NRG Energy Inc.

Third Quarter 2020 Earnings Presentation

November 05, 2020

Safe Harbor

Forward-Looking Statements

In addition to historical information, the information presented in this presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as "may," "should," "could," "objective," "projection," "forecast," "goal," "guidance," "outlook," "expect," "intend," "seek," "plan," "think," "anticipate," "estimate," "predict," "target," "potential" or "continue" or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about the Company's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated herein include, among others, the potential impact of COVID-19 or any other pandemic on the Company's operations, financial position, risk exposure and liquidity, general economic conditions, hazards customary in the power industry, weather conditions, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulations, the condition of capital markets generally, our ability to access capital markets, cyberterrorism and inadequate cybersecurity, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions, repowerings or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to achieve margin enhancement under our publicly announced transformation plan, our ability to achieve our net debt targets, our ability to maintain investment grade credit metrics, our ability to proceed with projects under development or the inability to complete the construction of such projects on schedule or within budget, the inability to maintain or create successful partnering relationships, our ability to operate our business efficiently, our ability to retain retail customers, our ability to realize value through our commercial operations strategy, the ability to consummate the Direct Energy acquisition, the ability to successfully integrate businesses of acquired companies, including Direct Energy, our ability to realize anticipated benefits of transactions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, and our ability to execute our Capital Allocation Plan. Achieving investment grade credit metrics is not a indication of or guarantee that the Company will receive investment grade credit ratings. Debt and share repurchases may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws. Furthermore, any common stock dividend is subject to available capital and market conditions.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA, free cash flow guidance and excess cash guidance are estimates as of November 5, 2020. These estimates are based on assumptions the company believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance, except as required by law. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this presentation should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

Key Messages

**Integrated Platform Delivers Stable Results;
Narrowing 2020 and Maintaining 2021 Adj EBITDA Guidance**

**Direct Energy On Track to Close by Year-End;
Financing Plan No Longer Requires New Equity**

**Focusing on Perfecting Platform to
Rapidly Streamline and Move Closer to the Customer**

Business Highlights & Results

Business Highlights

☑ Strong Financial and Operational Results

- Top decile safety performance
- Comprehensive COVID-19 response enabled resilient operational and financial results

☑ Executing on Customer-Focused Strategy

- Direct Energy on track to close by year-end 2020
- Ongoing focus on portfolio optimization
- Strong governance & Board diversity

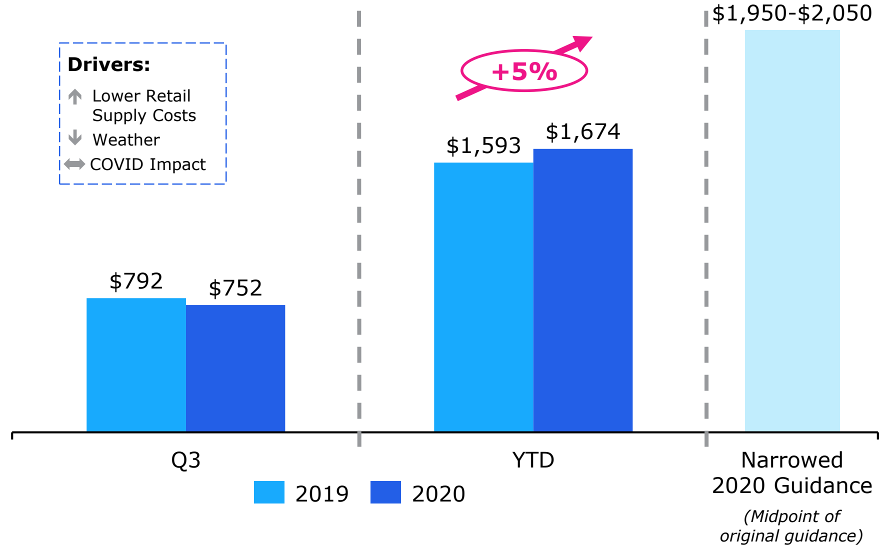
☑ Adhering to Disciplined Capital Allocation

- Direct Energy acquisition equity to be achieved through increased cash-on-hand and targeted asset sales
- Expanding renewable / storage PPA strategy nationally; TX Renewable PPAs, 1.7 GW; expect delays in '21 CODs
- Committed to achieving investment grade ratings

Results

($ millions)

Adjusted EBITDA



Narrowing 2020 and Maintaining 2021 Guidance

Delivered Strong Third Quarter and Year-to-Date Results
Narrowing 2020 and Maintaining 2021 Adj EBITDA Guidance

