NRG Business

Mauricio Gutierrez | COO and President NRG Business

NRG Wholesale to Business
Organized to Survive Today, Win Tomorrow & Grow the Future

nrg Business

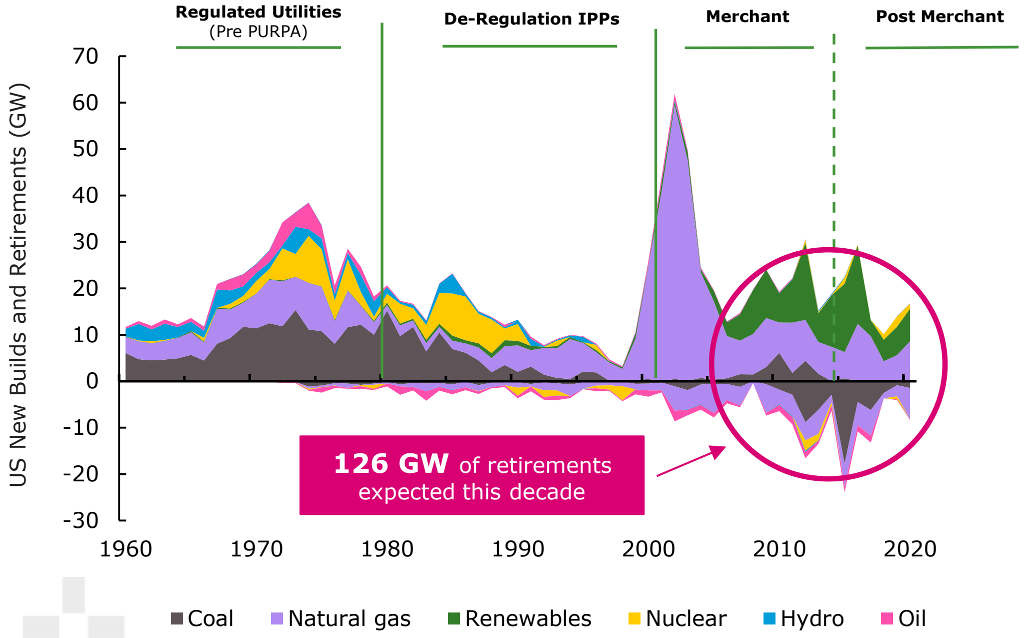
Wholesale — Unmatched portfolio positioned to survive retirement wave and benefit from market recovery

B2B — Capabilities in place to win on the growing distributed B2B opportunity, as American business seeks greater reliability than grid provides

Services — Win the crossover value between wholesale and distributed

★ Survive to Thrive ★

Wholesale Market in Transition



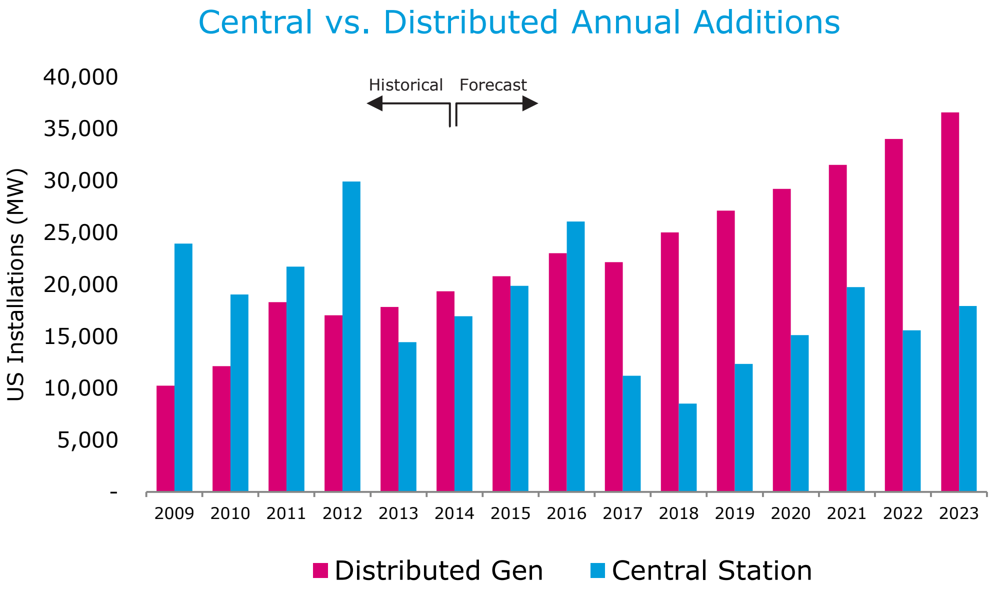
Trend		Opportunity
Retirements	▶	Capacity payments
Renewables	▶	Firming Capacity
Distributed	▶	Resiliency

