NRG YIELD, LLC

Financial Statements

(Unaudited)

March 31, 2015

NRG YIELD LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions)	Three months ended March 31, 2015	Three months ended March 31, 2014 [(a)]
Operating Revenues		
Total operating revenues	$ 180	$ 140
Operating Costs and Expenses		
Cost of operations	75	60
Depreciation and amortization	54	24
General and administrative — affiliate	3	2
Total operating costs and expenses	132	86
Operating Income	48	54
Other Income (Expense)		
Equity in earnings of unconsolidated affiliates	1	1
Other income, net	1	1
Interest expense	(69)	(26)
Total other expense, net	(67)	(24)
Net (Loss) Income	$ (19)	$ 30

(a) Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

	Three months ended March 31,	
	2015	2014 [(a)]
	(In millions)	
Net (Loss) Income	$ (19)	$ 30
Other Comprehensive Loss		
Unrealized loss on derivatives	(25)	(12)
Other comprehensive loss	(25)	(12)
Comprehensive (Loss) Income	$ (44)	$ 18

[(a)] Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD LLC

CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 2015	December 31, 2014 [(a)]
	(In millions)	
Current Assets		
Cash and cash equivalents	$ 114	$ 406
Restricted cash	46	45
Accounts receivable — trade	63	85
Accounts receivable — affiliate	1	—
Inventory	27	27
Derivative instruments	8	—
Notes receivable	7	6
Prepayments and other current assets	18	21
Total current assets	284	590
Property, plant and equipment		
In service	4,804	4,796
Under construction	17	8
Total property, plant and equipment	4,821	4,804
Less accumulated depreciation	(391)	(338)
Net property, plant and equipment	4,430	4,466
Other Assets		
Equity investments in affiliates	188	227
Notes receivable	15	15
Intangible assets, net of accumulated amortization of $55 and $36	1,403	1,423
Derivative instruments	—	2
Other non-current assets	116	103
Total other assets	1,722	1,770
Total Assets	$ 6,436	$ 6,826

(a) Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD LLC

CONSOLIDATED BALANCE SHEETS
(Continued)

LIABILITIES AND MEMBERS' EQUITY	March 31, 2015	December 31, 2014 [a]
	(In millions)	
Current Liabilities		
Current portion of long-term debt	$ 218	$ 214
Accounts payable	33	20
Accounts payable — affiliate	47	45
Derivative instruments	48	48
Accrued expenses and other current liabilities	43	61
Total current liabilities	389	388
Other Liabilities		
Long-term debt — external	4,392	4,247
Long-term debt — affiliate	337	337
Derivative instruments	97	69
Other non-current liabilities	48	49
Total non-current liabilities	4,874	4,702
Total Liabilities	5,263	5,090
Commitments and Contingencies		
Members' Equity		
Contributed capital	1,120	1,609
Retained earnings	136	185
Accumulated other comprehensive loss	(83)	(58)
Total Members' Equity	1,173	1,736
Total Liabilities and Members' Equity	$ 6,436	$ 6,826

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31, 2015	Three months ended March 31, 2014 [(a)]
	(In millions)	
Cash Flows from Operating Activities		
Net (loss) income	$ (19)	$ 30
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Distributions in excess of equity in earnings of unconsolidated affiliates	36	1
Depreciation and amortization	54	24
Amortization of financing costs and debt discount/premiums	2	1
Amortization of intangibles and out-of-market contracts	12	1
Changes in derivative instruments	(2)	—
Changes in other working capital	(5)	(32)
Net Cash Provided by Operating Activities	78	25
Cash Flows from Investing Activities		
Acquisition of businesses, net of cash acquired	(490)	—
Capital expenditures	(3)	(22)
(Increase) decrease in restricted cash	(1)	34
Decrease in notes receivable	2	3
Proceeds from renewable energy grants	—	96
Investments in unconsolidated affiliates	3	3
Other	—	11
Net Cash (Used in) Provided By Investing Activities	(489)	125
Cash Flows from Financing Activities		
Distributions and return of capital to NRG	—	(23)
Payment of dividends and distributions	(30)	(22)
Proceeds from issuance of long-term debt — external	210	29
Proceeds from issuance of long-term debt — affiliate	—	337
Payments for long-term debt — external	(61)	(96)
Net Cash Provided by Financing Activities	119	225
Net (Decrease) Increase in Cash and Cash Equivalents	(292)	375
Cash and Cash Equivalents at Beginning of Period	406	59
Cash and Cash Equivalents at End of Period	$ 114	$ 434

[(a)] Retrospectively adjusted as discussed in Note 1, *Nature of Business*

See accompanying notes to consolidated financial statements.