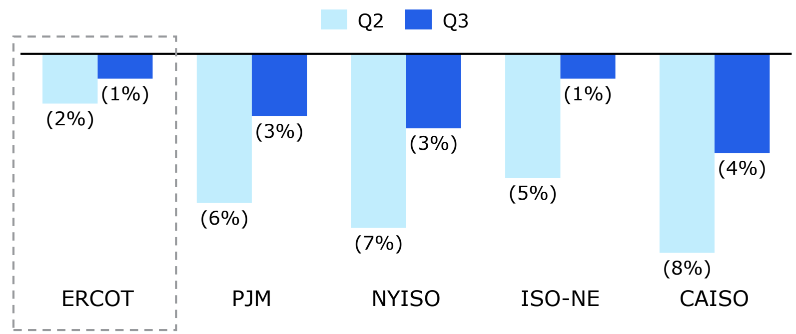
COVID-19 Market Impact

Comprehensive Response to COVID-19…

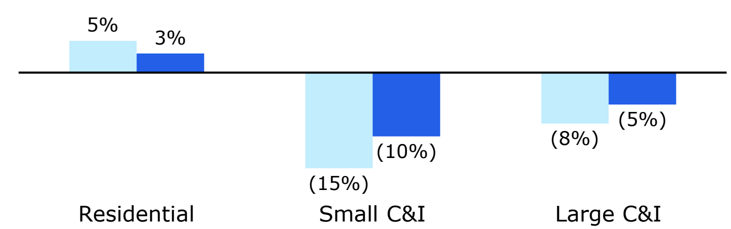
- **Prioritized Health and Safety** of employees and customers
  - Activated Crisis Mgmt Team Jan 2020; >90% office personnel working remotely; at full operational status
  - Proactively expanded customer payment options
  - Enhanced charitable giving to support first responders, small businesses, and teachers
- **Workplace 2021** redesigning our office and work life through and post COVID-19
  - Designing optimal long-term work environment
  - Hybrid workplace to maximize productivity, attract and retain talent and enhance work-life balance
- **Impacting Customer** load trends
  - Power demand declines across all regions; residential usage remains resilient with stay-at-home
  - Redirecting and refining customer selling activities in ERCOT; reduced customer selling activities in East
  - Customer relief and payment programs effective to date with manageable bad debt and related costs

…Load Impacts Vary Significantly By Subregion and Customer Type

2020 Load Reductions by ISO[1]
(weather-normal)



Impact by Customer Type[2]



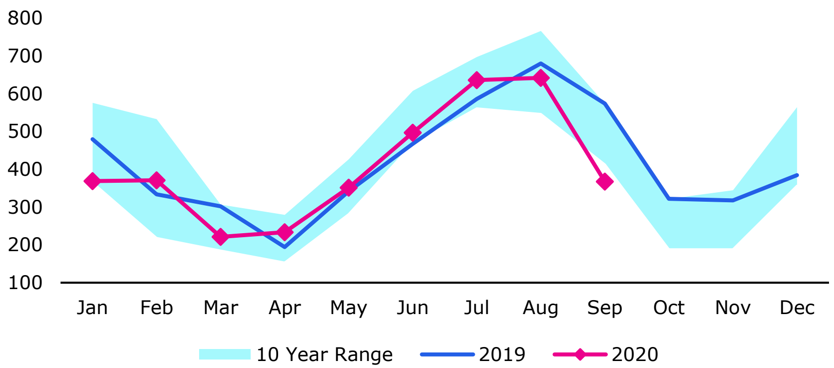
Residential Load Remains Resilient During Stay-at-Home; Prolonged COVID-19 Presents New Opportunities and Challenges

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

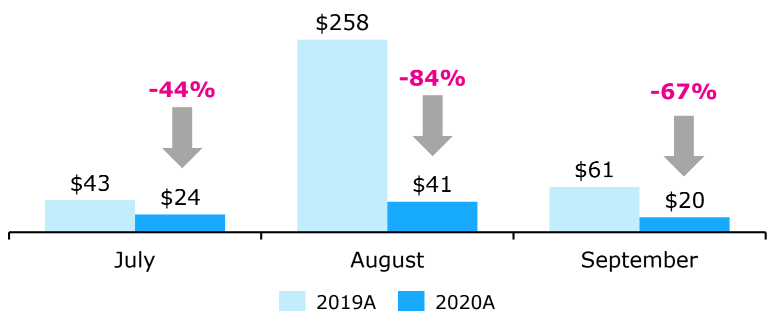
ERCOT Summer Review

COVID-19 and Less Favorable Weather Impacted Summer Demand and Prices

Texas Degree Days[1]



Houston On-Peak Power Price[2] ($/MWh)



...Integrated Platform Delivers

- **Integrated Platform** provided stable results
  - Retail business mix provided stability with stay-at-home trends
  - Executed effective hedging program to increase earnings stability
- **Weather** weaker year-on-year
  - Negatively impacted by active hurricane season
  - Limited hours of extreme heat
- **Power Prices** lower vs forwards and year-on-year
  - Weather and COVID-19's impact on system-wide demand negatively impacted power prices
  - Strong renewable and conventional generation performance
  - Scarcity pricing becoming more dependent on performance of intermittent generation

NRG's Integrated Platform Performed through Varying Summer Conditions

[1] Texas Cooling Degree Days compared to 10-year average; [2] Real-time prices

A Customer-Focused Platform
Perfecting Platform and Direct Energy Update

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Focus On Perfecting Platform

- **Continued Focus on Redefining through Streamlining and Strengthening our Platform**
  - Grow retail products & services
  - Integrate purposeful generation – physical and PPAs
  - Reduce and align business risks
  - Achieve and maintain cost excellence
  - Comprehensive sustainability framework

