogen Oxides
NPNS	Normal Purchase Normal Sale
NRC	U.S. Nuclear Regulatory Commission
NRG	NRG Energy, Inc.
NRG Receivables	NRG Receivables LLC, a wholly-owned indirect subsidiary of the Company
NYISO	New York Independent System Operator
NYMEX	New York Mercantile Exchange
OECD	Organization for Economic Cooperation and Development
PJM	PJM Interconnection, LLC
PM2.5	Particulate Matter that has a diameter of less than 2.5 micrometers
Powerton	Powerton power plant, a 1,538 MW coal-fueled plant
PPA	Power Purchase Agreement
PUCT	Public Utility Commission of Texas
RCRA	Resource Conservation and Recovery Act of 1976
Receivables Facility	The Company's $2.3 billion accounts receivables securitization facility due 2027, which was last amended on June 18, 2026, which is maintained through NRG Receivables LLC, a bankruptcy remote, special purpose, wholly-owned indirect subsidiary of the Company
RECs	Renewable Energy Certificates
Renewable PPA	A third-party PPA entered into directly with a renewable generation facility for the offtake of the RECs or other similar environmental attributes generated by such facility, coupled with the associated power generated by that facility

Revolving Credit Facility	The Company's $4.6 billion revolving credit facility due 2029, which was last amended on May 27, 2025
RGGI	Regional Greenhouse Gas Initiative
RMR	Reliability Must-Run
RTO	Regional Transmission Organization, also referred to as ISOs
SEC	U.S. Securities and Exchange Commission
Senior Credit Facility	NRG's senior secured credit facility, comprised of the Revolving Credit Facility and the Term Loan B Facility
Senior Notes	As of September 30, 2026, NRG's $12.0 billion outstanding Unsecured Senior Notes as listed in Note 7, *Long-term Debt and Finance Leases*
Senior Secured First Lien Notes	As of September 30, 2026, NRG's $3.9 billion outstanding Senior Secured First Lien Notes as listed in Note 7, *Long-term Debt and Finance Leases*
Series A Preferred Stock	As of September 30, 2026, NRG's Series A Preferred Stock consists of 650,000 outstanding shares of the 10.25% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, with a $1,000 liquidation preference per share
SO_2	Sulfur Dioxide
SOFR	Secured overnight financing rate
TCJA	The Tax Cuts and Jobs Act of 2017
TDSP	Transmission/distribution service provider
TEF	Texas Energy Fund
Texas Generation Portfolio	The acquisition of a portfolio of power generation facilities and other assets from Rockland Capital, LLC
T.H. Wharton	T.H. Wharton generation facility includes a 1,002 MW natural gas-fueled plant and an additional 415 MW natural gas-fueled peaker plant, which achieved commercial operation in May 2026
U.S.	United States of America
VaR	Value at Risk
VIE	Variable Interest Entity
Winter Storm Elliott	A major winter storm that had impacts across the majority of the United States and parts of Canada occurring in December 2022
Winter Storm Fern	A major winter and ice storm that had widespread impacts across North America occurring in January 2026
Winter Storm Uri	A major winter and ice storm that had widespread impacts across North America occurring in February 2021

PART I — FINANCIAL INFORMATION

ITEM 1 — CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
(In millions, except per share amounts)	2026	2025	2026	2025
Revenue				
Revenue	$ 9,466	$ 7,635	$ 27,203	$ 22,960
Operating Costs and Expenses				
Cost of operations (excluding depreciation and amortization shown below)	7,238	6,241	21,566	18,431
Depreciation and amortization	510	360	1,436	1,030
Selling, general and administrative costs (excluding amortization of customer acquisition costs of $101, $78, $281, and $211 respectively, which are included in depreciation and amortization shown separately above)	619	612	1,774	1,885
Acquisition-related transaction and integration costs	16	8	77	59
Total operating costs and expenses	8,383	7,221	24,853	21,405
Gain/(Loss) on sale of assets	1	—	38	(7)
Operating Income	1,084	414	2,388	1,548
Other (Expense)/Income				
Other (expense)/income, net	(3)	11	43	30
Loss on debt extinguishment	—	—	(9)	(10)
Interest expense	(302)	(187)	(897)	(498)
Total other expense	(305)	(176)	(863)	(478)
Income Before Income Taxes	779	238	1,525	1,070
Income tax expense	218	86	333	272
Net Income	$ 561	$ 152	$ 1,192	$ 798
Less: Cumulative dividends attributable to Series A Preferred Stock	17	17	51	51
Net Income Available for Common Stockholders	$ 544	$ 135	$ 1,141	$ 747
Income per Share				
Weighted average number of common shares outstanding — basic	210	193	209	196
Income per Weighted Average Common Share — Basic	$ 2.59	$ 0.70	$ 5.46	$ 3.81
Weighted average number of common shares outstanding — diluted	210	195	210	201
Income per Weighted Average Common Share — Diluted	$ 2.59	$ 0.69	$ 5.43	$ 3.72

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Unaudited)

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net Income	$ 561	$ 152	$ 1,192	$ 798
Other Comprehensive (Loss)/Income				
Foreign currency translation adjustments	(2)	(4)	(6)	11
Defined benefit plans	(1)	—	(3)	1
Other comprehensive (loss)/income	(3)	(4)	(9)	12
Comprehensive Income	$ 558	$ 148	$ 1,183	$ 810

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data)	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 148	$ 4,708
Funds deposited by counterparties	105	260
Restricted cash	29	30
Accounts receivable, net	3,931	4,065
Inventory	723	461
Derivative instruments	3,006	2,189
Cash collateral paid in support of energy risk management activities	501	365
Prepayments and other current assets	1,305	1,069
Total current assets	9,748	13,147
Property, plant and equipment, net	14,605	3,632
Other Assets		
Operating lease right-of-use assets, net	137	130
Goodwill	8,815	5,017
Customer relationships, net	1,101	1,203
Other intangible assets, net	975	1,106
Derivative instruments	1,572	1,568
Deferred income taxes	1,540	1,843
Other non-current assets	1,803	1,494
Total other assets	15,943	12,361
Total Assets	$ 40,296	$ 29,140

(In millions, except share data)	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt and finance leases	$ 1,079	$ 31
Current portion of operating lease liabilities	42	35
Accounts payable	2,774	2,834
Derivative instruments	3,187	2,257
Cash collateral received in support of energy risk management activities	105	260
Deferred revenue current	823	748
Accrued expenses and other current liabilities	1,806	1,864
Total current liabilities	9,816	8,029
Other Liabilities		
Long-term debt and finance leases	21,844	16,412
Non-current operating lease liabilities	165	144
Derivative instruments	1,237	1,103
Deferred income taxes	15	15
Deferred revenue non-current	1,058	895
Other non-current liabilities	889	861
Total other liabilities	25,208	19,430
Total Liabilities	35,024	27,459
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock; 10,000,000 shares authorized; 650,000 Series A shares issued and outstanding at September 30, 2026 and December 31, 2025, aggregate liquidation preference of $650 at September 30, 2026 and December 31, 2025	650	650
Common stock; $0.01 par value; 500,000,000 shares authorized; 225,219,764 and 199,828,615 shares issued and 209,982,924 and 190,376,607 shares outstanding at September 30, 2026 and December 31, 2025, respectively	2	2
Additional paid-in-capital	3,916	215
Retained earnings	2,800	1,982
Treasury stock, at cost; 15,236,840 shares and 9,452,008 shares at September 30, 2026 and December 31, 2025, respectively	(2,006)	(1,087)
Accumulated other comprehensive loss	(90)	(81)
Total Stockholders' Equity	5,272	1,681
Total Liabilities and Stockholders' Equity	$ 40,296	$ 29,140

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
(In millions)	**2026**	**2025**
Cash Flows from Operating Activities		
Net income	$ 1,192	$ 798
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation of property, plant and equipment and amortization of customer relationships and other intangible assets	925	667
Amortization of capitalized contract costs	511	363
Accretion of asset retirement obligations	21	22
Provision for credit losses	210	201
Amortization of financing costs and debt discounts/premiums	19	24
Loss on debt extinguishment	9	10
Amortization of in-the-money contracts and emissions allowances	145	75
Amortization of unearned equity compensation	109	83
Net (gain)/loss on sale of assets and disposal of assets	(52)	7
Gain on proceeds from insurance recoveries for Property, plant and equipment, net	—	(100)
Changes in derivative instruments	327	447
Changes in current and deferred income taxes and liability for uncertain tax benefits	293	209
Changes in collateral deposits in support of risk management activities	(108)	76
Changes in other working capital:		
Accounts receivable, net	407	(22)
Inventory	(86)	15
Prepayments and other current assets	(672)	(488)
Accounts payable	(772)	(229)
Accrued expenses and other current liabilities	(257)	(169)
Other assets and liabilities	(176)	(199)
Cash provided by operating activities	$ 2,045	$ 1,790
Cash Flows from Investing Activities		
Payments for acquisitions of businesses and assets, net of cash acquired	$ (7,094)	$ (591)
Capital expenditures	(1,181)	(849)
Proceeds from sales of assets	45	6
Purchases of emissions allowances	(59)	(11)
Proceeds from sales of emissions allowances	98	5
Proceeds from insurance recoveries for Property, plant and equipment, net	—	100
Cash used in investing activities	$ (8,191)	$ (1,340)

(In millions)	Nine months ended September 30, 2026	2025
Cash Flows from Financing Activities		
Equivalent shares purchased in lieu of tax withholdings	$ (101)	$ (86)
Payments for share repurchase activity and excise tax	(973)	(958)
Payments of dividends to preferred and common stockholders	(369)	(326)
Payment for settlement of capped call options[(a)]	—	(292)
Proceeds from issuance of long-term debt	3,754	1,375
Repayments of long-term debt and finance leases	(1,544)	(249)
Payments for debt extinguishment costs	(100)	—
Payments of deferred financing costs	(85)	(55)
Net (payments)/receipts from settlement of acquired derivatives that include financing elements	(168)	51
Proceeds from credit facilities	13,248	1,575
Repayments to credit facilities	(12,232)	(1,575)
Cash provided by/(used in) financing activities	$ 1,430	$ (540)
Effect of exchange rate changes on cash and cash equivalents	—	2
Net Decrease in Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash	(4,716)	(88)
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at Beginning of Period	4,998	1,173
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at End of Period	$ 282	$ 1,085

(a) Includes $16 million of payments for shares received from the exercise of the Capped Call Options. For further discussion, see Note 9, *Changes in Capital Structure*

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2025	$ 650	$ 2	$ 215	$ 1,982	$ (1,087)	$ (81)	$ 1,681
Net income				125			125
Other comprehensive loss						(3)	(3)
Share repurchases[a]					(484)		(484)
Retirement of treasury stock[b]			(40)		40		—
Equity-based awards activity, net[c]			(35)				(35)
Issuance of common stock for acquisition of LSP Portfolio[d]			3,728				3,728
Common stock dividends and dividend equivalents declared[e]				(105)			(105)
Series A Preferred Stock dividends[f]				(33)			(33)
Balance at March 31, 2026	$ 650	$ 2	$ 3,868	$ 1,969	$ (1,531)	$ (84)	$ 4,874
Net income				506			506
Other comprehensive loss						(3)	(3)
Shares reissuance for ESPP					11		11
Share repurchases[a]					(444)		(444)
Equity-based awards activity, net[c]			12				12
Common stock dividends and dividend equivalents declared[e]				(101)			(101)
Balance at June 30, 2026	$ 650	$ 2	$ 3,880	$ 2,374	$ (1,964)	$ (87)	$ 4,855
Net income				561			561
Other comprehensive loss						(3)	(3)
Share repurchases					(42)		(42)
Equity-based awards activity, net[c]			36				36
Common stock dividends and dividend equivalents declared[e]				(102)			(102)
Series A Preferred Stock dividends[f]				(33)			(33)
Balance at September 30, 2026	$ 650	$ 2	$ 3,916	$ 2,800	$ (2,006)	$ (90)	$ 5,272

(a) Includes excise tax accrued of $4 million and $3 million for the quarters ended June 30 and March 31, 2026, respectively
(b) For further discussion of the treasury stock retirements, see Note 9, *Changes in Capital Structure*
(c) Includes $(2) million, $(20) million and $(79) million of equivalent shares purchased in lieu of tax withholding on equity compensation issuances for the quarters ended September 30, June 30 and March 31, 2026, respectively
(d) For further discussion of the LSP Portfolio acquisition, see Note 4, *Acquisitions and Dispositions*
(e) Dividends per common share were $0.475 for each of the quarters ended September 30, June 30 and March 31, 2026
(f) Semi-annual dividends per share of Series A Preferred Stock were $51.25 for each of the periods ended September 15 and March 15, 2026

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2024	$ 650	$ 2	$ 705	$ 1,535	$ (297)	$ (117)	$ 2,478
Net income				750			750
Other comprehensive income						2	2
Share repurchases[g]					(322)		(322)
Retirement of treasury stock[h]			(179)		179		—
Equity-based awards activity, net[i]			(8)				(8)
Common stock dividends and dividend equivalents declared[j]				(90)			(90)
Series A Preferred Stock dividends[k]				(33)			(33)
Balance at March 31, 2025	$ 650	$ 2	$ 518	$ 2,162	$ (440)	$ (115)	$ 2,777
Net loss				(104)			(104)
Other comprehensive income						14	14
Shares reissuance for ESPP			2		6		8
Share repurchases[g]					(282)		(282)
Retirement of treasury stock[h]			(178)		178		—
Equity-based awards activity, net[i]			(3)				(3)
Common stock dividends and dividend equivalents declared[j]				(88)			(88)
Capped Call Options[l]			(34)				(34)
Balance at June 30, 2025	$ 650	$ 2	$ 305	$ 1,970	$ (538)	$ (101)	$ 2,288
Net income				152			152
Other comprehensive loss						(4)	(4)
Share repurchases[g][m]					(359)		(359)
Retirement of treasury stock[h]			(126)		126		—
Equity-based awards activity, net[i]			13				13
Common stock dividends and dividend equivalents declared[j]				(87)			(87)
Series A Preferred Stock dividends[k]				(33)			(33)
Settlement of Capped Call Options[l]			287		(287)		—
Conversion of Convertible Senior Notes			(313)		313		—
Balance at September 30, 2025	$ 650	$ 2	$ 166	$ 2,002	$ (745)	$ (105)	$ 1,970

(g) Includes excise tax accrued of $4 million, $2 million and $2 million for the quarters ended September 30, June 30 and March 31, 2025, respectively
(h) For further discussion of the treasury stock retirements, see Note 9, *Changes in Capital Structure*
(i) Includes $(9) million, $(37) million and $(40) million of equivalent shares purchased in lieu of tax withholding on equity compensation issuances for the quarters ended September 30, June 30 and March 31, 2025, respectively
(j) Dividends per common share were $0.440 for each of the quarters ended September 30, June 30 and March 31, 2025
(k) Semi-annual dividends per share of Series A Preferred Stock were $51.25 for each of the periods ended September 15 and March 15, 2025
(l) For further discussion of the Capped Call Options, see Note 9, *Changes in Capital Structure*
(m) Excludes $16 million of payments for shares received from the exercise of the Capped Call Options. For further discussion, see Note 9, *Changes in Capital Structure*

See accompanying notes to condensed consolidated financial statements.

Note 1 — *Nature of Business and Basis of Presentation*

General

NRG Energy, Inc., or NRG or the Company, provides electricity, natural gas, and smart-home technology solutions to approximately 8 million residential customers (comprised of 6 million retail energy and 2 million smart home), in addition to large commercial and industrial, data center, and wholesale customers. Across North America, NRG is redefining customers' experience with energy under brand names such as NRG, Reliant, Direct Energy, Green Mountain Energy, and Vivint. As of September 30, 2026, the Company's core power and natural gas business consists of approximately 25 GW of competitive power generation, including approximately 13 GW from the LSP Portfolio, and a natural gas portfolio that serves approximately 1,900 MMDth annually.

On January 30, 2026, NRG completed the acquisition of the LSP Portfolio. The LSP Portfolio includes 18 natural gas-fired and dual fuel facilities totaling approximately 13 GW of capacity, located across nine states, as well as CPower, a leading demand response platform. The acquired operations of the LSP Portfolio are integrated into the existing NRG segment structure. Plant and market operations are combined into the corresponding geographical segments of Texas and East. The East segment also includes the customer operations of CPower.

The Company's business is segmented as follows:

- Texas, which includes all activity related to customer, plant and market operations in Texas;
- East, which includes all activity related to customer, plant and market operations in the East, and demand response;
- West/Other, which includes the following assets and activities: (i) all activity related to customer, plant and market operations in the West and Canada, and (ii) other investments;
- Vivint Smart Home; and
- Corporate activities.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the SEC's regulations for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. The following notes should be read in conjunction with the accounting policies and other disclosures as set forth in the notes to the consolidated financial statements in the Company's 2025 Form 10-K. Interim results are not necessarily indicative of results for a full year.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly the Company's consolidated balance sheets as of September 30, 2026, and the results of operations, comprehensive income, cash flows and stockholders' equity for the three and nine months ended September 30, 2026 and 2025.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications

Certain prior period amounts have been reclassified for comparative purposes. The reclassifications did not affect consolidated results of operations, net assets or consolidated cash flows.

Note 2 — *Summary of Significant Accounting Policies*

Depreciation and Amortization

The Company's depreciation and amortization included in the condensed consolidated statement of operations consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2026	2025	2026	2025
Amortization of capitalized contract costs related to fulfillment	$ 84	$ 57	$ 224	$ 146
Amortization of capitalized contract costs related to customer acquisition	103	80	287	217
Amortization of customer relationships and other intangible assets	134	152	397	460
Depreciation of property, plant and equipment	189	71	528	207
Total depreciation and amortization	$ 510	$ 360	$ 1,436	$ 1,030

Credit Losses

Retail trade receivables are reported on the consolidated balance sheet net of the allowance for credit losses within accounts receivables, net. Long-term receivables are recorded net of allowance for credit losses in other non-current assets on the consolidated balance sheet. The Company accrues a provision for current expected credit losses based on (i) estimates of uncollectible revenues by analyzing accounts receivable aging and current and reasonable forecasts of expected economic factors including, but not limited to, unemployment rates and weather-related events, (ii) historical collections and delinquencies, and (iii) counterparty credit ratings for commercial and industrial customers.

The following table represents the activity in the allowance for credit losses for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2026	2025	2026	2025
Beginning balance	$ 138	$ 127	$ 146	$ 152
Provision for credit losses	106	88	210	201
Write-offs	(67)	(69)	(208)	(239)
Recoveries collected	9	12	28	35
Other	7	6	17	15
Ending balance	$ 193	$ 164	$ 193	$ 164

Other Balance Sheet Information

The following table presents the accumulated depreciation included in property, plant and equipment, net and accumulated amortization included in customer relationships, net and other intangible assets, net:

(In millions)	September 30, 2026	December 31, 2025
Property, plant and equipment accumulated depreciation	$ 2,100	$ 1,774
Customer relationships and other intangible assets accumulated amortization	4,408	3,988

Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents, restricted cash and funds deposited by counterparties reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows:

(In millions)	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 148	$ 4,708
Funds deposited by counterparties	105	260
Restricted cash	29	30
Cash and cash equivalents, funds deposited by counterparties and restricted cash shown in the statement of cash flows	$ 282	$ 4,998

Funds deposited by counterparties consist of cash held by the Company as a result of collateral posting obligations from its counterparties related to NRG's hedging program. Though some amounts are segregated into separate accounts, not all funds are contractually restricted. Based on the Company's intention, these funds are not available for the payment of general corporate obligations; however, they are available for liquidity management. Depending on market fluctuations and the settlement of the underlying contracts, the Company will refund this collateral to the counterparties pursuant to the terms and conditions of the underlying trades. Since collateral requirements fluctuate daily and the Company cannot predict if any collateral will be held for more than twelve months, the funds deposited by counterparties are classified as a current asset on the Company's balance sheet, with an offsetting liability for this cash collateral received within current liabilities.

Restricted cash consists primarily of funds held by the Company for projects under construction or that are restricted in their use due to contractual or legal obligations.

Goodwill

The following table represents the changes in goodwill during the nine months ended September 30, 2026:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Total
Balance as of December 31, 2025	**$ 643**	**$ 721**	**$ 130**	**$ 3,523**	**$ 5,017**
Goodwill resulting from the acquisition of LSP Portfolio[(a)]	1,586	2,216	—	—	3,802
Foreign currency translation adjustments	—	—	(4)	—	(4)
Balance as of September 30, 2026	**$ 2,229**	**$ 2,937**	**$ 126**	**$ 3,523**	**$ 8,815**

(a) The goodwill associated with the acquisition of the LSP Portfolio has been provisionally allocated to the Texas and East segments as of September 30, 2026

Recent Accounting Developments — Guidance Adopted in 2026

ASU 2024-04 – In November 2024, the FASB issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) – Induced Conversions of Convertible Debt Instruments*, or ASU 2024-04. The guidance in ASU 2024-04 clarifies the requirements related to accounting for the settlement of a debt instrument as an induced conversion when changes are made to conversion features as part of an offer to settle the instrument. The Company adopted ASU 2024-04 prospectively effective January 1, 2026. The adoption of ASU 2024-04 did not have an impact on the Company's consolidated financial statements and related disclosures.

ASU 2025-05 – In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326) – Measurement of Credit Losses for Accounts Receivable and Contract Assets,* or ASU 2025-05. The amendment provides a practical expedient that allows entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The Company adopted ASU 2025-05 prospectively effective January 1, 2026. The adoption of ASU 2025-05 did not have a material impact on the Company's consolidated financial statements and related disclosures.

Recent Accounting Developments — Guidance Not Yet Adopted

ASU 2024-03 – In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses*, or ASU 2024-03. The guidance in ASU 2024-03 requires more detailed information about specified categories of expenses included in certain captions presented on the face of the income statement. This ASU is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting ASU 2024-03 on its disclosures.

ASU 2025-06 – In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)—Targeted Improvements to the Accounting for Internal-Use Software*, or ASU 2025-06. The update amends guidance on capitalization of internal-use software development costs by removing the previous "development stage" model and clarifying the criteria that must be met for entities to begin capitalizing software costs. This ASU is effective for annual and interim periods beginning after December 15, 2027, with early adoption permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU, (2) retrospectively to all prior periods presented in the financial statement, or (3) using a modified transition approach based on whether an existing project can be capitalized under the updated guidance. The Company is currently evaluating the impact of adopting ASU 2025-06 on its consolidated financial statements and related disclosures.

ASU 2025-07 — In September 2025, the FASB issued ASU No. 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606) — Derivative Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract,* or ASU 2025-07. The update refines the scope of derivative accounting guidance by providing a scope exception for non-exchange traded contracts with payments based on the operations or activities of one of the parties to the contract. The update also clarifies accounting under Topic 606 for share-based noncash consideration received from a customer. This ASU is effective for annual and interim periods beginning after December 15, 2026, with early adoption permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) using a modified retrospective basis with a cumulative adjustment-effect adjustment to equity. The Company is currently evaluating the impact of adopting ASU 2025-07 on its consolidated financial statements and related disclosures.

ASU 2025-08 – In November 2025, the FASB issued ASU No. 2025-08, *Financial Instruments—Credit Losses* (Topic 326) — *Purchased Loans*, or ASU 2025-08. The update amends the accounting for "purchased seasoned loans" under Topic 326 by requiring estimated expected credit losses to be reflected as an adjustment to the asset's purchase price at acquisition. The amendments of ASU 2025-08 should be applied prospectively to loans that are acquired on or after adoption date and are effective for annual and interim periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-08 on its consolidated financial statements and related disclosures.

ASU 2025-09 – In November 2025, the FASB issued ASU No. 2025-09, *Derivatives and Hedging (Topic 815) — Hedge Accounting Improvements*, or ASU 2025-09. The update more closely aligns hedge accounting with the economics of an entity's risk management activities. The amendments of ASU 2025-09 should be applied prospectively to all hedging relationships and are effective for annual and interim periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-09 on its consolidated financial statements and related disclosures.

ASU 2025-10 – In December 2025, the FASB issued ASU No. 2025-10, *Government Grants (Topic 832) — Accounting for Government Grants Received by Business Entities,* or ASU 2025-10. The update provides authoritative guidance on the accounting for government grants received by an entity. This ASU is effective for annual and interim reporting periods beginning after December 15, 2028, with early adoption permitted. The amendments may be applied either (1) using a modified prospective basis for all grants entered into on, after, or not complete as of the adoption date, (2) modified retrospective basis for all grants entered on, after, or not complete as of the earliest period presented, or (3) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting ASU 2025-10 on its consolidated financial statements and related disclosures.

ASU 2025-11 – In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270) — Narrow-Scope Improvements,* or ASU 2025-11. This ASU clarifies interim reporting by aggregating interim disclosures required throughout the various Codification topics into Topic 270 and requiring entities to produce interim disclosures when a material event or change has occurred since the prior year-end. This ASU is effective for interim periods beginning after December 15, 2027, with early adoption permitted. The amendments in this ASU may be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting ASU 2025-11 on its disclosures.

ASU 2026-02 – In May 2026, the FASB issued ASU No. 2026-02, *Environmental Credits and Environmental Credit Obligations (Topic 818),* or ASU 2026-02. The update establishes a comprehensive framework for the recognition, measurement, presentation and disclosure of environmental credits and environmental credit obligations. The amendments of ASU 2026-02 should be applied on a retrospective basis through a cumulative-effect adjustment to equity and are effective for annual and interim reporting periods beginning after December 15, 2027, with early adoption permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of adopting ASU 2026-02 on its consolidated financial statements and related disclosures.

Note 3 — *Revenue Recognition*

Performance Obligations

As of September 30, 2026, estimated future fixed fee performance obligations are $723 million for the remaining three months of fiscal year 2026, and $2.7 billion, $2.5 billion, $1.7 billion, $1.0 billion and $684 million for the fiscal years 2027, 2028, 2029, 2030 and 2031, respectively. These performance obligations include Vivint Smart Home products and services, as well as cleared auction MWs in the PJM, ISO-NE, NYISO and MISO capacity auctions and demand response. The cleared auction MWs are subject to penalties for non-performance. The increase in future fixed fee performance obligations as of September 30, 2026, compared to the same period in 2025 is primarily due to the acquisition of the LSP Portfolio.