Note 1 — Nature of Business

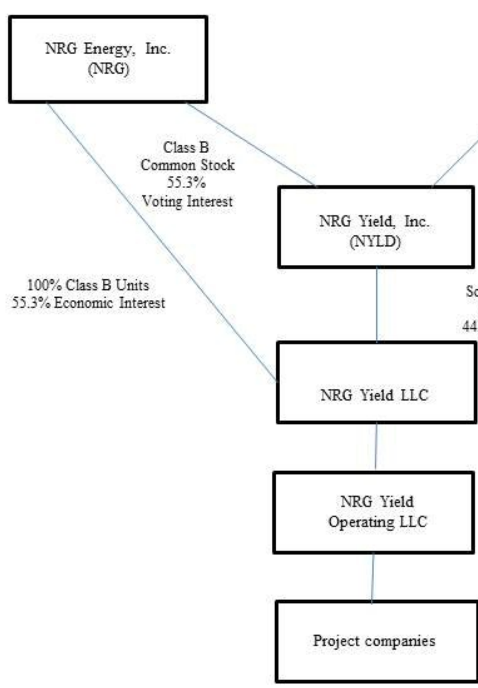
NRG Yield LLC, or the Company, was formed by NRG Energy, Inc., or NRG, as a Delaware corporation on December 20, 2012, to serve as the primary vehicle through which NRG owns, operates and acquires contracted renewable and conventional generation and thermal infrastructure assets.

On July 22, 2013, NRG Yield Inc., or Yield, Inc. issued 22,511,250 shares of Class A common stock in an initial public offering. Yield Inc. utilized the net proceeds of the initial public offering to acquire 19,011,250 of the Company's Class A units from NRG in return for $395 million, and 3,500,000 Class A units directly from the Company in return for $73 million. In connection with the acquisition of the Class A units, Yield Inc. also became the sole managing member of the Company thereby acquiring a controlling interest in it.

Immediately prior to the acquisition, the Company acquired the Yield Assets from NRG in return for Class B units in the Company. These assets were simultaneously contributed by the Company to NRG Yield Operating LLC, or Yield Operating, which is a wholly owned subsidiary of the Company, at historical carrying value. Following the acquisition and the Yield Inc. initial public offering, Yield Inc. and NRG owned 34.5% and 65.5% of the Company, respectively.

On July 29, 2014, Yield Inc. issued additional shares of Class A common stock and utilized the proceeds of the offering to acquire an additional Class A of NRG Yield LLC increasing its ownership to 44.7%. As of March 31, 2015, Yield, Inc. continues to own 44.7% of NRG Yield LLC, with NRG's 55.3% interest shown as noncontrolling interest in the financial statements. NRG receives distributions from NRG Yield LLC through its ownership of NRG Yield LLC Class B units.

The following table represents the structure of the Company as of March 31, 2015:



As of March 31, 2015, the Company's operating assets are comprised of the following projects:

Projects	Percentage Ownership	Net Capacity (MW) [(a)]	Offtake Counterparty	Expiration
Conventional				
GenConn Middletown	49.95%	95	Connecticut Light & Power	2041
GenConn Devon	49.95%	95	Connecticut Light & Power	2040
Marsh Landing	100%	720	Pacific Gas and Electric	2023
El Segundo	100%	550	Southern California Edison	2023
Walnut Creek	100%	485	Southern California Edison	2023
		1,945		
Utility Scale Solar				
Alpine	100%	66	Pacific Gas and Electric	2033
Avenal	49.95%	23	Pacific Gas and Electric	2031
Avra Valley	100%	25	Tucson Electric Power	2032
Blythe	100%	21	Southern California Edison	2029
Borrego	100%	26	San Diego Gas and Electric	2038
Roadrunner	100%	20	El Paso Electric	2031
CVSR	48.95%	122	Pacific Gas and Electric	2038
Kansas South	100%	20	Pacific Gas and Electric	2033
TA High Desert	100%	20	Southern California Edison	2033
		343		
Distributed Solar				
AZ DG Solar Projects	100%	5	Various	2025 - 2033
PFMG DG Solar Projects	51%	5	Various	2032
		10		
Wind				
Alta I	100%	150	Southern California Edison	2035
Alta II	100%	150	Southern California Edison	2035
Alta III	100%	150	Southern California Edison	2035
Alta IV	100%	102	Southern California Edison	2035
Alta V	100%	168	Southern California Edison	2035
Alta X	100%	137	Southern California Edison	2038[(c)]
Alta XI	100%	90	Southern California Edison	2038[(c)]
South Trent	100%	101	AEP Energy Partners	2029
Laredo Ridge	100%	80	Nebraska Public Power District	2031
Taloga	100%	130	Oklahoma Gas & Electric	2031
Pinnacle	100%	55	Maryland Department of General Services and University System of Maryland	2031
Buffalo Bear	100%	19	Western Farmers Electric Co-operative	2033
		1,332		
Thermal				
Thermal equivalent MWt[(b)]	100%	1,310	Various	Various
Thermal generation	100%	123	Various	Various
Total net capacity (excluding equivalent MWt)		3,753		

(a) Net capacity represents the maximum, or rated, generating capacity of the facility multiplied by the Company's percentage ownership in the facility as of March 31, 2015.