In Focus

Close Direct Energy Acquisition

In Focus

Ongoing Portfolio and Real Estate Optimization

- Expecting **minimum of $250 MM equity[1] proceeds** within next 6-12 months

Direct Energy - Update

- **Key Regulatory Approvals**
  - ☑ Centrica Shareholder
  - ☑ Canadian Competition Act
  - ☑ Hart-Scott Rodino
  - ☐ FERC, *expected by year-end*

On Track to Close by Year-End

- **Financings**
  - ☑ Zero New Equity: eliminating new equity through increased cash-on-hand and asset sales
  - ☐ $2.9 Bn Long-Term Debt: to be issued before year-end
  - ☐ Investment Grade Ratings: targeting late '21 / early '22
- **Integration**
  - ☑ Dedicated Integration Team; from Transformation Plan
  - ☐ Focused on Day 1 activities/integration and systems & process synergies

Advancing and Executing Our Long-Term Strategy;
Moving Closer to the Customer

[1] Equity proceeds net of associated debt repayment to maintain consolidated leverage within 2.5-2.75x Net Debt to Adj. EBITDA target

Financial Review

3Q 2020 Results and Guidance Update

($ millions)

	9/30/2020 Three Months Ended	9/30/2020 Nine Months Ended	Narrowing 2020 Guidance
Texas	$514	$1,087	$1,350-1,400 *Original $1,350 - $1,500*
East/West/Other[1]	238	587	$600-650 *Original $550 - $600*
Adjusted EBITDA	**$752**	**$1,674**	**$1,950-$2,050**
Free Cash Flow before Growth ("FCFbG")	**$630**	**$1,199**	**$1,450-$1,550** *Original $1,275-$1,475*

Highlights:

- YTD EBITDA ~$81 MM higher vs 2019; contributions from:
  - Stream full year impact (closed in August 2019)
  - Lower supply costs
- Continue to expect moderate COVID-19 impacts overall, with a larger impact in Texas partially offset by lower selling and marketing expense in the East
  - Due to limitations in sales channels in the East, anticipate lower East customer count due to ongoing COVID-19 effects
- Significantly increased FCFbG expectations due to effective working capital management and deferral of certain items to 2021
  - Maximizing year-end cash to fund Direct Energy acquisition

[1] Includes Corporate segment

2021 Guidance Update

($ millions)

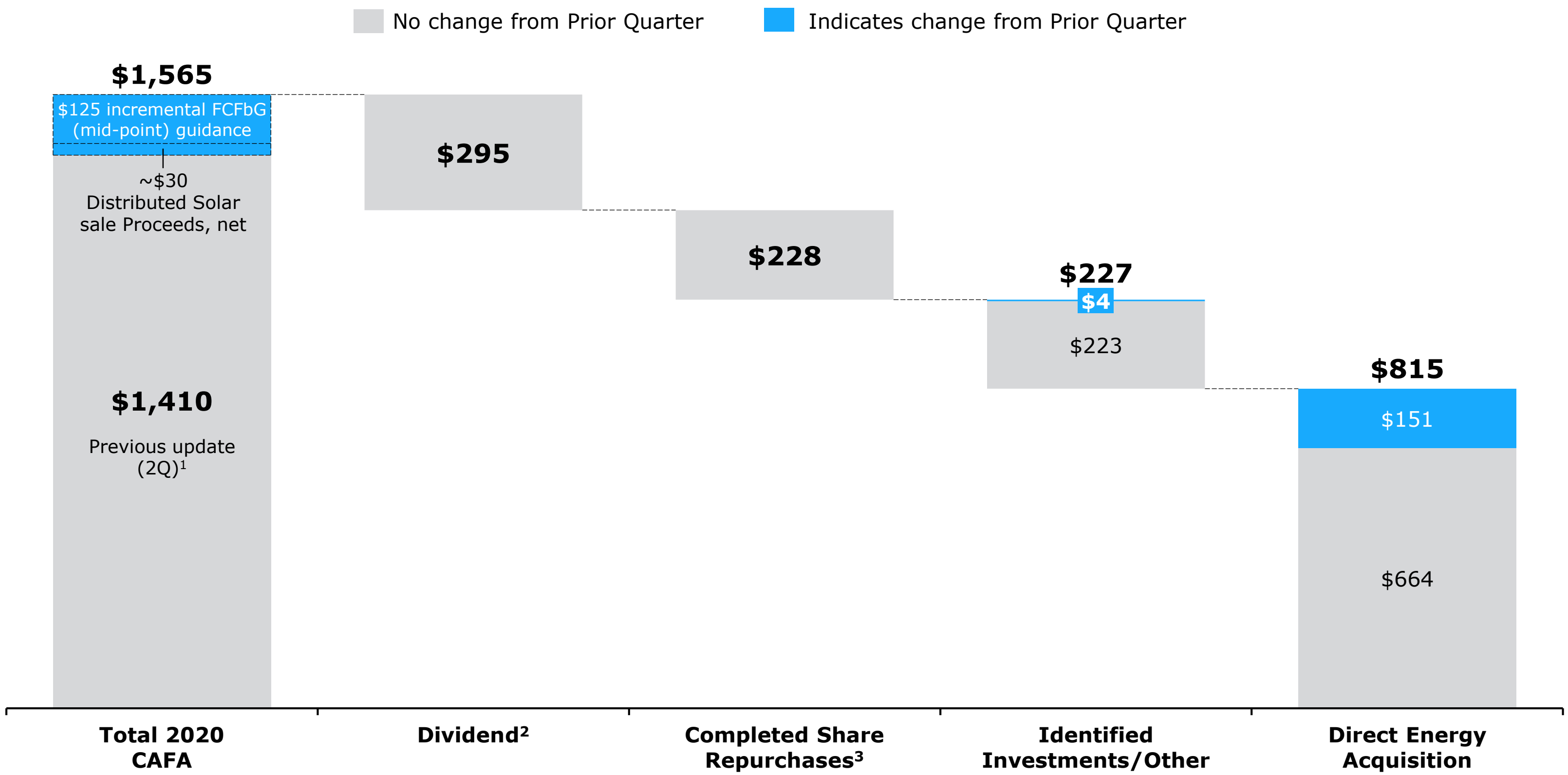
	Previous Guidance	Updated Guidance
Texas		$1,275-1,425
East/West/Other[1]		$625-675
Adjusted EBITDA	**$1,900-$2,100**	**$1,900-$2,100**
Free Cash Flow before Growth ("FCFbG")	**$1,275-$1,475**	**$1,200-$1,400**

