NRG Energy Inc.

First Quarter 2021 Earnings Presentation

May 6, 2021

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 and extreme weather events, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers or counterparties to perform under contracts, changes in the wholesale power markets, changes in government or market 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 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 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 and free cash flow guidance are estimates as of May 6, 2021. 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.

Agenda

Business Review

Mauricio Gutierrez, President and CEO

Financial Review

Gaetan Frotte, SVP and Interim CFO

Closing Remarks

Mauricio Gutierrez, President and CEO

Q&A

Key Messages

Winter Storm Uri Financial Impact & Mitigation Plan; Reinstating 2021 Financial Guidance

Texas Designing Comprehensive Solutions to Improve Grid Resilience

Focused on Advancing Customer-Centric Strategy

Winter Storm Uri
Financial Impact

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	Financial Impact	Market Failures Overwhelmed Platform Performance
Controllable (gross)	**($92 MM)** +$17 MM Platform ($109 MM) Bad Debt	Platform Performance • Maintained balanced supply to retail load ratio • Protected residential customers from high power prices
Uncontrollable (gross)	**($393 MM)**	Direct Energy Financial Hedge Non-Performance – Isolated Issue • One Heat Rate Call Option (HRCO) non-performance
	($95 MM)[1] ($83 MM) '21 short pay ($12 MM) 96-yr NPV	ERCOT Defaults Primarily Due to Regulated Co-ops • Brazos / Rayburn seeking to shift costs to other ERCOT customers
	($395 MM)	Unhedgeable Uplift Costs Primarily During Final 32 Hours • >10 GW of reserves while maintaining EEA3 ($9,000/MWh pricing)
Total	Gross: ($975 MM) Est Offsets: $275-475 MM **Net: ($500)–($700 MM)**	• To Pursue: (a) bad debt mitigation (b) HRCO recovery (c) ERCOT default and uplift securitization (d) one-time cost savings • Risks to Estimate: primarily 180-day settlement and bad debt escalation with business customers; both expected to be minimal

Focused on Mitigating Uri's Financial Impact and
Implementation of ERCOT Policies to Prevent Future Uncontrollable Exposures

[1] $95 MM ERCOT default payment is comprised of $83 MM short pay plus $12 MM which represents the 96-year net present value (NPV) of the difference between the $185 MM estimated total share of uplift less $83 MM short pay

Winter Storm Uri
Steps to Improve Grid Reliability

Key Concepts to Improve System Reliability

1 System Hardening

- **Weatherization:** Improved winterization standards for the entire electric and natural gas system including supply chain
- **Electric & Natural Gas Coordination:** Formal coordination council to be led by the Public Utility Commission and Railroad Commission; Mapping of natural gas supply chain and critical infrastructure identification

2 Communications

- **TDUs and Retailer Cooperation:** Public Utility Commission, ERCOT, Railroad Commission and key stakeholder coordination to ensure urgent information shared; TDUs to comply with customer outage protocols and communicate with Reps
- **Customers Alerts:** Implementation of Statewide alert system across key agencies & market participants and new rules for public communications during weather emergency

3 Market Design

- **Market Solutions:** Improve reliability through competition in reformed energy & reserves market, avoiding rate-regulated generation or a one-size-fits-all capacity procurement; Improve incentives to retain and attract dispatchable resources to support reliability during all seasons
- **Customer Plan Protections:** Indexed wholesale products banned for residential customers

Focus on Comprehensive & Competitive Solutions from the Wellhead to the Lightbulb;
Improved Resilience Further Strengthens NRG's Platform

Business Highlights & Results

Q1 Business Highlights

☑ Financial and Operational Results
- Top decile safety performance
- Impacted by Winter Storm Uri
- Focused on Texas reforms to strengthen grid

☑ Executing Direct Energy Integration
- $51 MM synergies achieved in 1Q21
- Designating Houston as sole Corporate Headquarters
- Reaffirming 2021 and full plan targets