(b) For thermal energy, net capacity represents MWt for steam or chilled water and excludes 134 MWt available under the right-to-use provisions contained in agreements between two of the Company's thermal facilities and certain of its customers.

(c) PPA begins on January 1, 2016.

Substantially all of the Company's generation assets are under long-term contractual arrangements for the output or capacity from these assets. The thermal assets are comprised of district energy systems and combined heat and power plants that produce steam, hot water and/or chilled water and, in some instances, electricity at a central plant. Three of the district energy systems are subject to rate regulation by state public utility commissions while the other district energy systems have rates determined by negotiated bilateral contracts.

In connection with the initial public offering, the Company entered into a management services agreement with NRG for various services, including human resources, accounting, tax, legal, information systems, treasury, and risk management. Costs incurred by the Company under this agreement were $3 million and $2 million for the three months ended March 31, 2015, and 2014, respectively, which included certain direct expenses incurred by NRG on behalf of the Company.

As described in Note 3, *Business Acquisitions*, on June 30, 2014, Yield Operating acquired the TA High Desert, Kansas South, and El Segundo projects from NRG for total cash consideration of $357 million plus assumed project level debt. Additionally, on January 2, 2015, Yield Operating acquired the Laredo Ridge, Tapestry, and Walnut Creek projects for total cash consideration of $489 million, including $9 million for working capital, plus assumed debt of $737 million. These acquisitions were accounted for as transfers of entities under common control. The guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control. Accordingly, the Company prepared its consolidated financial statements to reflect the transfer as if it had taken place from the beginning of the financial statements period, or from the date the entities were under common control, which was May 13, 2013, for Kansas South, March 28, 2013, for TA High Desert, and April 1, 2014, for Laredo Ridge, the Tapestry projects and Walnut Creek, which represent the dates these entities were acquired by NRG.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the Securities and Exchange Commission’s, or SEC’s, regulations for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. 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 Company’s annual financial statements for the year ended December 31, 2014. Interim results are not necessarily indicative of results for a full year.

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly the Company's consolidated financial position as of March 31, 2015, and the results of operations, comprehensive income and cash flows for the three months ended March 31, 2015, and 2014.

The Company has revised its unaudited interim consolidated financial statements and unaudited interim condensed consolidating financial statements and certain footnote disclosures primarily to correct amounts included in the classification of contributed capital, retained earnings and accumulated other comprehensive loss as of March 31, 2015 and December 31, 2014. These revisions resulted in a decrease to contributed capital of $7 million, an increase in retained earnings of $31 million and an increase in accumulated other comprehensive loss of $24 million as of March 31, 2015 and a decrease to contributed capital of $8 million, an increase in retained earnings of $31 million and an increase in accumulated other comprehensive loss of $23 million as of December 31, 2014. These revisions also resulted in corresponding revisions to the NRG Yield Operating LLC and NRG Yield LLC balances in the condensed consolidating balance sheets. The Company has also corrected its condensed consolidating balance sheet as of December 31, 2014, which resulted in a decrease to investments in consolidated subsidiaries and contributed capital for non-guarantor subsidiaries of $405 million with a corresponding decrease in eliminations.

Note 2 — Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during the reporting period. Actual results could be different from these estimates.

Distributions

On February 17, 2015, the Company declared a distribution on its Class A and Class B units of $0.39 per unit, which was paid on March 16, 2015.

Recent Accounting Developments

ASU 2015-03 — In April 2015, the FASB issued ASU No. 2015-03, *Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, or ASU No. 2015-03. The amendments of ASU No. 2015-03 were issued to reduce complexity in the balance sheet presentation of debt issuance costs. ASU No. 2015-03 requires that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this standard. The guidance in ASU No. 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted for financial statements that have not been previously issued. The adoption of this standard is not expected to have a material impact on the Company's balance sheets on a gross basis and will have no impact on net assets.