- Maintaining 2021 Adjusted EBITDA guidance range
- FCFbG guidance range reduced to reflect deferral of certain free cash flow items into 2021
- Remain focused on managing continuing impacts of COVID-19, including delays in Solar PPA CODs, limitations on certain sales channels and Direct Energy integration

[1] Includes Corporate segment

2020 Capital Allocation

($ millions)



Astoria Repowering	$16
MWG lease buyout	112
Digital NRG	25
Small books[4]	25
Encina Site Improvement	25
Cost-to-Achieve	24
GenOn Pension	-

~$800 MM Remaining 2020 Capital Allocated to Fund Direct Energy Acquisition

[1] See slide 11 of 2Q20 presentation for details; [2] Estimate based on an $1.20 annual dividend and 244 MM outstanding shares; [3] Including $60 MM remaining balance of the 2019 $250 MM share repurchase authorization, which was completed in Jan-Feb 2020; [4] Small book acquisitions closed prior to the agreement to acquire Direct Energy

Direct Energy Acquisition
Sources of Financing

($ millions)

$ MM	Original Sources[1]	Changes				Latest Plan Sources
		Increased Cash	Lower Fees	Permanent Debt	Temporary Debt	
New Bonds (Secured & Unsec.)	2,361			375	194	2,930
Equity Linked	750	(151)	(30)	(375)	(194)	-
NRG Cash	664	151				815
TOTAL SOURCES	**$3,775**	**-**	**($30)**	**-**	**-**	**$3,745**