Disaggregated Revenues

The following tables represent the Company's disaggregation of revenue from contracts with customers for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30, 2026					
(In millions)	**Texas**	**East**	**West/Other**	**Vivint Smart Home**	**Corporate/ Eliminations**	**Total**
Retail revenue:						
Home	$ 2,559	$ 702	$ 207	$ 609	$ (7)	$ 4,070
Business	1,142	2,521	460	—	—	4,123
Total retail revenue[a]	3,701	3,223	667	609	(7)	8,193
Energy revenue[a]	—	780	—	—	—	780
Capacity revenue[a]	—	359	20	—	(20)	359
Mark-to-market for economic hedging activities[b]	—	(2)	—	—	—	(2)
Contract amortization	—	10	—	—	—	10
Other revenue[a]	27	94	5	—	—	126
Total revenue	3,728	4,464	692	609	(27)	9,466
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	45	2	42	—	89
Less: Realized and unrealized ASC 815 revenue	(12)	46	1	—	(1)	34
Total revenue from contracts with customers	$ 3,740	$ 4,373	$ 689	$ 567	$ (26)	$ 9,343

(a) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	**Texas**	**East**	**West/Other**	**Vivint Smart Home**	**Corporate/ Eliminations**	**Total**
Retail revenue	$ —	$ 7	$ —	$ —	$ —	$ 7
Energy revenue	—	26	—	—	(1)	25
Capacity revenue	—	26	—	—	—	26
Other revenue	(12)	(11)	1	—	—	(22)

(b) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

	Three months ended September 30, 2025					
(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue:						
Home	$ 2,265	$ 600	$ 200	$ 552	$ (4)	$ 3,613
Business	1,035	2,166	468	—	—	3,669
Total retail revenue[a]	3,300	2,766	668	552	(4)	7,282
Energy revenue[a]	16	132	—	—	—	148
Capacity revenue[a]	—	87	—	—	—	87
Mark-to-market for economic hedging activities[b]	—	28	6	—	—	34
Contract amortization	—	1	—	—	—	1
Other revenue[a]	63	16	6	—	(2)	83
Total revenue	3,379	3,030	680	552	(6)	7,635
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	1	2	32	—	35
Less: Realized and unrealized ASC 815 revenue	23	68	8	—	(2)	97
Total revenue from contracts with customers	$ 3,356	$ 2,961	$ 670	$ 520	$ (4)	$ 7,503

(a) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ —	$ 9	$ —	$ —	$ —	$ 9
Energy revenue	—	16	—	—	(2)	14
Capacity revenue	—	16	—	—	—	16
Other revenue	23	(1)	2	—	—	24

(b) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

	Nine months ended September 30, 2026					
(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue:						
Home	$ 5,796	$ 2,048	$ 769	$ 1,774	$ (25)	$ 10,362
Business	2,939	9,682	1,396	—	—	14,017
Total retail revenue[b]	8,735	11,730	2,165	1,774	(25)	24,379
Energy revenue[b]	22	1,508	—	—	—	1,530
Capacity revenue[b]	—	1,016	26	—	(26)	1,016
Mark-to-market for economic hedging activities[c]	—	(32)	—	—	6	(26)
Contract amortization	—	30	—	—	—	30
Other revenue[b]	111	156	9	—	(2)	274
Total revenue	8,868	14,408	2,200	1,774	(47)	27,203
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	148	6	128	—	282
Less: Realized and unrealized ASC 815 revenue	(20)	148	(3)	—	6	131
Total revenue from contracts with customers	$ 8,888	$ 14,112	$ 2,197	$ 1,646	$ (53)	$ 26,790

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

(b) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ —	$ 54	$ —	$ —	$ —	$ 54
Energy revenue	—	58	—	—	—	58
Capacity revenue	—	83	—	—	—	83
Other revenue	(20)	(15)	(3)	—	—	(38)

(c) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

(In millions)	Nine months ended September 30, 2025					
	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue:						
Home	$ 5,624	$ 1,862	$ 867	$ 1,585	$ (13)	$ 9,925
Business	2,842	7,862	1,388	—	—	12,092
Total retail revenue[a]	8,466	9,724	2,255	1,585	(13)	22,017
Energy revenue[a]	38	354	101	—	(1)	492
Capacity revenue[a]	—	182	14	—	(1)	195
Mark-to-market for economic hedging activities[b]	—	12	6	—	—	18
Contract amortization	—	(4)	—	—	—	(4)
Other revenue[a]	156	77	18	—	(9)	242
Total revenue	8,660	10,345	2,394	1,585	(24)	22,960
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	38	6	86	—	130
Less: Realized and unrealized ASC 815 revenue	33	127	7	—	(2)	165
Total revenue from contracts with customers	$ 8,627	$ 10,180	$ 2,381	$ 1,499	$ (22)	$ 22,665

(a) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ —	$ 27	$ —	$ —	$ —	$ 27
Energy revenue	—	38	—	—	(2)	36
Capacity revenue	—	48	—	—	—	48
Other revenue	33	2	1	—	—	36

(b) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

Contract Balances

The following table reflects the contract assets and liabilities included in the Company's balance sheet as of September 30, 2026 and December 31, 2025:

(In millions)	September 30, 2026	December 31, 2025
Capitalized contract costs (included in Prepayments and other current assets and Other non-current assets)	$ 2,100	$ 1,680
Accounts receivable, net - Contracts with customers	3,867	3,924
Accounts receivable, net - Accounted for under topics other than ASC 606	58	135
Accounts receivable, net - Affiliate	6	6
Total accounts receivable, net	$ 3,931	$ 4,065
Unbilled revenues (included within Accounts receivable, net - Contracts with customers)	$ 1,521	$ 1,747
Deferred revenues[a]	1,881	1,643

(a) Deferred revenues recognized under accounting guidance other than ASC 606 was immaterial as of both September 30, 2026 and December 31, 2025

The revenue recognized from contracts with customers during the three months ended September 30, 2026 and 2025 relating to the deferred revenue balance at the beginning of each period was $350 million and $306 million, respectively. The revenue recognized from contracts with customers during the nine months ended September 30, 2026 and 2025 relating to the deferred revenue balance at the beginning of each period was $646 million and $576 million, respectively. The change in deferred revenue balances during the three and nine months ended September 30, 2026 and 2025 was primarily due to the timing difference of when consideration was received and when the performance obligation was transferred.

Note 4 — *Acquisitions and Dispositions*

2026 Acquisition

Acquisition of LSP Portfolio

On January 30, 2026, NRG completed the acquisition of the LSP Portfolio from LS Power, pursuant to the Purchase Agreement dated as of May 12, 2025. The acquisition doubles NRG's generation capacity with the addition of 18 natural gas-fired and dual fuel facilities totaling approximately 13 GW. These facilities, located across nine states, expand NRG's generation footprint in the Northeast and Texas, where most of its load is located. In addition, NRG acquired CPower, a leading demand response platform, which operates in all the country's deregulated energy markets and has more than 2,000 commercial and industrial customers.

The consideration consisted of 24.25 million shares of NRG common stock and $6.4 billion in cash, plus working capital and certain other adjustments of $472 million. The Company funded the cash consideration using a portion of the net proceeds from the 5.750% 2034 Senior Notes, the 2036 Senior Notes, Senior Secured First Lien Notes, due 2030 and the Senior Secured First Lien Notes, due 2035 of $4.4 billion and proceeds of $2.5 billion from the Company's Revolving Credit Facility.

The total consideration of $10.572 billion was calculated as follows:

	(In millions)
Cash consideration (inclusive of working capital and certain other adjustments of $472 million)	$ 6,844
Stock consideration: 24,250,000 common shares of NRG, par value $0.01 per share, based on NRG closing share price of $153.72 on January 29, 2026	3,728
Total Consideration	$ 10,572

Acquisition costs of $2 million and $43 million for the three and nine months ended September 30, 2026, respectively, and $2 million and $25 million for the three and nine months ended September 30, 2025, respectively, are included in acquisition-related transaction and integration costs in the Company's consolidated statement of operations.

The acquisition has been recorded as a business combination under ASC 805 with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. The initial accounting for the business combination is not complete because the evaluation necessary to assess the fair value of certain net assets acquired is still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition closing date.

The purchase price is provisionally allocated as follows:

	(In millions)
Current Assets	
Cash and cash equivalents	$ 104
Restricted cash	2
Accounts receivable, net	585
Inventory	175
Derivative instruments	715
Cash collateral paid in support of energy risk management activities	184
Prepayments and other current assets	129
Total current assets	1,894
Property, plant and equipment, net	9,717
Other Assets	
Operating lease right-of-use assets, net	9
Goodwill[(a)(b)]	3,802
Customer relationships, net[(b)]	130
Other intangible assets, net[(b)]	87
Derivative instruments	335
Deferred income taxes	67
Other non-current assets	32

	(In millions)
Total other assets	4,462
Total Assets	$ 16,073
Current Liabilities	
Current portion of long-term debt and finance leases	$ 18
Current portion of operating lease liabilities	1
Accounts payable	617
Derivative instruments	784
Deferred revenue current	6
Accrued expenses and other current liabilities	167
Total current liabilities	1,593
Other Liabilities	
Long-term debt and finance leases	3,311
Non-current operating lease liabilities	24
Derivative instruments	362
Deferred income taxes	93
Other non-current liabilities	118
Total other liabilities	3,908
Total Liabilities	$ 5,501
LSP Portfolio Purchase Price	$ 10,572

(a) Goodwill arising from the acquisition of $3.802 billion is attributed to the value of the platform acquired, future customer growth and the expected benefits from combining the operations of the LSP Portfolio with NRG's existing businesses, a majority of which is expected to be deductible for tax purposes. Goodwill was provisionally allocated to the Texas and East segments of $1.586 billion and $2.216 billion, respectively

(b) The allocation of goodwill and intangible assets to the Company's reportable segments is anticipated to be finalized by the end of 2026. The weighted average amortization period of intangible assets amortized to depreciation and amortization is approximately eight years

Measurement Period Adjustments

The following measurement period adjustments were recognized during the quarter ended September 30, 2026:

(In millions)	Increase/(Decrease)
Assets	
Deferred income taxes	$ 2
Total increase in assets	$ 2
Liabilities	
Accrued expenses and other current liabilities	$ (2)
Other non-current liabilities	15
Total increase in liabilities	$ 13
Decrease in net assets acquired	$ (11)

The measurement period adjustments to the provisional amounts are primarily attributable to refinement of the underlying assumptions used to estimate the fair value of assets acquired as more information was obtained about facts and circumstances that existed as of the acquisition closing date.

Fair Value Measurement of Property, Plant and Equipment

The fair values of the property, plant and equipment were measured using income-based valuation methodologies, which included certain assumptions, such as forecasted future cash flows, discount rates, market prices and asset lives and are classified as Level 3. Property, plant and equipment are depreciated to depreciation and amortization, on a straight-line basis, over the expected useful lives of the assets.

Fair Value Measurement of Intangible Assets

The fair values of intangible assets as of the acquisition closing date were measured as follows:

Customer relationships – Customer relationships, reflective of the LSP Portfolio's customer base, were valued using an excess earning method of the income approach, and is classified as Level 3. Under this approach, the Company estimated the present value of expected future cash flows resulting from existing customer relationships, considering attrition and charges for contributory assets (such as net working capital, fixed assets, workforce, trade names and technology) utilized in the business, discounted based on the required rate of return on the acquired intangible asset. The customer relationships are amortized to depreciation and amortization, ratably based on discounted future cash flows. The weighted average amortization period is ten years.

Technology – Developed technology was valued using a relief from royalty method of the income approach, and is classified as Level 3. Under this approach, the fair value was estimated to be the present value of royalties saved which assumed the value of the asset based on discounted cash flows of the amount that would be paid by a hypothetical market participant had they not owned the asset and instead licensed the asset from another company. The estimated cash flows from the developed technology considered the obsolescence factor and was discounted using a weighted average cost of capital of comparable companies. The developed technology is amortized to depreciation and amortization, ratably based on discounted future cash flows. The weighted average amortization period is four years.

Trade name — Trade name was valued using a relief from royalty method of the income approach, and is classified as Level 3. Under this approach, the fair value is estimated to be the present value of royalties saved which assumed the value of the asset based on discounted cash flows of the amount that would be paid by a hypothetical market participant had they not owned the asset and instead licensed the asset from another company. The estimated cash flows from the trade name considered the expected probable use of the asset and was discounted using a weighted average cost of capital of comparable companies. The trade name is amortized to depreciation and amortization, on a straight line basis, over an amortization period of five years.

Fair Value Measurement of LS Power Debt

The Company acquired $3.2 billion in aggregate principal of LS Power's 7.250% Senior Secured Notes due 2032, Lightning Term Loan and Lightning Revolving Facility (together, the "Acquired LS Power Debt"), which were recorded at fair value as of the acquisition closing date. The excess of the acquisition date fair value over the principal amount was $100 million, which was recorded as a premium and amortized through interest expense. The 7.250% Senior Secured Notes were subsequently redeemed pursuant to a tender offer. The 7.250% Senior Secured Notes and Lightning Term Loan were classified as Level 2 and measured at fair value using observable market inputs based on interest rates at the acquisition closing date. For additional information, see Note 7, *Long-term Debt and Finance Leases.*

Fair Value Measurement of Derivatives Instruments

The fair values of derivatives assets and liabilities as of the acquisition closing date were as follows:

	Fair Value			
(In millions)	**Total**	**Level 1**	**Level 2**	**Level 3**
Derivatives assets	$ 1,050	$ 17	$ 1,004	$ 29
Derivatives liabilities	1,146	9	1,113	24

Refer to Note 5**,** *Fair Value of Financial Instruments* for discussion on derivative fair value measurements.

Supplemental Information

For the three and nine months ended September 30, 2026, the LSP Portfolio contributed revenue and income before income taxes as follows:

(In millions)	Three months ended September 30, 2026	Nine months ended September 30, 2026
Revenue[(a)]	$ 954	$ 2,025
Income before income taxes[(b)]	211	228

(a) The revenue reported does not include the effects of hedging, which are managed at the Company's portfolio level and not separately for the business acquired in the LSP Portfolio acquisition
(b) Income before income taxes includes the impact of interest expense on the Acquired LS Power Debt

Supplemental Pro Forma Financial Information for the three and nine months ended September 30, 2026 and 2025

The following table provides pro forma combined financial information of NRG and LSP Portfolio, after giving effect to the LSP Portfolio acquisition and related financing transactions as if they had occurred on January 1, 2025. The pro forma financial information has been prepared for illustrative and informational purposes only, and is not intended to project future operating results or be indicative of what the Company's financial performance would have been had the transactions occurred on the date acquired.

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2026	2025	2026	2025
Revenue	$ 9,466	$ 8,412	$ 27,832	$ 24,660
Net income	559	459	1,346	912

Amounts above reflect certain pro forma adjustments that were directly attributable to the LSP Portfolio acquisition. These adjustments include the following:

(i) Elimination of transactions between NRG and LS Power acquired entities.

(ii) Adjustments to align the capitalization of certain maintenance costs.

(iii) Adjustments to align classification of certain historical revenue with the Company's policy.

(iv) Income statement effects of fair value adjustments based on the preliminary purchase price allocation including depreciation of property, plant and equipment, amortization of intangible assets and adjustment to interest expense as a result of recording assumed debt at acquisition date fair value.

(v) Adjustments to record expected acquisition costs.

(vi) Interest expense assumes the financing transactions directly attributable to the LSP Portfolio acquisition occurred on January 1, 2025.

(vii) Adjustments to remove the impact of unassumed debt.

(viii) Income tax effect of the acquisition accounting adjustments and financing adjustments based on combined blended federal/state tax rate of 24.81% for all periods presented, and the impact of a one time benefit resulting from the acquisition.

Anticipated Sale of 4.9 GW of Generation Assets

On November 9, 2026, the Company entered into a definitive agreement with LS Power to sell six natural-gas fired generation assets totaling 4.9 GW from the Texas and East segments for cash proceeds of $4 billion, subject to working capital and other closing adjustments. The transaction is targeted to close in the second quarter of 2027, and is subject to customary closing conditions and regulatory approvals, including Hart-Scott Rodino ("HSR"), FERC, and the New York State Public Service Commission ("NYSPSC").

Upon classification as held for sale in the fourth quarter of 2026 and based on preliminary assessment, the Company expects to recognize an impairment charge of approximately $400 million to $600 million, primarily related to goodwill.

2025 Acquisition

Acquisition of Texas Generation Portfolio

On April 10, 2025, the Company acquired all of the ownership interests of six power generation facilities from Rockland Capital, LLC, adding 738 MW of natural gas-fired assets in Texas to its portfolio for $560 million in cash consideration, less $2 million in working capital adjustments. For additional information, see Note 4, *Acquisitions and Dispositions,* to the Company's 2025 Form 10-K.

Note 5 — *Fair Value of Financial Instruments*

For cash and cash equivalents, funds deposited by counterparties, restricted cash, accounts and other receivables, accounts payable and cash collateral paid and received in support of energy risk management activities, the carrying amounts approximate fair values because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

The estimated carrying value and fair value of the Company's long-term debt, including current portion, is as follows:

	September 30, 2026		December 31, 2025	
(In millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Total long-term debt, including current portion[(a)]	$ 23,048	$ 21,790	$ 16,565	$ 16,405

(a) Excludes deferred financing costs, which are recorded as a reduction to long-term debt in the Company's consolidated balance sheets

The fair value of the Company's publicly-traded long-term debt, the Term Loan B and the Lightning Term Loan are based on quoted market prices and are classified as Level 2 within the fair value hierarchy. The estimated fair values of the T.H. Wharton TEF loan, the Cedar Bayou 5 TEF loan and the Greens Bayou 6 TEF loan are determined using discounted cash flow methodologies, and are classified as Level 3 within the fair value hierarchy. The estimated fair value of the borrowings under the Revolving Credit Facility approximates the carrying value because the interest rate varies with market interest rates, and is classified as Level 3 within the fair value hierarchy. The following table presents the level within the fair value hierarchy for long-term debt, including current portion, as of September 30, 2026 and December 31, 2025:

	September 30, 2026		December 31, 2025	
(In millions)	**Level 2**	**Level 3**	**Level 2**	**Level 3**
Total long-term debt, including current portion	$ 20,239	$ 1,551	$ 16,033	$ 372

Recurring Fair Value Measurements

Debt securities, equity securities and derivative assets and liabilities are carried at fair market value.

The following tables present assets and liabilities measured and recorded at fair value on the Company's condensed consolidated balance sheets on a recurring basis and their level within the fair value hierarchy:

	September 30, 2026			
	Fair Value			
(In millions)	Total	Level 1	Level 2	Level 3
Investments in securities (classified within other current and non-current assets)	$ 33	$ —	$ 33	$ —
Derivative assets:				
Interest rate contracts	23	—	23	—
Foreign exchange contracts	12	—	12	—
Commodity contracts[(a)]	4,103	490	3,356	257
Equity securities measured using net asset value practical expedient (classified within other non-current assets)	6			
Total assets	$ 4,177	$ 490	$ 3,424	$ 257
Derivative liabilities:				
Foreign exchange contracts	$ 1	$ —	$ 1	$ —
Commodity contracts[(a)]	4,026	699	3,008	319
Consumer Financing Program	290	—	—	290
Total liabilities	$ 4,317	$ 699	$ 3,009	$ 609

(a) Excludes $440 million of derivative assets and $107 million of derivative liabilities that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

	December 31, 2025			
	Fair Value			
(In millions)	Total	Level 1	Level 2	Level 3
Investments in securities (classified within other current and non-current assets)	$ 33	$ —	$ 33	$ —
Derivative assets:				
Foreign exchange contracts	3	—	3	—
Commodity contracts[(a)]	3,132	267	2,552	313
Equity securities measured using net asset value practical expedient (classified within other non-current assets)	7			
Total assets	$ 3,175	$ 267	$ 2,588	$ 313
Derivative liabilities:				
Interest rate contracts	$ 4	$ —	$ 4	$ —
Foreign exchange contracts	3	—	3	—
Commodity contracts[(a)]	2,932	352	2,377	203
Consumer Financing Program	283	—	—	283
Total liabilities	$ 3,222	$ 352	$ 2,384	$ 486

(a) Excludes $622 million of derivative assets and $138 million of derivative liabilities that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

The following table reconciles, for the three and nine months ended September 30, 2026 and 2025, the beginning and ending balances for financial instruments that are recognized at fair value in the condensed consolidated financial statements, using significant unobservable inputs, for commodity derivatives:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
	Commodity Derivatives[a]			
(In millions)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Beginning balance	$ 6	$ 81	$ 110	$ 39
Contracts added from LSP Portfolio acquisition	—	—	5	—
Contracts added from Texas Generation Portfolio acquisition	—	—	—	(91)
Total (losses)/gains realized/unrealized included in earnings	(27)	11	(161)	45
Purchases	(40)	15	(18)	52
Transfers into Level 3[b]	1	(30)	1	33
Transfers out of Level 3[b]	(2)	—	1	(1)
Ending balance	$ (62)	$ 77	$ (62)	$ 77
Gains/(losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of period end	$ 6	$ 3	$ (98)	$ 50

(a) Consists of derivative assets and liabilities, net, excluding derivatives liabilities from the Consumer Financing Program, which are presented in a separate table below

(b) Transfers into/out of Level 3 within the fair value hierarchy are related to the availability of consensus pricing and external broker quotes, including volatilities, and are valued as of the end of the reporting period. All transfers in/out of Level 3 are from/to Level 2

Realized and unrealized gains and losses included in earnings that are related to the commodity derivatives are recorded in revenues and cost of operations.

The following table reconciles, for the three and nine months ended September 30, 2026 and 2025, the beginning and ending balances of the contractual obligations from the Consumer Financing Program that are recognized at fair value in the condensed consolidated financial statements, using significant unobservable inputs:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
	Consumer Financing Program			
(In millions)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Beginning balance	$ (271)	$ (257)	$ (283)	$ (203)
New contractual obligations	(51)	(64)	(137)	(177)
Settlements	40	24	142	91
Total (losses)/gains included in earnings	(8)	2	(12)	(6)
Ending balance	$ (290)	$ (295)	$ (290)	$ (295)

Gains and losses that are related to the Consumer Financing Program derivative are recorded in other income, net.

Derivative Fair Value Measurements

The fair value of the Company's contracts primarily consist of non-exchange traded contracts based on consensus pricing provided by independent pricing services. As of September 30, 2026, contracts valued with prices provided by models and other valuation techniques made up 6% of derivative assets and 14% of derivative liabilities.

NRG's significant positions classified as Level 3 include physical and financial natural gas, power, capacity contracts and RECs executed in illiquid markets, FTRs, certain power options and the Consumer Financing Program. The significant unobservable inputs used in developing fair value include illiquid natural gas and power location pricing, which is derived as a basis to liquid locations. The basis spread is based on observable market data when available or derived from historic prices and forward market prices from similar observable markets when not available. Forward capacity prices are based on market information, forecasted future electricity demand and supply, past auctions and internally developed pricing models. REC prices are based on market information and internally developed pricing models. Power options are valued using industry standard option models. The valuation of certain power options includes significant unobservable inputs such as forward volatilities. For FTRs, NRG uses the most recent auction prices to derive the fair value. The Consumer Financing Program

derivatives are valued using a discounted cash flow model, with inputs consisting of available market data, such as market yield discount rates, as well as unobservable internally derived assumptions, such as collateral prepayment rates, collateral default rates and credit loss rates.

The following tables quantify the significant, unobservable inputs used in developing the fair value of the Company's Level 3 positions as of September 30, 2026 and December 31, 2025:

	September 30, 2026						
	Fair Value				Input/Range		
(In millions, except as noted)	Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Natural Gas Contracts	$ 41	$ 23	Discounted Cash Flow	Forward Market Price ($ per MMBtu)	$ 0	$ 24	$ 5
Power Contracts	104	178	Discounted Cash Flow	Forward Market Price ($ per MWh)	2	169	29
Capacity Contracts	25	18	Discounted Cash Flow	Forward Market Price ($ per MW/ Day)	58	625	313
RECs	20	28	Discounted Cash Flow	Forward Market Price ($ per Certificate)	2	380	22
FTRs	48	43	Discounted Cash Flow	Auction Prices ($ per MWh)	(65)	19,100	1
Power Options	19	29	Option Models	Volatilities	23%	192%	86%
Consumer Financing Program	—	290	Discounted Cash Flow	Collateral Default Rates	0.48%	42.30%	8.01%
			Discounted Cash Flow	Collateral Prepayment Rates	2.00%	3.00%	2.33%
			Discounted Cash Flow	Credit Loss Rates	8.50%	44.58%	19.15%
	$ 257	$ 609					

	December 31, 2025						
	Fair Value				Input/Range		
(In millions, except as noted)	Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Natural Gas Contracts	$ 47	$ 40	Discounted Cash Flow	Forward Market Price ($ per MMBtu)	$ 0	$ 17	$ 5
Power Contracts	168	64	Discounted Cash Flow	Forward Market Price ($ per MWh)	0	125	29
Capacity Contracts	20	18	Discounted Cash Flow	Forward Market Price ($ per MW/ Day)	49	577	270
RECs	12	25	Discounted Cash Flow	Forward Market Price ($ per Certificate)	2	370	17
FTRs	22	11	Discounted Cash Flow	Auction Prices ($ per MWh)	(50)	19,100	0
Power Options	44	45	Option Models	Volatilities	22%	517%	110%
Consumer Financing Program	—	283	Discounted Cash Flow	Collateral Default Rates	1.18%	42.00%	7.86%
			Discounted Cash Flow	Collateral Prepayment Rates	2.00%	3.00%	2.52%
			Discounted Cash Flow	Credit Loss Rates	6.40%	60.00%	16.94%
	$ 313	$ 486					

The following table provides sensitivity of fair value measurements to increases/(decreases) in significant, unobservable inputs as of September 30, 2026 and December 31, 2025:

Significant Unobservable Input	Position	Change In Input	Impact on Fair Value Measurement
Forward Market Price Natural Gas/Power/ Capacity/RECs	Buy	Increase/(Decrease)	Higher/(Lower)
Forward Market Price Natural Gas/Power/ Capacity/RECs	Sell	Increase/(Decrease)	Lower/(Higher)
FTR Prices	Buy	Increase/(Decrease)	Higher/(Lower)
FTR Prices	Sell	Increase/(Decrease)	Lower/(Higher)
Volatilities	Buy	Increase/(Decrease)	Higher/(Lower)
Volatilities	Sell	Increase/(Decrease)	Lower/(Higher)
Collateral Default Rates	n/a	Increase/(Decrease)	Higher/(Lower)
Collateral Prepayment Rates	n/a	Increase/(Decrease)	Lower/(Higher)
Credit Loss Rates	n/a	Increase/(Decrease)	Higher/(Lower)

The fair value of each contract is discounted using a risk-free interest rate. In addition, the Company applies a credit reserve to reflect credit risk, which is calculated based on published default probabilities. As of September 30, 2026, the credit reserve resulted in a $1 million increase in fair value, primarily within cost of operations. As of December 31, 2025, the credit reserve was immaterial.

Concentration of Credit Risk

In addition to the credit risk discussion as disclosed in Note 2, *Summary of Significant Accounting Policies*, to the Company's 2025 Form 10-K, the following is a discussion of the concentration of credit risk for the Company's contractual obligations. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. NRG is exposed to counterparty credit risk through various activities including wholesale sales, fuel purchases and retail supply arrangements, as well as retail customer credit risk through its retail load activities.

Counterparty Credit Risk

The Company's counterparty credit risk policies are disclosed in its 2025 Form 10-K. As of September 30, 2026, counterparty credit exposure, excluding credit exposure from RTOs, ISOs, registered commodity exchanges and certain long-term agreements, was $899 million and NRG held collateral (cash and letters of credit) against those positions of $35 million, resulting in a Net Exposure of $864 million. NRG periodically receives collateral from counterparties in excess of their exposure. Collateral amounts shown include such excess while Net Exposure shown excludes excess collateral received. Approximately 51% of the Company's exposure before collateral is expected to roll off by the end of 2027. Counterparty credit exposure is valued through observable market quotes and discounted at a risk free interest rate. The following tables highlight net counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for NRG with counterparties where netting is permitted under the enabling agreement and includes all cash flow, mark-to-market and NPNS, and non-derivative transactions. The exposure is shown net of collateral held and includes amounts net of receivables or payables.

Category by Industry Sector	Net Exposure[a][b] (% of Total)
Utilities, energy merchants, marketers and other	98%
Financial institutions	2
Total as of September 30, 2026	100%

Category by Counterparty Credit Quality	Net Exposure [a][b] (% of Total)
Investment grade	64%
Non-investment grade/Non-Rated	36
Total as of September 30, 2026	100%

(a) Counterparty credit exposure excludes coal transportation contracts because of the unavailability of market prices
(b) The figures in the tables above exclude potential counterparty credit exposure related to RTOs, ISOs, registered commodity exchanges and certain long-term contracts

The Company had no exposure to wholesale counterparties in excess of 10% of total Net Exposure as of September 30, 2026. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration.

RTOs and ISOs

The Company participates in the organized markets of CAISO, ERCOT, AESO, IESO, ISO-NE, MISO, NYISO and PJM, known as RTOs or ISOs. Trading in the majority of these markets is approved by FERC, whereas in the case of ERCOT, it is approved by the PUCT, and whereas in the case of AESO and IESO, both exist provincially with AESO primarily subject to Alberta Utilities Commission and the IESO to the Ontario Energy Board. These ISOs may include credit policies that, under certain circumstances, require that losses arising from the default of one member on spot market transactions be shared by the remaining participants. As a result, the counterparty credit risk to these markets is limited to NRG's share of the overall market and is excluded from the above exposures.

Exchange Traded Transactions

The Company enters into commodity transactions on registered exchanges, notably ICE, NYMEX and Nodal. These clearinghouses act as the counterparty and transactions are subject to extensive collateral and margining requirements. As a result, these commodity transactions have limited counterparty credit risk.

Long-Term Contracts

Counterparty credit exposure described above excludes credit risk exposure under certain long-term contracts, primarily solar under Renewable PPAs. As external sources or observable market quotes are not always available to estimate such exposure, the Company values these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of September 30, 2026, aggregate credit risk exposure managed by NRG to these counterparties was approximately $595 million for the next five years.

Retail Customer Credit Risk

The Company is exposed to retail credit risk through the Company's retail electricity and gas providers as well as through Vivint Smart Home, which serve both Home and Business customers. Retail credit risk results in losses when a customer fails to pay for services rendered. The losses may result from both non-payment of customer accounts receivable and the loss of in-

the-money forward value. The Company manages retail credit risk by using established credit policies, which include monitoring of the portfolio and the use of credit mitigation measures such as deposits or prepayment arrangements.

As of September 30, 2026, the Company's retail customer credit exposure to Home and Business customers was diversified across many customers and various industries, as well as government entities. Current economic conditions may affect the Company's customers' ability to pay their bills in a timely manner or at all, which could increase customer delinquencies and may lead to an increase in credit losses.