ASU 2015-02 — In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*, or ASU No. 2015-02. The amendments of ASU No. 2015-02 were issued in an effort to minimize situations under previously existing guidance in which a reporting entity was required to consolidate another legal entity in which that reporting entity did not have: (1) the ability through contractual rights to act primarily on its own behalf; (2) ownership of the majority of the legal entity's voting rights; or (3) the exposure to a majority of the legal entity's economic benefits. ASU No. 2015-02 affects reporting entities that are required to evaluate whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. The guidance in ASU No. 2015-02 is effective for periods beginning after December 15, 2015. Early adoption is permitted. The Company adopted the standard effective January 1, 2015 and the adoption of this standard did not impact the Company's results of operations, cash flows or financial position.

ASU 2014-16 — In November 2014, the FASB issued ASU No. 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity*, or ASU No. 2014-16. The amendments of ASU No. 2014-16 clarify how U.S. GAAP should be applied in determining whether the nature of a host contract is more akin to debt or equity and in evaluating whether the economic characteristics and risks of an embedded feature are "clearly and closely related" to its host contract. The guidance in ASU No. 2014-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company adopted the standard effective January 1, 2015 and the adoption of this standard did not impact the Company's results of operations, cash flows or financial position.

ASU 2014-09 — In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), or ASU No. 2014-09. The amendments of ASU No. 2014-09 complete the joint effort between the FASB and the International Accounting Standards Board, or IASB, to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards, or IFRS, and to improve financial reporting. The guidance in ASU No. 2014-09 provides that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for the goods or services provided and establishes the following steps to be applied by an entity: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies the performance obligation. The guidance of ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods therein. Early adoption is not permitted. The Company is currently evaluating the impact of the standard on the Company's results of operations, cash flows and financial position.

Note 3 — Business Acquisitions

2015 Acquisitions

EME-NYLD-Eligible Assets from NRG **—** On January 2, 2015, Yield Operating acquired the following projects from NRG: (i) Laredo Ridge, an 80 MW wind facility located in Petersburg, Nebraska, (ii) the Tapestry projects, which include Buffalo Bear, a 19 MW wind facility in Buffalo, Oklahoma; Taloga, a 130 MW wind facility in Putnum, Oklahoma; and Pinnacle, a 55 MW wind facility in Keyser, West Virginia, and (iii) Walnut Creek, a 485 MW natural gas facility located in City of Industry, California, for total cash consideration of $489 million, including $9 million for working capital, plus assumed project level debt of $737 million. Yield Operating funded the acquisition with cash on hand and drawings under its revolving credit facility. The assets and liabilities transferred to Yield Operating relate to interests under common control by NRG and accordingly, were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid and historical value of the entities' equity of $61 million, as well as $23 million of AOCL, were recorded as a distribution to NRG and reduced contributed capital. Since the transaction constituted a transfer of assets under common control, the guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control. NRG acquired the majority of EME's assets, including Laredo Ridge, the Tapestry projects and Walnut Creek, on April 1, 2014.

The following table presents historical information summary combining the financial information for the EME-NYLD-Eligible Assets transferred in connection with the acquisition:

	December 31, 2014				
	As Previously Reported	Walnut Creek	Tapestry	Laredo Ridge	As Currently Reported
	(In millions)				
Current assets	$ 523	$ 46	$ 14	$ 7	$ 590
Property, plant and equipment	3,487	575	286	118	4,466
Non-current assets	1,603	57	61	49	1,770
Total assets	5,613	678	361	174	6,826
Debt	4,061	437	192	108	4,798
Other current and non-current liabilities	221	62	5	4	292
Total liabilities	4,282	499	197	112	5,090
Net Assets	$ 1,331	$ 179	$ 164	$ 62	$ 1,736

Supplemental Pro Forma Information

The following unaudited supplemental pro forma information represents the results of operations as if the Company had acquired the EME-NYLD-Eligible Assets on January 1, 2014, including the impact of acquisition accounting with respect to NRG's acquisition of the projects:

(in millions)	For the three months ended March 31, 2014
Operating revenues	$ 166
Net income	26

Since the acquisition date, the EME-NYLD-Eligible Assets contributed $38 million in operating revenues and $11 million in net income.

The following other acquisitions occurred in 2015 with a total purchase price of approximately $41 million, including $1 million paid for University of Bridgeport upon signing of the purchase agreement in the first quarter of 2015.

University of Bridgeport Fuel Cell — On April 30, 2015, the Company completed the acquisition of the University of Bridgeport Fuel Cell project in Bridgeport, CT from FuelCell Energy, Inc. The project will add an additional 1.4 MW of thermal capacity with a 12 year contract, with the option for a 7-year extension.