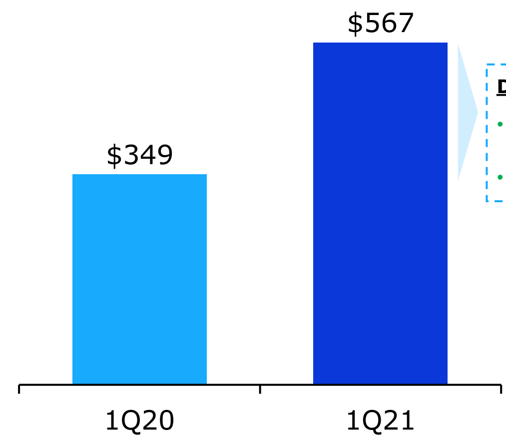
☑ Perfecting Customer-Centric Model
- Closed Direct Energy acquisition on January 5th
- 4.8 GW non-core asset sales on-track to close 4Q21
- 2.2 GWs renewable PPAs in ERCOT (from 1.8 GW)

☑ Disciplined Capital Allocation
- Compelling dividend policy; 7-9% annual growth
- Reviewing post-Uri timeline to achieve investment grade ratings with credit agencies

Financial Update

($ millions)

Adjusted EBITDA
(excl. one-time impacts from Winter Storm Uri)



Driver:
- Direct Energy Acquisition
- Excludes Uri

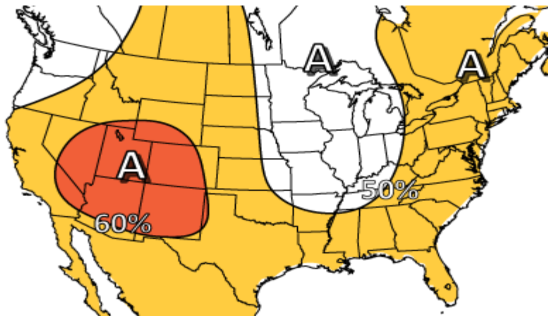
Reinstating 2021 Financial Guidance
(excludes one-time impacts from Uri)
$2,400 - $2,600 Adjusted EBITDA
$1,440 - $1,640 MM FCFbG

Addition of Direct Energy's East Electric & Natural Gas Retail Business Further Flattens NRG's Quarterly Earnings and Free Cash Flow Seasonality

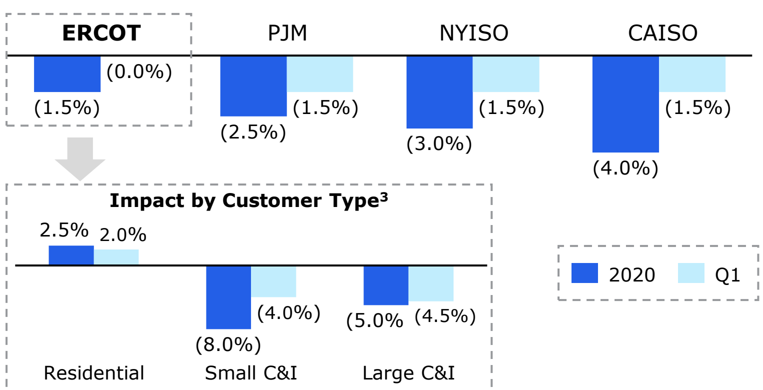
Favorable 2021 Market Trends
Healthy Load & Low Power Prices

Neutral to Favorable Year-over-Year Load Outlook

Summer Weather Outlook[1] – Neutral to Favorable



COVID Related Load Reductions by ISO[2]
(weather-normal)



Signs of Load Growth with Low Power Prices; Good for NRG

- **Regional Load and Customer Count - Mixed**
  - ERCOT continues to demonstrate relative strength
  - East recovery to pace with economic reopening
  - Residential remains resilient; C&I moderately improving with partial return-to-work
- **Supply Costs - Stable Across Markets**
  - ERCOT & East power prices to remain stable given robust summer reserve margins
  - ERCOT's lowered price cap to $2,000 / MWh (from $9,000) reduces summer high-price risk
- **Biden Infrastructure - American Jobs Plan**
  - Proposed plan's ambition poised to amplify NRG's strategic shift of moving closer to the customer
  - To drive rapid electrification of economy through smarter technology and cleaner energy choices