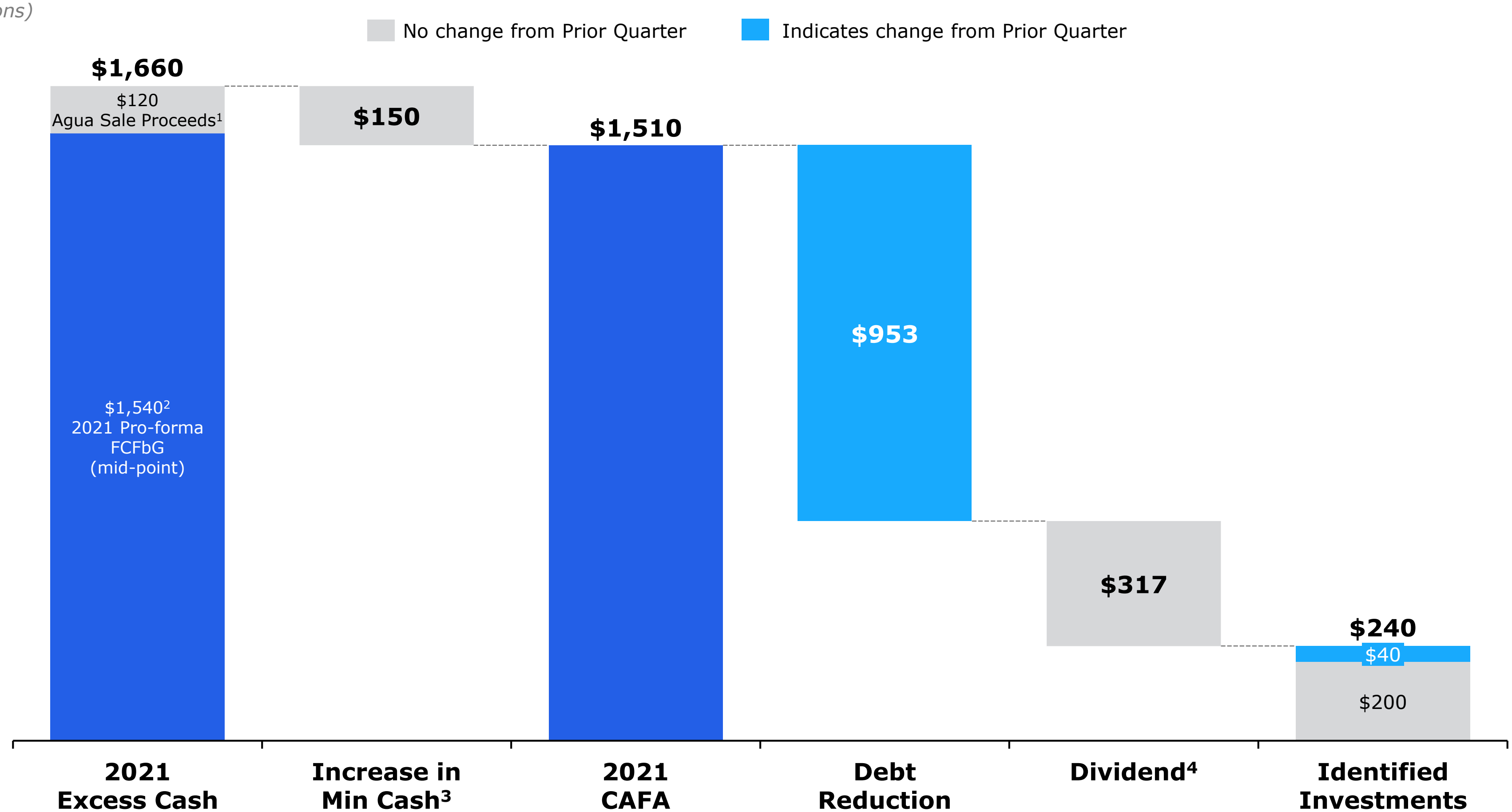
- Increased 2020 cash and reduction in expected financing fees help partially offset need for new equity issuance
  - Half of originally planned equity linked securities ($750 MM) treated as debt by ratings agencies allowing for $375 MM increase in debt financing on a ratings neutral basis
  - Remaining amount previously funded by equity linked securities ($194 MM) will be replaced with temporary increase in new debt issuance to be repaid using net proceeds from targeted non-core asset sales
- Financing plan on track to raise required capital before closing of acquisition
  - Access capital markets for permanent financings before year-end
  - Financing of $3.5 Bn incremental collateral needs on track with ~$2.0 Bn already closed (upsizing of revolver, new securitization facility and other LC facilities)

Direct Energy Financing Plan On Track For Completion; Eliminating The Need For New Equity

[1] See slide 15 of July 24th Business Update Presentation

2021 Capital Allocation

($ millions)



Astoria Repowering	$ 25
Small Books	15
Encina Site Improvement	25
Digital NRG	20
GenOn Pension	20
Acquisition Cost-to-Achieve	135

[1] Net of revolver debt; [2] See July 24th Business Update Presentation slide 16, and revised mid-point of NRG FCFbg guidance for 2021; [3] Increase in minimum cash from $500 MM to $650 MM – additional cash liquidity required for Direct Energy acquisition; [4] Estimate based on an $1.30 annual dividend (7-9% targeted dividend growth; assumed mid-point 8% for illustrative purposes) and 244 MM outstanding shares

Corporate Credit Profile

($ millions)

	2021 NRG Standalone	Acquisition	Pro Forma 2021
Corporate Debt	**$6,073[1]**	**$2,930**	**$9,003**
Temporary Debt (Asset Sales)		(194)	(194)
Debt reduction (2021 Capital Allocation)		(953)	(953)
Minimum cash balance	(500)[2]	(150)	(650)
Corporate Net Debt	**$5,573**	**$1,633**	**$7,206**
Adj. EBITDA	**$2,000[3]**	**$500[4]**	**$2,500**
Other Adjustments[5]	150	-	150
Corporate Adj. EBITDA	**$2,150**	**$500**	**$2,650**

2.59x **Target Investment Grade Metrics** **2.72x**

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

[1] Balance at 9/30/2020 and $148 MM to fund MWG lease buyout; [2] Comprised of minimum cash assuming excess capital is fully deployed; [3] Midpoint of 2021 guidance range; [4] EBITDA forecasts are based on NRG Energy's own estimates and should not be construed as a profit forecast for the purpose of Centrica's Listing Rule obligations under Listing Rule 13.5; see July 24th Business Update presentation; [5] Includes non-cash expenses (e.g. nuclear amortization, equity compensation amortization, and bad debt expense) and non-cash equity earnings that are included in Adj EBITDA

Closing Remarks

2020 Priorities

- ☐ **Deliver on Financial and Operational Objectives**
  - ☑ Narrowing 2020 & Maintaining 2021 Adj. EBITDA guidance
  - ☑ Strong year-to-date financial, operational and safety performance

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

- ☐ **Perfect and Grow Integrated Platform**
  - ☑ Enhance transparency through regional integrated financial disclosures and sensitivities
  - ☐ Grow retail and increase renewable supply through capital-light (PPA) strategy
    - ☐ Close Direct Energy acquisition, year-end 2020 target – on track
  - ☐ Portfolio / real-estate optimization
    - ☐ ***New*** Expecting minimum of $250 MM equity proceeds within next 6-12 months

- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☑ Increase annual dividend from $0.12 to $1.20 per share
  - ☑ Completed $228 MM share repurchases; remaining 2020 capital allocated to fund Direct Energy acquisition
  - ☐ Achieve investment grade credit rating, targeting late 2021 / early 2022

- ☐ **Analyst Day - Early 2021**

Appendix

Committed to Sustainability

NRG Sustainability Framework

Sustainable Business

Sustainable Operations

Sustainable Customers

Sustainable Suppliers

Sustainable Workplace

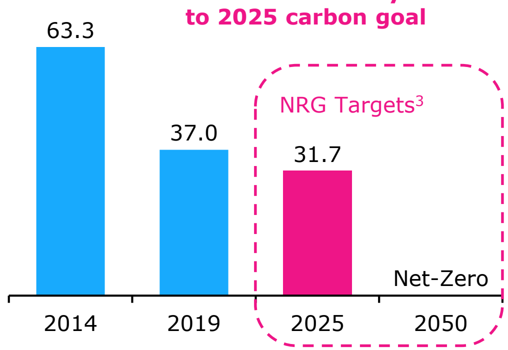
Industry-Leading Disclosure

10th Sustainability Report

Comprehensive Approach

Environmental Leadership[1]

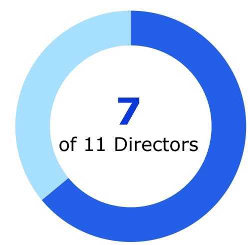
U.S. CO_2e Emission Goals ($MMtCO_2e^2$)



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

Diversity & Inclusion Focus

Board Diversity



- ☑ Four women and three ethnically diverse board members
- ☑ Diversity & Inclusion elevated to one of the company's five core values in 2019
- ☑ Recognized as one of the Best Employers for Diversity in 2019 by Forbes
- ☑ Dedicated Diversity & Inclusion management Steering Committee
- ☑ Independent board: 91%[4]

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

Capacity Clears & Unsold

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

Market	2020	2021
PJM	$282	$299
ISO-NE	$111	$89
NYISO[2]	$151	$162
CAISO[2]	$58	$50

Illustrative: Assumes uncleared capacity clears at current market levels

Market	Planning Year	Average Price ($/kW-Month)	Estimated Qualified Capacity[3]	Percentage Sold[4]	MWs Cleared
ISO-NE	2019-2020	$7.03	1,529	100%	1,529
	2020-2021	$5.30	1,529	100%	1,529
	2021-2022	$4.63	1,529	100%	1,529
	2022-2023	$3.80	1,517	100%	1,517
	2023-2024	$2.00	1,517	50%	757
NYISO	2020	$4.62	2,718	96%	2,607
	2021	$4.94	2,727	57%	1,560
	2022	$4.19	2,796	7%	197
CAISO	2020	$5.81	838	100%	838
	2021	$5.19	838	41%	347

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

*PJM data as of 5/23/2018

[1] Capacity revenue excludes cleared DER of: 2,975 MW at $96.99 $/MW-day in 2019-2020, 1,989 MW at $117.67 $/MW-day in 2020-2021 and 3,203 MW at $155.15 $/MW-day in 2021-2022; [2] NYISO & CAISO values include sold and unsold revenue; unsold revenue is estimated as of 9/30/2020 and is subject to change; NYC estimated qualified capacity is ~1.3 GW; NYISO – Rest of State estimated qualified capacity is ~1.5 GW; [3] Capacity that can be bid in a capacity auction; estimated as of 9/30/2020 and is subject to change; [4] Percentage of the total qualified capacity that has been sold as of 9/30/2020

Integrated Portfolio
Additional Modeling Data

	2021E Guidance Drivers	
	ERCOT	**East/West**
Operational Statistics		
Retail Sales – Current Portfolio[1]		
Electric Estimated Sales (TWhs)	58-60	11-13
Natural Gas Estimated Sales (MDths)	0	23-25
ERCOT Integrated Supply and East/West Generation Statistics		
Total Capacity (GW)[2]	10	11
Estimated Generation (TWh)[3]	43.0	16.4
Percentage Estimated Generation Hedged[4]	Integrated	65%
Financial Summary		
Gross Margin Summary ($ MM)		
Electric, Natural Gas, & Other Products[5]	$2,625-2,775	$500-550
Energy & Other[6]	~$50	$375
Capacity Revenues – generation[7]	--	$600
Implied Economic Gross Margin ($ MM)	$2,675-2,825	$1,475-1,525
O&M, SG&A, and Other Costs/Income[8]	~$1,400	~$850
Adj EBITDA Guidance ($ MM)	**$1,275-1,425**	**$625-675**
Adjusted EBITDA Power Price Sensitivities and Prices		
Adj EBITDA Sensitivities ($ MM)[9]	**2021E**	**2021E**
Power Price Sensitivity: +/- $1/MWh	<$5	<$5
Around-the-Clock Power Prices	**2021E**	**2021E**
ERCOT (Houston) and East/West (PJM-W Zones), 9/30/2020	$32.64	$28.65