Spring Canyon Acquisition **—** On May 7, 2015, the Company acquired a majority interest in Spring Canyon II, a 34 MW wind facility, and Spring Canyon III, a 29 MW wind facility, each located in Logan County, Colorado, from Invenergy Wind Global LLC. The purchase price was funded with cash on hand. Power generated by Spring Canyon II and Spring Canyon III is sold to Platte River Power Authority under long-term PPAs with approximately 25 years of remaining contract life.

2014 Acquisitions

Alta Wind Portfolio Acquisition **—** On August 12, 2014, the Company acquired 100% of the membership interests of Alta Wind Asset Management Holdings, LLC, Alta Wind Company, LLC, Alta Wind X Holding Company, LLC and Alta Wind XI Holding Company, LLC, which collectively own seven wind facilities that total 947 MW located in Tehachapi, California and a portfolio of associated land leases, or the Alta Wind Portfolio. Power generated by the Alta Wind Portfolio is sold to Southern California Edison under long-term PPAs, with 21 years of remaining contract life for Alta I-V. The Alta X and XI PPAs begin in 2016 with a term of 22 years and currently sell energy and renewable energy credits on a merchant basis.

The purchase price for the Alta Wind Portfolio was $923 million, which consisted of a base purchase price of $870 million, as well as a payment for working capital of $53 million, plus the assumption of $1.6 billion of non-recourse project-level debt. In order to fund the purchase price, the Company completed an equity offering of 12,075,000 shares of its Class A common stock at an offering price of $54.00 per share on July 29, 2014, which resulted in net proceeds of $630 million, after underwriting discounts and expenses. In addition, on August 5, 2014, Yield Operating issued $500 million of Senior Notes, which bear interest at a rate of 5.375% and mature in August 2024.

The acquisition was 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 values 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 date. The allocation of the purchase price may be modified up to one year from the date of the acquisition as more information is obtained about the fair value of assets acquired and liabilities assumed. The following table summarizes the provisional amounts recognized for assets acquired and liabilities assumed as of December 31, 2014, as well as adjustments made through March 31, 2015.

The purchase price of $923 million was provisionally allocated as follows:

	Acquisition Date Fair Value at December 31, 2014	Measurement period adjustments	Revised Acquisition Date
		(In millions)	
Assets			
Cash	$ 22	$ —	$ 22
Current and non-current assets	49	(2)	47
Property, plant and equipment	1,304	6	1,310
Intangible assets	1,177	(6)	1,171
Total assets acquired	2,552	(2)	2,550
Liabilities			
Debt	1,591	—	1,591
Current and non-current liabilities	38	(2)	36
Total liabilities assumed	1,629	(2)	1,627
Net assets acquired	$ 923	$ —	$ 923

Fair value measurements

The provisional fair values of the property, plant and equipment and intangible assets at the acquisition date were measured primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement as defined in ASC 820. Significant inputs were as follows:

- *Property, plant and equipment* **—** The estimated fair values were determined primarily based on an income method using discounted cash flows and validated using a cost approach based on the replacement cost of the assets less economic obsolescence. The income approach was applied by determining the enterprise value for each acquired entity and subtracting the fair value of the intangible assets and working capital to determine the implied value of the tangible fixed assets. This methodology was primarily relied upon as the forecasted cash flows incorporate the specific attributes of each asset including age, useful life, equipment condition and technology. The income approach also allows for an accurate reflection of current and expected market dynamics such as supply and demand and regulatory environment as of the acquisition date.

- *Intangible Assets - PPAs* **—** The fair values of the PPAs acquired were determined utilizing a variation of the income approach where the incremental future cash flows resulting from the acquired PPAs compared to the cash flows based on current market prices were discounted to present value at a weighted average cost of capital reflective of a market participant. The values were corroborated with available market data. The PPA values will be amortized over the term of the PPAs, which approximate 22 years.

- *Intangible Assets - Leasehold rights* **—** The fair values of the leasehold rights acquired, which represent the contractual right to receive royalty payments equal to a percentage of PPA revenue from certain projects, were determined utilizing the income approach. The values were corroborated with available market data. The leasehold rights values will be amortized over a period of 21 years, which is equal to the average term of the contracts.