Near- and Long-Term Trends Increasingly Supportive of Growth

[1]Source: NOAA long term June-August forecast; [2] NRG estimates for weather normalized system-wide load; [3] Based on internal analysis

Advancing Customer-Centric Strategy
Streamlining & Synergies – On Track

Rapidly Perfecting Platform

- **Continued Focus on Redefining through Streamlining and Strengthening our Platform**
  - Grow retail customers and products & services
  - Achieve cost excellence
  - Maintain strong balance sheet
  - Comprehensive sustainability framework

In Focus

Integrate Direct Energy Acquisition

In Focus

Ongoing Portfolio & Asset Optimization

- 4.8 GW fossil asset sale on track to close by year-end
- Evaluating further valuation accretive streamlining activities

In Focus

Investor Day - Introduce Long-Term Strategy

- Advantaged Customer Company; network 6 MM Customers
- Strategic & Financial Flexibility; compelling FCF/Shr growth
- Comprehensive Sustainability Framework

Direct Energy Integration Scorecard

As of 03/31/2021 ($ millions)	**2021 Target**	**2021 Realized**	**2022 Target**	**2023 / Run Rate**
Accretive & Recurring:				
Synergies	135	51	225	300
Total Recurring EBITDA & FCFbG –Accretion	**$135**	**$51**	**$225**	**$300**
Non-Recurring:				
Integration Cost[1]	135	22	40	27
Total Non-Recurring	**$135**	**$22**	**$40**	**$27**

$51 MM Synergies YTD
On track for **$135 MM in 2021**

Strategy Aligns with Macro and Market Trends of Increased Customer Value

[1] 2020 Integration Costs ~$10M

Financial Review

Financial Update

($ millions)

1Q Results & Guidance[1] (excludes Storm Uri)	Three Months Ended 3/31/2021	Three Months Ended 3/31/2020	2021 Guidance
Texas	$254	$195	$1,425-1,575
East/West/Services/Other[2]	313	154	975-1,025
Adjusted EBITDA	**$567**	**$349**	**$2,400-2,600**
Free Cash Flow before Growth ("FCFbG")			**$1,440-1,640**

Uri One-Time Impact (excluded from results)	2021	2022
Gross Impact	($975)	-
Est Offsets	275-475	-
Net Impact	**($500-700)**	**-**
Def. Credits	150	(150)
CAFA Impact	**($350-550)**	**($150)**