Integrated Portfolio
Footnotes

[1] Estimated Retail Sales assumes weather normalized expected sales

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

[3] Estimated generation represents expected dispatch output (GWh) based on forward price curves as of 9/30/20

[4] Percentage hedged represents power equivalent hedge volumes divided by estimated generation; 'Integrated' represents the company's intention to internally cross the respective output (with exception of CBY unit 4) to its retail operations, unless otherwise optimized through other channels; Excludes coal hedging – NRG is hedged 51% of its coal fuel requirement for 2021

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

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

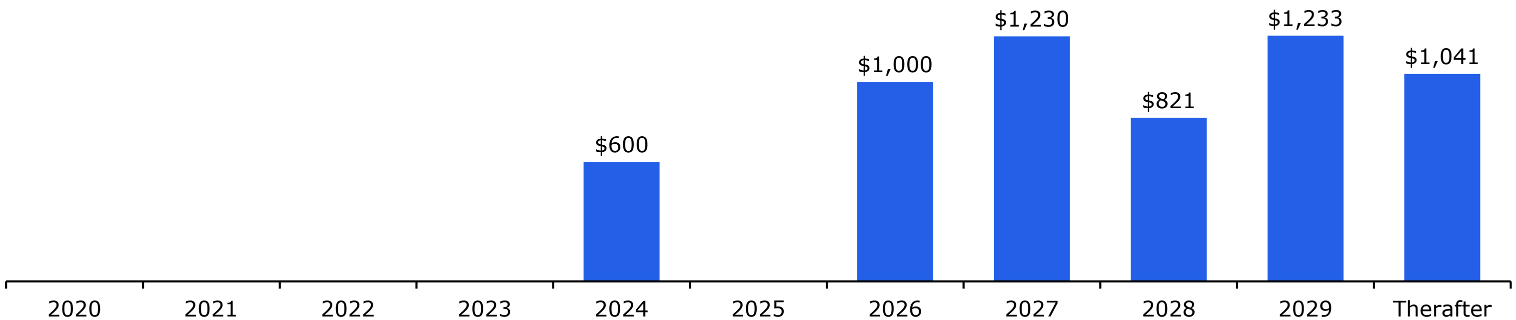
[7] Capacity Revenue primarily represents generation revenue from MWs cleared in ISO auctions or sold bilaterally plus forecasted revenue from unsold Capacity. Demand Response is subsumed in Energy & Other; however, for financial reporting purposes, it is included in Capacity Revenues.

[8] Includes other income from equity investments

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

Recourse Debt Maturity Schedule

($ millions)



Recourse Debt	Principal
7.25% Senior notes, due 2026	$1,000
6.625% Senior notes, due 2027	$1,230
5.75% Senior notes, due 2028	$821
5.25% Senior notes, due 2029	$733
2.75% Convertible Senior Notes, due 2048[1]	$575
3.75% Senior Secured First Lien Notes, due 2024	$600
4.45% Senior Secured First Lien Notes, due 2029	$500
Revolving Credit Facility	$-
Tax-exempt bonds	$466
Recourse Debt	**$5,925**

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

Uniform Maturity Schedule with No Maturity Walls

[1] Notes will become convertible during each of the ~6-month periods following December 1, 2024 and December 1, 2047; for updated convertible rate as of October 30, 2020, see page 32 of 3Q20 10-Q

Appendix: Reg. G Schedules

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Appendix Table A-1: NRG Guidance

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

($ millions)	2020 Guidance	2021 Guidance
Income from Continuing Operations[1]	**$1,020 - $1,120**	**$1,010 - $1,210**
Income tax	20	20
Interest Expense	345	325
Depreciation, Amortization, Contract Amortization, and ARO Expense	480	450
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	65	70
Other Costs[2]	20	25
Adjusted EBITDA	**$1,950 - $2,050**	**$1,900 - $2,100**
Interest payments	(350)	(325)
Income tax	(20)	(20)
Working capital / other assets and liabilities	10	(205)
Cash Flow from Operations	**$1,590 - $1,690**	**$1,350 - $1,550**
Adjustments: Acquired Derivatives, Cost-to-Achieve, Return of Capital Dividends, Collateral, GenOn Pension, Other	40	30
Adjusted Cash Flow from Operations	**$1,630 - $1,730**	**$1,380 - $1,580**
Maintenance capital expenditures, net	(165) – (175)	(170) – (185)
Environmental capital expenditures, net	(5)	(5) - (10)
Free Cash Flow before Growth	**$1,450 - $1,550**	**$1,200 - $1,400**

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

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Appendix Table A-2: 3 months ended 9/30/20 Adjusted EBITDA Reconciliation by Operating Segment