Acquired ROFO Assets **—** On June 30, 2014, Yield Operating acquired from NRG: (i) El Segundo, a 550 MW fast-start, gas-fired facility located in Los Angeles County, California; (ii) TA High Desert, a 20 MW solar facility located in Los Angeles County, California; and (iii) Kansas South, a 20 MW solar facility located in Kings County, California. The Company paid total cash consideration of $357 million, which represents a base purchase price of $349 million and $8 million of working capital adjustments. In addition, the acquisition included the assumption of $612 million in project- level debt. The assets and liabilities transferred to the Company relate to interests under common control by NRG and accordingly, were recorded at historical cost in accordance with *ASC 805-50*. The difference between the cash proceeds and historical value of the net assets was recorded as a distribution to NRG and reduced the balance of its contributed capital. Since the transaction constituted a transfer of entities under common control, the guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control. Accordingly, the Company prepared its consolidated financial statements to reflect the transfer as if it had taken place from the beginning of the financial statements period, or from the date the entities were under common control, which was May 13, 2013, for Kansas South, March 28, 2013, for TA High Desert, which represent the dates these entities were acquired by NRG and January 1, 2014, for El Segundo, which represents the beginning of the financial statements period.

Note 4 — Property, Plant and Equipment

The Company's major classes of property, plant, and equipment were as follows:

	March 31, 2015	December 31, 2014	Depreciable Lives
	(In millions)		
Facilities and equipment	$ 4,717	$ 4,709	2 - 33 Years
Land and improvements	87	87	
Construction in progress	17	8	
Total property, plant and equipment	4,821	4,804	
Accumulated depreciation	(391)	(338)	
Net property, plant and equipment	$ 4,430	$ 4,466	

Note 5 — Variable Interest Entities, or VIEs

GenConn Energy LLC — The Company has a 49.95% interest in GCE Holding LLC, the owner of GenConn, which owns and operates two 190 MW peaking generation facilities in Connecticut at the Devon and Middletown sites. Each of these facilities was constructed pursuant to a 30-year cost of service type contract with the Connecticut Light & Power Company. GenConn is considered a VIE under ASC 810, however the Company is not the primary beneficiary, and accounts for its investment under the equity method.

The project was funded through equity contributions from the owners and non-recourse, project level debt. As of March 31, 2015, the Company's investment in GenConn was $112 million and its maximum exposure to loss is limited to its equity investment. On September 17, 2013, GenConn refinanced its existing project financing facility. The refinanced facility is comprised of a $237 million note with an interest rate of 4.73% and a maturity date of July 2041 and a 5-year, $35 million working capital facility that matures in 2018 which can be used to issue letters of credit at an interest rate of 1.875% per annum. As of March 31, 2015, $224 million was outstanding under the note and nothing was drawn on the working capital facility. The refinancing is secured by all of the GenConn assets.

The following table presents summarized financial information for GCE Holding LLC:

	Three months ended March 31,	
	2015	2014
Income Statement Data:	(In millions)	
Operating revenues	$ 22	$ 26
Operating income	9	10
Net income	$ 6	$ 7

	March 31, 2015	December 31, 2014
Balance Sheet Data:	(In millions)	
Current assets	$ 30	$ 33
Non-current assets	429	438
Current liabilities	16	20
Non-current liabilities	$ 219	$ 223

NRG RPV Holdco 1 LLC — On April 9, 2015, NRG Yield RPV Holding LLC, a subsidiary of the Company, and NRG Residential Solar Solutions LLC, a subsidiary of NRG, entered into a partnership that will invest in and hold operating portfolios of residential solar assets developed by NRG Home Solar, a subsidiary of NRG, including: (i) an existing, unlevered portfolio of over 2,200 leases across nine states representing approximately 17 MW with a weighted average remaining lease term of approximately 17 years; (ii) an in-development, tax equity financed portfolio of between 6,000 to 7,000 leases across at least ten states representing approximately 48 MW with a lease term of 20 years; and (iii) an in-development tax equity financed portfolio of 5,500 to 6,500 leases representing approximately 42 MW with a lease term of 20 years. Through the partnership, the Company will invest equity in NRG RPV Holdco and receive an allocation of 95% of the partnership's taxable income and cash distributions over the contracted life of the investments. NRG will retain a 5% residual economic interest in the portfolio and will act as managing member of the partnership. The Company has committed to invest up to an additional $150 million of cash contributions with respect to the tax equity financed portfolios into the partnership over time and expects to realize an average unlevered cash available for distribution, or CAFD, yield of approximately 7.5% over the contracted life of these investments. Once the Company reaches its expected return on its investment, which is expected to be achieved consistent with the expiry of the remaining lease term, allocations of taxable income and cash distributions thereafter will be 95% to NRG and 5% to the Company.

The Company invested $26 million in NRG RPV Holdco in April 2015 related to the existing, unlevered portfolio of leases. The Company also invested $7 million of the $150 million investment in the tax equity financed portfolios. Its maximum exposure will be limited to its equity investment. NRG RPV Holdco is considered a VIE under ASC 810, however the Company is not the primary beneficiary, and will account for its investment under the equity method.