Source: CERA

Changes in supply/demand balance present unprecedented retirement-driven market opportunity

nrg
Power to be free

Distributed Growth Driven by Energy Users



Sustainability
+
Reliability

Source: CERA, Navigant

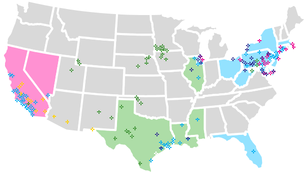
Distributed Generation will take a significant share on “new” supply resources

nrg
Power to be free

Wholesale	Unmatched portfolio positioned to survive retirement wave and benefit from market recovery
B2B	Capabilities in place to win on the growing distributed B2B opportunity, as American business seeks greater reliability than grid provides
Services	Win the crossover value between wholesale and distributed

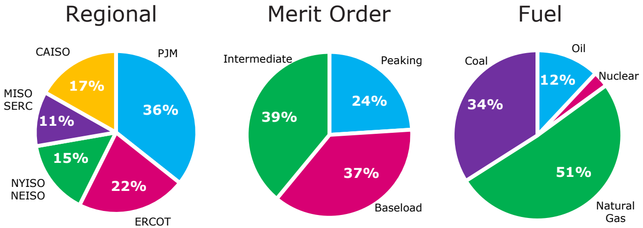
A Generation Portfolio Unmatched by Scale and Diversification

☑ Scale



49,400 MW[1]

☑ Diversification



☑ Environmentally Controlled

East (24,500 MW)

Scale and Diversification
Insurance Product (Capacity)
Maintain energy option

Gulf (16,000 MW)

Integrated Platform
Brownfield Advantage
CCS/EOR

West (8,900 MW)

Renewables
Fast Start Gas
Preferred Resources

[1] Excludes international and renewable portfolio

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

nrg Power to be free

NRG Wholesale Strategy

Strategy	Rationale	Example
Fuel Conversion	Avoid enviro capex Low cost / quick payback options on marginal assets leveraging capacity markets. Free option on energy	Joliet Avon Lake Big Cajun II-2
Environmental Retrofit	Plants well positioned to benefit from energy and capacity margins	Big Cajun 1 & 3 Limestone Parish Midwest Gen
Cost Synergies	SG&A and Operational synergies	GenOn Midwest Gen
Brownfield Development	Merchant: Cost advantage at 50-60% replacement cost Contracted: Firming capacity with 10 year contracts. NRG Yield candidates	PH Robinson El Segundo Marsh Landing

PLUS De-carbonization

How Best to Invest $1 Billion?

~6,500 MW[1]
Life extension
Multiple Zones
Capacity driven ✓

or

1,200 MW CCGT[2]
Brownfield
Single Market
Merchant Exposure

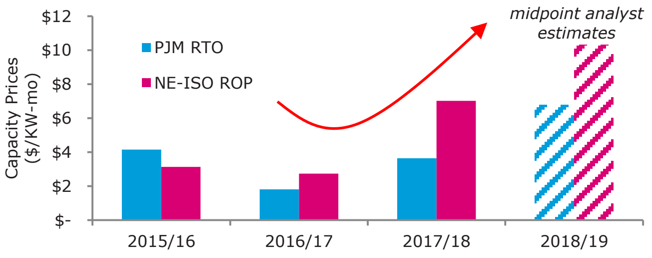
[1] Investment on East region asset revitalization program
[2] Based on $830/kW overnight cost

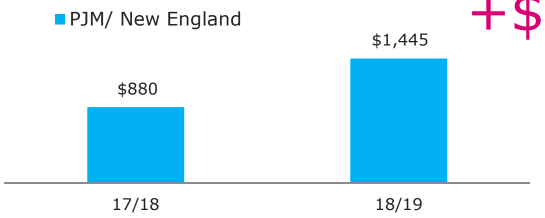
Survive to thrive strategy, focused on capacity and contracts with energy upside

nrg
Power to be free

Wholesale Market Opportunity

Investing to Benefit From Capacity Reforms…





NRG Revenue[1] ($ millions)