Note 6 — *Accounting for Derivative Instruments and Hedging Activities*

Energy-Related Commodities

As of September 30, 2026, NRG had energy-related derivative instruments extending through 2036. The Company marks these derivatives to market through the consolidated statement of operations. NRG has executed energy-related contracts extending through 2037 that qualified for the NPNS exception and were therefore exempt from fair value accounting treatment.

Interest Rate Derivatives

NRG is exposed to changes in interest rates through the Company's issuance of debt. To mitigate the Company's interest rate risk, NRG enters into interest rate derivatives, including swaps and treasury locks. As of September 30, 2026, the Company had $700 million of interest rate swaps extending through 2029 to mitigate the risk of the floating rate of the Term Loan B. In February 2026, the Company entered into treasury locks with a total notional amount of $800 million which were fully terminated in March 2026.

Foreign Exchange Contracts

NRG is exposed to changes in foreign currency primarily associated with the purchase of U.S. dollar denominated natural gas for its Canadian business. To manage the Company's foreign exchange risk, NRG entered into foreign exchange contracts. As of September 30, 2026, NRG had foreign exchange contracts extending through 2030. The Company marks these derivatives to market through the consolidated statement of operations.

Consumer Financing Program

Under the Consumer Financing Program, Vivint Smart Home pays a monthly fee to financing providers based on either the average daily outstanding balance of the loans or the number of outstanding loans. For certain loans, Vivint Smart Home incurs fees at the time of the loan origination and receives proceeds that are net of these fees. Vivint Smart Home also shares the liability for credit losses, depending on the credit quality of the customer. Due to the nature of certain provisions under the Consumer Financing Program, the Company records a derivative liability that is not designated as a hedging instrument and is adjusted to fair value, measured using the present value of the estimated future payments. Changes to the fair value are recorded through other income, net in the consolidated statement of operations. The following represent the contractual future payment obligations with the financing providers under the Consumer Financing Program that are components of the derivative:

- Vivint Smart Home pays either a monthly fee based on the average daily outstanding balance of the loans, or the number of outstanding loans, depending on the financing provider;
- Vivint Smart Home shares the liability for credit losses depending on the credit quality of the customer; and
- Vivint Smart Home pays transactional fees associated with customer payment processing.

The derivative is classified as a Level 3 instrument. The derivative positions are valued using a discounted cash flow model, with inputs consisting of available market data, such as market yield discount rates, as well as unobservable internally derived assumptions, such as collateral prepayment rates, collateral default rates and credit loss rates. In summary, the fair value represents an estimate of the present value of the cash flows Vivint Smart Home will be obligated to pay to the financing providers for each component of the derivative.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of NRG's open derivative transactions broken out by category, excluding those derivatives that qualified for the NPNS exception, as of September 30, 2026 and December 31, 2025. Option contracts are reflected using delta volume. Delta volume equals the notional volume of an option adjusted for the probability that the option will be in-the-money at its expiration date.

		Total Volume (In millions)	
Category	Units	September 30, 2026	December 31, 2025
Emissions	Short Ton	13	2
Renewable Energy Certificates	Certificates	11	13
Coal	Short Ton	4	8
Natural Gas	MMBtu	1,611	907
Power	MWh	(1)	103
Interest	Dollars	700	700
Foreign Exchange	Dollars	432	437
Consumer Financing Program	Dollars	1,321	1,354

Fair Value of Derivative Instruments

The following table summarizes the fair value within the derivative instrument valuation on the balance sheets:

	Fair Value			
	Derivative Assets		Derivative Liabilities	
(In millions)	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Derivatives Not Designated as Cash Flow or Fair Value Hedges:				
Interest rate contracts - current	$ 6	$ —	$ —	$ 4
Interest rate contracts - long-term	17	—	—	—
Foreign exchange contracts - current	9	2	1	1
Foreign exchange contracts - long-term	3	1	—	2
Commodity contracts - current	2,837	1,991	2,953	1,997
Commodity contracts - long-term	1,266	1,141	1,073	935
Consumer Financing Program - current	—	—	181	184
Consumer Financing Program - long-term	—	—	109	99
Derivatives Not Designated as Cash Flow or Fair Value Hedges	$ 4,138	$ 3,135	$ 4,317	$ 3,222
Deferred gains/losses on NPNS contracts - current	154	196	52	71
Deferred gains/losses on NPNS contracts - long-term	286	426	55	67
Deferred gains/losses on NPNS contracts[(a)]	$ 440	$ 622	$ 107	$ 138
Total Derivatives Not Designated as Cash Flow or Fair Value Hedges	$ 4,578	$ 3,757	$ 4,424	$ 3,360

(a) Balances related to certain derivative contracts that were accounted for as derivative contracts prior to the election of the NPNS exemption on October 1, 2024 and the discontinuance of derivative accounting treatment as of the election date

The Company has elected to present derivative assets and liabilities on the consolidated balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. In addition, collateral received or paid on the Company's derivative assets or liabilities are recorded on a separate line item on the consolidated balance sheet. The following table summarizes the offsetting of derivatives by counterparty master agreement level and collateral received or paid:

	Gross Amounts Not Offset in the Statement of Financial Position			
(In millions)	Gross Amounts of Recognized Assets / Liabilities	Derivative Instruments	Cash Collateral (Held)/Posted	Net Amount
As of September 30, 2026				
Interest rate contracts:				
Derivative assets	$ 23	$ —	$ —	$ 23
Foreign exchange contracts:				
Derivative assets	$ 12	$ (1)	$ —	$ 11
Derivative liabilities	(1)	1	—	—
Total foreign exchange contracts	$ 11	$ —	$ —	$ 11
Commodity contracts:				
Derivative assets	$ 4,543	$ (3,546)	$ (99)	$ 898
Derivative liabilities	(4,133)	3,546	230	(357)
Total commodity contracts	$ 410	$ —	$ 131	$ 541
Consumer Financing Program:				
Derivative liabilities	$ (290)	$ —	$ —	$ (290)
Total derivative instruments	$ 154	$ —	$ 131	$ 285

	Gross Amounts Not Offset in the Statement of Financial Position			
(In millions)	Gross Amounts of Recognized Assets / Liabilities	Derivative Instruments	Cash Collateral (Held)/Posted	Net Amount
As of December 31, 2025				
Interest rate contracts:				
Derivative liabilities	$ (4)	$ —	$ —	$ (4)
Foreign exchange contracts:				
Derivative assets	$ 3	$ (2)	$ —	$ 1
Derivative liabilities	(3)	2	—	(1)
Total foreign exchange contracts	$ —	$ —	$ —	$ —
Commodity contracts:				
Derivative assets	$ 3,754	$ (2,724)	$ (215)	$ 815
Derivative liabilities	(3,070)	2,724	137	(209)
Total commodity contracts	$ 684	$ —	$ (78)	$ 606
Consumer Financing Program:				
Derivative liabilities	$ (283)	$ —	$ —	$ (283)
Total derivative instruments	$ 397	$ —	$ (78)	$ 319

Impact of Derivative Instruments on the Statements of Operations

Unrealized gains and losses associated with changes in the fair value of derivative instruments not accounted for as cash flow and fair value hedges are reflected in current period results of operations.

The following table summarizes the pre-tax effects of economic hedges that have not been designated as cash flow hedges or fair value hedges and trading activity on the Company's consolidated statement of operations. The effect of foreign exchange and commodity hedges are included within revenues and cost of operations. The effect of the interest rate contracts are included within interest expense. The effect of the Consumer Financing Program is included in other income, net.

(In millions)	Three months ended September 30,		Nine months ended September 30,	
Unrealized mark-to-market results	**2026**	**2025**	**2026**	**2025**
Reversal of previously recognized unrealized gains on settled positions related to economic hedges[a]	$ (200)	$ (354)	$ (53)	$ (452)
Reversal of acquired loss positions related to economic hedges	150	16	166	21
Net unrealized (losses)/gains on open positions related to economic hedges	(105)	(38)	(184)	103
Total unrealized mark-to-market losses for economic hedging activities	(155)	(376)	(71)	(328)
Reversal of previously recognized unrealized (gains)/losses on settled positions related to trading activity	(2)	—	2	2
Net unrealized (losses)/gains on open positions related to trading activity	(21)	(3)	(34)	5
Total unrealized mark-to-market (losses)/gains for trading activity	(23)	(3)	(32)	7
Total unrealized losses - commodities and foreign exchange	$ (178)	$ (379)	$ (103)	$ (321)

(a) The three months ended September 30, 2026 and 2025, includes $(138) million and $(266) million, respectively, and the nine months ended September 30, 2026 and 2025, includes $(151) million and $(319) million, respectively, related to derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2026	2025	2026	2025
Total impact to statement of operations - interest rate contracts	$ 13	$ 1	$ 27	$ (13)
Unrealized (losses)/gains included in revenues - commodities	$ (25)	$ 31	$ (58)	$ 25
Unrealized losses included in cost of operations - commodities	(153)	(416)	(55)	(332)
Unrealized gains/(losses) included in cost of operations - foreign exchange	—	6	10	(14)
Total impact to statement of operations - commodities and foreign exchange	$ (178)	$ (379)	$ (103)	$ (321)
Total impact to statement of operations - Consumer Financing Program	$ (8)	$ 2	$ (12)	$ (6)

The reversals of acquired loss positions were valued based upon the forward prices on the acquisition date. The roll-off amounts were offset by realized gains or losses at the settled prices and are reflected in revenue or cost of operations during the same period.

For the nine months ended September 30, 2026, the $184 million unrealized loss from open economic hedge positions was primarily the result of a decrease in the value of forward positions as a result of decreases in natural gas prices and Alberta power prices.

For the nine months ended September 30, 2025, the $103 million unrealized gain from open economic hedge positions was primarily the result of an increase in the value of forward positions as a result of increases in ERCOT power prices.

Credit Risk Related Contingent Features

Certain of the Company's trading agreements contain provisions that entitle the counterparty to demand that the Company post additional collateral if the counterparty determines that there has been deterioration in the Company's credit quality,

generally termed “adequate assurance” under the agreements, or require the Company to post additional collateral if there were a downgrade in the Company’s credit rating. The collateral potentially required for all contracts with adequate assurance clauses that were in a net liability position as of September 30, 2026 was $800 million. The Company is also party to certain marginable agreements under which it has a net liability position, but the counterparty has not called for the collateral due, which was approximately $268 million as of September 30, 2026. In the event of a downgrade in the Company’s credit rating and if called for by the counterparty, $86 million of additional collateral would be required for all contracts with credit rating contingent features as of September 30, 2026.

See Note 5, *Fair Value of Financial Instruments*, for discussion regarding concentration of credit risk.

Note 7 — *Long-term Debt and Finance Leases*

Long-term debt and finance leases consisted of the following:

(In millions, except rates)	September 30, 2026	December 31, 2025	Interest rate %
Recourse debt:			
Senior Notes, due 2028	$ 821	$ 821	5.750
Senior Notes, due 2029	733	733	5.250
Senior Notes, due 2029	500	500	3.375
Senior Notes, due 2029	798	798	5.750
Senior Notes, due 2031	1,030	1,030	3.625
Senior Notes, due 2032	480	480	3.875
Senior Notes, due 2033	925	925	6.000
Senior Notes, due 2034	950	950	6.250
Senior Notes, due 2034	1,250	1,250	5.750
Senior Notes, due 2034	1,050	—	5.875
Senior Notes, due 2036	2,400	2,400	6.000
Senior Notes, due 2036	1,050	—	6.125
Senior Secured First Lien Notes, due 2027	900	900	2.450
Senior Secured First Lien Notes, due 2029	500	500	4.450
Senior Secured First Lien Notes, due 2030	625	625	4.734
Senior Secured First Lien Notes, due 2031	500	—	4.955
Senior Secured First Lien Notes, due 2033	740	740	7.000
Senior Secured First Lien Notes, due 2035	625	625	5.407
Revolving Credit Facility	1,016	—	SOFR + 1.720
Term Loan B, due 2031	2,281	2,299	SOFR + 1.750
Term Loan B, due 2033	896	—	SOFR + 1.750
Tax-exempt bonds	466	466	4.000 - 4.750
T.H. Wharton TEF loan, due 2045	216	189	3.000
Cedar Bayou 5 TEF loan, due 2045	381	255	3.000
Greens Bayou 6 TEF loan, due 2045	204	90	3.000
Subtotal recourse debt	21,337	16,576	
Non-recourse debt:			
Lightning Term Loan, due 2031	1,715	—	SOFR + 1.750
Subtotal all Lightning non-recourse debt	1,715	—	
Subtotal long-term debt (including current maturities)	23,052	16,576	
Finance leases	45	24	various
Subtotal long-term debt and finance leases (including current maturities)	23,097	16,600	
Less current maturities	(1,079)	(31)	
Less debt issuance costs	(170)	(146)	
Discounts, net of premiums	(4)	(11)	
Total long-term debt and finance leases	$ 21,844	$ 16,412	

Recourse Debt

Term Loan B Incurrence

On April 28, 2026, the Company and APX Group LLC, as borrowers, and certain of the Company's subsidiaries, as guarantors, entered into the Sixteenth Amendment to the Second Amended and Restated Credit Agreement (the "Sixteenth Amendment"), dated as of June 30, 2016, with, among others, Citicorp North America, Inc., as administrative agent and as collateral agent, and certain financial institutions, as lenders (as amended, restated, supplemented and/or otherwise modified from time to time, the "Credit Agreement"), in order to (i) establish new term loans in aggregate principal amount of

$900 million (the "Incremental Term Loans"), and (ii) make certain modifications to the Credit Agreement in connection therewith. The Incremental Term Loans constitute a new and separate class of term loans under the Credit Agreement.

Issuance of Unsecured Notes and Secured Notes

On April 28, 2026, the Company issued $2.1 billion in aggregate principal amount of senior unsecured notes consisting of (i) $1.05 billion aggregate principal amount of 5.875% senior notes due 2034 (the "New 2034 Notes") and (ii) $1.05 billion aggregate principal amount of 6.125% senior notes due 2036 (the "New 2036 Notes" and, together with the New 2034 Notes, the "New Unsecured Notes"). The New Unsecured Notes are senior unsecured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. The New 2034 Notes will mature on May 15, 2034. Interest on the New 2034 Notes will be paid semi-annually on May 15 and November 15 of each year commencing on November 15, 2026. The New 2036 Notes will mature on May 15, 2036. Interest on the New 2036 Notes will be paid semi-annually commencing on November 15, 2026.

On April 28, 2026, the Company also issued $500 million aggregate principal amount of 4.955% senior secured first lien notes due 2031 (the "New 2031 Notes"). The New 2031 Notes are senior secured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. The New 2031 Notes are secured by a first priority security interest in the same collateral that is pledged for the benefit of the lenders under the Senior Credit Facility and existing senior secured notes, which collateral consists of a substantial portion of the property and assets owned by the Company and the guarantors. The New 2031 Notes will mature on April 30, 2031. Interest on the New 2031 Notes will be paid semi-annually on April 30 and October 30 of each year commencing on October 30, 2026.

The Company used the net proceeds from the New Unsecured Notes, together with the net proceeds from the New 2031 Notes, and the Incremental Term Loans, to pay the tender price of the Tender Offer (as defined below), to pay estimated transaction fees, expenses and premiums, and the remainder to repay a portion of the outstanding borrowings under the Company's Revolving Credit Facility.

Bilateral Letter of Credit Facilities

In January and February 2026, the Company and certain of its subsidiaries, as guarantors, entered into amendments to its existing bilateral letter of credit facilities to increase the size of its bilateral credit facilities by $410 million and $90 million, respectively, totaling $1.35 billion of available capacity, to provide additional liquidity. As of September 30, 2026, $655 million was issued under these facilities.

Credit Default Swap Facility

On July 21, 2026, the Company entered into a credit agreement, with commitments from lenders for up to $250 million of total available capacity, for the issuance of letters of credit to support normal business operations. Annual fees of 1.20% on the facility are paid quarterly in arrears and reflect the costs associated with the credit default swaps supporting the facility. As of September 30, 2026, there were $245 million in letters of credit issued under this facility.

Texas Development Projects

The T.H. Wharton TEF loan, due 2045, has been fully disbursed as of September 30, 2026. As of October 31, 2026, $386 million and $214 million of disbursements have occurred for the Cedar Bayou 5 TEF loan, due 2045 and Greens Bayou 6 TEF loan, due 2045, respectively (together with the T.H. Wharton TEF loan, due 2045, collectively the "TEF Loans").

Receivables Securitization Facilities

On June 18, 2026, NRG Receivables, an indirect wholly-owned subsidiary of the Company, amended its existing Receivables Facility to, among other things, extend the scheduled termination date to June 17, 2027. As of September 30, 2026, there were $1.1 billion in letters of credit issued under the Receivables Facility.

2027 Senior Secured First Lien Notes and 2032 Senior Notes

The Sustainability Performance Target was satisfied with respect to the year ended December 31, 2025. For additional information regarding the 2032 Senior Notes' early redemption feature, see Note 12, *Long-term Debt and Finance Leases,* to the Company's 2025 Form 10-K.

Non-recourse Debt

The following are descriptions of certain indebtedness of NRG's subsidiaries, which are non-recourse debt to NRG.

Acquired LS Power Debt

On January 30, 2026 (the "Acquisition Closing Date"), in connection with the acquisition of the LSP Portfolio from LS Power, Lightning, an indirect, wholly-owned subsidiary of NRG as of such date, retained its 7.250% Senior Secured Notes due

2032, term loan and revolving loan facility. As of September 30, 2026, the 7.250% Senior Secured Notes due 2032 are no longer outstanding as discussed below.

Lightning Notes

On the Acquisition Closing Date, Lightning remained the issuer of $1.5 billion aggregate principal amount of 7.250% Senior Secured Notes due 2032 (the "Lightning 2032 Notes") issued pursuant to an indenture dated August 16, 2024 (the "Lightning Indenture"), by and among Lightning, Lightning's subsidiaries that are guarantors from time to time party thereto, and U.S. Bank Trust Company, National Association, in its capacities as trustee and collateral trustee (the "Lightning Notes Trustee").

Subject to certain qualifications and exceptions, the Lightning Indenture, among other things, limits Lightning's ability and the ability of Lightning's restricted subsidiaries to incur or guarantee additional indebtedness; create or incur liens; make certain restricted payments; and consolidate, merge or transfer all or substantially all of Lightning's and its subsidiaries' assets on a consolidated basis.

Lightning Tender Offer and Redemption

On April 14, 2026, Lightning commenced a cash tender offer to purchase any and all of the Lightning 2032 Notes (the "Tender Offer"). In conjunction with the Tender Offer, Lightning solicited consents (the "Consent Solicitation") to adopt certain proposed amendments to the Lightning Indenture to (1) eliminate substantially all of the restrictive covenants and certain affirmative covenants and events of default and related provisions therein and (2) release all of the guarantees of and the collateral securing the Lightning 2032 Notes.

In connection with the Tender Offer, $1.495 billion aggregate principal amount of Lightning 2032 Notes (or 99.670%) were tendered and repurchased by Lightning for an aggregate purchase price of $1.6 billion (plus accrued and unpaid interest to, but excluding, the applicable repurchase date). In addition, pursuant to the Consent Solicitation, Lightning obtained consents from the requisite holders of the Lightning 2032 Notes and, on April 29, 2026, Lightning, the Lightning Notes Trustee, and the relevant guarantors, entered into a supplemental indenture to the Lightning Indenture to effectuate the amendments described above.

Further, pursuant to the terms of the Lightning Indenture, on April 28, 2026, Lightning issued a notice of redemption to redeem (the "Redemption") the remaining $5 million aggregate principal amount of the Lightning 2032 Notes at a redemption price of 101.375% (plus accrued and unpaid interest to, but excluding, the redemption date). The redemption of such notes occurred on May 14, 2026. In connection with the Tender Offer and Redemption, a $9 million loss on debt extinguishment was recorded.

Lightning Credit Facility

On the Acquisition Closing Date, Lightning remained party to a credit agreement (the "Lightning Credit Agreement") with Morgan Stanley Senior Funding, Inc. as administrative agent and collateral agent and various lenders and issuing banks from time to time party thereto. The Lightning Credit Agreement consists of a term loan in an original aggregate principal amount of $1.75 billion (the "Lightning Term Loan") and revolving loan facility of $600 million (the "Lightning Revolving Facility"). The maturity date of the Lightning Term Loan and the Lightning Revolving Facility is August 16, 2031, and August 16, 2029, respectively. Interest on the Lightning Term Loan and revolving credit borrowings under the Lightning Revolving Facility accrues at a rate per annum equal to the SOFR rate plus a margin of 2.250%, and 2.000%, respectively, subject to leverage-based margin step-downs. As of September 30, 2026, the margin on the Lightning Term Loan and revolving credit borrowings under the Lightning Revolving Facility is 1.750%, and 1.500%, respectively, due to leveraged-based margin step-downs. As of September 30, 2026, there were no outstanding borrowings and there were $5 million in letters of credit issued under the Lightning Revolving Facility.

Note 8 — *Investments Accounted for by the Equity Method and Variable Interest Entities*

Entities that are not Consolidated

NRG accounts for the Company's investments using the equity method of accounting. NRG's carrying value of equity investments can be impacted by a number of elements including impairments and movements in foreign currency exchange rates.

Variable Interest Entities that are Consolidated

The Company has a controlling financial interest that has been identified as a VIE under ASC 810 in NRG Receivables, which has entered into financing transactions related to the Receivables Facility as further described in Note 12, *Long-term Debt and Finance Leases,* to the Company's 2025 Form 10-K.

The summarized financial information for the Company's consolidated VIE consisted of the following:

(In millions)	September 30, 2026	December 31, 2025
Accounts receivable, net and Other current assets	$ 2,769	$ 2,779
Current liabilities	5	155
Net assets	$ 2,764	$ 2,624

Note 9 — *Changes in Capital Structure*

As of September 30, 2026 and December 31, 2025, the Company had 10,000,000 shares of preferred stock authorized and 500,000,000 shares of common stock authorized. The following table reflects the changes in NRG's preferred and common stock issued and outstanding:

	Preferred	Common		
	Issued and Outstanding	Issued	Treasury	Outstanding
Balance as of December 31, 2025	650,000	199,828,615	(9,452,008)	190,376,607
Shares issued under LTIPs	—	1,482,049	—	1,482,049
Shares issued under ESPP	—	—	85,289	85,289
Shares repurchased	—	—	(6,211,021)	(6,211,021)
Shares issued for the acquisition of the LSP Portfolio	—	24,250,000	—	24,250,000
Retirement of treasury stock	—	(340,900)	340,900	—
Balance as of September 30, 2026	650,000	225,219,764	(15,236,840)	209,982,924
Shares issued under LTIPs	—	59,253	—	59,253
Shares issued under ESPP	—	—	121,679	121,679
Shares repurchased	—	—	(142,576)	(142,576)
Balance as of October 31, 2026	650,000	225,279,017	(15,257,737)	210,021,280

Common Stock

Share Repurchases

The Company's long-term capital allocation policy is to target allocating approximately 80% of cash available for allocation, after debt reduction, to be returned to shareholders. During 2026, the Company repurchased shares under its $3.7 billion share repurchase program which began in 2023 and was completed during the quarter ended March 31, 2026. Upon completion of that program, the Company began repurchasing shares under the Board of Directors' authorization approved on October 16, 2025, permitting up to $3.0 billion of share repurchases through 2028. On November 6, 2026, in connection with its approval of the sale of 4.9 GW of generation assets to LS Power, the Board of Directors approved an additional $1.0 billion of share repurchases. Share repurchases under these programs are summarized below.

The following table summarizes the share repurchases made under the $3.7 billion authorization which was completed during the quarter ended March 31, 2026:

	Total number of shares purchased	Average price paid per share[a]	Amounts paid for shares purchased (in millions)	
2023 Repurchases:				
Open market repurchases	5,054,798	$ 39.56	$ 200	
Repurchases made under the accelerated share repurchase agreements	17,676,142	(b)	950	
Total Share Repurchases during 2023	22,730,940		$ 1,150	(c)
2024 Repurchases:				
Repurchases made under the accelerated share repurchase agreements	1,163,230	(b)	—	
Open market repurchases	10,562,333	$ 87.57	925	
Total Share Repurchases during 2024	11,725,563		$ 925	(d)
2025 Repurchases:				
Open market repurchases	9,971,620	$ 130.58	1,302	
Shares received from the exercise of the Capped Call Options	224,585	$ 69.38	16	(e)
Total Share Repurchases during 2025	10,196,205		$ 1,318	(f)
2026 Repurchases:				
Open market repurchases	1,146,900	$ 156.62	180	
Shares repurchased from LS Power	771,080	$ 164.00	127	(g)
Total Share Repurchases during 2026 under the $3.7 billion authorization	1,917,980		$ 307	
Total Share Repurchases under the $3.7 billion authorization	46,570,688	$ 79.43	$ 3,700	

(a) The average price paid per share excludes excise tax owed and commissions and fees paid in connection with the share repurchases
(b) Under the November 6, 2023 accelerated share repurchase agreements, the Company received a total of 18,839,372 shares for an average price per share of $50.43, excluding the impact of the excise tax incurred. For additional information, refer to Note 15, *Capital Structure,* to the Company's 2025 Form 10-K
(c) Excludes $10 million of excise tax accrued in 2023 which was paid in 2024
(d) Excludes $9 million of excise tax accrued in 2024 which was paid in 2025
(e) For further information on the Capped Call Options, see discussion below
(f) Excludes $11 million of excise tax accrued in 2025 which was paid in 2026
(g) The Company entered into a stock purchase agreement to repurchase 1,829,269 shares of NRG common stock from LS Power. 771,080 shares were repurchased under the $3.7 billion authorization, and the remaining 1,058,189 shares were repurchased under the $3.0 billion authorization

The following table summarizes the share repurchases made under the $3.0 billion authorization through October 31, 2026:

	Total number of shares purchased	Average price paid per share[a]	Amounts paid for shares purchased (in millions)	
2026 Repurchases:				
Shares repurchased from LS Power	1,058,189	$ 164.00	$ 176	(b)
Open market repurchases	3,234,852	$ 148.29	480	(c)
Total Share Repurchases during the nine months ended September 30, 2026 under the $3.0 billion authorization	4,293,041		656	(d)
Open market repurchases October 1, 2026 through October 31, 2026	142,576	$ 99.62	14	
Total Share Repurchases under the $3.0 billion authorization	4,435,617	$ 150.47	$ 670	

(a) The average price paid per share excludes excise tax owed and commissions and fees paid in connection with the share repurchases
(b) The Company entered into a stock purchase agreement to repurchase 1,829,269 shares of NRG common stock from LS Power. 771,080 shares were repurchased under the $3.7 billion authorization, and the remaining 1,058,189 shares were repurchased under the $3.0 billion authorization
(c) Includes $1 million accrued as of September 30, 2026
(d) Excludes $7 million accrued for estimated excise tax for the nine months ended September 30, 2026

Employee Stock Purchase Plan

The Company offers participation in the ESPP which allows eligible employees to elect to withhold between 1% and 100%, subject to an annual maximum of $25,000, of their eligible compensation to purchase shares of NRG common stock at the lesser of 90% of its market value on the offering date or 90% of the fair market value on the exercise date. An offering date occurs each April 1 and October 1. An exercise date occurs each September 30 and March 31.

NRG Common Stock Dividends

During the first quarter of 2026, NRG increased the annual dividend to $1.90 from $1.76 per share. A quarterly dividend of $0.475 per share was paid on the Company's common stock during the three months ended September 30, 2026. On October 19, 2026, NRG declared a quarterly dividend on the Company's common stock of $0.475 per share, payable on November 16, 2026 to stockholders of record as of November 2, 2026. Beginning in the first quarter of 2027, NRG will increase the annual dividend by 8% to $2.05 per share. The Company targets an annual dividend growth rate of 7%-9% per share in subsequent years.

The Company's common stock dividends are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations.

Retirement of Treasury Stock

During the nine months ended September 30, 2026 and 2025, the Company retired shares of treasury stock as detailed below. These retired shares are now included in NRG's pool of authorized but unissued shares. The Company's accounting policy upon the formal retirement of treasury stock is to deduct its par value from common stock and to reflect any excess of cost over par value as a deduction from additional paid-in-capital.