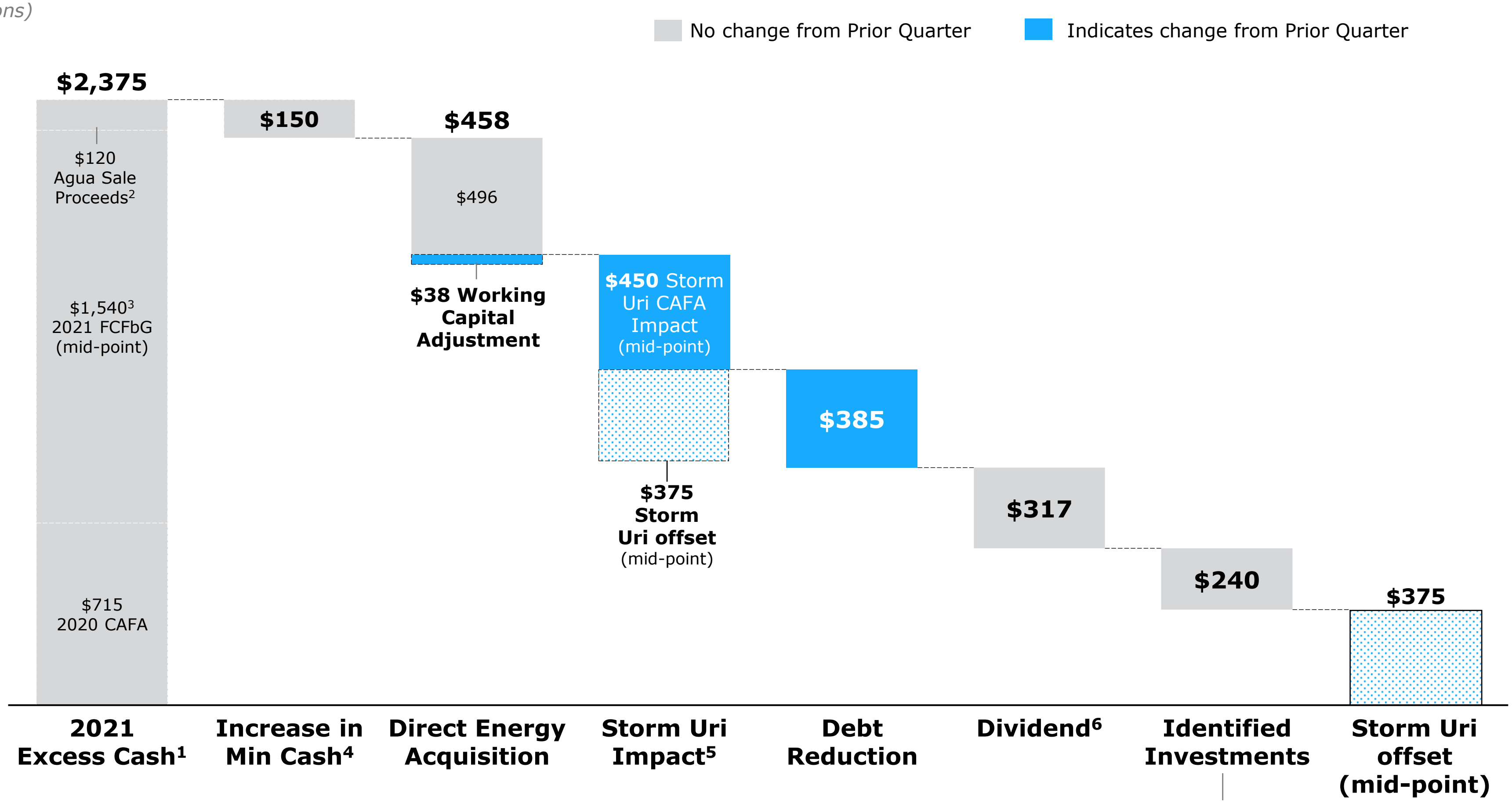
- 1Q Adj EBITDA results $218 MM higher vs. 2020 (excluding Winter Storm Uri impacts)
  - Increase mainly due to Direct Energy acquisition
  - Direct Energy's East electric and natural gas business further flattens NRG's quarterly earnings and free cash flow seasonality
- Winter Strom Uri One-Time Impacts:
  - 2021 Net impact of ($500)-(700 MM) reflects estimated offsets of $275-475 MM
  - 2021 and 2022 Net CAFA impact of ($350)-(550 MM) and ($150 MM) reflect deferred credits

2021 Guidance Reinstated Excluding Winter Storm Uri Impact

[1] Uri 1Q21 Impact of $967 MM; $8 MM Uri impact to be incurred beyond 1Q21; [2] Includes Corporate segment

2021 Capital Allocation

($ millions)



DE Integration Costs	$ 135
Encina Site Improvement	25
Astoria Repowering	25
Small Books	15
GenOn Pension	10
Digital NRG and Other	30

[1] Excludes East & West Asset Sales ; [2] Net of revolver debt of $83 MM; [3] Mid-point FCFbG guidance for 2021; [4] Increase in minimum cash from $500 MM to $650 MM – to reflect minimum cash post acquisition of Direct Energy; [5] Net costs ($600 MM) less $150 MM credits deferred to 2022; [6] Based on annualized dividend of $1.30 per share and 244 MM outstanding shares

Corporate Credit Profile & Liquidity

($ millions)