+$565 MM

…While Maintaining a Cheap Option on Market Recovery[2]

+$500-$550 MM

+ 1 Heat Rate

+$400-$450 MM

+ $0.50 Gas

[1] Revenue increase based on expected UCAP and mid point of selected analyst estimates. Excludes any performance penalties
[2] Based on market sensitivities as of 12/31/14 for 2017 and total portfolio. Heat rate units in mmbtu/MWh and gas in $/mmbtu

Focused on retirement-driven capacity reforms with significant leverage to energy market recovery

nrg
Power to be free

Wholesale	Unmatched portfolio positioned to survive retirement wave and benefit from market recovery
B2B	Capabilities in place to win on the growing distributed B2B opportunity, as American business seeks greater reliability than grid provides
Services	Win the crossover value between wholesale and distributed

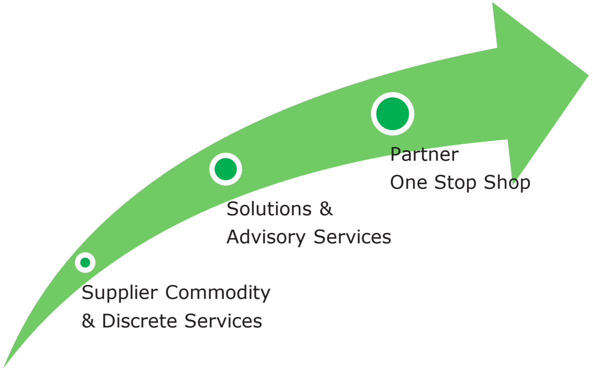
nrg
Power to be free

NRG B2B: Investing in the Future

NRG B2B Energy Platform

Scalable platform in place
Over 10,000 customers combined
1,900 MW equivalent[1] Capacity
1,400 MW Demand Response
Presence in 12 States
264 Gensets installed

Focused on higher value services

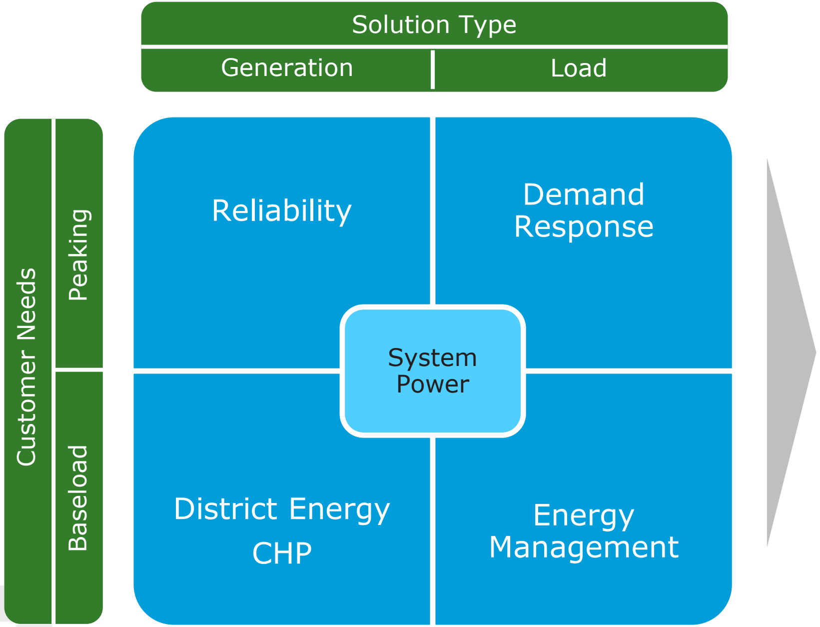


[1] Includes thermal and electric capacity for District Energy, CHP and Reliability (excludes regional Cogen considered wholesale)
[2] Equity investment