	Total number of treasury shares retired	Average price per share	Carrying value of treasury shares retired (in millions)
2026 Retirements:			
Shares retired during the first quarter of 2026	340,900	$ 116.00	$ 40
2025 Retirements:			
Shares retired during the first quarter of 2025	3,070,996	$ 58.23	$ 179
Shares retired during the second quarter of 2025	2,443,610	73.01	178
Shares retired during the third quarter of 2025	1,513,739	83.45	126
Total shares retired during the nine months ended September 30, 2025	7,028,345		$ 483

Capped Call Options

During the second quarter of 2024, the Company entered into privately negotiated capped call transactions with certain counterparties (the "Capped Calls") to mitigate the impact of potential dilution of the Convertible Senior Notes. Each had a strike price of $40.63 per share, subject to certain adjustments, and effectively locked in a conversion premium of $257 million on the $232 million balance of the Convertible Senior Notes. The Capped Calls were separate transactions and not part of the terms of the Convertible Senior Notes. As these transactions met certain accounting criteria, the Capped Calls were recorded in stockholders' equity.

In the second quarter of 2025, the Company extended the expiration date of the Capped Calls from June 1, 2025 to July 8, 2025. Upon the exercise and settlement of the Capped Calls on July 8, 2025, the Company paid a total amount of $292 million, inclusive of the initial conversion premium of $257 million. The Company received 4,210,920 shares of common stock, of which 3,986,335 were issued to the holders of the Convertible Senior Notes upon conversion, and the remaining 224,585 received were retired by the Company.

Preferred Stock

Series A Preferred Stock Dividends

During the quarters ended September 30 and March 31, 2026 and 2025, the Company declared and paid semi-annual 10.25% dividends of $51.25 per share on its outstanding Series A Preferred Stock, each totaling $33 million.

Note 10 — *Income Per Share*

Basic income per common share is computed by dividing net income less cumulative dividends attributable to preferred stock by the weighted average number of common shares outstanding. Shares issued and treasury shares repurchased during the period are weighted for the portion of the period that they were outstanding. Diluted income per share is computed in a manner consistent with that of basic income per share while giving effect to all potentially dilutive common shares that were outstanding during the period when there is net income. The relative performance stock units and non-vested restricted stock units are not considered outstanding for purposes of computing basic income per share. However, these instruments are included in the denominator for purposes of computing diluted income per share under the treasury stock method for periods when there is net income. For the three and nine months ended September 30, 2025, the Convertible Senior Notes were convertible, under certain circumstances, into cash or a combination of cash and the Company's common stock. The Company included the potential share settlements, if any, in the denominator for purposes of computing diluted income per share under the if converted method. The potential shares settlements were calculated as the excess of the Company's conversion obligation over the aggregate principal amount (which was settled in cash), divided by the average share price for the period. The Company included the potential share settlements in the diluted income per share calculation for the period prior to the redemption date of July 8, 2025.

NRG's basic and diluted income per share is shown in the following table:

	Three months ended September 30,		Nine months ended September 30,	
(In millions, except per share data)	2026	2025	2026	2025
Basic income per share:				
Net income	$ 561	$ 152	$ 1,192	$ 798
Less: Cumulative dividends attributable to Series A Preferred Stock	17	17	51	51
Net income available for common stockholders	$ 544	$ 135	$ 1,141	$ 747
Weighted average number of common shares outstanding - basic	210	193	209	196
Income per weighted average common share — basic	$ 2.59	$ 0.70	$ 5.46	$ 3.81
Diluted income per share:				
Net income	$ 561	$ 152	$ 1,192	$ 798
Less: Cumulative dividends attributable to Series A Preferred Stock	17	17	51	51
Net income available for common stockholders	$ 544	$ 135	$ 1,141	$ 747
Weighted average number of common shares outstanding - basic	210	193	209	196
Incremental shares attributable to the issuance of equity compensation (treasury stock method)	—	2	1	2
Incremental shares attributable to the potential share settlements of the Convertible Senior Notes (if converted method)	—	—	—	3
Weighted average number of common shares outstanding - dilutive	210	195	210	201
Income per weighted average common share — diluted	$ 2.59	$ 0.69	$ 5.43	$ 3.72

For the three months ended September 30, 2026, the Company had 1 million of outstanding equity compensation instruments that were anti-dilutive and were not included in the computation of the Company's diluted income per share. For all other periods presented, the Company had an insignificant number of outstanding equity instruments that were anti-dilutive and were not included in the computation of the Company's diluted income per share.

Note 11 — *Segment Reporting*

The Company's segment structure reflects how management makes financial decisions and allocates resources. The Company manages its operations based on the combined results of the retail and wholesale generation businesses with a geographical focus except for Vivint Smart Home operations which are reported within the Vivint Smart Home segment. Corporate represents the corporate business activities, and corporate shared services, to support the Company's operating segments. The accounting policies of the segments are the same as those applied in the consolidated financial statements as disclosed in Note 2, *Summary of Significant Accounting Policies*, to the Company's 2025 Form 10-K.

NRG's chief operating decision maker ("CODM"), its chief executive officer, uses more than one measure to evaluate the performance of its segments and allocate resources, including net income/(loss) and various non-GAAP financial measures such as adjusted earnings before interest, taxes, depreciation and amortization, or Adjusted EBITDA. Net income/(loss) and Adjusted EBITDA are used to review business performance and allocate resources as it provides a clearer view of segment profitability by focusing on operational performance. Additionally, operating expenses' impact on each operating segment results are analyzed. On a monthly basis, Adjusted EBITDA is compared against the budget, latest forecast, and prior period.

	Three months ended September 30, 2026						
(In millions)	**Texas**	**East**	**West/Other**	**Vivint Smart Home**	**Corporate**	**Eliminations**	**Total**
Revenue[(a)]	$ 3,728	$ 4,464	$ 692	$ 609	$ —	$ (27)	$ 9,466
Operating expenses	3,026	3,995	545	304	29	(26)	7,873
Depreciation and amortization	133	125	7	231	14	—	510
Total operating cost and expenses	3,159	4,120	552	535	43	(26)	8,383
Gain on sale of assets	—	—	1	—	—	—	1
Operating income/(loss)	569	344	141	74	(43)	(1)	1,084
Other (expense)/income, net	—	(1)	8	(9)	(2)	1	(3)
Interest expense	—	—	—	—	(302)	—	(302)
Income/(loss) before income taxes	569	343	149	65	(347)	—	779
Income tax expense	—	—	—	—	218	—	218
Net income/(loss)	$ 569	$ 343	$ 149	$ 65	$ (565)	$ —	$ 561
(a) Inter-segment sales and inter-segment net derivative gains and losses included in revenues	$ 8	$ 19	$ —	$ —	$ —	$ —	$ 27
Other segment information							
Capital expenditures	$ 484	$ 18	$ 1	$ 9	$ 14	$ —	$ 526

	Three months ended September 30, 2025						
(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate	Eliminations	Total
Revenue[a]	$ 3,379	$ 3,030	$ 680	$ 552	$ —	$ (6)	$ 7,635
Operating expenses	2,996	2,870	694	283	24	(6)	6,861
Depreciation and amortization	95	37	6	211	11	—	360
Total operating cost and expenses	3,091	2,907	700	494	35	(6)	7,221
Operating income/(loss)	288	123	(20)	58	(35)	—	414
Other income, net	—	—	1	2	8	—	11
Interest expense	—	—	—	—	(187)	—	(187)
Income/(loss) before income taxes	288	123	(19)	60	(214)	—	238
Income tax expense	—	—	—	—	86	—	86
Net income/(loss)	$ 288	$ 123	$ (19)	$ 60	$ (300)	$ —	$ 152
(a) Inter-segment sales and inter-segment net derivative gains and losses included in revenues	$ 4	$ —	$ 2	$ —	$ —	$ —	$ 6
Other segment information							
Capital expenditures	$ 203	$ 4	$ 2	$ 6	$ 39	$ —	$ 254

	Nine months ended September 30, 2026						
(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Corporate	Eliminations	Total
Revenue[b]	$ 8,868	$ 14,408	$ 2,200	$ 1,774	$ —	$ (47)	$ 27,203
Operating expenses	7,617	12,953	1,880	904	109	(46)	23,417
Depreciation and amortization	364	361	22	647	42	—	1,436
Total operating cost and expenses	7,981	13,314	1,902	1,551	151	(46)	24,853
(Loss)/Gain on sale of assets	—	(6)	44	—	—	—	38
Operating income/(loss)	887	1,088	342	223	(151)	(1)	2,388
Other (expense)/income, net	—	(1)	7	(12)	48	1	43
Loss on debt extinguishment	—	—	—	—	(9)	—	(9)
Interest expense	—	—	—	—	(897)	—	(897)
Income/(loss) before income taxes	887	1,087	349	211	(1,009)	—	1,525
Income tax expense	—	—	—	—	333	—	333
Net income/(loss)	$ 887	$ 1,087	$ 349	$ 211	$ (1,342)	$ —	$ 1,192
(a) Includes result of operations following the acquisition date of the LSP Portfolio of January 30, 2026							
(b) Inter-segment sales and inter-segment net derivative gains and losses included in revenues	$ 26	$ 20	$ 1	$ —	$ —	$ —	$ 47
Other segment information							
Capital expenditures	$ 1,028	$ 59	$ 5	$ 22	$ 67	$ —	$ 1,181

	Nine months ended September 30, 2025						
(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate	Eliminations	Total
Revenue[a]	$ 8,660	$ 10,345	$ 2,394	$ 1,585	$ —	$ (24)	$ 22,960
Operating expenses	7,382	9,757	2,177	988	95	(24)	20,375
Depreciation and amortization	271	110	24	592	33	—	1,030
Total operating cost and expenses	7,653	9,867	2,201	1,580	128	(24)	21,405
Loss on sale of assets	—	—	(7)	—	—	—	(7)
Operating income/(loss)	1,007	478	186	5	(128)	—	1,548
Other income, net	(1)	4	3	(6)	30	—	30
Loss on debt extinguishment	—	—	—	—	(10)	—	(10)
Interest expense	—	—	—	—	(498)	—	(498)
Income/(loss) before income taxes	1,006	482	189	(1)	(606)	—	1,070
Income tax expense	—	—	—	—	272	—	272
Net income/(loss)	$ 1,006	$ 482	$ 189	$ (1)	$ (878)	$ —	$ 798
(a) Inter-segment sales and inter-segment net derivative gains and losses included in revenues	$ 17	$ 1	$ 6	$ —	$ —	$ —	$ 24
Other segment information							
Capital expenditures	$ 730	$ 9	$ 9	$ 14	$ 87	$ —	$ 849

The following table summarizes balance sheet information by segment:

	As of September 30, 2026						
(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate	Eliminations	Total
Goodwill[a]	$ 2,229	$ 2,937	$ 126	$ 3,523	$ —	$ —	$ 8,815
Total assets	16,453	26,369	3,356	7,181	33,717	(46,780)	40,296

(a) The goodwill associated with the acquisition of the LSP Portfolio has been provisionally allocated to the Texas and East segments as of September 30, 2026

	As of December 31, 2025						
(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate	Eliminations	Total
Goodwill	$ 643	$ 721	$ 130	$ 3,523	$ —	$ —	$ 5,017
Total assets	9,286	9,731	2,724	6,752	20,951	(20,304)	29,140

Note 12 — *Income Taxes*

Effective Income Tax Rate

The income tax provision consisted of the following:

	Three months ended September 30,		Nine months ended September 30,	
(In millions, except rates)	2026	2025	2026	2025
Income before income taxes	$ 779	$ 238	$ 1,525	$ 1,070
Income tax expense	218	86	333	272
Effective income tax rate	28.0 %	36.1 %	21.8 %	25.4 %

For the three months ended September 30, 2026, the effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense. For the nine months ended September 30, 2026 the effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense, partially offset with favorable permanent differences related to stock-based compensation and the remeasurement of state net operating losses as a result of the acquisition of the LSP Portfolio.

For the three months ended September 30, 2025, the effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense. For the nine months ended September 30, 2025, the effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense, partially offset with favorable permanent differences.

On July 4, 2025, H.R.1 - One Big Beautiful Bill Act ("OBBB") was enacted into law. The OBBB included changes to U.S. tax law applicable to NRG beginning in 2025. The impact of the OBBB on the Company's condensed consolidated financial statements has been reflected in its current and deferred taxes, however, there is no material impact to the income tax expense/(benefit) for the periods presented.

On September 12, 2024, Treasury and the IRS released proposed regulations that provide guidance on the application of the CAMT. The proposed regulations allow the exclusion of unrealized mark-to-market gains and losses, related to qualified hedge transactions, from adjusted financial statement income. The Company will continue to evaluate the applicable corporation status and the impact of the CAMT based on the proposed regulations and new guidance. NRG as an applicable corporation is subject to the CAMT, however, there is no impact on the Company's provision for income taxes from the CAMT for the three and nine months ended September 30, 2026 and 2025.

Uncertain Tax Benefits

As of September 30, 2026, NRG had a non-current tax liability of $55 million for uncertain tax benefits from positions taken on various federal, state, and foreign income tax returns inclusive of accrued interest. For the nine months ended September 30, 2026, NRG accrued an immaterial amount of interest relating to the uncertain tax benefits. As of September 30, 2026, NRG had cumulative interest and penalties related to these uncertain tax benefits of $6 million. The Company recognizes interest and penalties related to uncertain tax benefits in income tax expense.

NRG is subject to examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and various state and foreign jurisdictions including operations located in Australia and Canada. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2022. With few exceptions, state and Canadian income tax examinations are no longer open for years prior to 2015.

Note 13 — *Related Party Transactions*

NRG provides services to some of its related parties under operations and maintenance agreements. Fees for the services under these agreements include recovery of NRG's costs of operating the plants. Certain agreements also include fees for administrative services, a base monthly fee, profit margin and/or annual incentive bonus.

The following table summarizes NRG's revenues from Ivanpah, which are included in revenue in the consolidated statements of operations. The revenues below also include fees under project management agreements with each project company.

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2026	2025	2026	2025
Total revenues	$ 13	$ 14	$ 48	$ 38

Note 14 — *Commitments and Contingencies*

Commitments

The Company disclosed its commitments in Note 22, *Commitments and Contingencies*, to the Company's 2025 Form 10-K. As of September 30, 2026, the Company has entered into additional long-term contractual arrangements related to purchased energy commitments, including power purchases, gas transportation and storage, and fuel and transportation services. These contracts are not included in the consolidated balance sheet as of September 30, 2026.

As of September 30, 2026, the Company's minimum commitments under such additional outstanding agreements since December 31, 2025 are estimated as follows:

Period	(In millions)
2027	$ 742
2028	703
2029	636
2030	491
Thereafter	815
Total	$ 3,387

First Lien Structure

NRG has granted first liens to certain counterparties on a substantial portion of property and assets owned by NRG and the guarantors of its senior debt. NRG uses the first lien structure to reduce the amount of cash collateral and letters of credit that it would otherwise be required to post from time to time to support its obligations under out-of-the-money hedges. To the extent that the underlying hedge positions for a counterparty are out-of-the-money to NRG, the counterparty would have a claim under the first lien program. As of September 30, 2026, counterparties' net exposure to NRG of approximately $8 million on out-of-the-money hedges was secured by the first lien structure.

Contingencies

The Company's material legal proceedings are described below. The Company believes that it has valid defenses to these legal proceedings and intends to defend them vigorously. NRG records accruals for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. As applicable, the Company believes it has established an adequate accrual for the applicable legal matters, including regulatory and environmental matters as further discussed in Note 15, *Regulatory Matters*, and Note 16, *Environmental Matters*. In addition, legal costs are expensed as incurred. Management has assessed each of the following matters based on current information and made a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought, and the probability of success. Unless specified below, the Company is unable to predict the outcome of these legal proceedings or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Company's liabilities and contingencies could be at amounts that are different from its currently recorded accruals and that such difference could be material.

In addition to the legal proceedings noted below, NRG and its subsidiaries are party to other litigation or legal proceedings arising in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect NRG's consolidated financial position, results of operations, or cash flows.

Environmental Lawsuits

Sierra club et al. v. Midwest Generation LLC — In 2012, several environmental groups filed a complaint against Midwest Generation with the Illinois Pollution Control Board ("IPCB") alleging violations of environmental law resulting in groundwater contamination. In June 2019, the IPCB found in an interim order that Midwest Generation violated the law because it had improperly handled coal ash at four facilities in Illinois and caused or allowed coal ash constituents to impact groundwater. On September 9, 2019, Midwest Generation filed a Motion to Reconsider numerous issues, which the court granted in part and denied in part on February 6, 2020. In 2023, the IPCB held hearings regarding the appropriate relief. Midwest Generation has been working with the Illinois EPA to address the groundwater issues since 2010.

Consumer Lawsuits

Similar to other energy service companies ("ESCOs") and smart home companies operating in the industry, from time-to-time, the Company and/or its subsidiaries may be subject to consumer lawsuits in various jurisdictions where they sell natural gas, electricity or smart home solutions.

Variable Price Case

Mirkin v. XOOM Energy (E.D.N.Y. Aug. 2019) — XOOM Energy is a defendant in a putative class action lawsuit pending in New York, alleging that XOOM Energy breached its contractual duty to set customer variable rates based on actual and estimated supply costs. The Court denied XOOM's motion for summary judgment and granted class certification. The Second Circuit denied XOOM's request to appeal the class certification grants. XOOM prevailed in its challenge to Mirkin's expert reports. The Court granted XOOM's motion to exclude both reports on damages. As a result, Mirkin has no method to establish

damages for its class. The Court is considering whether class certification is still appropriate. Recently, this matter was moved to a new judge for further handling. A trial setting has not yet been scheduled. This matter was known and accrued for at the time of the XOOM acquisition.

Telephone Consumer Protection Act ("TCPA") Case

Matthew Dickson v. Direct Energy (N.D. Ohio Jan. 2018) — The Company is currently defending a putative class action involving consumers alleging violations of the Telephone Consumer Protection Act of 1991, as amended, by receiving calls, texts or voicemails without consent in violation of the federal Telemarketing Sales Rule, and/or state counterpart legislation. The Company denies the allegations asserted by plaintiffs and intends to vigorously defend this matter. This matter was known and accrued for at the time of the Direct Energy acquisition. This case was stayed pending the outcome of an appeal to the Sixth Circuit based on the unconstitutionality of the TCPA during the period from 2015-2020. The Sixth Circuit found the TCPA was in effect during that period and remanded the case back to the trial court. Direct Energy refiled its motions along with supplements. On March 25, 2022, the Court granted summary judgment in favor of Direct Energy and dismissed the case. Dickson appealed and the case was sent back to the trial court. The parties conducted fact and expert discovery and Direct Energy submitted its motion for summary judgment in August 2024. On December 16, 2025, the Court granted summary judgment in favor of Direct Energy. The Court subsequently entered default judgments against the remaining two defendants. Dickson timely filed their appeal.

Winter Storm Uri Lawsuits

The Company has been named in certain property damage and wrongful death claims that have been filed in connection with Winter Storm Uri in its capacity as a generator and a retail electric provider. Most of the lawsuits related to Winter Storm Uri are consolidated into a single multi-district litigation matter in Harris County District Court. NRG's retail electric providers have since been dismissed from the multi-district litigation. As a power generator, the Company is named in various cases with claims ranging from: wrongful death; personal injury only; property damage and personal injury; property damage only; and subrogation. The First Court of Appeals conditionally granted the generators' mandamus relief, ordering the trial court to grant the generator defendants' Motion to Dismiss. The plaintiffs challenged the ruling to the Texas Supreme Court. On March 27, 2026, the Texas Supreme Court denied review of the plaintiffs' appeal. NRG awaits the trial court's application of the dismissal across all of the cases filed against the generators. The Company will continue to vigorously defend these matters.

Note 15 — *Regulatory Matters*

Environmental regulatory matters are discussed within Note 16, *Environmental Matters.*

NRG operates in a highly regulated industry and is subject to regulation by various federal, state and provincial agencies. As such, NRG is affected by regulatory developments at the federal, state and provincial levels and in the regions in which NRG operates. In addition, NRG is subject to the market rules, procedures, and protocols of the various ISO and RTO markets in which NRG participates. These power markets are subject to ongoing legislative and regulatory changes that may impact NRG's wholesale and retail operations.

In addition to the regulatory proceedings noted below, NRG and its subsidiaries are parties to other regulatory proceedings arising in the ordinary course of business or have other regulatory exposure. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect NRG's consolidated financial position, results of operations, or cash flows.

NYSPSC – Order to Show Cause — The NYSPSC issued an order referred to as the Retail Reset Order in December 2019 that limited the offers of ESCOs for electric and natural gas to three compliant products: guaranteed savings from the utility default rate, a fixed rate commodity product that is priced at no more than 5% greater than the trailing 12-month average utility supply rate or New York-sourced renewable energy that is at least 50% greater than the prevailing New York Renewable Energy Standard for load serving entities. Subsequently, the NYSPSC issued an order referred to as the Clarification Order on September 18, 2020 stating the Retail Reset Order applies only to prospective customer contracts. NRG took action to comply with the order when it became effective April 16, 2021. On January 8, 2024, the NYSPSC notified eight of NRG's retail energy suppliers (serving both electricity and natural gas) of alleged non-compliance with New York regulatory requirements. NRG responded to the notices in February 2024 and on September 23, 2025, the NYSPSC issued a follow-up order further alleging separately that the NRG retail supplier responsible for selling natural gas to commercial and industrial customers had been improperly serving residential customers. On April 16, 2026, the NYSPSC approved a settlement agreement which resolved all outstanding claims and permitted NRG to maintain its eligibility to serve customers. As of September 30, 2026, NRG has fulfilled its obligations under the agreement to distribute a $50 million fund to certain legacy customers and payment of $920 thousand to certain low-income customers. NRG has also provided certain customers with a one-time opportunity to enroll in a special discounted 12-month rate and will be administering that program through the third quarter of 2027.

FERC Investigation – PJM Demand Response — In 2024, NRG Curtailment Solutions, Inc. ("NRGCS") and CPower received document preservation notices from the FERC's Office of Enforcement and Regulatory Accounting (the "OERA Staff") regarding demand response performance during Winter Storm Elliot. Since then, OERA Staff has issued multiple rounds of data requests to, and has taken investigative testimony from, both companies. OERA Staff has since expanded its investigation seeking data from 2019 through the present and has inquired into the manner in which CPower registered its customers in the PJM demand response market.

Note 16 — *Environmental Matters*

NRG is subject to numerous environmental laws in the development, construction, ownership and operation of power plants. These laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of power plants. In general, the electric generation industry has faced increasingly stringent requirements regarding air quality, GHG emissions, combustion byproducts, water use and discharge, and threatened and endangered species including several rules promulgated in 2024. Future laws may require the addition of emissions controls or other environmental controls or to impose additional restrictions on the operations of the Company's facilities, which could have a material effect on the Company's consolidated financial position, results of operations, or cash flows. At the federal level, the President has issued several Executive Orders that indicate that the current administration intends to relax or rescind some previously promulgated regulations. The EPA has proposed several and finalized some rules that relax and/or rescind regulations previously promulgated. The Company has elected to use a $1 million disclosure threshold, as permitted, for environmental proceedings to which the government is a party.

Air

CPP/ACE Rules — The attention in recent years on GHG emissions has resulted in federal and state regulations. In 2019, the EPA promulgated the ACE rule, which rescinded the CPP, which had sought to broadly regulate CO_2 emissions from the power sector. On January 19, 2021, the U.S. Court of Appeals for the D.C. Circuit (the "D.C. Circuit") vacated the ACE rule (but on February 22, 2021, at the EPA's request, stayed the issuance of the portion of the mandate that would vacate the repeal of the CPP). On June 30, 2022, the U.S. Supreme Court held that the "generation shifting" approach in the CPP exceeded the powers granted to the EPA by Congress. On May 9, 2024, the EPA promulgated a rule that repealed the ACE rule and significantly revised the manner in which new combustion-turbine and existing steam EGU's GHG emissions would be regulated including capturing and storing/sequestering CO_2 in some instances. This rule was challenged by numerous parties in the D.C. Circuit including 27 states with 22 states intervening in support of the rule. The D.C. Circuit held oral arguments related to this rule in December 2024. In February 2025, the court granted a motion the DOJ filed asking the court to hold proceedings in abeyance while the EPA evaluated the rule. On September 17, 2026, the EPA finalized a rule repealing many of the provisions of the 2024 Carbon Pollution Standards applicable to fossil fuel-fired EGUs and proposed rescinding the remaining GHG emission requirements for fossil fuel-fired power plants. On the same day, the rule was challenged in the DC Circuit and the outcome of the legal challenges is uncertain.

Cross-State Air Pollution Rule ("CSAPR") — On March 15, 2023, the EPA signed and released a prepublication version of a final rule that sought to significantly revise the CSAPR to address the good-neighbor obligations of the 2015 ozone NAAQS for 23 states (a Federal Implementation Plan or "FIP") after earlier having disapproved numerous state plans to address the issue. Several states, including Texas, challenged the EPA's disapproval of their state plans. On May 1, 2023, the U.S. Court of Appeals for the Fifth Circuit (the "Fifth Circuit") stayed the EPA's disapproval of Texas's and Louisiana's state plans, which disapprovals are a condition precedent to the EPA imposing its plan on Texas and Louisiana. On March 25, 2025, the Fifth Circuit upheld the EPA's disapproval of Texas's and Louisiana's state plans but did not address the FIP. On May 9, 2025, Texas and other parties petitioned the Fifth Circuit for a rehearing with the whole court. On March 13, 2026, the Fifth Circuit issued a revised opinion vacating and remanding the EPA's disapproval of Texas's interstate transport plan. On June 5, 2023, the EPA promulgated the FIP. On June 27, 2024, the U.S. Supreme Court stayed the FIP in the 11 states where the rule had not already been stayed. On April 14, 2025, the D.C. Circuit granted the EPA's request to hold the legal challenges in abeyance while the EPA revisits the rule. On January 30, 2026, the EPA proposed a Phase 1 reconsideration rule covering Alabama, Arizona, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Nevada, New Mexico and Tennessee. The EPA intends to address additional states in a separate action. The Company cannot predict the outcome of the legal challenges to the various state disapprovals and the final rule promulgated on June 5, 2023.

Regional Haze — In May 2023, the EPA proposed to withdraw the existing Texas Sulfur Dioxide Trading Program and replace it with unit-specific SO_2 limits for 12 units in Texas to address requirements to improve visibility at National Parks and Wilderness areas. On December 5, 2025, the EPA approved Texas's plans to address the Regional Haze rule.

Mercury and Air Toxics Standards ("MATS") — On May 7, 2024, the EPA promulgated a final rule that amended the MATS rule by, among other things, increasing the stringency of the filterable particulate matter standard at coal-burning units. The deadline for complying with this more stringent standard had been 2027. On April 8, 2025, the President signed a Proclamation that created a 2-year exemption for compliance beginning on July 8, 2027 and ending on July 8, 2029 for certain

coal units including those owned by the Company. Twenty-three states have challenged this rule in the D.C. Circuit. On February 24, 2026, the EPA promulgated a final rule repealing the majority of the 2024 rule amending the MATS rule, which also has been challenged in the D.C. Circuit.

Water

ELG — In 2015, the EPA revised the ELG for Steam Electric Generating Facilities, which imposed more stringent requirements (as individual permits were renewed) for wastewater streams from FGD, fly ash, bottom ash and flue gas mercury control. On October 13, 2020, the EPA amended the 2015 ELG rule by: (i) altering the stringency of certain limits for FGD wastewater; (ii) relaxing the zero-discharge requirement for bottom ash transport water; and (iii) changing several deadlines. In 2021, NRG informed its regulators that the Company intended to comply with the ELG by ceasing combustion of coal by the end of 2028 at its domestic coal units outside of Texas, and installing appropriate controls by the end of 2025 at its two plants that have coal-fired units in Texas, which the Company completed by the end of 2025. However, PJM has requested that two coal-fueled units at Powerton continue to operate until at least May 31, 2031 to address reliability concerns. On May 9, 2024, the EPA promulgated a rule that again revises the ELG by, among other things, further restricting the discharge of (i) FGD wastewater, (ii) bottom ash transport water, and (iii) combustion residual leachate. The rule was challenged in numerous courts, but the cases were consolidated in the U.S. Court of Appeals for the Eighth Circuit. The outcome of the legal challenges is uncertain. On February 19, 2025, the DOJ filed a motion asking the court to hold proceedings in abeyance while the U.S. presidential administration evaluates the rule, which the court granted. On December 31, 2025, the EPA promulgated a rule that extends several deadlines and provides greater flexibility regarding decisions to invest in more stringent controls.