Note 6 — Fair Value of Financial Instruments

For cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accounts payable — affiliate, accrued expenses and other liabilities, the carrying amount approximates fair value because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

The estimated carrying amounts and fair values of the Company's recorded financial instruments not carried at fair market value are as follows:

	As of March 31, 2015		As of December 31, 2014	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Notes receivable, including current portion	$ 22	$ 22	$ 21	$ 21
Liabilities:				
Long-term debt, including current portion — affiliate	337	395	337	386
Long-term debt, including current portion	$ 4,610	$ 4,634	$ 4,461	$ 4,478

The fair value of notes receivable and long-term debt are based on expected future cash flows discounted at market interest rates, or current interest rates for similar instruments and are classified as Level 3 within the fair value hierarchy.

Fair Value Accounting under ASC 820

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2—inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3—unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In accordance with ASC 820, the Company determines the level in the fair value hierarchy within which each fair value measurement in its entirety falls, based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The Company records its derivative assets and liabilities at fair market value on its consolidated balance sheet. The following table presents assets and liabilities measured and recorded at fair value on the Company's consolidated balance sheets on a recurring basis and their level within the fair value hierarchy:

	As of March 31, 2015
	Fair Value [a]
(In millions)	**Level 2**
Derivative assets:	
Commodity contracts	$ 8
Total assets	$ 8
Derivative liabilities:	
Commodity contracts	$ 3
Interest rate contracts	142
Total liabilities	$ 145

(a) There were no assets or liabilities classified as Level 1 or Level 3 as of March 31, 2015.

	As of December 31, 2014
	Fair Value (a)
(In millions)	**Level 2**
Derivative assets:	
Interest rate contracts	2
Total assets	2
Derivative liabilities:	
Commodity contracts	3
Interest rate contracts	114
Total liabilities	$ 117

(a) There were no assets or liabilities classified as Level 1 or Level 3 as of December 31, 2014.

Derivative Fair Value Measurements

A majority of the Company's contracts are non-exchange-traded and valued using prices provided by external sources. For the Company’s energy markets, management receives quotes from multiple sources. To the extent that multiple quotes are received, the prices reflect the average of the bid-ask mid-point prices obtained from all sources believed to provide the most liquid market for the commodity. The remainder of the assets and liabilities represent contracts for which external sources or observable market quotes are not available. These contracts are valued using various valuation techniques including but not limited to internal models that apply fundamental analysis of the market and corroboration with similar markets. As of March 31, 2015, there were no contracts valued with prices provided by models and other valuation techniques.

The fair value of each contract is discounted using a risk free interest rate. In addition, a credit reserve is applied to reflect credit risk, which is calculated based on credit default swaps. To the extent that the net exposure is an asset, the Company uses the counterparty’s default swap rate. If the exposure is a liability, the Company uses its default swap rate. The credit reserve is added to the discounted fair value to reflect the exit price that a market participant would be willing to receive to assume the liabilities or that a market participant would be willing to pay for the assets. As of March 31, 2015, the credit reserve resulted in a $3 million increase in fair value which is composed of a $2 million gain in OCI and a $1 million gain in interest expense. It is possible that future market prices could vary from those used in recording assets and liabilities and such variations could be material.

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 audited consolidated financial statements included in the Company's 2014 financial statements, the following item is a discussion of the concentration of credit risk for the Company's financial instruments. 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. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process; (ii) a daily monitoring of counterparties' credit limits; (iii) the use of credit mitigation measures such as margin, collateral, prepayment arrangements, or volumetric limits; (iv) the use of payment netting agreements; and (v) the use of master netting agreements that allow for the netting of positive and negative exposures of various contracts associated with a single counterparty. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties.

Counterparty credit exposure includes credit risk exposure under certain long-term agreements, including solar and other PPAs. As external sources or observable market quotes are not available to estimate such exposure, the Company estimates the exposure related to 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 March 31, 2015, credit risk exposure to these counterparties attributable to the Company's ownership interests was approximately $2.3 billion for the next five years. The majority of these power contracts are with utilities with strong credit quality and public utility commission or other regulatory support, as further described in Note 9, *Segment Reporting* to the Company's audited consolidated financial statements included in the Company's 2014 financial statements. However, such regulated utility counterparties can be impacted by changes in government regulations, which the Company is unable to predict.

Note 7 — Accounting for Derivative Instruments and Hedging Activities

This footnote should be read in conjunction with the complete description under Note 7, *Accounting for Derivative Instruments and Hedging Activities*, to the Company's audited consolidated financial statements included in the Company's 2014 financial statements.