	2021 Guidance
Corporate Debt[1]	**$8,855**
Debt reduction (2021 Capital Allocation)	(385)
Minimum cash balance	(650)
Corporate Net Debt	**$7,820**
Adjusted EBITDA[2]	**$2,500**
Other Adjustments[3]	150
Corporate Adj. EBITDA	**$2,650**

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

Liquidity Position	As of May 4, 2021
Cash and cash equivalents	$575
Restricted cash	15
Total	**$590**
Total credit facilities available	3,473
Total Liquidity	**$4,063**

Strong Liquidity Maintained Throughout Winter Storm Uri
Expect to be at ~3.0x Corporate Debt/EBITDA by Year-end

[1] Balance at 12/31/2020; [2] Midpoint of guidance ranges, see slides 21 for Reg G reconciliation; [3] 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

2021 Priorities

- ☐ **Deliver on Financial and Operational Objectives**

- ☐ **Execute on Direct Energy Objectives**
  - ☐ $135 MM EBITDA-accretive synergies ($300 MM 2023 run-rate)

- ☐ **Perfect and Grow Integrated Platform**
  - ☐ Advance Texas system-wide reliability and customer protection planning
  - ☐ Grow retail and increase renewable supply through capital-light (PPA) strategy
  - ☐ Portfolio / real-estate optimization
    - ☐ Close announced 4.8 GW asset sales, 4Q21 target – on track

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- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☐ Achieve investment grade metrics 2.50-2.75x
  - ☐ Achieve investment grade credit rating, targeting late 2021 / early 2022
    - ☐ Timeline to achieve investment grade rating currently under review with credit agencies

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- ☐ **Investor Day – Late Spring 2021**

Appendix

Committed to Sustainability

NRG Sustainability Framework

- Sustainable Business
- Sustainable Operations
- Sustainable Customers
- Sustainable Suppliers
- Sustainable Workplace

Industry-Leading Disclosure

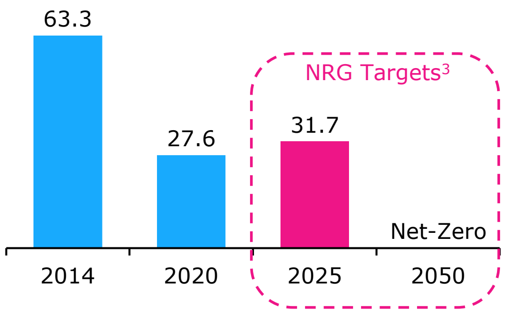
10th Sustainability Report

Comprehensive Approach

Environmental Leadership[1]

U.S. CO_2e Emissions ($MMtCO_2e$[2])

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



2020 emissions below 2025 target

May increase over 2021-2024 but company on track to meet 2025 target

Diversity & Inclusion Focus

Board Diversity

7 of 11 Directors

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

[1] Data as of December 31, 2020; [2] Million metric tons of carbon dioxide equivalent; [3] NRG's goal is to reduce its total Scope 1, 2 (purchased electricity), and 3 (employee business travel) CO_2e emissions by 50% by 2025, from the current 2014 baseline, and achieve 'net-zero' emissions by 2050; [4] All Directors except CEO

Capacity Clears & Unsold

Capacity Revenue[1] ($ MM)

Market	2021[2]
PJM	$299
ISO-NE	$89
NYISO[3]	$159
CAISO[3]	$57

Illustrative: Assumes uncleared capacity clears at current market levels

Market	Planning Year	Average Price ($/kW-Month)	Estimated Qualified Capacity[4]	Percentage Sold[5]	MWs Cleared
ISO-NE	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
	2024-2025	$2.61	1,518	100%	1,518
NYISO	2021	$4.84	2,747	72%	1,979
	2022	$4.13	2,811	13%	356
	2023	$3.44	2,542	1%	17
CAISO	2021	$5.70	838	85%	718
	2022	$6.11	838	52%	438