Byproducts

In 2015, the EPA finalized the rule regulating byproducts of coal combustion (e.g., ash and gypsum) as solid wastes under the RCRA. On August 21, 2018, the D.C. Circuit found, among other things, that the EPA had not adequately regulated unlined ponds and legacy surface impoundments. On August 28, 2020, the EPA finalized "A Holistic Approach to Closure Part A: Deadline to Initiate Closure," which amended the April 2015 Rule to address the August 2018 D.C. Circuit decision and extend some of the deadlines. On November 12, 2020, the EPA finalized "A Holistic Approach to Closure Part B: Alternative Demonstration for Unlined Surface Impoundments," which further amended the April 2015 Rule to, among other things, provide procedures for requesting approval to operate existing ash impoundments with an alternate liner. On May 8, 2024, the EPA promulgated a rule that establishes requirements for: (i) inactive (or legacy) surface impoundments at inactive facilities and (ii) coal combustion residual ("CCR") management units (regardless of how or when the CCR was placed) at regulated facilities. The rule also creates an obligation to conduct site assessments (at all active and certain inactive facilities) to determine whether CCR management units are present. On February 10, 2026, the EPA promulgated a rule extending certain deadlines in the 2024 rule. On April 13, 2026, the EPA proposed further amendments to the CCR that if finalized would provide industry greater compliance flexibility. The rule has been challenged in the D.C. Circuit and the outcome of the legal challenges is uncertain.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis below has been organized as follows:

- Executive summary, including introduction and overview, business strategy, and changes to the business environment during the period, including environmental and regulatory matters;
- Known trends that may affect NRG's results of operations and financial condition in the future;
- Results of operations; and
- Liquidity and capital resources including liquidity position, material cash requirements and commitments, and other obligations.

As you read this discussion and analysis, refer to NRG's condensed consolidated statements of operations to this Form 10-Q, which present the results of operations for the three and nine months ended September 30, 2026 and 2025. Also refer to NRG's 2025 Form 10-K, which includes detailed discussions of various items impacting the Company's business, results of operations and financial condition, including: General section; Strategy section; Business Overview section, including how regulation, weather, and other factors affect NRG's business; and Critical Accounting Estimates section.

Executive Summary

Introduction and Overview

NRG Energy, Inc., or NRG or the Company, provides electricity, natural gas, and smart-home technology solutions to approximately 8 million residential customers (comprised of 6 million retail energy and 2 million smart home), in addition to large commercial and industrial, data center, and wholesale customers. Across North America, NRG is redefining customers' experience with energy under brand names such as NRG, Reliant, Direct Energy, Green Mountain Energy, and Vivint. As of September 30, 2026, the Company's core power and natural gas business consists of approximately 25 GW of competitive power generation, including approximately 13 GW from the LSP Portfolio, and a natural gas portfolio that serves approximately 1,900 MMDth annually.

Strategy

NRG's strategy is to maximize shareholder value by delivering integrated energy and smart home solutions, supported by an owned generation fleet and a diversified supply strategy. The Company generates power and sells electricity and natural gas to residential, commercial, industrial, and wholesale customers in the markets it serves. The Company also provides smart home security and automation services that deepen customer relationships and support long-term engagement. NRG operates a customer-first platform that promotes reliability and affordability amid rapid transformation in the energy sector. The Company is advancing opportunities to meet growing demand, including from data centers, other large load customers, and electrification. This includes (i) flexible load products such as demand response and virtual power plants ("VPP"), which help manage costs and improve affordability for customers, (ii) completing the Texas Development Projects, (iii) long-term, contract-backed generation and related infrastructure, supported by strategic partnerships with equipment manufacturers and engineering, procurement, and construction companies, and (iv) increasing capacity at existing facilities. The Company's differentiated model is built to meet North America's evolving needs while delivering affordable, reliable solutions for customers and long-term growth for shareholders. This strategy is intended to generate recurring cash flow, strengthen earnings and cost competitiveness, and reduce risk and volatility.

To effectuate the Company's strategy, NRG is focused on: (i) serving the energy needs of residential, commercial and industrial, and wholesale counterparties in competitive markets and optimizing on additional revenue opportunities through its multiple brands and channels; (ii) offering a variety of energy products and smart home products and services that are differentiated by innovative, value-additive features, premium service, integrated platforms, sustainability, loyalty/affinity programs, and affordability; (iii) excellence in operating performance of its assets; (iv) achieving the optimal mix of supply to serve its customer load requirements through a diversified supply strategy, including expanding its operational capacity to meet growing retail power supply needs; and (v) engaging in disciplined and transparent capital allocation.

Beginning in the first quarter of 2026, the operations acquired from LS Power were integrated into the Company's existing segment structure, enhancing scale and portfolio optimization across the platform. In Texas, the Company's generation portfolio is fully integrated with its retail load and, in early 2026, the Company adopted an integrated strategy in the East, expanding this model across a broader geographic footprint. The integrated model strategically aligns generation and retail, enabling the Company to supply a portion of its retail customers with electricity from Company-owned assets, thereby reducing reliance to procure electricity from other institutions and intermediaries and supporting more stable earnings and cash flows, lower transaction costs, and reduced credit exposure. The integrated model also results in a reduction in actual and contingent collateral requirements, improving capital efficiency and further limiting transactions with third parties.

Energy Regulatory Matters

The Company's regulatory matters are described in the Company's 2025 Form 10-K in Item 1, Business — *Regulatory Matters.* These matters have been updated below and in Note 15, *Regulatory Matters.*

As participants in wholesale and retail energy markets and owners and operators of power plants, certain NRG entities are subject to regulation by various federal and state government agencies. These include the CFTC, FERC and the PUCT, as well as other public utility commissions in certain states where NRG's generation or distributed generation assets are located. In addition, NRG is subject to the market rules, procedures and protocols of the various ISO and RTO markets in which it participates. Likewise, certain NRG entities participating in the retail markets are subject to rules and regulations established by the states and provinces in which NRG entities are licensed to sell at retail. NRG must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where NRG operates.

NRG's operations within the ERCOT footprint are not subject to rate regulation by FERC, as they are deemed to operate solely within the ERCOT market and not in interstate commerce. These operations are subject to regulation by the PUCT.

State and Provincial Energy Regulation

Maryland Legislation — On May 9, 2024, Maryland Governor Wes Moore signed Senate Bill ("SB") 1 into law, which restricts the competitive retail electric and natural gas market in Maryland, affecting residential customers but not commercial and industrial customers. Key provisions of the law took effect on January 1, 2025. The legislation imposes a price cap on residential contracts tied to a trailing 12-month historical average of utility rates, with only a limited exception for renewable power products. Renewable products must now have their price pre-approved by the Maryland Public Service Commission and source their renewable electricity certificates from within the PJM region. The law also requires that any variable-price contract not contain a change in price more than once a year, except time-of-use contracts, and limits contract terms to 12 months. It requires affirmative consent for the renewal of customer contracts for renewable power products. The law also imposes licensing requirements on energy salespeople. While the law states that it does not impair existing contracts, the Maryland Public Service Commission has ruled that grandfathering of existing contracts will end as of December 31, 2025, and that suppliers must issue separate bills for their charges for all new and renewing contracts as of January 1, 2026. On October 1, 2024, Green Mountain Energy Company, NRG's renewable electricity provider, along with a retail trade association to which NRG belongs, filed a lawsuit in federal court challenging the constitutionality of SB 1. On November 18, 2024, the trial court denied the plaintiffs' motion for a preliminary injunction and plaintiffs appealed. On May 15, 2026, the Court of Appeals for the Fourth Circuit reversed the district court's ruling in part and remanded the case with instructions to (i) enjoin the part of the law relating to renewable power products and (ii) conduct further proceedings on the constitutionality of required customer disclosures. The provisions mandating a price cap on non-renewable power products, limiting price changes throughout the year, restricting energy sales people, and billing customers separately were not impacted by the ruling and remain in effect while the litigation continues.

Regional Regulatory Developments

NRG is affected by rule/tariff changes that occur in the ISO regions. For further discussion on regulatory developments, see Item 1 — Note 15, *Regulatory Matters*, to the condensed consolidated financial statements.

ERCOT/PUCT

PUCT's Actions with Respect to Wholesale Pricing and Market Design — The PUCT continues to analyze and implement multiple options for promoting increased reliability in the wholesale electric market, including the adoption of a reliability standard for resource adequacy and market-based mechanisms to achieve this standard. The Commission adopted a reliability standard that became effective in September 2024.

In 2023, the Texas Legislature authorized implementation of the Performance Credit Mechanism ("PCM"), which will measure real-time contribution to system reliability and provide compensation for resources to be available, subject to certain "guardrails" such as an absolute annual net cost cap, as part of its adoption of the PUCT Sunset Bill (House Bill 1500). In December 2024, the PUCT decided to shelve implementation of the PCM indefinitely. The Texas Legislature also directed the PUCT to implement a new ancillary service called Dispatchable Reliability Reserve Service ("DRRS") to further increase ERCOT's capability to manage net load variability and firming requirements for new generation resources which penalize poor performance during periods of low grid reserves. In November 2025, ERCOT published an updated design proposal for DRRS that includes the ability for the PUCT to configure it to support resource adequacy through stronger financial incentives for dispatchable thermal generation. In July 2026, the PUCT approved an initial design that does not include a resource adequacy mechanism, but may further refine the final design of DRRS as part of the review of the reliability standard. The PUCT adopted a final rule to implement the firming requirement in December 2025, which requires new generation resources with signed interconnection agreements on or after January 1, 2027, to acquire additional capacity to meet a minimum requirement during low reserve hours on the ERCOT system.

Texas Energy Fund — Through SB 2627, the Texas Legislature created the TEF, to provide grants and low-interest loans (3%) to incentivize the development of more dispatchable generation and smaller backup generation in ERCOT. The PUCT also adopted a rule for the completion bonus grant program in April 2024, which provides for opportunities for grants of $120,000 per MW for dispatchable generation projects interconnected before June 1, 2026, or $80,000 per MW for dispatchable generation projects interconnected on or after June 1, 2026 but before June 1, 2029, subject to performance requirements. The 89th Texas Legislature passed SB 2268, which separated the 10,000 MW collective cap on the ERCOT loan and grant programs resulting in a 10,000 MW cap for the loan program and a separate 10,000 MW cap for the completion bonus grant program.

NRG, through its subsidiaries, filed and received approval from the PUCT for loan proceeds for three separate projects, totaling more than 1,500 MWs of capacity. Specifically, on July 31, 2025, the Company entered into a $216 million loan agreement with the PUCT under the TEF to support the development of T.H. Wharton, a 415 MW facility. On September 26, 2025, the Company entered into a $562 million loan agreement with the PUCT under the TEF to support the development of Cedar Bayou 5, a 689 MW facility. Lastly, on November 20, 2025, the Company entered into a $370 million loan agreement with the PUCT under the TEF to support the development of Greens Bayou 6, a 443 MW facility. Cedar Bayou 5 and Greens Bayou 6 are currently under construction. Commercial operations at T.H. Wharton commenced on May 26, 2026. On June 17, 2026, the Company entered into a completion bonus grant agreement with the PUCT for T.H. Wharton for up to $54.72 million, to be paid in ten annual installments, subject to performance of the facility. T. H. Wharton's first test period runs from June 1, 2026 through May 31, 2027, after which the Company will be eligible for its first grant payment.

Senate Bill 6 — On June 20, 2025, Governor Abbot, the Governor of Texas, signed SB 6 into law, which includes various provisions that concern how ERCOT, transmission and distribution utilities, and power generation companies plan for and serve large loads (defined as 75 MWs and above) in the ERCOT market, including provisions relating to forecasting accuracy, large load interconnection standards, processes and incentives for curtailment, PUCT review of certain proposed co-locations, and an investigation of transmission cost allocation and rate design. The PUCT has adopted final rules related to load forecasting accuracy, co-location, and large load interconnection standards, but the rulemaking process for cost allocation and rate design, as well as incentives or requirements to curtail operations, are in progress. With respect to large load interconnection standards, on September 18, 2026, the PUCT adopted a final rule, which establishes the standards and criteria to interconnect a large load customer to the ERCOT system, including required posting of financial security. ERCOT has also developed revisions to the interconnection study process to more efficiently review large load interconnection requests, which the PUCT approved on June 18, 2026.

Governor Abbott's August 3, 2026 Directive — On August 3, 2026, Governor Abbott directed the PUCT and ERCOT to complete a verification and audit of all data centers advancing through the interconnection process. ERCOT has issued requests for information on projects in batch zero. ERCOT plans to file its batch zero eligibility verification report and its community impact review report with the PUCT in December 2026.

PJM

Revisions to PJM Locational Deliverability Area ("LDA") Reliability Requirement — PJM delayed publication of the Base Residual Auction ("BRA") results for the 2024/2025 delivery year and filed at FERC to revise the definition of the LDA Reliability Requirement in the Tariff to allow PJM to exclude certain resources from the calculation of the LDA Reliability Requirement, which FERC accepted on February 21, 2023. Multiple parties, including NRG, filed for rehearing and subsequently appealed to the Court of Appeals for the Third Circuit. On March 12, 2024, the court vacated the portion of the FERC orders permitting application of the revised LDA Reliability Requirement to the 2024/2025 BRA. Following additional proceedings, FERC directed PJM to recalculate the BRA results using the original LDA Reliability Requirements and to rerun the Third Incremental Auction, and PJM published revised results on May 8, 2024, and May 23, 2024, respectively. On July 9, 2024, FERC denied a related complaint filed on April 22, 2024 (the "April 2024 Complaint") which was appealed to the Court of Appeals for the D.C. Circuit on November 5, 2024. On January 13, 2026, the Court of Appeals for the D.C. Circuit issued a decision vacating FERC's order denying the April 2024 Complaint and remanding the case to FERC for a ruling on the substance of the complaint. The remanded complaint is pending at FERC.

PJM Base Residual Auction Revisions and Delay — In November 2024, at PJM's request, FERC approved delays to future BRAs. The 2028/2029 BRA was the last delayed auction affected. On July 14, 2026, PJM announced the results of its BRA for the 2028/2029 delivery year. The price came in at the FERC-approved cap of $325/MW-day for the entire PJM footprint of which NRG cleared approximately 6,839 MW's from the Company's PJM generation fleet. NRG's expected capacity revenues from the Company's PJM generation fleet for the 2028/2029 delivery year is approximately $811 million.

PJM's Reforms to Large Load Additions — On September 15, 2025, PJM began a formal stakeholder process called the Critical Issue Fast Path ("CIFP") to address needed reforms to accommodate large load additions. On January 16, 2026, the National Energy Dominance Council within the White House released a Statement of Principles, signed by all 13 governors in the PJM region, urging PJM to address revenue certainty for new generation through an auction process for new capacity,

allocate the costs of these new resources to data centers, improve load forecasting, and accelerate ongoing generation interconnection studies. Also on January 16, 2026, the PJM Board issued a decisional letter on the CIFP process. The Board letter directed PJM staff to implement changes to load forecasting, implement a bring your own new generation program and associated expedited interconnection track, initiate immediately a Reliability Backstop Auction to obtain commitments of additional generation for a longer term, and undertake a holistic review of the PJM markets to analyze how they can evolve to provide appropriate incentives for investment and performance. On February 27, 2026, PJM made two filings at FERC. In its first filing, PJM proposed an expedited interconnection track for up to ten qualified large load projects, which was approved by FERC on June 9, 2026. In its second filing, PJM proposed an extension of the price cap and price floor for all capacity auctions through the 2028/2029 and 2029/2030 delivery years, which was approved by FERC on April 28, 2026.

On May 27, 2026, PJM published a revised Reliability Backstop Procurement proposal in response to the January 16, 2026 Board directive. PJM proposes a one-time, transitional procurement of capacity through two parallel processes. On June 9, 2026, Charles River Associates, on behalf of PJM, issued a Request for Proposals to facilitate bilateral contracting between large loads and eligible supply. On July 31, 2026, PJM filed at FERC to implement the Reliability Backstop Procurement proposal, under which there would be a central procurement process to procure capacity for the approximately 6,800 MW shortfall identified in the 2028/2029 BRA. On September 29, 2026, FERC accepted PJM's proposed Reliability Backstop Procurement tariff revisions for filing, suspended them for five months to become effective February 28, 2027, subject to refund and further Commission order, and established paper-hearing procedures to further develop the record regarding issues raised by the proposal. As a result, the procurement will not proceed according to the schedule originally proposed by PJM.

On August 13, 2026, PJM filed at FERC proposed revisions to its tariff to establish an Interim Resource Adequacy Service ("IRAS") and a Large Load Registry. The proposal is intended to address resource adequacy concerns associated with the rapid growth of large loads, including data centers, by requiring load serving entities supporting certain new large loads to secure sufficient new capacity or otherwise be subject to curtailment requirements during periods of resource scarcity. The proposal would also establish a registry to track existing and new large loads within the PJM footprint and create mechanisms for new large loads to satisfy resource adequacy requirements through qualifying new capacity arrangements. On October 9, 2026, FERC rejected the proposed IRAS framework and related new capacity arrangements, while accepting PJM's proposed definition of Large Load and Large Load Registry. FERC's rejection does not prevent PJM from submitting a modified IRAS proposal in a future filing.

Indian River RMR Proceeding — On June 29, 2021, Indian River notified PJM that it intended to retire Unit 4. PJM identified reliability violations resulting from the proposed deactivation of Unit 4. The Company filed a cost based RMR rate schedule at FERC. The Company reached settlement with a number of the intervening parties and the settlement agreement was filed. On January 16, 2025, FERC issued an order approving the settlement agreement. Indian River Unit 4 retired on February 23, 2025. On May 19, 2025, Maryland Office of People's Counsel filed an appeal to the Court of Appeals for the Fourth Circuit of FERC's denial on its request for rehearing. On August 22, 2025, NRG filed a motion to transfer venue. On November 12, 2025, the motion to transfer venue was granted and the appeal was transferred to the Court of Appeals for the D.C. Circuit. The appeal is pending, and briefing is underway.

Generator Complaint Against PJM — On October 6, 2026, Monongahela Power Company ("Mon Power") filed a complaint at FERC challenging PJM's advance commitment and dispatch of natural gas-fired generation during Winter Storm Fern in January 2026. Mon Power alleges that these practices increased congestion and energy prices, resulting in in additional costs to its customers, and requests hearing procedures to further examine PJM's actions. The complaint is pending at FERC. Multiple intervenors are opposed to Mon Power's complaint, including NRG's trade organization which filed comments requesting denial of the complaint on October 26, 2026.

Exelon Complaint Against PJM — On November 3, 2026, Exelon filed a complaint at FERC against PJM that asks the Commission to find PJM's three-year forward capacity auction schedule unjust and unreasonable and to replace it with an auction held two months prior to each Delivery Year, beginning with the 2030/2031 Base Residual Auction. If accepted, this could change the capacity market construct and affect future Base Residual Auctions.

Other Regulatory Matters

From time to time, NRG entities may be subject to examinations, investigations and/or enforcement actions by federal, state and provincial licensing and regulatory agencies and may face the risk of penalties for violation of financial services, consumer protections and other applicable laws and regulations.

Environmental Regulatory Matters

NRG is subject to numerous environmental laws in the development, construction, ownership and operation of power plants. These laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of power plants. In general, the electric generation industry has faced increasingly stringent requirements

regarding air quality, GHG emissions, combustion byproducts, water use and discharge, and threatened and endangered species including several rules promulgated in 2024. Future laws may require the addition of emissions controls or other environmental controls or to impose additional restrictions on the operations of the Company's facilities including unit retirements or impose obligations related to historic coal ash use, storage and disposal. At the federal level, the President has issued several Executive Orders that indicate that the current administration intends to relax or rescind some previously promulgated regulations. The EPA has proposed several and finalized some rules that relax and/or rescind regulations previously promulgated. Complying with environmental laws often involves specialized human resources and significant capital and operating expenses, as well as occasionally curtailing operations. NRG decides to invest capital for environmental controls based on the relative certainty of the requirements, an evaluation of compliance options and the expected economic returns on capital.

Several regulations that affect the Company have been and continue to be revised by the EPA, including requirements regarding coal ash, GHG emissions, NAAQS revisions and implementation and effluent limitation guidelines. NRG will evaluate the impact of these regulations as they are revised but cannot fully predict the impact of each until anticipated revisions, legal challenges and reconsiderations are resolved. The Company's environmental matters are described in the Company's 2025 Form 10-K in Item 1, Business - *Environmental Matters* and Item 1A, *Risk Factors*. These matters have been updated in Note 16, *Environmental Matters,* to the condensed consolidated financial statements of this Form 10-Q and as follows.

Air

The CAA and related regulations (as well as similar state and local requirements) have the potential to affect air emissions, operating practices and pollution control equipment required at power plants. Under the CAA, the EPA sets NAAQS for certain pollutants including SO_2, ozone, and PM2.5. Many of the Company's facilities are located in or near areas that are classified by the EPA as not achieving certain NAAQS (non-attainment areas). The relevant NAAQS may become more stringent. In March 2024, the EPA increased the stringency of the PM2.5 NAAQS and numerous legal challenges were filed in the D.C. Circuit. In November 2025, the EPA asked the DC Circuit to vacate the March 2024 rule. On June 26, 2026, the D.C. Circuit upheld the March 2024 Rule denying the legal challenges and the EPA's request to vacate the rule. The Company maintains a comprehensive compliance strategy to address continuing and new requirements. Complying with increasingly stringent requirements could require the installation of additional emissions control equipment at some NRG facilities or retiring of units if installing such controls is not economic. Significant changes to air regulatory programs affecting the Company are described below.

CPP/ACE Rules — The attention in recent years on GHG emissions has resulted in federal and state regulations. In 2019, the EPA promulgated the ACE rule, which rescinded the CPP, which had sought to broadly regulate CO_2 emissions from the power sector. On January 19, 2021, the D.C. Circuit vacated the ACE rule (but on February 22, 2021, at the EPA's request, stayed the issuance of the portion of the mandate that would vacate the repeal of the CPP). On June 30, 2022, the U.S. Supreme Court held that the "generation shifting" approach in the CPP exceeded the powers granted to the EPA by Congress. On May 9, 2024, the EPA promulgated a rule that repealed the ACE rule and significantly revised the manner in which new combustion-turbine and existing steam EGU's GHG emissions would be regulated including capturing and storing/sequestering CO_2 in some instances. This rule was challenged by numerous parties in the D.C. Circuit including 27 states with 22 states intervening in support of the rule. The D.C. Circuit held oral arguments related to this rule in December 2024. In February 2025, the court granted a motion the DOJ filed asking the court to hold proceedings in abeyance while the EPA evaluated the rule. On September 17, 2026, the EPA finalized a rule repealing many of the provisions of the 2024 Carbon Pollution Standards applicable to fossil fuel-fired EGUs and proposed rescinding the remaining GHG emission requirements for fossil fuel-fired power plants. On the same day, the rule was challenged in the DC Circuit and the outcome of the legal challenges is uncertain.

CSAPR — On March 15, 2023, the EPA signed and released a prepublication version of a final rule that sought to significantly revise the CSAPR to address the good-neighbor obligations of the 2015 ozone NAAQS for 23 states (a Federal Implementation Plan or "FIP") after earlier having disapproved numerous state plans to address the issue. Several states, including Texas, challenged the EPA's disapproval of their state plans. On May 1, 2023, the Fifth Circuit stayed the EPA's disapproval of Texas's and Louisiana's state plans, which disapprovals are a condition precedent to the EPA imposing its plan on Texas and Louisiana. On March 25, 2025, the Fifth Circuit upheld the EPA's disapproval of Texas's and Louisiana's state plans but did not address the FIP. On May 9, 2025, Texas and other parties petitioned the Fifth Circuit for a rehearing with the whole court. On March 13, 2026, the Fifth Circuit issued a revised opinion vacating and remanding the EPA's disapproval of Texas's interstate transport plan. On June 5, 2023, the EPA promulgated the FIP. On June 27, 2024, the U.S. Supreme Court stayed the FIP in the 11 states where the rule had not already been stayed. On April 14, 2025, the D.C. Circuit granted the EPA's request to hold the legal challenges in abeyance while the EPA revisits the rule. On January 30, 2026, the EPA proposed a Phase 1 reconsideration rule covering Alabama, Arizona, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Nevada, New Mexico and Tennessee. The EPA intends to address additional states in a separate action. The Company cannot predict the outcome of the legal challenges to the various state disapprovals and the final rule promulgated on June 5, 2023.

Regional Haze — In May 2023, the EPA proposed to withdraw the existing Texas Sulfur Dioxide Trading Program and replace it with unit-specific SO_2 limits for 12 units in Texas to address requirements to improve visibility at National Parks and Wilderness areas. On December 5, 2025, the EPA approved Texas's plans to address the Regional Haze rule.

MATS — On May 7, 2024, the EPA promulgated a final rule that amended the MATS rule by, among other things, increasing the stringency of the filterable particulate matter standard at coal-burning units. The deadline for complying with this more stringent standard had been 2027. On April 8, 2025, the President signed a Proclamation that created a 2-year exemption for compliance beginning on July 8, 2027 and ending on July 8, 2029 for certain coal units including those owned by the Company. Twenty-three states have challenged this rule in the D.C. Circuit. On February 24, 2026, the EPA promulgated a final rule repealing the majority of the 2024 rule amending the MATS rule, which also has been challenged in the D.C. Circuit.

Water

The Company is required under the Clean Water Act to comply with intake and discharge requirements, requirements for technological controls and operating practices. As with air quality regulations, federal and state water regulations have become more stringent and imposed new requirements.

ELG — In 2015, the EPA revised the ELG for Steam Electric Generating Facilities, which imposed more stringent requirements (as individual permits were renewed) for wastewater streams from FGD, fly ash, bottom ash and flue gas mercury control. On October 13, 2020, the EPA amended the 2015 ELG rule by: (i) altering the stringency of certain limits for FGD wastewater; (ii) relaxing the zero-discharge requirement for bottom ash transport water; and (iii) changing several deadlines. In 2021, NRG informed its regulators that the Company intended to comply with the ELG by ceasing combustion of coal by the end of 2028 at its domestic coal units outside of Texas, and installing appropriate controls by the end of 2025 at its two plants that have coal-fired units in Texas, which the Company completed by the end of 2025. However, PJM has requested that two coal-fueled units at Powerton continue to operate until at least May 31, 2031 to address reliability concerns. On May 9, 2024, the EPA promulgated a rule that again revises the ELG by, among other things, further restricting the discharge of (i) FGD wastewater, (ii) bottom ash transport water, and (iii) combustion residual leachate. The rule was challenged in numerous courts, but the cases were consolidated in the U.S. Court of Appeals for the Eighth Circuit. The outcome of the legal challenges is uncertain. On February 19, 2025, the DOJ filed a motion asking the court to hold proceedings in abeyance while the U.S. presidential administration evaluates the rule, which the court granted. On December 31, 2025, the EPA promulgated a rule that extends several deadlines and provides greater flexibility regarding decisions to invest in more stringent controls.

Byproducts

In 2015, the EPA finalized the rule regulating byproducts of coal combustion (e.g., ash and gypsum) as solid wastes under the RCRA. On August 21, 2018, the D.C. Circuit found, among other things, that the EPA had not adequately regulated unlined ponds and legacy surface impoundments. On August 28, 2020, the EPA finalized "A Holistic Approach to Closure Part A: Deadline to Initiate Closure," which amended the April 2015 Rule to address the August 2018 D.C. Circuit decision and extend some of the deadlines. On November 12, 2020, the EPA finalized "A Holistic Approach to Closure Part B: Alternative Demonstration for Unlined Surface Impoundments," which further amended the April 2015 Rule to, among other things, provide procedures for requesting approval to operate existing ash impoundments with an alternate liner. On May 8, 2024, the EPA promulgated a rule that establishes requirements for: (i) inactive (or legacy) surface impoundments at inactive facilities and (ii) CCR management units (regardless of how or when the CCR was placed) at regulated facilities. The rule also creates an obligation to conduct site assessments (at all active and certain inactive facilities) to determine whether CCR management units are present. On February 10, 2026, the EPA promulgated a rule extending certain deadlines in the 2024 rule. On April 13, 2026, the EPA proposed further amendments to the CCR that if finalized would provide industry greater compliance flexibility. The rule has been challenged in the D.C. Circuit and the outcome of the legal challenges is uncertain.

Domestic Site Remediation Matters

Under certain federal, state and local environmental laws, a current or previous owner or operator of a facility, including an electric generating facility, may be required to investigate and remediate releases or threatened releases of hazardous or toxic substances or petroleum products. NRG may be responsible for property damage, personal injury and investigation and remediation costs incurred by a party in connection with hazardous material releases or threatened releases. These laws impose liability without regard to whether the owner knew of or caused the presence of the hazardous substances, and the courts have interpreted liability under such laws to be strict (without fault) and joint and several. Cleanup obligations can often be triggered during the closure or decommissioning of a facility, in addition to spills during its operations.