Transitioning from energy supplier to energy partner along the higher value chain

nrg
Power to be free

Comprehensive Customer Energy Solution



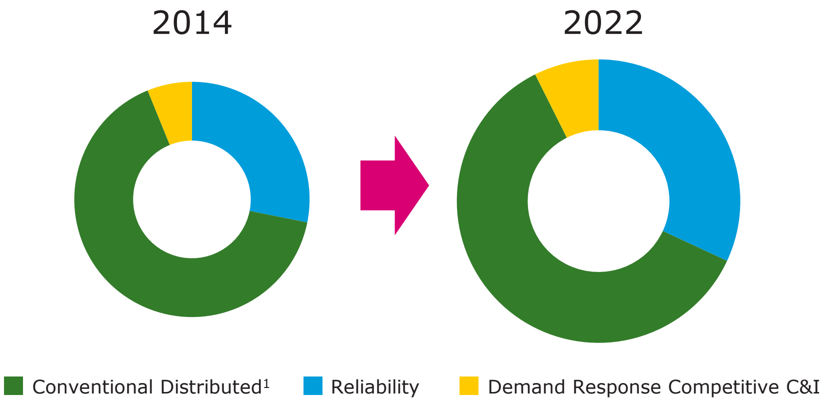
Case Study: Princeton Hospital

- Combined Heat and Power (CHP)
- Backup Generation (Dual Fuel)
- Energy Thermal Storage
- Solar Array
- Synchronized to the Grid or independent operation (island mode)

B2B platform in place to provide solutions across all customer needs

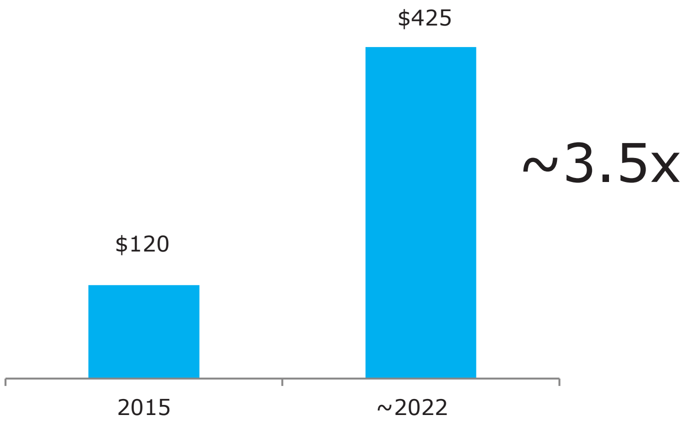
nrg
Power to be free

Distributed B2B Market Opportunity



	2014	2022
Market	300 GW	380 GW
NRG[2]	1.8 GW	4.9 GW

Est. B2B Adjusted EBITDA[3]
($ millions)



Source: EIA, EGSA, PSR, Navigant, Enovation Partners, NRG estimates
[1] Primary power generation including CHP, energy storage and other conventional technologies. Excludes distributed solar
[2] Capacity from Reliability, CHP and Demand Response. Excludes District Energy
[3] 2015 based on NRG's midpoint financial guidance. Includes District Energy assets in NRG Yield, CHP, Reliability, Demand Response , Energy Services and retail C&I

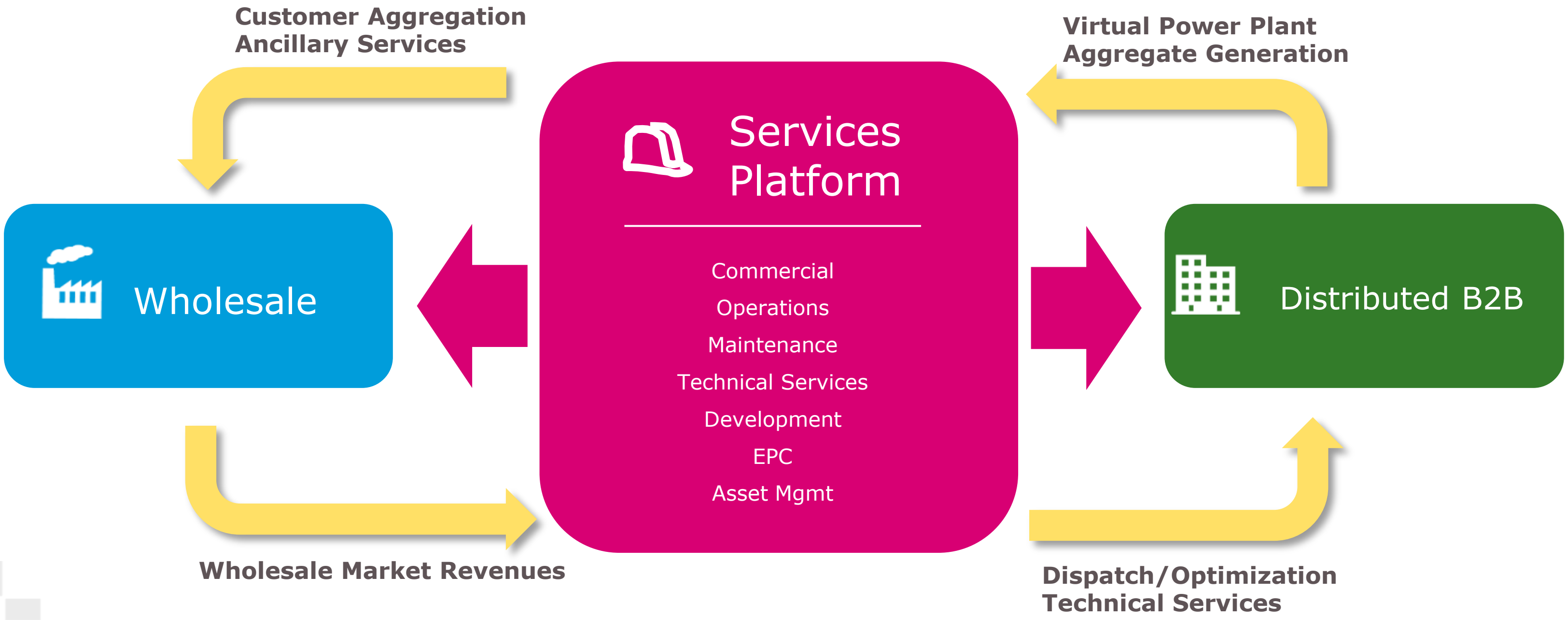
Plan achievable by capturing a modest market share of incremental opportunity