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

($ in millions)	Three Months ended 9/30/20					Three Months ended 9/30/19				
	Texas	**East**	**West/ Other[1]**	**Corp/Elim**	**Total**	**Texas**	**East**	**West/ Other[1]**	**Corp/Elim**	**Total**
Income/(Loss) from Continuing Operations	**288**	**149**	**17**	**(205)**	**249**	**348**	**121**	**15**	**(110)**	**374**
Plus:										
Interest expense, net	-	3	1	93	97	1	4	2	88	95
Income tax	-	1	-	91	92	-	-	1	5	6
Depreciation and amortization	49	34	9	7	99	45	31	8	7	91
ARO Expense	22	3	3	-	28	3	3	11	-	17
Contract amortization	2	-	-	-	2	5	-	-	-	5
EBITDA	**361**	**190**	**30**	**(14)**	**567**	**402**	**159**	**37**	**(10)**	**588**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	25	-	25	3	-	22	1	26
Acquisition-related transaction & integration costs	-	-	-	10	10	1	-	-	-	1
Reorganization costs	-	-	-	(1)	(1)	1	-	-	-	1
Deactivation costs	-	2	-	-	2	-	2	1	2	5
Other non recurring charges	1	(1)	2	-	2	-	(1)	1	-	-
Impairments	-	-	29	-	29	102	-	-	5	107
Mark to market (MtM) (gains)/losses on economic hedges	152	(45)	11	-	118	72	(17)	9	-	64
Adjusted EBITDA	**514**	**146**	**97**	**(5)**	**752**	**581**	**143**	**70**	**(2)**	**792**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-3: 9 months ended 9/30/20 Adjusted EBITDA Reconciliation by Operating Segment

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

($ in millions)	Nine Months ended 9/30/20					Nine Months ended 9/30/19				
	Texas	East	West/ Other[1]	Corp/Elim	Total	Texas	East	West/ Other[1]	Corp/Elim	Total
Income/(Loss) from Continuing Operations	**800**	**319**	**83**	**(519)**	**683**	**757**	**280**	**10**	**(390)**	**657**
Plus:										
Interest expense, net	-	10	2	272	284	1	13	8	280	302
Income tax	-	-	1	215	216	-	-	1	8	9
Loss on debt extinguishment	-	1	-	-	1	-	-	-	47	47
Depreciation and amortization	167	100	25	26	318	125	87	26	23	261
ARO Expense	29	14	4	(1)	46	9	9	13	-	31
Contract amortization	4	-	-	-	4	16	-	-	-	16
EBITDA	**1,000**	**444**	**115**	**(7)**	**1,552**	**908**	**389**	**58**	**(32)**	**1,323**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	2	-	72	-	74	11	-	79	1	91
Acquisition-related transaction & integration costs	1	-	-	13	14	1	-	-	1	2
Reorganization costs	-	-	-	1	1	5	-	-	11	16
Legal Settlement	-	-	-	-	-	3	6	2	-	11
Deactivation costs	2	1	2	-	5	-	6	5	6	17
Gain on sale of business	-	-	-	(15)	(15)	-	-	-	-	-
Other non recurring charges	2	(1)	3	5	9	2	(2)	2	-	2
Impairments	18	-	29	-	47	103	-	-	5	108
Mark to market (MtM) (gains)/losses on economic hedges	62	(70)	(5)	-	(13)	52	(19)	(10)	-	23
Adjusted EBITDA	**1,087**	**374**	**216**	**(3)**	**1,674**	**1,085**	**380**	**136**	**(8)**	**1,593**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-4: 3 months and 9 months ended 9/30/20 Free Cash Flow before Growth
The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Cash provided by continuing operations

($ millions)	3 Months Ended 9/30/20	9 Months Ended 9/30/20
Adjusted EBITDA	**$ 752**	**$ 1,674**
Interest payments	(68)	(240)
Income Tax	(15)	(19)
Collateral / working capital / other	25	(30)
Cash provided by continuing operations	**$ 694**	**$ 1,386**
Merger, integration and cost-to-achieve expenses[1]	12	15
Proceeds from sale of investments	-	12
Encina site improvement	1	4
Collateral	(38)	(95)
Adjusted Cash Flow from Operations	**$ 669**	**$ 1,322**
Maintenance capital expenditures, net	(39)	(121)
Environmental capital expenditures, net	(1)	(2)
Free Cash Flow before Growth	**$ 630**	**$ 1,199**

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

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EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, working capital needs;

EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. As NRG defines it, Adjusted EBITDA represents EBITDA excluding impairment losses, gains or losses on sales, dispositions or retirements of assets, any mark-to-market gains or losses from accounting for derivatives, adjustments to exclude the Adjusted EBITDA related to the non-controlling interest, gains or losses on the repurchase, modification or extinguishment of debt, the impact of restructuring and any extraordinary, unusual or non-recurring items plus adjustments to reflect the Adjusted EBITDA from our unconsolidated investments. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating Adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release.

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

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Adjusted cash flow from operating activities is a non-GAAP measure NRG provides to show cash from operations with the reclassification of net payments of derivative contracts acquired in business combinations from financing to operating cash flow, as well as the add back of merger, integration and related restructuring costs. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates. The Company adds back merger, integration related restructuring costs as they are one time and unique in nature and do not reflect ongoing cash from operations and they are fully disclosed to investors.

Free cash flow (before Growth investments) is adjusted cash flow from operations less maintenance and environmental capital expenditures, net of funding, preferred stock dividends and distributions to non-controlling interests and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each of these adjustments and the reasons NRG considers them appropriate for supplemental analysis. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on free cash flow before Growth investments as a measure of cash available for discretionary expenditures.

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