Regional Environmental Developments

Ash Regulation in Illinois — On July 30, 2019, Illinois enacted legislation that required the state to promulgate regulations regarding coal ash at surface impoundments. On April 15, 2021, the state promulgated the implementing regulation, which became effective on April 21, 2021. NRG has applied for initial operating permits and construction permits (for closure and retrofits) as required by the regulation and is waiting for most of its permits to be issued by the Illinois EPA.

Illinois GHG Regulation — Illinois enacted the Climate and Equitable Jobs Act ("CEJA") in 2021, which, among other things, established a schedule for eliminating GHGs from the production of electricity. CEJA required the Company's EGUs in Illinois (including those recently acquired from LS Power) to retire on January 1, 2030 subject to certain reliability exceptions. However, on July 2, 2026, PJM invoked these reliability exceptions and extended the CEJA deadlines to May 31, 2031.

Houston Nonattainment for 2008 Ozone Standard — In 2022, the EPA changed the Houston area's classification from Serious to Severe nonattainment for the 2008 Ozone Standard. Accordingly, Texas is required to develop a new control strategy and submit it to the EPA.

Virginia Rejoining the Regional Greenhouse Gas Initiative ("RGGI") — On February 20, 2026, Virginia enacted legislation to rejoin the RGGI. During the second quarter of 2026, Virginia promulgated the implementing regulations, which require participation in RGGI as of July 1, 2026. Virginia's decision to rejoin RGGI coincided with a significant increase in the price of RGGI allowances.

Significant Events

The following significant events have occurred during 2026 as further described within this Management's Discussion and Analysis and the condensed consolidated financial statements:

Anticipated Sale of 4.9 GW of Generation Assets

On November 9, 2026, the Company entered into a definitive agreement with LS Power to sell six natural-gas fired generation assets totaling 4.9 GW from the Texas and East segments for cash proceeds of $4 billion, subject to working capital and other closing adjustments. The transaction is targeted to close in the second quarter of 2027, and is subject to customary closing conditions and regulatory approvals, including HSR, FERC and NYSPSC. The sale retains the entire PJM portfolio and CPower acquired by the Company in January 2026. The Company plans to use the remaining proceeds, after debt reduction of $2 billion, for $1 billion of share repurchases and $1 billion for either contracted growth investments or additional debt reduction. For further discussion, see Note 4, *Acquisitions and Dispositions.*

Texas Energy Fund (TEF)

The Company achieved commercial operations at its first project, the 415 MW T.H. Wharton facility, in May 2026.

Acquisition of LSP Portfolio

On January 30, 2026, NRG completed the acquisition of the LSP Portfolio from LS Power. The acquisition doubles NRG's generation capacity with the addition of 18 natural gas-fired and dual fuel facilities totaling approximately 13 GW. In addition, NRG acquired CPower, a leading demand response platform, which operates in all the country's deregulated energy markets and has more than 2,000 commercial and industrial customers. The consideration consisted of 24.25 million shares of NRG common stock and $6.4 billion in cash, plus working capital and certain other adjustments of $472 million. The Company funded the cash consideration using a portion of the net proceeds of $4.4 billion from the 5.750% 2034 Senior Notes, the 2036 Senior Notes, Senior Secured First Lien Notes, due 2030 and the Senior Secured First Lien Notes, due 2035 and proceeds of $2.5 billion from the Company's Revolving Credit Facility. For further discussion, see Note 4, *Acquisitions and Dispositions.*

Capital Allocation

During the nine months ended September 30, 2026, the Company completed $963 million of share repurchases at an average price of $154.45 per share. Through October 31, 2026, an additional $14 million of share repurchases were executed at an average price of $99.62 per share. On November 6, 2026, in connection with its approval of the sale of 4.9 GW of generation assets to LS Power, the Board of Directors approved an additional $1.0 billion of share repurchases. See Note 9, *Changes in Capital Structure* for additional discussion.

In the first quarter of 2026, NRG increased the annual common stock dividend to $1.90 from $1.76 per share, representing an 8% increase from 2025. Beginning in the first quarter of 2027, NRG will increase the annual dividend by 8% to $2.05 per share. The Company targets an annual dividend growth rate of 7-9% per share in subsequent years.

Term Loan B Incurrence

On April 28, 2026, the Company and APX Group LLC, as borrowers, and certain of the Company's subsidiaries, as guarantors, entered into the Sixteenth Amendment to the Credit Agreement to establish new term loans in aggregate principal amount of $900 million. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

Issuance of Unsecured Notes and Secured Notes

On April 28, 2026, the Company issued $2.1 billion in aggregate principal amount of the New Unsecured Notes. The New Unsecured Notes are senior unsecured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

On April 28, 2026, the Company also issued $500 million aggregate principal amount of the New 2031 Notes. The New 2031 Notes are senior secured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

Bilateral Letter of Credit Facilities

In January and February 2026, the Company and certain of its subsidiaries, as guarantors, entered into amendments to its existing bilateral letter of credit facilities to increase the size of its bilateral credit facilities by $410 million and $90 million, respectively, to provide additional liquidity. As of September 30, 2026, $655 million was issued under these facilities.

Lightning Notes and Lightning Tender Offer and Redemption

On the Acquisition Closing Date, Lightning remained the issuer of the Lightning 2032 Notes issued pursuant to the Lightning Indenture, by and among Lightning, Lightning's subsidiaries that are guarantors from time to time party thereto, and the Lightning Notes Trustee.

During the second quarter of 2026, Lightning completed the Tender Offer and Redemption. For further discussion, see Note 7, *Long-term Debt and Finance Leases*.

Trends Affecting Results of Operations and Future Business Performance

The Company's trends are described in the Company's 2025 Form 10-K in Item 7, M*anagement's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment,* except for the update below:

Geopolitical Developments — The ongoing geopolitical conflicts, including hostilities with Iran and conflicts in the Middle East, and the potential for further escalation and disruption, have contributed to elevated and volatile oil prices and could, over time, put upward pressure on U.S. natural gas prices. Prolonged market volatility could result in increased collateral requirements and heighten counterparty credit exposure under NRG's hedging arrangements.

Changes in Accounting Standards

See Note 2, *Summary of Significant Accounting Policies*, for a discussion of recent accounting developments.

Consolidated Results of Operations

The following table provides selected financial information for the Company:

	Three months ended September 30,			Nine months ended September 30,		
(In millions)	2026	2025	Change	2026	2025	Change
Revenue						
Retail revenue	$ 8,193	$ 7,282	$ 911	$ 24,379	$ 22,017	$ 2,362
Energy revenue[a]	780	148	632	1,530	492	1,038
Capacity revenue[a]	359	87	272	1,016	195	821
Mark-to-market for economic hedging activities	(2)	34	(36)	(26)	18	(44)
Contract amortization	10	1	9	30	(4)	34
Other revenues[a][b]	126	83	43	274	242	32
Total revenue	9,466	7,635	1,831	27,203	22,960	4,243
Operating Costs and Expenses						
Cost of fuel	598	343	(255)	1,353	928	(425)
Purchased energy and other cost of sales[c]	5,878	4,975	(903)	18,424	15,698	(2,726)
Mark-to-market for economic hedging activities	153	410	257	45	346	301
Contract and emissions credit amortization[c]	20	15	(5)	43	43	—
Operations and maintenance	460	396	(64)	1,355	1,118	(237)
Other cost of operations	129	102	(27)	346	298	(48)
Cost of operations (excluding depreciation and amortization shown below)	7,238	6,241	(997)	21,566	18,431	(3,135)
Depreciation and amortization	510	360	(150)	1,436	1,030	(406)
Selling, general and administrative costs (excluding amortization of customer acquisition costs of $101, $78, $281, and $211 respectively, which are included in depreciation and amortization shown separately above)	619	612	(7)	1,774	1,885	111
Acquisition-related transaction and integration costs	16	8	(8)	77	59	(18)
Total operating costs and expenses	8,383	7,221	(1,162)	24,853	21,405	(3,448)
Gain/(Loss) on sale of assets	1	—	1	38	(7)	45
Operating Income	1,084	414	670	2,388	1,548	840
Other (Expense)/Income						
Other (expense)/income, net	(3)	11	(14)	43	30	13
Loss on debt extinguishment	—	—	—	(9)	(10)	1
Interest expense	(302)	(187)	(115)	(897)	(498)	(399)
Total other expense	(305)	(176)	(129)	(863)	(478)	(385)
Income Before Income Taxes	779	238	541	1,525	1,070	455
Income tax expense	218	86	(132)	333	272	(61)
Net Income	$ 561	$ 152	$ 409	$ 1,192	$ 798	$ 394

(a) Includes gains and losses from financially settled transactions
(b) Includes trading gains and losses and ancillary revenues
(c) Includes amortization of SO_2 and NOx credits and excludes amortization of RGGI credits

Management's discussion of the results of operations for the three months ended September 30, 2026 and 2025

Electricity Prices

The following table summarizes average on peak power prices for each of the major markets in which NRG operates for the three months ended September 30, 2026 and 2025:

	Average on Peak Power Price ($/MWh)		
	Three months ended September 30,		
Region	2026	2025	Change %
Texas			
ERCOT - Houston[a]	$ 39.68	$ 38.68	3 %
ERCOT - North[a]	38.97	36.94	5 %
East			
NY J/NYC[b]	$ 71.12	$ 66.57	7 %
NEPOOL[b]	62.82	62.77	— %
COMED (PJM)[b]	72.19	55.33	30 %
PJM - West Hub[b]	99.44	61.48	62 %
PJM - APS[b]	92.00	56.64	62 %
PJM - DOMINION[b]	110.81	77.59	43 %
West			
MISO - Louisiana Hub[b]	$ 51.70	$ 40.93	26 %
CAISO - SP15[b]	41.11	36.34	13 %

(a) Average on peak power prices based on real time settlement prices as published by the respective ISOs
(b) Average on peak power prices based on day ahead settlement prices as published by the respective ISOs

Natural Gas Prices

The following table summarizes the average Henry Hub natural gas price for the three months ended September 30, 2026 and 2025:

	Three months ended September 30,		
	2026	2025	Change %
($/MMBtu)	$ 2.95	$ 3.07	(4)%

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as revenues less cost of fuel, purchased energy and other costs of sales, mark-to-market for economic hedging activities, contract and emissions credit amortization and depreciation and amortization.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's management. Economic gross margin is defined as the sum of retail revenue, energy revenue, capacity revenue and other revenue, less cost of fuel, purchased energy and other cost of sales. Economic gross margin does not include mark-to-market gains or losses on economic hedging activities, contract amortization, emissions credit amortization, depreciation and amortization, operations and maintenance, or other cost of operations.

The following tables present the composition and reconciliation of gross margin and economic gross margin for the three months ended September 30, 2026 and 2025:

($ In millions)	Three months ended September 30, 2026					
	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ 3,701	$ 3,223	$ 667	$ 609	$ (7)	$ 8,193
Energy revenue	—	780	—	—	—	780
Capacity revenue	—	359	20	—	(20)	359
Mark-to-market for economic hedging activities	—	(2)	—	—	—	(2)
Contract amortization	—	10	—	—	—	10
Other revenue[(a)]	27	94	5	—	—	126
Total revenue	3,728	4,464	692	609	(27)	9,466
Cost of fuel	(366)	(232)	—	—	—	(598)
Purchased energy and other cost of sales[(b)(c)(d)]	(1,821)	(3,424)	(593)	(60)	20	(5,878)
Mark-to-market for economic hedging activities	(287)	43	91	—	—	(153)
Contract and emissions credit amortization	(6)	(11)	(3)	—	—	(20)
Depreciation and amortization	(133)	(125)	(7)	(231)	(14)	(510)
Gross margin	**$ 1,115**	**$ 715**	**$ 180**	**$ 318**	**$ (21)**	**$ 2,307**
Less: Mark-to-market for economic hedging activities, net	(287)	41	91	—	—	(155)
Less: Contract and emissions credit amortization, net	(6)	(1)	(3)	—	—	(10)
Less: Depreciation and amortization	(133)	(125)	(7)	(231)	(14)	(510)
Economic gross margin	**$ 1,541**	**$ 800**	**$ 99**	**$ 549**	**$ (7)**	**$ 2,982**

(a) Includes trading gains and losses and ancillary revenues

(b) Includes capacity and emissions credits

(c) Includes $1.2 billion, $66 million and $228 million of TDSP expense in Texas, East and West/Other, respectively

(d) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail sales						
Home electricity sales volume (GWh)	13,538	4,635	646	—	—	18,819
Business electricity sales volume (GWh)	11,811	13,111	3,449	—	—	28,371
Home natural gas sales volume (MDth)	—	2,533	5,504	—	—	8,037
Business natural gas sales volume (MDth)	—	375,685	38,877	—	—	414,562
Average retail Home customer count (in thousands)[(a)]	2,802	2,159	638	—	—	5,599
Ending retail Home customer count (in thousands)[(a)]	2,776	2,109	635	—	—	5,520
Average Vivint Smart Home customer count (in thousands)[(b)]	—	—	—	2,557	—	2,557
Ending Vivint Smart Home customer count (in thousands) [(b)(c)]	—	—	—	2,593	—	2,593
Power generation						
GWh sold[(d)]	13,381	9,997	1	—	—	23,379
GWh generated						
Coal	6,121	1,772	—	—	—	7,893
Gas	7,260	7,690	—	—	—	14,950
Oil	—	14	—	—	—	14
Renewables	—	—	1	—	—	1
Total	13,381	9,476	1	—	—	22,858

(a) Home customer count includes recurring residential customers and community choice

(b) Vivint Smart Home includes customers that also purchase other NRG products such as electricity

(c) Vivint Smart Home includes 67 thousand Home Protection (non-Vivint) customers

(d) Includes GWh sold from owned and tolled generation, excludes equity investments

($ In millions)	Three months ended September 30, 2025					
	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ 3,300	$ 2,766	$ 668	$ 552	$ (4)	$ 7,282
Energy revenue	16	132	—	—	—	148
Capacity revenue	—	87	—	—	—	87
Mark-to-market for economic hedging activities	—	28	6	—	—	34
Contract amortization	—	1	—	—	—	1
Other revenue[a]	63	16	6	—	(2)	83
Total revenue	3,379	3,030	680	552	(6)	7,635
Cost of fuel	(274)	(60)	(9)	—	—	(343)
Purchased energy and other cost of sales[b][c][d]	(1,775)	(2,552)	(591)	(58)	1	(4,975)
Mark-to-market for economic hedging activities	(407)	37	(40)	—	—	(410)
Contract and emissions credit amortization	(7)	(5)	(3)	—	—	(15)
Depreciation and amortization	(95)	(37)	(6)	$ (211)	(11)	(360)
Gross margin	**$ 821**	**$ 413**	**$ 31**	**$ 283**	**$ (16)**	**$ 1,532**
Less: Mark-to-market for economic hedging activities, net	(407)	65	(34)	—	—	(376)
Less: Contract and emissions credit amortization, net	(7)	(4)	(3)	—	—	(14)
Less: Depreciation and amortization	(95)	(37)	(6)	(211)	(11)	(360)
Economic gross margin	**$ 1,330**	**$ 389**	**$ 74**	**$ 494**	**$ (5)**	**$ 2,282**

(a) Includes trading gains and losses and ancillary revenues

(b) Includes capacity and emissions credits

(c) Includes $970 million, $56 million and $198 million of TDSP expense in Texas, East, and West/Other, respectively

(d) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail sales						
Home electricity sales volume (GWh)	12,462	4,175	621	—	—	17,258
Business electricity sales volume (GWh)	10,990	12,477	3,759	—	—	27,226
Home natural gas sales volume (MDth)	—	2,699	4,440	—	—	7,139
Business natural gas sales volume (MDth)	—	298,222	37,449	—	—	335,671
Average retail Home customer count (in thousands)[a]	2,873	2,125	651	—	—	5,649
Ending retail Home customer count (in thousands)[a]	2,844	2,115	651	—	—	5,610
Average Vivint Smart Home customer count (in thousands)[b]	—	—	—	2,379	—	2,379
Ending Vivint Smart Home customer count (in thousands)[b][c]	—	—	—	2,414	—	2,414
Power generation						
GWh sold[d]	9,299	1,941	1	—	—	11,241
GWh generated						
Coal	6,287	1,249	—	—	—	7,536
Gas	3,012	3	—	—	—	3,015
Oil	—	8	—	—	—	8
Renewables	—	—	1	—	—	1
Total	9,299	1,260	1	—	—	10,560

(a) Home customer count includes recurring residential customers and community choice

(b) Vivint Smart Home includes customers that also purchase other NRG products such as electricity

(c) Vivint Smart Home includes 63 thousand Home Protection (non-Vivint) customers

(d) Includes GWh sold from owned, tolled and leased generation, excludes equity investments

The following table represents the weather metrics for the three months ended September 30, 2026 and 2025:

	Three months ended September 30,		
Weather Metrics	**Texas**	**East[b]**	**West/Other[c]**
2026			
CDDs[a]	1,959	762	1,330
HDDs[a]	—	52	6
2025			
CDDs	1,659	710	1,123
HDDs	—	47	3
10-year average			
CDDs	1,718	753	1,189
HDDs	5	51	9

(a) National Oceanic and Atmospheric Administration-Climate Prediction Center - A CDD represents the number of degrees that the mean temperature for a particular day is above 65 degrees Fahrenheit in each region. A HDD represents the number of degrees that the mean temperature for a particular day is below 65 degrees Fahrenheit in each region. The CDDs/HDDs for a period of time are calculated by adding the CDDs/HDDs for each day during the period

(b) The East weather metrics are comprised of the average of the CDD and HDD regional results for the Northeast and East - Midwest regions

(c) The West/Other weather metrics are comprised of the average of the CDD and HDD regional results for the West - California and West - South Central regions

Gross Margin and Economic Gross Margin

Gross margin increased $775 million and economic gross margin increased $700 million during the three months ended September 30, 2026, compared to the same period in 2025.

The following tables describe the changes in gross margin and economic gross margin by segment:

Texas

	(In millions)
Higher gross margin due: • a 16%, or $150 million decrease in cost to serve the retail load, driven by lower realized power prices associated with the Company's diversified supply strategy, including the assets acquired from the LSP Portfolio • an increase in net revenue rates of $44 million, primarily driven by changes in customer term, product and mix	$ 194
Higher gross margin due to an increase in load attributed to weather, partially offset by lower gross margin driven by changes in customer mix and attrition	52
Lower gross margin due to the impact of market optimization activities	(35)
Increase in economic gross margin	**$ 211**
Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	120
Decrease in contract and emissions credit amortization	1
Increase in depreciation and amortization	(38)
Increase in gross margin	**$ 294**

East

	(In millions)
Higher electric gross margin due to the net effect of: • an increase in net revenue rates of $158 million, primarily driven by changes in customer term, product and mix • a 4%, or $54 million increase in cost to serve the retail load, driven by higher realized power prices associated with the Company's diversified supply strategy, including the assets acquired from the LSP Portfolio	$ 104
Higher electric gross margin from an increase in load due to a change in customer mix	32
Lower natural gas gross margin due to lower net revenue rates of $74 million from changes in customer term, product, and mix, partially offset by lower supply costs of $57 million, including the impact of transportation and storage contract optimization	(17)
Higher natural gas gross margin from an increase in load due to a change in customer mix	14
Higher gross margin due to an increase in capacity from the acquisition of the LSP Portfolio and at Midwest Generation	243
Higher gross margin due to an increase in demand response activities, including the acquisition of CPower and higher PJM auction prices in 2026	30
Other	5
Increase in economic gross margin	**$ 411**
Decrease in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	(24)
Decrease in contract amortization	3
Increase in depreciation and amortization	(88)
Increase in gross margin	**$ 302**

West/Other

	(In millions)
Lower electric gross margin due to lower net revenue rates of $42 million, partially offset by lower supply costs of $35 million and changes in customer mix of $2 million	$ (5)
Higher gross margin at Cottonwood driven by the termination of the facility lease in May 2025	29
Other	1
Increase in economic gross margin	**$ 25**
Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	125
Increase in depreciation and amortization	(1)
Increase in gross margin	**$ 149**

Vivint Smart Home

	(In millions)
Higher gross margin primarily driven by growth in customers of $41 million and higher monthly revenue of $11 million	$ 52
Higher gross margin in home protection due to increased sales volume	4
Other	(1)
Increase in economic gross margin	**$ 55**
Increase in depreciation and amortization	(20)
Increase in gross margin	**$ 35**

Mark-to-Market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges. Total net mark-to-market results increased by $221 million during the three months ended September 30, 2026, compared to the same period in 2025.

The breakdown of gains and losses included in revenues and operating costs and expenses, by segment, was as follows:

	Three months ended September 30, 2026				
(In millions)	**Texas**	**East**	**West/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	$ —	$ (2)	$ —	$ —	$ (2)
Reversal of acquired loss positions related to economic hedges	—	5	—	—	5
Net unrealized losses on open positions related to economic hedges	—	(5)	—	—	(5)
Total mark-to-market losses in revenue	$ —	$ (2)	$ —	$ —	$ (2)
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges[(a)]	$ (208)	$ (25)	$ 35	$ —	$ (198)
Reversal of acquired (gain)/loss positions related to economic hedges	(16)	161	—	—	145
Net unrealized (losses)/gains on open positions related to economic hedges	(63)	(93)	56	—	(100)
Total mark-to-market (losses)/gains in operating costs and expenses	$ (287)	$ 43	$ 91	$ —	$ (153)

(a) Includes $(138) million, within the Texas segment, related to derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

	Three months ended September 30, 2025				
(In millions)	**Texas**	**East**	**West/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized losses on settled positions related to economic hedges	$ —	$ —	$ 8	$ —	$ 8
Net unrealized gains/(losses) on open positions related to economic hedges	—	28	(2)	—	26
Total mark-to-market gains in revenue	$ —	$ 28	$ 6	$ —	$ 34
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges[(a)]	$ (361)	$ (31)	$ 30	$ —	$ (362)
Reversal of acquired loss positions related to economic hedges	14	2	—	—	16
Net unrealized (losses)/gains on open positions related to economic hedges	(60)	66	(70)	—	(64)
Total mark-to-market (losses)/gains in operating costs and expenses	$ (407)	$ 37	$ (40)	$ —	$ (410)

(a) Includes $(266) million, within the Texas segment, related to derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled. The settlement of these transactions is reflected in the same revenue or cost caption as the items being hedged.

The reversals of acquired gain or loss positions were valued based upon the forward prices on the acquisition date.

For the three months ended September 30, 2026, the $2 million loss in revenues from economic hedge positions was driven primarily by a decrease in the value of open positions as a result of increases in PJM power prices as well as the reversal of previously recognized unrealized gains on contracts that settled during the period, largely offset by the reversal of acquired loss positions related to economic hedges. The $153 million loss in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period as well as a decrease in the value of open positions driven by decreases in natural gas prices, partially offset by the reversal of acquired loss positions related to economic hedges.

For the three months ended September 30, 2025, the $34 million gain in revenues from economic hedge positions was driven primarily by an increase in the value of open positions as a result of decreases in natural gas prices and the reversal of previously recognized unrealized losses on contracts that settled during the period. The $410 million loss in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period and a decrease in the value of open positions in West as a result of decreases in CAISO power prices.

In accordance with ASC 815, the following table represents the results of the Company's financial and physical trading of energy commodities for the three months ended September 30, 2026 and 2025. The realized and unrealized financial and physical trading results are included in revenue. The Company's trading activities are subject to limits based on the Company's Risk Management Policy.

	Three months ended September 30,	
(In millions)	2026	2025
Trading (losses)/gains		
Realized	$ (1)	$ 25
Unrealized	(23)	(3)
Total trading (losses)/gains	$ (24)	$ 22

Operations and Maintenance Expense

Operations and maintenance expense is comprised of the following:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Three months ended September 30, 2026	$ 209	$ 164	$ 10	$ 77	$ —	$ 460
Three months ended September 30, 2025	205	105	15	67	4	396

Operations and maintenance expense increased by $64 million for the three months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase primarily due to the acquisition of the LSP Portfolio in January 2026	$ 90
Decrease due to timing of planned major maintenance expenditures at Powerton and in Texas	(19)
Decrease driven by lower retail operations costs	(14)
Increase driven by higher Vivint Smart Home operations costs	7
Increase in operations and maintenance expense	$ 64

Other Cost of Operations

Other cost of operations is comprised of the following:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Total
Three months ended September 30, 2026	$ 75	$ 51	$ 1	$ 2	$ 129
Three months ended September 30, 2025	67	34	—	1	102

Other cost of operations for the three months ended September 30, 2026 increased by $27 million, when compared to the same period in 2025, due to the following:

	(In millions)
Increase due to the acquisition of the LSP Portfolio in January 2026	$ 13
Increase in gross receipts taxes due to higher revenues in Texas and in the East	11
Other	3
Increase in other cost of operations	$ 27

Depreciation and Amortization

Depreciation and amortization are comprised of the following:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate	Total
Three months ended September 30, 2026	$ 133	$ 125	$ 7	$ 231	$ 14	$ 510
Three months ended September 30, 2025	95	37	6	211	11	360

Depreciation and amortization increased by $150 million for the three months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase due to the acquisition of the LSP Portfolio in January 2026	$ 111
Increase in amortization of capitalized contract costs primarily in the Vivint Smart Home segment	50
Decrease in amortization driven by the expected roll off of the acquired Vivint Smart Home intangibles	(25)
Other	14
Increase in depreciation and amortization	$ 150

Selling, General and Administrative Costs

Selling, general and administrative costs are comprised of the following:

(In millions)	Texas	East	West/Other	Vivint Smart Home	Corporate/ Elimination	Total
Three months ended September 30, 2026	$ 262	$ 156	$ 29	$ 165	$ 7	$ 619
Three months ended September 30, 2025	261	151	36	156	8	612

Selling, general and administrative costs increased by $7 million for the three months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase in broker fee and commissions expenses	$ 20
Increase in provision for credit losses	18
Increase in technology expenses	8
Increase due to the acquisition of the LSP Portfolio in January 2026	7
Decrease in personnel costs and equity linked compensation	(54)
Other	8
Increase in selling, general and administrative costs	$ 7

Acquisition-Related Transaction and Integration Costs

Acquisition-related transaction and integration costs of $16 million and $8 million for the three months ended September 30, 2026 and 2025, respectively, include:

	Three months ended September 30,	
(In millions)	2026	2025
LSP Portfolio acquisition costs	$ 2	$ 2
LSP Portfolio integration costs	12	—
Other acquisition and integration costs, primarily related to Vivint Smart Home	2	6
Acquisition-related transaction and integration costs	$ 16	$ 8

Interest Expense

Interest expense increased by $115 million for the three months ended September 30, 2026, compared to the same period in 2025. The incremental interest expense is primarily attributable to the LSP Portfolio acquisition, including the borrowing to finance the acquisition and the assumption of Lightning debt. For further discussion, see Note 4, *Acquisitions and Dispositions* and Note 7, *Long-term Debt and Finance Leases.*

Income Tax Expense

For the three months ended September 30, 2026, income tax expense of $218 million was recorded on pre-tax income of $779 million. For the same period in 2025, an income tax expense of $86 million was recorded on pre-tax income of $238 million. The effective tax rates were 28.0% and 36.1% for the three months ended September 30, 2026 and 2025, respectively.

For the three months ended September 30, 2026 and 2025, the effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense.

Management's discussion of the results of operations for the nine months ended September 30, 2026 and 2025

Electricity Prices

The following table summarizes average on peak power prices for each of the major markets in which NRG operates for the nine months ended September 30, 2026 and 2025:

	Average on Peak Power Price ($/MWh)		
	Nine months ended September 30,		
Region	2026	2025	Change %
Texas			
ERCOT - Houston [a]	$ 35.24	$ 38.79	(9)%
ERCOT - North[a]	33.17	36.73	(10)%
East			
NY J/NYC[b]	$ 85.96	$ 76.07	13 %
NEPOOL[b]	79.43	72.48	10 %
COMED (PJM)[b]	56.67	46.17	23 %
PJM - West Hub[b]	89.42	58.13	54 %
PJM - APS[b]	84.56	54.73	55 %
PJM - DOMINION[b]	106.21	73.23	45 %
West			
MISO - Louisiana Hub[b]	$ 45.66	$ 45.49	— %
CAISO - SP15[b]	22.92	26.55	(14)%

(a) Average on peak power prices based on real time settlement prices as published by the respective ISOs
(b) Average on peak power prices based on day ahead settlement prices as published by the respective ISOs

Natural Gas Prices

The following table summarizes the average Henry Hub natural gas price for the nine months ended September 30, 2026 and 2025:

	Nine months ended September 30,		
	2026	2025	Change %
($/MMBtu)	$ 3.63	$ 3.39	7 %

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as revenues less cost of fuel, purchased energy and other costs of sales, mark-to-market for economic hedging activities, contract and emissions credit amortization and depreciation and amortization.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's management. Economic gross margin is defined as the sum of energy revenue, capacity revenue, retail revenue and other revenue, less cost of fuel, purchased energy and other cost of sales. Economic gross margin does not include mark-to-market gains or losses on economic hedging activities, contract and emissions credit amortization, depreciation and amortization, operations and maintenance, or other cost of operations.