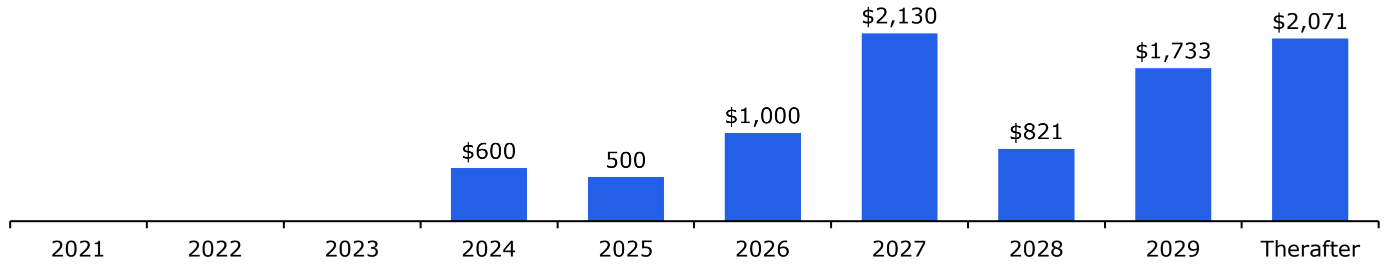
Market	Region	Planning Year	Average Price ($/MW-Day)	MWs Cleared
PJM	ComEd	2020-2021	$188.12	3,315
		2021-2022	$195.55	3,995
PJM	DPL South	2020-2021	$187.87	519
		2021-2022	$165.73	552
PJM	PEPCO	2020-2021	$86.04	67
		2021-2022	$140.00	72
PJM	Net Total	2020-2021	$186.34	3,901
		2021-2022	$191.12	4,619

*PJM data as of 5/23/2018

[1] Capacity revenue excludes cleared DER of: 1,913 MW at $101.65 $/MW-day in 2020-2021 and 3,339 MW at $150.62 $/MW-day in 2021-2022; [2] 2021 Capacity revenue includes revenues for announced asset sales: ISO-NE $89 MM; NYISO $115 MM; CAISO $57 MM; [3] NYISO & CAISO values include sold and unsold revenue; unsold revenue is estimated as of 3/31/2021 and is subject to change; NYC estimated qualified capacity is ~1.3 GW; NYISO – Rest of State estimated qualified capacity is ~1.5 GW; [4] Capacity that can be bid in a capacity auction; estimated as of 3/31/2021 and is subject to change; [5] Percentage of the total qualified capacity that has been sold as of 3/31/2021

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
3.375% Senior notes, due 2029	$500
3.625% Senior notes, due 2031	$1,030
2.75% Convertible Senior Notes, due 2048[1]	$575
3.75% Senior Secured First Lien Notes, due 2024	$600
2.00% Senior Secured First Lien Notes, due 2025	$500
2.45% Senior Secured First Lien Notes, due 2027	$900
4.45% Senior Secured First Lien Notes, due 2029	$500
Tax-exempt bonds	$466
Recourse Debt	**$8,855[2]**

NRG Energy, Inc. Credit Rating

S&P	Moody's
BB+ Credit Watch	**Ba1 Stable**

Uniform Maturity Schedule with No Maturity Walls

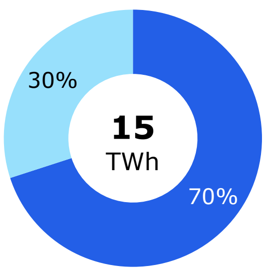
[1] Notes will become convertible during each of the ~6-month periods following December 1, 2024 and December 1, 2047; for updated convertible rate as of April 30, 2021, see page 28 of 1Q21 10Q; [2] Excludes revolving credit facility

1Q21 Business Metrics

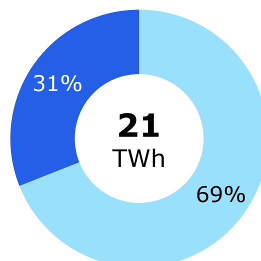
Home & Business Volumes[1]