nrg
Power to be free

	Wholesale	Unmatched portfolio positioned to survive retirement wave and benefit from market recovery
	B2B	Capabilities in place to win on the growing distributed B2B opportunity, as American business seeks greater reliability than grid provides
	Services	Win the crossover value between wholesale and distributed

nrg
Power to be free

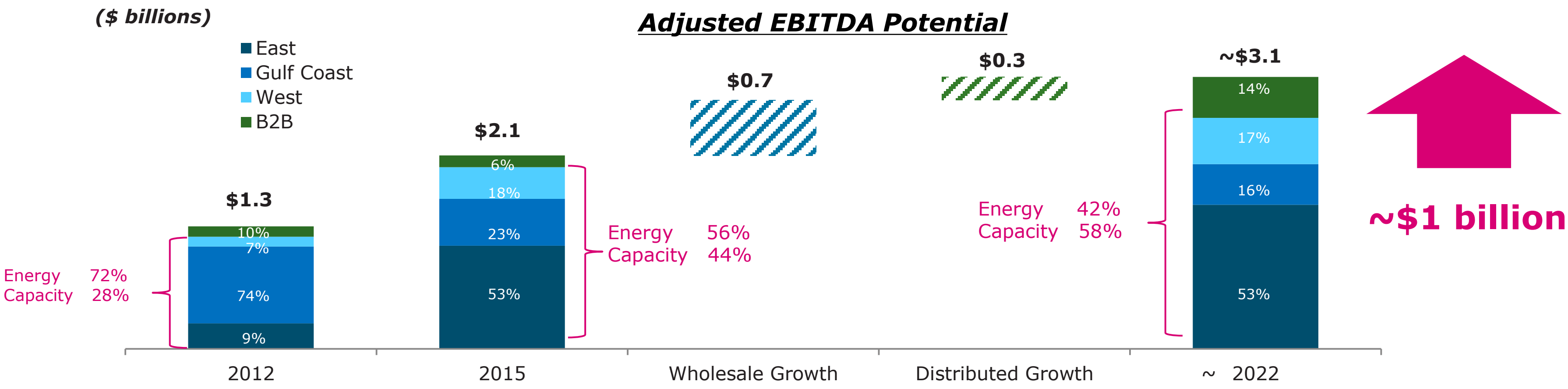
NRG Wholesale Services Platform



Competitive advantage is in leveraging our premier wholesale platform

nrg
Power to be free

Path to Value Driven By Capacity, Contracts and B2B Expansion…



Single Market Energy Exposure → Diversified Capacity Exposure Contracted Assets + Capacity Contracts B2B Growth = Diversified Capacity Exposure Contracted Assets B2B + Energy Upside

Note: 2015 based on mid-point guidance. Includes contribution from NRG Yield conventional assets. Capacity revenues includes contracted assets

…While maintaining significant upside on power market recovery

nrg Power to be free