The following tables present the composition and reconciliation of gross margin and economic gross margin for the nine months ended September 30, 2026 and 2025:

	Nine months ended September 30, 2026					
($ In millions)	**Texas[a]**	**East[a]**	**West/Other**	**Vivint Smart Home**	**Corporate/ Eliminations**	**Total**
Retail revenue	$ 8,735	$ 11,730	$ 2,165	$ 1,774	$ (25)	$ 24,379
Energy revenue	22	1,508	—	—	—	1,530
Capacity revenue	—	1,016	26	—	(26)	1,016
Mark-to-market for economic hedging activities	—	(32)	—	—	6	(26)
Contract amortization	—	30	—	—	—	30
Other revenue[b]	111	156	9	—	(2)	274
Total revenue	8,868	14,408	2,200	1,774	(47)	27,203
Cost of fuel	(774)	(578)	(1)	—	—	(1,353)
Purchased energy and other cost of sales[c][d][e]	(5,007)	(11,431)	(1,841)	(172)	27	(18,424)
Mark-to-market for economic hedging activities	(282)	153	90	—	(6)	(45)
Contract and emissions credit amortization	(9)	(29)	(5)	—	—	(43)
Depreciation and amortization	(364)	(361)	(22)	(647)	(42)	(1,436)
Gross margin	**$ 2,432**	**$ 2,162**	**$ 421**	**$ 955**	**$ (68)**	**$ 5,902**
Less: Mark-to-market for economic hedging activities, net	(282)	121	90	—	—	(71)
Less: Contract and emissions credit amortization, net	(9)	1	(5)	—	—	(13)
Less: Depreciation and amortization	(364)	(361)	(22)	(647)	(42)	(1,436)
Economic gross margin	**$ 3,087**	**$ 2,401**	**$ 358**	**$ 1,602**	**$ (26)**	**$ 7,422**

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

(b) Includes trading gains and losses and ancillary revenues

(c) Includes capacity and emissions credits

(d) Includes $2.8 billion, $145 million and $729 million of TDSP expense in Texas, East, and West/Other, respectively

(e) Excludes depreciation and amortization shown separately

Business Metrics	**Texas**	**East**	**West/Other**	**Vivint Smart Home**	**Corporate/ Eliminations**	**Total**
Retail sales						
Home electricity sales volume (GWh)	30,302	12,300	1,956	—	—	44,558
Business electricity sales volume (GWh)	30,909	35,502	9,470	—	—	75,881
Home natural gas sales volume (MDth)	—	30,643	48,604	—	—	79,247
Business natural gas sales volume (MDth)	—	1,267,909	143,174	—	—	1,411,083
Average retail Home customer count (in thousands)[a]	2,828	2,155	643	—	—	5,626
Ending retail Home customer count (in thousands)[a]	2,776	2,109	635	—	—	5,520
Average Vivint Smart Home customer count (in thousands)[b]	—	—	—	2,475	—	2,475
Ending Vivint Smart Home customer count (in thousands)[b][c]	—	—	—	2,593	—	2,593
Power generation						
GWh sold[d]	25,561	19,021	2	—	—	44,584
GWh generated						
Coal	13,827	2,923	—	—	—	16,750
Gas	11,734	14,835	—	—	—	26,569
Oil	—	34	—	—	—	34
Renewables	—	—	2	—	—	2
Total	25,561	17,792	2	—	—	43,355

(a) Home customer count includes recurring residential customers and community choice

(b) Vivint Smart Home includes customers that also purchase other NRG products such as electricity

(c) Vivint Smart Home includes 67 thousand Home Protection (non-Vivint) customers

(d) Includes GWh sold from owned and tolled generation, excludes equity investments. Cottonwood lease ended in May 2025

($ In millions)	Nine months ended September 30, 2025					
	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail revenue	$ 8,466	$ 9,724	$ 2,255	$ 1,585	$ (13)	$ 22,017
Energy revenue	38	354	101	—	(1)	492
Capacity revenue	—	182	14	—	(1)	195
Mark-to-market for economic hedging activities	—	12	6	—	—	18
Contract amortization	—	(4)	—	—	—	(4)
Other revenue[a]	156	77	18	—	(9)	242
Total revenue	8,660	10,345	2,394	1,585	(24)	22,960
Cost of fuel	(652)	(203)	(73)	—	—	(928)
Purchased energy and other cost of sales[b][c][d]	(4,941)	(8,636)	(1,978)	(149)	6	(15,698)
Mark-to-market for economic hedging activities	(375)	(46)	75	—	—	(346)
Contract and emissions credit amortization	(11)	(27)	(5)	—	—	(43)
Depreciation and amortization	(271)	(110)	(24)	$ (592)	(33)	(1,030)
Gross margin	**$ 2,410**	**$ 1,323**	**$ 389**	**$ 844**	**$ (51)**	**$ 4,915**
Less: Mark-to-market for economic hedging activities, net	(375)	(34)	81	—	—	(328)
Less: Contract and emissions credit amortization, net	(11)	(31)	(5)	—	—	(47)
Less: Depreciation and amortization	(271)	(110)	(24)	(592)	(33)	(1,030)
Economic gross margin	**$ 3,067**	**$ 1,498**	**$ 337**	**$ 1,436**	**$ (18)**	**$ 6,320**

(a) Includes trading gains and losses and ancillary revenues
(b) Includes capacity and emissions credits
(c) Includes $2.6 billion, $186 million and $817 million of TDSP expense in Texas, East and West/Other, respectively
(d) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Retail sales						
Home electricity sales volume (GWh)	31,021	11,775	1,844	—	—	44,640
Business electricity sales volume (GWh)	30,055	34,627	9,415	—	—	74,097
Home natural gas sales volume (MDth)	—	35,557	48,109	—	—	83,666
Business natural gas sales volume (MDth)	—	1,107,780	132,099	—	—	1,239,879
Average retail Home customer count (in thousands)[a]	2,911	2,172	651	—	—	5,734
Ending retail Home customer count (in thousands)[a]	2,844	2,115	651	—	—	5,610
Average Vivint Smart Home customer count (in thousands)[b]	—	—	—	2,296	—	2,296
Ending Vivint Smart Home customer count (in thousands)[b][c]	—	—	—	2,414	—	2,414
Power generation						
GWh sold[d]	21,880	4,804	2,117	—	—	28,801
GWh generated						
Coal	16,302	2,945	—	—	—	19,247
Gas	5,578	5	2,114	—	—	7,697
Oil	—	15	—	—	—	15
Renewables	—	—	3	—	—	3
Total	21,880	2,965	2,117	—	—	26,962

(a) Home customer count includes recurring residential customers and community choice
(b) Vivint Smart Home includes customers that also purchase other NRG products such as electricity
(c) Vivint Smart Home includes 63 thousand Home Protection (non-Vivint) customers
(d) Includes GWh sold from owned, tolled and leased generation, excludes equity investments

The following table represents the weather metrics for the nine months ended September 30, 2026 and 2025:

	Nine months ended September 30,		
Weather Metrics	**Texas**	**East[b]**	**West/Other[c]**
2026			
CDDs[a]	3,260	1,093	2,031
HDDs[a]	752	3,365	997
2025			
CDDs	2,913	1,053	1,780
HDDs	1,063	3,372	1,379
10-year average			
CDDs	2,881	1,095	1,815
HDDs	973	3,251	1,300

(a) National Oceanic and Atmospheric Administration-Climate Prediction Center - A Cooling Degree Day, or CDD, represents the number of degrees that the mean temperature for a particular day is above 65 degrees Fahrenheit in each region. A Heating Degree Day, or HDD, represents the number of degrees that the mean temperature for a particular day is below 65 degrees Fahrenheit in each region. The CDDs/HDDs for a period of time are calculated by adding the CDDs/HDDs for each day during the period

(b) The East weather metrics are comprised of the average of the CDD and HDD regional results for the Northeast and East-Midwest regions

(c) The West/Other weather metrics are comprised of the average of the CDD and HDD regional results for the West-California and West-South Central regions

Gross Margin and Economic Gross Margin

Gross margin increased $987 million and economic gross margin increased $1.1 billion, both of which include intercompany sales, during the nine months ended September 30, 2026, compared to the same period in 2025.

The following tables describe the changes in gross margin and economic gross margin by segment:

Texas

	(In millions)
Higher gross margin due to the net effect of: • an increase in net revenue rates of $147 million, primarily driven by changes in customer term, product and mix • a 1%, or $27 million increase in cost to serve the retail load, driven by higher realized power prices associated with the Company's diversified supply strategy, including the assets acquired from the LSP Portfolio	$ 120
Lower gross margin due to a decrease in load driven by changes in customer mix and attrition, partially offset by an increase in load attributed to weather	(45)
Lower gross margin due to the impact of market optimization activities	(53)
Other	(2)
Increase in economic gross margin	**$ 20**
Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	93
Decrease in contract and emissions credit amortization	2
Increase in depreciation and amortization	(93)
Increase in gross margin	**$ 22**

East

	(In millions)
Higher electric gross margin due to the net effect of: • an increase in net revenue rates of $582 million, primarily driven by changes in customer term, product and mix • a 12%, or $460 million increase in cost to serve the retail load, driven by higher realized power prices associated with the Company's diversified supply strategy, including the assets acquired from the LSP Portfolio	$ 122
Higher electric gross margin from an increase in load due to a change in customer mix	67
Lower natural gas gross margin due to higher supply costs of $767 million, including the impact of transportation and storage contract optimization, partially offset by higher net revenue rates of $656 million from changes in customer term, product, and mix	(111)
Higher natural gas gross margin from an increase in load due to a change in customer mix	55
Higher gross margin due to an increase in capacity from the acquisition of the LSP Portfolio and Midwest Generation	657
Higher gross margin due to an increase in demand response activities, including the acquisition of CPower and higher PJM auction prices in 2026	117
Lower gross margin due to the deactivation of Indian River Unit 4 in February 2025	(9)
Other	5
Increase in economic gross margin	**$ 903**
Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	155
Decrease in contract amortization	32
Increase in depreciation and amortization	(251)
Increase in gross margin	**$ 839**

West/Other

	(In millions)
Higher electric gross margin due to lower supply costs of $89 million and changes in customer mix of $17 million, partially offset by lower net revenue rates of $103 million	$ 3
Higher gross margin at Cottonwood driven by the termination of the facility lease in May 2025	26
Other	(8)
Increase in economic gross margin	**$ 21**
Increase in mark-to-market for economic hedges primarily due to net unrealized gains/losses on open positions related to economic hedges	9
Decrease in depreciation and amortization	2
Increase in gross margin	**$ 32**

Vivint Smart Home

	(In millions)
Higher gross margin primarily driven by growth in customers of $109 million and higher monthly revenue of $35 million	$ 144
Higher gross margin in home protection due to increased sales volume	23
Other	(1)
Increase in economic gross margin	**$ 166**
Increase in depreciation and amortization	(55)
Increase in gross margin	**$ 111**

Mark-to-Market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges. Total net mark-to-market results increased by $257 million during the nine months ended September 30, 2026, compared to the same period in 2025.

The breakdown of gains and losses included in revenues and operating costs and expenses by segment was as follows:

	Nine months ended September 30, 2026				
(In millions)	**Texas**	**East**	**West/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	$ —	$ (30)	$ —	$ 2	$ (28)
Reversal of acquired gain positions related to economic hedges	—	(5)	—	—	(5)
Net unrealized gains on open positions related to economic hedges	—	3	—	4	7
Total mark-to-market losses in revenue	$ —	$ (32)	$ —	$ 6	$ (26)
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges[(a)]	$ (199)	$ (3)	$ 179	$ (2)	$ (25)
Reversal of acquired (gain)/loss positions related to economic hedges	(15)	186	—	—	171
Net unrealized losses on open positions related to economic hedges	(68)	(30)	(89)	(4)	(191)
Total mark-to-market (losses)/gains in operating costs and expenses	$ (282)	$ 153	$ 90	$ (6)	$ (45)

(a) Includes $(151) million, within the Texas segment, related to derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

	Nine months ended September 30, 2025				
(In millions)	**Texas**	**East**	**West/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$ —	$ (7)	$ 6	$ —	$ (1)
Net unrealized gains on open positions related to economic hedges	—	19	—	—	19
Total mark-to-market gains in revenue	$ —	$ 12	$ 6	$ —	$ 18
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges[(a)]	$ (498)	$ (96)	$ 143	$ —	$ (451)
Reversal of acquired loss/(gain) positions related to economic hedges	23	(2)	—	—	21
Net unrealized gains/(losses) on open positions related to economic hedges	100	52	(68)	—	84
Total mark-to-market (losses)/gains in operating costs and expenses	$ (375)	$ (46)	$ 75	$ —	$ (346)

(a) Includes $(319) million, within the Texas segment, related to derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled. The settlement of these transactions is reflected in the same revenue or cost caption as the items being hedged.

For the nine months ended September 30, 2026, the $26 million loss in revenues from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period. The $45 million loss in operating costs and expenses from economic hedge positions was driven primarily by a decrease in the value of open positions as a result of decreases in natural gas prices and Alberta power prices as well as the reversal of previously recognized unrealized gains on contracts that settled during the period, largely offset by the reversal of acquired loss positions related to economic hedges.

For the nine months ended September 30, 2025, the $18 million gain in revenues from economic hedge positions was primarily driven by an increase in the value of open positions as a result of decreases in natural gas prices. The $346 million loss in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period, partially offset by an increase in the value of open positions in Texas as a result of increases in ERCOT power prices.

In accordance with ASC 815, the following table represents the results of the Company's financial and physical trading of energy commodities for the nine months ended September 30, 2026 and 2025. The realized and unrealized financial and physical trading results are included in revenue. The Company's trading activities are subject to limits based on the Company's Risk Management Policy.

	Nine months ended September 30,	
(In millions)	2026	2025
Trading (losses)/gains		
Realized	$ (9)	$ 26
Unrealized	(32)	7
Total trading (losses)/gains	$ (41)	$ 33

Operations and Maintenance Expense

Operations and maintenance expense are comprised of the following:

(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Nine months ended September 30, 2026	$ 673	$ 428	$ 33	$ 222	$ (1)	$ 1,355
Nine months ended September 30, 2025	534	303	87	189	5	1,118

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

Operations and maintenance expense increased by $237 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase primarily due to the acquisition of the LSP Portfolio in January 2026	$ 254
Increase due to the final property insurance claim for the extended outage at W.A. Parish received in 2025	100
Increase driven by higher Vivint Smart Home operations costs	24
Decrease due to timing of planned major maintenance expenditures at Powerton and in Texas	(49)
Decrease driven by the expiration of the Cottonwood facility lease in May 2025	(48)
Decrease in reserves primarily for legal matters in the East	(33)
Decrease driven by lower retail operations costs	(6)
Other	(5)
Increase in operations and maintenance expense	$ 237

Other Cost of Operations

Other Cost of operations are comprised of the following:

(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Total
Nine months ended September 30, 2026	$ 190	$ 149	$ 3	$ 4	$ 346
Nine months ended September 30, 2025	192	97	6	3	298

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

Other cost of operations increased by $48 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase primarily due to the acquisition of the LSP Portfolio in January 2026	$ 32
Increase in gross receipts taxes due to higher revenue in the East	19
Other	(3)
Increase in other cost of operations	$ 48

Depreciation and Amortization

Depreciation and amortization expenses are comprised of the following:

(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Corporate	Total
Nine months ended September 30, 2026	$ 364	$ 361	$ 22	$ 647	$ 42	$ 1,436
Nine months ended September 30, 2025	271	110	24	592	33	1,030

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

Depreciation and amortization increased by $406 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Increase due to the acquisition of the LSP Portfolio in January 2026	$ 310
Increase in amortization of capitalized contract costs primarily in the Vivint Smart Home segment	148
Decrease in amortization driven by the expected roll off of the acquired Vivint Smart Home intangibles	(75)
Other	23
Increase in depreciation and amortization	$ 406

Selling, General and Administrative Costs

Selling, general and administrative costs comprised of the following:

(In millions)	Texas[a]	East[a]	West/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Nine months ended September 30, 2026	$ 682	$ 491	$ 87	$ 505	$ 9	$ 1,774
Nine months ended September 30, 2025	677	445	103	645	15	1,885

(a) Includes results of operations following the acquisition date of the LSP Portfolio of January 30, 2026

Selling, general and administrative costs decreased by $111 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to the following:

	(In millions)
Decrease in reserves primarily for legal matters settled in 2025	$ (183)
Decrease in personnel costs and equity linked compensation	(42)
Increase in broker fee and commissions expenses	40
Increase due to the acquisition of the LSP Portfolio in January 2026	18
Increase in technology expenses	18
Increase in marketing and media expenses	17
Increase in provision for credit losses	9
Other	12
Decrease in selling, general and administrative costs	$ (111)

Acquisition-Related Transaction and Integration Costs

Acquisition-related transaction and integration costs of $77 million and $59 million for the nine months ended September 30, 2026 and 2025, respectively, include:

	Nine months ended September 30,	
(In millions)	2026	2025
LSP Portfolio acquisition costs	$ 43	$ 25
LSP Portfolio integration costs	26	—
Other acquisition and integration costs, primarily related to Vivint Smart Home	8	34
Acquisition-related transaction and integration costs	$ 77	$ 59

Interest Expense

Interest expense increased by $399 million for the nine months ended September 30, 2026, compared to the same period in 2025. The incremental interest expense is primarily attributable to the LSP Portfolio acquisition, including the borrowing to finance the acquisition, the assumption of Lightning debt, and the refinancing activity occurred during the nine months ended September 30, 2026. For further discussion, see Note 4, *Acquisitions and Dispositions* and Note 7, *Long-term Debt and Finance Leases.*

Income Tax Expense

For the nine months ended September 30, 2026, an income tax expense of $333 million was recorded on a pre-tax income of $1.5 billion. For the same period in 2025, income tax expense of $272 million was recorded on pre-tax income of $1.1 billion. The effective tax rates were 21.8% and 25.4% for the nine months ended September 30, 2026 and 2025, respectively.

For the nine months ended September 30, 2026, NRG's effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense, partially offset by favorable permanent differences related to stock-based compensation and the remeasurement of state net operating losses as a result of the acquisition of the LSP Portfolio. For the same period in 2025, NRG's effective tax rate was higher than the statutory rate of 21%, primarily due to the state tax expense, partially offset with favorable permanent differences.

Liquidity and Capital Resources

Liquidity Position

As of September 30, 2026 and December 31, 2025, NRG's total liquidity, excluding funds deposited by counterparties, of approximately $6.0 billion and $9.6 billion, respectively, was comprised of the following:

(In millions)	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 148	$ 4,708
Restricted cash - operating	15	12
Restricted cash - reserves[(a)]	14	18
Total	177	4,738
Total availability under Revolving Credit Facility and collective collateral facilities[(b)]	5,850	4,890
Total liquidity, excluding funds deposited by counterparties	$ 6,027	$ 9,628

(a) Includes reserves primarily for capital expenditures

(b) Total capacity of Revolving Credit Facility and collective collateral facilities was $9.6 billion and $7.7 billion as of September 30, 2026 and December 31, 2025, respectively

As of September 30, 2026, total liquidity, excluding funds deposited by counterparties, decreased $3.6 billion since December 31, 2025, primarily driven by funding of the acquisition of generation assets and CPower from LS Power. Changes in cash and cash equivalent balances are further discussed under the heading *Cash Flow Discussion*. Cash and cash equivalents at September 30, 2026 were predominantly held in bank deposits.

Management believes that the Company's liquidity position and cash flows from operations will be adequate to finance operating and maintenance capital expenditures, to fund dividends, and to fund other liquidity commitments in the short and long-term. Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activity within the dictates of prudent balance sheet management.

Liquidity

The principal sources of liquidity for NRG's operating and capital expenditures are expected to be derived from cash on hand, cash flows from operations and financing arrangements. As described in Note 7, *Long-term Debt and Finance Leases*, to this Form 10-Q, the Company's financing arrangements consist mainly of the Senior Notes, Senior Secured First Lien Notes, Senior Credit Facility, Lightning Term Loan, Lightning Revolving Facility, Receivables Facility, tax-exempt bonds, and TEF Loans. The Company also issues letters of credit through bilateral letter of credit facilities and the pre-capitalized trust securities facility.

The Company's requirements for liquidity and capital resources, other than for operating its facilities, can generally be categorized by the following: (i) market operations activities; (ii) debt service obligations, as described in Note 7, *Long-term Debt and Finance Leases;* (iii) capital expenditures, including maintenance, environmental, and investments and integration; and (iv) allocations in connection with acquisition opportunities, debt repayments, share repurchases and dividend payments to stockholders, as described in Note 9, *Changes in Capital Structure*.

Anticipated Sale of 4.9 GW of Generation Assets

On November 9, 2026, the Company entered into a definitive agreement with LS Power to sell six natural-gas fired generation assets totaling 4.9 GW from the Texas and East segments for cash proceeds of $4 billion, subject to working capital and other closing adjustments. The transaction is targeted to close in the second quarter of 2027, and is subject to customary closing conditions and regulatory approvals, including HSR, FERC, and NYSPSC. The sale retains the entire PJM portfolio and CPower acquired by the Company in January 2026. The Company plans to use the remaining proceeds, after debt reduction of $2 billion, for $1 billion of share repurchases and $1 billion for either potential contracted growth investments or additional debt reduction. For further discussion, see Note 4, *Acquisitions and Dispositions*.

Acquisition of LSP Portfolio

On January 30, 2026, NRG completed the acquisition of the LSP Portfolio from LS Power. The consideration consisted of 24.25 million shares of NRG common stock and $6.4 billion in cash, plus working capital and certain other adjustments of $472 million. The Company funded the cash consideration using a portion of the net proceeds from the 5.750% 2034 Senior Notes, the 2036 Senior Notes, Senior Secured First Lien Notes, due 2030 and the Senior Secured First Lien Notes, due 2035 of $4.4 billion and proceeds of $2.5 billion from the Company's Revolving Credit Facility. For further discussion, see Note 4, *Acquisitions and Dispositions.*

Term Loan B Incurrence

On April 28, 2026, the Company and APX Group LLC, as borrowers, and certain of the Company's subsidiaries, as guarantors, entered into the Sixteenth Amendment to the Credit Agreement to establish new term loans in aggregate principal amount of $900 million. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

Issuance of Unsecured Notes and Secured Notes

On April 28, 2026, the Company issued $2.1 billion in aggregate principal amount of the New Unsecured Notes. The New Unsecured Notes are senior unsecured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

On April 28, 2026, the Company also issued $500 million aggregate principal amount of the New 2031 Notes. The New 2031 Notes are senior secured obligations of the Company and are guaranteed by its wholly-owned U.S. subsidiaries that guarantee the loans under the Senior Credit Facility. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

Bilateral Letter of Credit Facilities

In January and February 2026, the Company and certain of its subsidiaries, as guarantors, entered into amendments to its existing bilateral letter of credit facilities to increase the size of its bilateral credit facilities by $410 million and $90 million, respectively, totaling $1.35 billion of available capacity, to provide additional liquidity. As of September 30, 2026, $655 million was issued under these facilities. As of October 31, 2026, $644 million was issued under these facilities.

Credit Default Swap Facility

On July 21, 2026, the Company entered into a credit agreement, with commitments from lenders for up to $250 million of total available capacity, for the issuance of letters of credit to support normal business operations. Annual fees of 1.20% on the facility are paid quarterly in arrears and reflect the costs associated with the credit default swaps supporting the facility. As of September 30, 2026, there were $245 million in letters of credit issued under this facility. As of October 31, 2026, there were $250 million in letters of credit issued under this facility.

Revolving Credit Facility

As of September 30, 2026, $1.0 billion of borrowings were outstanding and there were $207 million in letters of credit issued under the Revolving Credit Facility. As of October 31, 2026, $400 million of borrowings were outstanding and there were $109 million in letters of credit issued under the Revolving Credit Facility.

Receivables Securitization Facilities

On June 18, 2026, NRG Receivables, an indirect wholly-owned subsidiary of the Company, amended its existing Receivables Facility to, among other things, extend the scheduled termination date to June 17, 2027. As of September 30, 2026, there were no outstanding borrowings and there were $1.1 billion in letters of credit issued under the Receivables Facility. As of October 31, 2026, $620 million of borrowings were outstanding and there were $1.1 billion in letters of credit issued under the Receivables Facility.

Lightning Notes and Lightning Tender Offer and Redemption

On the Acquisition Closing Date, Lightning remained the issuer of the Lightning 2032 Notes issued pursuant to the Lightning Indenture, by and among Lightning, Lightning's subsidiaries that are guarantors from time to time party thereto, and the Lightning Notes Trustee.

During the second quarter of 2026, Lightning completed the Tender Offer and Redemption. For further discussion, see Note 7, *Long-term Debt and Finance Leases*.

Lightning Credit Facility

On the Acquisition Closing Date, Lightning remained party to the Lightning Credit Agreement with Morgan Stanley Senior Funding, Inc. as administrative agent and collateral agent and various lenders and issuing banks from time to time party thereto. The Lightning Credit Agreement consists of the Lightning Term Loan and the Lightning Revolving Facility. As of September 30, 2026, there were no outstanding borrowings and there were $5 million in letters of credit issued under the Lightning Revolving Facility. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

Market Operations

The Company's market operations activities require a significant amount of liquidity and capital resources. These liquidity requirements are primarily driven by: (i) margin and collateral posted with counterparties; (ii) margin and collateral required to participate in physical markets and commodity exchanges; (iii) timing of disbursements and receipts (e.g., buying energy before receiving retail revenues); and (iv) initial collateral for large structured transactions. As of September 30, 2026, market operations had total cash collateral outstanding of $501 million and $2.7 billion outstanding in letters of credit to third parties primarily to support its market activities. As of September 30, 2026, total funds deposited by counterparties were $105 million in cash and $306 million of letters of credit.

Future liquidity requirements may change based on the Company's hedging activities and structures, fuel purchases, and future market conditions, including forward prices for energy and fuel and market volatility. In addition, liquidity requirements are dependent on the Company's credit ratings and general perception of its creditworthiness.

First Lien Structure

NRG has the capacity to grant first liens to certain counterparties on a substantial portion of the Company's assets, subject to various exclusions including NRG's assets that have project-level financing and the assets of certain non-guarantor subsidiaries, to reduce the amount of cash collateral and letters of credit that it would otherwise be required to post from time to time to support its obligations under out-of-the-money hedge agreements. The first lien program does not limit the volume that can be hedged, or the value of underlying out-of-the-money positions. The first lien program also does not require NRG to post collateral above any threshold amount of exposure. The first lien structure is not subject to unwind or termination upon a ratings downgrade of a counterparty and has no stated maturity date.

As of September 30, 2026, counterparties' net exposure to NRG of approximately $8 million on out-of-the-money hedges was secured by the first lien structure.

Capital Expenditures

The following table summarizes the Company's capital expenditures for maintenance, environmental and investments and integration for the nine months ended September 30, 2026, and the estimated forecast for the remainder of the year.

(In millions)	Maintenance	Environmental	Investments and Integration	Total
Texas	$ 160	$ 16	$ 852	$ 1,028
East	49	—	10	59
West/Other	2	—	3	5
Vivint Smart Home	18	—	4	22
Corporate	19	—	48	67
Total cash capital expenditures for the nine months ended September 30, 2026	$ 248	$ 16	$ 917	$ 1,181
Integration operating expenses and cost to achieve	—	—	78	78
Investments	—	—	176	176
Total cash capital expenditures and investments for the nine months ended September 30, 2026	$ 248	$ 16	$ 1,171	$ 1,435
Estimated cash capital expenditures and investments for the remainder of 2026	217	—	593	810
Estimated full year 2026 cash capital expenditures and investments	$ 465	$ 16	$ 1,764	$ 2,245

Investments and Integration for the nine months ended September 30, 2026 include growth expenditures, integration, small book acquisitions and other investments.

Environmental Capital Expenditures Estimate

NRG estimates that environmental capital expenditures from 2026 through 2030 required to comply with environmental laws will be approximately $35 million, primarily driven by the cost of complying with ELG at the Company's coal units in Texas.