Texas | East / Other

Electric



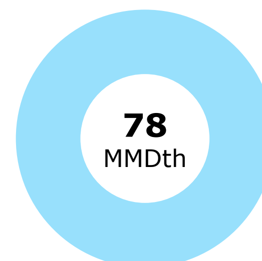
Home / Residential



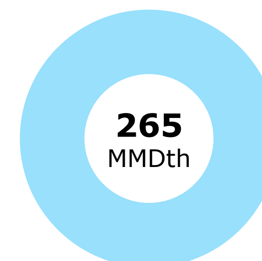
Business / C&I

36 TWh
Electricity

Natural Gas



Home / Residential



Business / C&I

343 MMDth
Natural Gas

Leading North American Integrated Energy Provider

[1] Includes Winter Storm Uri volumes

Appendix: Reg. G Schedules

Reg. G

Appendix Table A-1: 2021 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)	2021 Guidance
Net (Loss)/Income[1]	**$80 - $280**
Winter Storm Uri	975
Interest expense, net	450
Income tax	55
Depreciation, Amortization, Contract Amortization, and ARO Expense	660
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	85
Other Costs[2]	95
Adjusted EBITDA	**$2,400 - $2,600**
Interest payments, net	(460)
Income tax	(25)
Working capital / other assets and liabilities	(315)
Cash (used)/provided by Operating Activities	**$1,600 - $1,800**
Adjustments: Proceeds from investment and asset sales, Collateral, GenOn Pension, Nuclear Decommissioning Trust liability	30
Adjusted Cash Flow from Operations	**$1,630 - $1,830**
Maintenance capital expenditures, net	(180) - (195)
Environmental capital expenditures, net	(5) - (10)
Free Cash Flow before Growth	**$1,440 - $1,640**

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

Reg. G

Appendix Table A-2: 3 months ended 03/31/21 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 03/31/21					Three Months ended 03/31/20				
	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total
Net (Loss)/Income	**$ (425)**	**$ 353**	**$ 69**	**$ (79)**	**$ (82)**	**$ 162**	**$ 20**	**$ 45**	**$ (106)**	**$ 121**
Plus:										
Interest expense, net	-	3	-	123	126	-	4	1	89	94
Income tax	-	4	1	(90)	(85)	-	-	1	22	23
Loss on debt extinguishment	-	-	-	-	-	-	1	-	-	1
Depreciation and amortization	77	209	24	7	317	59	32	9	9	109
ARO Expense	2	3	(2)	-	3	3	8	-	-	11
Contract amortization	1	-	-	-	1	1	-	-	-	1
EBITDA	**(345)**	**572**	**92**	**(39)**	**280**	**225**	**65**	**56**	**14**	**360**
Winter Storm Uri Impact	1,121	(145)	(11)	2	967	-	-	-	-	-
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	20	-	20	1	-	24	-	25
Acquisition-related transaction and integration costs	-	14	-	30	44	1	-	-	-	1
Reorganization costs	-	-	-	-	-	1	-	-	2	3
Deactivation costs	-	-	-	(9)	(9)	-	-	1	-	1
Gain on sale of business	-	-	(17)	-	(17)	-	-	-	(15)	(15)
Other non recurring charges	2	(13)	-	14	3	(2)	1	(1)	3	-
Impairments	-	-	-	-	-	18	-	-	-	18
Mark to market (MtM) (gains)/losses on economic hedges	(524)	(162)	(35)	-	(721)	(49)	20	(15)	-	(44)
Adjusted EBITDA	**$ 254**	**$ 266**	**$ 49**	**$ (2)**	**$ 567**	**$ 195**	**$ 86**	**$ 64**	**$ 4**	**$ 349**

[1] Includes International, remaining renewables and eliminations

Reg. G

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

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

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

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

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

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

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

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

Adjusted EBITDA is presented as a further supplemental measure of operating performance. 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, related restructuring costs and changes in the nuclear decommissioning trust liability. 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. The company excludes changes in the nuclear decommissioning trust liability as these amounts are offset by changes in the decommissioning fund shown in cash from investing for the benefit.

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.