Share Repurchases

During the nine months ended September 30, 2026, the Company completed $963 million of share repurchases at an average price of $154.45 per share. Through October 31, 2026, an additional $14 million of share repurchases were executed at an average price of $99.62 per share. On November 6, 2026, in connection with its approval of the sale of 4.9 GW of generation assets to LS Power, the Board of Directors approved an additional $1.0 billion of share repurchases. See Note 9, *Changes in Capital Structure* for additional discussion.

Common Stock Dividends

During the first quarter of 2026, NRG increased the annual dividend to $1.90 from $1.76 per share. A quarterly dividend of $0.475 per share was paid on the Company's common stock during the three months ended September 30, 2026. On October 19, 2026, NRG declared a quarterly dividend on the Company's common stock of $0.475 per share, payable on November 16, 2026 to stockholders of record as of November 2, 2026. Beginning in the first quarter of 2027, NRG will increase the annual dividend by 8% to $2.05 per share. The Company targets an annual dividend growth rate of 7%-9% per share in subsequent years.

Series A Preferred Stock Dividends

During the quarters ended September 30, and March 31, 2026, the Company declared and paid a semi-annual 10.25% dividend of $51.25 per share on its outstanding Series A Preferred Stock, each totaling $33 million.

Obligations under Certain Guarantees

NRG and its subsidiaries enter into various contracts that include indemnifications and guarantee provisions as a routine part of the Company's business activities. For further discussion, see Note 26, *Guarantees,* to the Company's 2025 Form 10-K.

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — NRG's investment in Ivanpah is a variable interest entity for which NRG is not the primary beneficiary. NRG's pro-rata share of non-recourse debt was approximately $462 million as of September 30, 2026. This indebtedness may restrict the ability of Ivanpah to issue dividends or distributions to NRG.

Contractual Obligations and Market Commitments

NRG has a variety of contractual obligations and other market commitments that represent prospective cash requirements in addition to the Company's capital expenditure programs, as disclosed in the Company's 2025 Form 10-K. See also Note 7, *Long-term Debt and Finance Leases*, and Note 14, *Commitments and Contingencies*, to this Form 10-Q for a discussion of new commitments and contingencies that also include contractual obligations and market commitments that occurred during the three and nine months ended September 30, 2026.

Cash Flow Discussion

The following table reflects the changes in cash flows for the nine months ended September 30, 2026 and 2025, respectively:

	Nine months ended September 30,		
(In millions)	2026	2025	Change
Cash provided by operating activities	$ 2,045	$ 1,790	$ 255
Cash used in investing activities	(8,191)	(1,340)	(6,851)
Cash provided by/(used in) financing activities	1,430	(540)	1,970

Cash provided by operating activities

Changes to cash provided by operating activities were driven by:

	(In millions)
Increase in Net Income adjusted for derivatives and other non-cash items	$ 719
Changes in Cash collateral in support of risk management activities due to change in commodity prices	(184)
Decrease in working capital primarily due to lower gas and power volumes in Accounts payable partially offset by the timing of receipts	(114)
Decrease in working capital related to Inventory primarily driven by an increase in materials	(101)
Decrease in other working capital	(65)
	$ 255

Cash used in investing activities

Changes to cash used in investing activities were driven by:

	(In millions)
Increase in cash paid for acquisitions primarily due to the LSP Portfolio in January 2026	$ (6,503)
Increase in capital expenditures	(332)
Decrease due to proceeds from insurance recoveries for Property, plant and equipment, net in 2025	(100)
Increase due to higher sales of emissions allowances, net of purchases	45
Increase in proceeds from sale of assets	39
	$ (6,851)

Cash provided by/(used in) financing activities

Changes to cash provided by/(used in) financing activities were driven by:

	(In millions)
Increase due to proceeds from issuance of long-term debt in 2026, net of deferred financing costs	$ 2,349
Decrease due to higher repayments of long-term debt	(1,295)
Increase due to higher proceeds from credit facilities, including for the acquisition of the LSP Portfolio	1,016
Increase due to payment for settlement of capped call options in 2025	292
Increase in net payments from settlement of acquired derivatives	(219)
Decrease due to higher debt extinguishment costs in 2026	(100)
Increase in payments of dividends due to common stock	(43)
Decrease due to higher payments for share repurchase activities in 2026	(30)
	$ 1,970

NOLs, Deferred Tax Assets and Uncertain Tax Position Implications, under ASC 740

For the nine months ended September 30, 2026, the Company had domestic pre-tax book income of $1.5 billion and foreign pre-tax book income of $55 million. As of December 31, 2025, the Company had cumulative U.S. federal NOL carryforwards of $6.6 billion, of which $5.1 billion do not have an expiration date, and cumulative state NOL carryforwards of $6.1 billion for financial statement purposes. NRG also has cumulative foreign NOL carryforwards of $392 million, most of which do not have an expiration date. In addition to the above NOLs, NRG has a $58 million indefinite carryforward for interest deductions, as well as $288 million of tax credits, inclusive of $92 million CAMT credits to be utilized in future years. As a result of the Company's tax position, including the utilization of federal and state NOLs, and based on current forecasts, the Company anticipates net income tax payments of up to $90 million in 2026. NRG as an applicable corporation is subject to the CAMT, however, there is no impact on the Company's provision for income taxes from the CAMT for the nine months ended September 30, 2026.

As of September 30, 2026, the Company has $49 million of tax-effected uncertain federal, state, and foreign tax benefits, for which the Company has recorded a non-current tax liability of $55 million (inclusive of accrued interest) until final resolution is reached with the related taxing authority.

On December 31, 2021, the OECD released rules which set forth a common approach to a global minimum tax at 15% for multinational companies, which has been enacted into law by certain countries effective for 2024. The Company's preliminary analysis indicates that there is no material impact to the Company's financial statements from these rules.

The Company is no longer subject to U.S. federal income tax examinations for years prior to 2022. With few exceptions, state and Canadian income tax examinations are no longer open for years prior to 2015.

On July 4, 2025, OBBB was enacted into law. The OBBB includes changes to U.S. tax law applicable to NRG beginning in 2025, such as the permanent extension of certain expiring provisions of the TCJA, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The impact of the OBBB on the Company's consolidated financial statements has been reflected in its current and deferred taxes, however, there is no material impact to the income tax expense/(benefit) for the periods presented.

Deferred tax assets and valuation allowance

Net deferred tax balance — As of September 30, 2026 and December 31, 2025, NRG recorded a net deferred tax asset, excluding valuation allowance, of $1.7 billion and $2.0 billion, respectively. The Company believes certain state net operating losses may not be realizable under the more-likely-than-not measurement and as such, a valuation allowance was recorded as of September 30, 2026 and December 31, 2025 as discussed below.

NOL Carryforwards — As of September 30, 2026, the Company had a tax-effected cumulative U.S. NOLs consisting of carryforwards for federal and state income tax purposes of $1.4 billion and $326 million, respectively. The Company estimates it will generate future taxable income to fully realize the net federal deferred tax asset before the expiration of certain carryforwards commences in 2030. In addition, NRG has tax-effected cumulative foreign NOL carryforwards of $103 million.

Valuation Allowance — As of September 30, 2026 and December 31, 2025, the Company's tax-effected valuation allowance was $145 million and $150 million, respectively consisting of state NOL carryforwards and foreign NOL carryforwards. The valuation allowance was recorded based on the assessment of cumulative and forecasted pre-tax book earnings and the future reversal of existing taxable temporary differences.

Guarantor Financial Information

As of September 30, 2026, the Company's outstanding registered senior notes consisted of $821 million of the 2028 Senior Notes as shown in Note 7, *Long-term Debt and Finance Leases*. These Senior Notes are guaranteed by certain of NRG's current and future 100% owned domestic subsidiaries, or guarantor subsidiaries (the "Guarantors"). See Exhibit 22.1 to this Form 10-Q for a listing of the Guarantors. These guarantees are both joint and several.

NRG conducts much of its business through and derives much of its income from its subsidiaries. Therefore, the Company's ability to make required payments with respect to its indebtedness and other obligations depends on the financial results and condition of its subsidiaries and NRG's ability to receive funds from its subsidiaries. There are no restrictions on the ability of any of the Guarantors to transfer funds to NRG. Other subsidiaries of the Company do not guarantee the registered debt securities of either NRG Energy, Inc. or the Guarantors (such subsidiaries are referred to as the "Non-Guarantors"). The Non-Guarantors include all of NRG's foreign subsidiaries and certain domestic subsidiaries.

The following tables present summarized financial information of NRG Energy, Inc. and the Guarantors in accordance with Rule 3-10 under the SEC's Regulation S-X. The financial information may not necessarily be indicative of the results of operations or financial position of NRG Energy, Inc. and the Guarantors in accordance with U.S. GAAP.

The following table presents the summarized statement of operations:

(In millions)	Nine months ended September 30, 2026
Revenue[(a)]	$ 23,449
Operating income[(b)]	1,541
Total other expense	(698)
Income before income taxes	843
Net income	525

(a) Intercompany transactions with Non-Guarantors of $10 million during the nine months ended September 30, 2026
(b) Intercompany transactions with Non-Guarantors including cost of operations of $(248) million and selling, general and administrative of $350 million during the nine months ended September 30, 2026

The following table presents the summarized balance sheet information:

(In millions)	As of September 30, 2026
Current assets[(a)]	$ 6,481
Property, plant and equipment, net	5,310
Non-current assets	23,573
Current liabilities[(b)]	8,946
Non-current liabilities	22,219

(a) Includes intercompany receivables due from Non-Guarantors of $284 million as of September 30, 2026
(b) Includes intercompany payables due to Non-Guarantors of $109 million as of September 30, 2026

Fair Value of Derivative Instruments

NRG may enter into power purchase and sales contracts, fuel purchase contracts and other energy-related financial instruments to mitigate variability in earnings due to fluctuations in spot market prices and to hedge fuel requirements at power plants or retail load obligations. In order to mitigate interest rate risk associated with the issuance of the Company's debt, NRG enters into interest rate derivatives. In addition, in order to mitigate foreign exchange rate risk primarily associated with the purchase of U.S. dollar denominated natural gas for the Company's Canadian business, NRG enters into foreign exchange contract agreements.

Under Flex Pay, offered by Vivint Smart Home, customers pay for smart home products by obtaining financing from a third-party financing provider under the Consumer Financing Program. Vivint Smart Home pays certain fees to the financing providers and shares in credit losses depending on the credit quality of the customer.

NRG's trading activities are subject to limits in accordance with the Company's Risk Management Policy. These contracts are recognized on the balance sheet at fair value and changes in the fair value of these derivative financial instruments are recognized in earnings.

The following tables disclose the activities that include both exchange and non-exchange traded contracts accounted for at fair value in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values as of September 30, 2026, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at September 30, 2026. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Note 5, *Fair Value of Financial Instruments*.

Derivative Activity Gains/(Losses)	**(In millions)**
Fair Value of Contracts as of December 31, 2025[(a)]	$ 397
Contracts realized or otherwise settled during the period	183
LSP Portfolio contracts acquired during the period	(96)
Other changes in fair value	(330)
Fair Value of Contracts as of September 30, 2026[(a)]	$ 154

(a) As of December 31, 2025 and September 30, 2026, respectively, includes $484 million and $333 million of derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

(In millions)	**Fair Value of Contracts as of September 30, 2026**				
	Maturity				
Fair Value Hierarchy (Losses)/Gains[(a)]	**1 Year or Less**	**Greater than 1 Year to 3 Years**	**Greater than 3 Years to 5 Years**	**Greater than 5 Years**	**Total Fair Value**
Level 1	$ (177)	$ (38)	$ 4	$ 2	$ (209)
Level 2	149	225	11	(3)	382
Level 3	(255)	(105)	(8)	16	(352)
Total	$ (283)	$ 82	$ 7	$ 15	$ (179)

(a) Excludes $333 million of derivative contracts that were elected as NPNS on October 1, 2024 and are no longer valued at fair value on a recurring basis

The Company has elected to disclose derivative assets and liabilities on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. Also, collateral received or posted on the Company's derivative assets or liabilities are recorded on a separate line item on the balance sheet. Consequently, the magnitude of the changes in individual current and non-current derivative assets or liabilities is higher than the underlying credit and market risk of the Company's portfolio. As discussed in Item 3, *Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk*, to this Form 10-Q, NRG measures the sensitivity of the Company's portfolio to potential changes in market prices using VaR, a statistical model which attempts to predict risk of loss based on market price and volatility. NRG's Risk Management Policy places a limit on one-day holding period VaR, which limits the Company's net open position. As the Company's trade-by-trade derivative accounting results in a gross-up of the Company's derivative assets and liabilities, the net derivative asset and liability position is a better indicator of NRG's hedging activity. As of September 30, 2026, NRG's net derivative asset was $154 million, a decrease of $243 million as compared to December 31, 2025. This decrease was primarily driven by losses in fair value and the LSP Portfolio contracts acquired, partially offset by the roll-off of trades that settled during the period.

Based on a sensitivity analysis using simplified assumptions, the impact of a $0.50 per MMBtu increase in natural gas prices across the term of the derivative contracts would result in an increase of approximately $804 million in the net value of derivatives as of September 30, 2026. The impact of a $0.50 per MMBtu decrease in natural gas prices across the term of the derivative contracts would result in a decrease of approximately $805 million in the net value of derivatives as of September 30, 2026.

Critical Accounting Estimates

NRG's discussion and analysis of the financial condition and results of operations are based upon the condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements and related disclosures in compliance with GAAP requires the application of appropriate technical accounting rules and guidance as well as the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. The application of appropriate technical accounting rules and guidance involves judgments regarding future events, including the likelihood of success of particular projects, legal and regulatory challenges, and the fair value of certain assets and liabilities. These judgments, in and of themselves, could materially affect the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment may also have a significant effect, not only on the operation of the business,

but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies has not changed.

NRG evaluates these estimates, on an ongoing basis, utilizing historic experience, consultation with experts and other methods the Company considers reasonable. In any event, actual results may differ substantially from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the information that gives rise to the revision becomes known.

The Company identifies its most critical accounting estimates as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain.

Acquisition of LSP Portfolio

On January 30, 2026, NRG completed the acquisition of the LSP Portfolio. The acquisition has been recorded as a business combination under ASC 805 with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. NRG describes the fair value measurements resulting from the acquisition in Note 4, *Acquisitions and Dispositions.*

The Company's critical accounting estimates are described in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in the Company's 2025 Form 10-K. There have been no material changes to the Company's critical accounting estimates since the 2025 Form 10-K.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

NRG is exposed to several market risks in the Company's normal business activities. Market risk is the potential loss that may result from market changes associated with the Company's retail operations, merchant power generation or with existing or forecasted financial or commodity transactions. The types of market risks the Company is exposed to are commodity price risk, credit risk, liquidity risk, interest rate risk and currency exchange risk. The following disclosures about market risk provide an update to, and should be read in conjunction with, Item 7A, *Quantitative and Qualitative Disclosures About Market Risk,* of the Company's 2025 Form 10-K.

Commodity Price Risk

Commodity price risks result from exposures to changes in spot prices, forward prices, volatilities and correlations between various commodities, such as natural gas, electricity, coal, oil and emissions credits. NRG manages the commodity price risk of the Company's load serving obligations and merchant generation operations by entering into various derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted sales and purchases of energy and fuel. NRG measures the risk of the Company's portfolio using several analytical methods, including sensitivity tests, scenario tests, stress tests, position reports and VaR. NRG uses a Monte Carlo simulation based VaR model to estimate the potential loss in the fair value of its energy assets and liabilities, which includes generation assets, gas transportation and storage assets, load obligations and bilateral physical and financial transactions, based on historical and forward values for factors such as customer demand, weather, commodity availability and commodity prices. The Company's VaR model is based on a one-day holding period at a 95% confidence interval for the forward 36 months, not including the spot month. The VaR model is not a complete picture of all risks that may affect the Company's results. Certain events such as counterparty defaults, regulatory changes, and extreme weather and prices that deviate significantly from historically observed values are not reflected in the model.

The following table summarizes average, maximum and minimum VaR for NRG's commodity portfolio, calculated using the VaR model for the three and nine months ended September 30, 2026 and 2025. The VaR increase is primarily due to the addition of new generation assets during the first quarter of 2026.

(In millions)	2026	2025
VaR as of September 30,	$ 89	$ 65
Three months ended September 30,		
Average	$ 78	$ 67
Maximum	95	76
Minimum	62	57
Nine months ended September 30,		
Average	$ 85	$ 62
Maximum	110	76
Minimum	57	47

The Company also uses VaR to estimate the potential loss of derivative financial instruments that are subject to mark-to-market accounting. These derivative instruments include transactions that were entered into for both asset management and trading purposes. The VaR for the derivative financial instruments calculated using the diversified VaR model for the entire term of these instruments entered into for both asset management and trading, was $101 million, as of September 30, 2026, primarily driven by asset-backed and risk management transactions.

Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. NRG is exposed to counterparty credit risk through various activities including wholesale sales, fuel purchases and retail supply arrangements, and retail customer credit risk through its retail sales. Counterparty credit risk and retail customer credit risk are discussed below. See Note 6, *Accounting for Derivative Instruments and Hedging Activities*, to this Form 10-Q for discussion regarding credit risk contingent features.

Counterparty Credit Risk

The Company's counterparty credit risk policies are disclosed in its 2025 Form 10-K. As of September 30, 2026, counterparty credit exposure, excluding credit exposure from RTOs, ISOs, registered commodity exchanges and certain long-term agreements, was $899 million and NRG held collateral (cash and letters of credit) against those positions of $35 million, resulting in a Net Exposure of $864 million. NRG periodically receives collateral from counterparties in excess of their exposure. Collateral amounts shown include such excess while Net Exposure shown excludes excess collateral received. Approximately 51% of the Company's exposure before collateral is expected to roll off by the end of 2027. Counterparty credit exposure is valued through observable market quotes and discounted at a risk free interest rate. The following tables highlight net counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for NRG with counterparties where netting is permitted under the enabling agreement and includes all cash flow, mark-to-market and NPNS, and non-derivative transactions. The exposure is shown net of collateral held and includes amounts net of receivables or payables.

Category by Industry Sector	**Net Exposure[a][b] (% of Total)**
Utilities, energy merchants, marketers and other	98 %
Financial institutions	2
Total as of September 30, 2026	100 %

Category by Counterparty Credit Quality	**Net Exposure [a][b] (% of Total)**
Investment grade	64 %
Non-investment grade/Non-Rated	36
Total as of September 30, 2026	100 %

(a) Counterparty credit exposure excludes coal transportation contracts because of the unavailability of market prices
(b) The figures in the tables above exclude potential counterparty credit exposure related to RTOs, ISOs, registered commodity exchanges and certain long-term contracts

The Company had no exposure to wholesale counterparties in excess of 10% of total Net Exposure as of September 30, 2026. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration.

RTOs and ISOs

The Company participates in the organized markets of CAISO, ERCOT, AESO, IESO, ISO-NE, MISO, NYISO and PJM, known as RTOs or ISOs. Trading in the majority of these markets is approved by FERC, whereas in the case of ERCOT, it is approved by the PUCT, and whereas in the case of AESO and IESO, both exist provincially with AESO primarily subject to Alberta Utilities Commission and the IESO to the Ontario Energy Board. These ISOs may include credit policies that, under certain circumstances, require that losses arising from the default of one member on spot market transactions be shared by the remaining participants. As a result, the counterparty credit risk to these markets is limited to NRG's share of the overall market and are excluded from the above exposures.

Exchange Traded Transactions

The Company enters into commodity transactions on registered exchanges, notably ICE, NYMEX and Nodal. These clearinghouses act as the counterparty and transactions are subject to extensive collateral and margining requirements. As a result, these commodity transactions have limited counterparty credit risk.

Long-Term Contracts

Counterparty credit exposure described above excludes credit risk exposure under certain long-term contracts, primarily solar under Renewable PPAs. As external sources or observable market quotes are not always available to estimate such exposure, the Company values these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of September 30, 2026, aggregate credit risk exposure managed by NRG to these counterparties was approximately $595 million for the next five years.

Retail Customer Credit Risk

The Company is exposed to retail credit risk through the Company's retail electricity and gas providers as well as through Vivint Smart Home, which serve both Home and Business customers. Retail credit risk results in losses when a customer fails to pay for services rendered. The losses may result from both non-payment of customer accounts receivable and the loss of in-the-money forward value. The Company manages retail credit risk through the use of established credit policies, which include monitoring of the portfolio and the use of credit mitigation measures such as deposits or prepayment arrangements.

As of September 30, 2026, the Company's retail customer credit exposure to Home and Business customers was diversified across many customers and various industries, as well as government entities. Current economic conditions may affect the Company's customers' ability to pay their bills in a timely manner or at all, which could increase customer delinquencies and may lead to an increase in credit losses.

Liquidity Risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of the Company's assets and liabilities. The Company is currently exposed to additional collateral posting if natural gas prices decline, primarily due to the long natural gas equivalent position at various exchanges used to hedge NRG's retail supply load obligations.

Based on a sensitivity analysis for power and gas positions under marginable contracts as of September 30, 2026, a $0.50 per MMBtu decrease in natural gas prices across the term of the marginable contracts would cause an increase in margin collateral posted of approximately $1.2 billion and a 1.00 MMBtu/MWh decrease in Heat Rates for Heat Rate positions would result in an increase in margin collateral posted of approximately $251 million. This analysis uses simplified assumptions and is calculated based on portfolio composition and margin-related contract provisions as of September 30, 2026.

Interest Rate Risk

NRG is exposed to fluctuations in interest rates through its issuance of debt. Exposures to interest rate fluctuations may be mitigated by entering into derivative instruments known as interest rate swaps, treasury locks, caps, collars and put or call options. These contracts reduce exposure to interest rate volatility when taking into account the combinations of the debt and the interest rate derivative instrument. NRG's management policies allow the Company to reduce interest rate exposure. The Company has $700 million of interest rate swaps extending through 2029 to mitigate the risk of the floating rate of the Term Loan B.

NRG has both short and long-term debt instruments that subject the Company to the risk of loss associated with movements in market interest rates. As of September 30, 2026, a 1% change in variable interest rates would result in a $52 million change in interest expense on a rolling twelve-month basis.

As of September 30, 2026, the fair value and related carrying value of the Company's debt was $21.8 billion and $23.0 billion, respectively. NRG estimates that a 1% decrease in market interest rates would have increased the fair value of the Company's long-term debt as of September 30, 2026 by $886 million.

Currency Exchange Risk

NRG is subject to transactional exchange rate risk from transactions with customers in countries outside of the United States, primarily within Canada, as well as from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than the Company's functional currency or the functional currency of an applicable subsidiary. NRG hedges a portion of its forecasted currency transactions with foreign exchange forward contracts. As of September 30, 2026, NRG is exposed to changes in foreign currency primarily associated with the purchase of U.S. dollar denominated natural gas for its Canadian business and entered into foreign exchange contracts with a notional amount of $432 million.

The Company is subject to translation exchange rate risk related to the translation of the financial statements of its foreign operations into U.S. dollars. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, the Company is exposed to movements in the exchange rates of various currencies against the U.S. dollar, primarily the Canadian and Australian dollars. A hypothetical 10% appreciation in major currencies relative to the U.S. dollar as of September 30, 2026 would have resulted in a decrease of $4 million to net income within the consolidated statement of operations.

ITEM 4 — CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of NRG's management, including its principal executive officer, principal financial officer and principal accounting officer, NRG conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act. Based on this evaluation, the Company's principal executive officer, principal financial officer and principal accounting officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes in NRG's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred in the quarter ended September 30, 2026 that materially affected, or are reasonably likely to materially affect, NRG's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

For a discussion of material legal proceedings to which NRG is a party through September 30, 2026, see Note 14, *Commitments and Contingencies* and Note 15, *Regulatory Matters*, to this Form 10-Q.

ITEM 1A — RISK FACTORS

Except as set forth below, there were no material changes to the Risk Factors disclosed in Part I, Item 1A, *Risk Factors*, of the Company's 2025 Form 10-K.

The proposed sale of assets to LS Power could be delayed or fail to close, or otherwise cause unanticipated issues, which could adversely affect NRG's business, results of operations and financial condition.

As described in Note 4, *Acquisitions and Dispositions,* NRG entered into a purchase and sale agreement with LS Power pursuant to which NRG agreed to sell certain generation assets. The proposed sale is subject to various closing conditions (including the receipt of consents and regulatory approvals), which are outside of NRG's control, and it cannot be predicted with certainty whether all of the required closing conditions will be satisfied or waived. In addition, regulators could impose additional requirements or obligations as conditions for their approval, which may be burdensome. If such closing conditions are not met or additional obligations are imposed, the proposed sale may not be consummated at all or may encounter delays or other roadblocks that are not currently anticipated. The price of NRG's stock may reflect an assumption that the pending sale will occur and failure to complete the proposed sale could result in a decline of NRG's stock price. In addition, even if NRG completes the proposed sale, the actual impact on NRG's business and financial results may differ from the anticipated results.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The table below sets forth the information with respect to purchases made by or on behalf of NRG or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act), of NRG's common stock during the quarter ended September 30, 2026.

For the three months ended September 30, 2026	Total Number of Shares Purchased[a]	Average Price Paid per Share[b]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)[c][d]
Month #1				
(July 1, 2026 to July 31, 2026)	104,270	$ 136.23	104,270	$ 2,371
Month #2				
(August 1, 2026 to August 31, 2026)	114,179	$ 118.77	114,179	$ 2,358
Month #3				
(September 1, 2026 to September 30, 2026)	127,393	$ 106.43	127,393	$ 2,344
Total at September 30, 2026	345,842	$ 119.49	345,842	

(a) Includes share repurchases under the $3.0 billion repurchase authorization. For further discussion, see Note 9, *Changes in Capital Structure*
(b) The average price paid per share excludes excise tax owed and commissions paid in connection with the share repurchases
(c) Includes commissions paid in connection with the share repurchases
(d) Excludes the additional $1.0 billion of share repurchases approved by the Board of Directors on November 6, 2026. For further discussion, see Note 9, *Changes in Capital Structure*

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

There have been no events that are required to be reported under this Item.

ITEM 5 — OTHER INFORMATION

During the three months ended September 30, 2026, the following directors or officers of the Company adopted or terminated a 'Rule 10b5-1 trading arrangement' or 'non-Rule 10b5-1 trading arrangement,' as each term is defined in Item 408(a) of Regulation S-K, as described in the table below:

Name	Title	Date Adopted	Character of Trading Arrangement	Aggregate Number of Shares of Common Stock to be Purchased or Sold Pursuant to Trading Arrangement[(a)]	Duration	Date Terminated
Elisabeth Donohue	Director	8/12/2026	Rule 10b5-1 Trading Arrangement	Up to 1,499 shares to be Sold	11/11/2026-4/30/2027	N/A
Virginia Kinney	Executive Vice President, Chief Administration Officer	8/13/2026	Rule 10b5-1 Trading Arrangement	Up to 28,081 shares to be Sold	11/16/2026-1/17/2027	N/A

(a) Potential sales may be subject to certain price limitations set forth in the 10b5-1 plans and therefore actual number of shares sold could vary if certain minimum stock prices are not met

ITEM 6 — EXHIBITS

Number	Description	Method of Filing
10.1*	Omnibus Removal and Appointment Agreement, dated August 14, 2026, to the Credit Agreement, dated September 26, 2025, among NRG Cedar Bayou 5 LLC, Public Utility Commission of Texas, and Wilmington Trust, National Association, as administrative agent and collateral agent.	Filed herewith.
22.1	List of Guarantor Subsidiaries.	Filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) certification of Robert J. Gaudette.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Woo-Sung Chung.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of G. Alfred Spencer.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
101 INS	Inline XBRL Instance Document.	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101 SCH	Inline XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	Inline XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.
104	Cover Page Interactive Data File (the cover page interactive data file does not appear in Exhibit 104 because it's Inline XBRL tags are embedded within the Inline XBRL document).	Filed herewith.

* The Schedules and exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.

SIGNATURES

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 thereunto duly authorized.

NRG ENERGY, INC.
(Registrant)

/s/ ROBERT J. GAUDETTE Date: November 9, 2026

Robert J. Gaudette

President and Chief Executive Officer
(Principal Executive Officer)

/s/ WOO-SUNG CHUNG Date: November 9, 2026

Woo-Sung Chung

Chief Financial Officer
(Principal Financial Officer)

/s/ G. ALFRED SPENCER Date: November 9, 2026

G. Alfred Spencer

Chief Accounting Officer
(Principal Accounting Officer)