Energy-Related Commodities

As of March 31, 2015, the Company had forward contracts with an NRG subsidiary hedging the sale of power from Alta X and Alta XI extending through the end of 2015 and forward contracts for the purchase of fuel commodities relating to the forecasted usage of the Company's district energy centers extending through 2017. Total unrealized revenue recorded in connection with the power sale hedging transaction with the NRG subsidiary was $7 million and is recorded in derivative assets and liabilities as of March 31, 2015. At March 31, 2015, these contracts were not designated as cash flow or fair value hedges.

Interest Rate Swaps

As of March 31, 2015, the Company had interest rate derivative instruments on non-recourse debt extending through 2031, most of which are designated as cash flow hedges.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of the Company's open derivative transactions broken out by commodity as of March 31, 2015 and December 31, 2014.

		Total Volume	
		March 31, 2015	December 31, 2014
Commodity	Units	(In millions)	
Power	MWh	(1)	—
Natural Gas	MMBtu	3	2
Interest	Dollars	$ 2,779	$ 2,817

Fair Value of Derivative Instruments

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

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
	(In millions)			
Derivatives Designated as Cash Flow Hedges:				
Interest rate contracts current	$ —	$ —	$ 39	$ 40
Interest rate contracts long-term	—	2	66	49
Total Derivatives Designated as Cash Flow Hedges	—	2	105	89
Derivatives Not Designated as Cash Flow Hedges:				
Interest rate contracts current	—	—	6	5
Interest rate contracts long-term	—	—	31	20
Commodity contracts current	8	—	3	3
Total Derivatives Not Designated as Cash Flow Hedges	8	—	40	28
Total Derivatives	$ 8	$ 2	$ 145	$ 117

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. As of March 31, 2015, there was no outstanding collateral paid or received. The following table summarizes the offsetting of derivatives by counterparty master agreement level:

	Gross Amounts Not Offset in the Statement of Financial Position		
As of March 31, 2015	**Gross Amounts of Recognized Assets/ Liabilities**	**Derivative Instruments**	**Net Amount**
		(In millions)	
Commodity contracts:			
Derivative assets	$ 8	$ (1)	$ 7
Derivative liabilities	(3)	1	(2)
Total commodity contracts	5	—	5
Interest rate contracts:			
Derivative assets	—	—	—
Derivative liabilities	(142)	—	(142)
Total interest rate contracts	(142)	—	(142)
Total derivative instruments	$ (137)	$ —	$ (137)

	Gross Amounts Not Offset in the Statement of Financial Position		
As of December 31, 2014	**Gross Amounts of Recognized Assets/ Liabilities**	**Derivative Instruments**	**Net Amount**
		(In millions)	
Commodity contracts:			
Derivative assets	$ —	$ —	$ —
Derivative liabilities	(3)	—	(3)
Total commodity contracts	(3)	—	(3)
Interest rate contracts:			
Derivative assets	2	(2)	—
Derivative liabilities	(114)	2	(112)
Total interest rate contracts	(112)	—	(112)
Total derivative instruments	$ (115)	$ —	$ (115)

Accumulated Other Comprehensive Loss

The following table summarizes the effects on the Company's accumulated OCL, balance attributable to interest rate swaps designated as cash flow hedge derivatives, net of tax:

	Three months ended March 31,	
	2015	**2014**
	(In millions)	
Accumulated OCL beginning balance	$ (58)	$ (1)
Reclassified from accumulated OCL to income due to realization of previously deferred amounts	3	3
Mark-to-market of cash flow hedge accounting contracts	(28)	(15)
Accumulated OCL ending balance	$ (83)	$ (13)
Losses expected to be realized from OCL during the next 12 months	$ (16)	

Amounts reclassified from accumulated OCL into income and amounts recognized in income from the ineffective portion of cash flow hedges are recorded to interest expense. There was no ineffectiveness for the three months ended March 31, 2015, and 2014.

Impact of Derivative Instruments on the Statements of Operations

The Company has interest rate derivative instruments that are not designated as cash flow hedges as well as ineffectiveness on cash flow hedge derivatives. The effect of interest rate hedges is recorded to interest expense. For the three months ended March 31, 2015 and 2014, the impact to the consolidated statements of operations was a loss of $12 million and $3 million, respectively.

A portion of the Company's derivative commodity contracts relate to its Thermal Business for the purchase of fuel commodities based on the forecasted usage of the thermal district energy centers. Realized gains and losses on these contracts are reflected in the fuel costs that are permitted to be billed to customers through the related customer contracts or tariffs and accordingly, no gains or losses are reflected in the consolidated statement of operations for these contracts. Commodity contracts also hedge the forecasted sale of power for Alta X and Alta XI until the start of the PPA's on January 1, 2016. The effect of these commodity hedges is recorded to operating revenues. For the three months ended March 31, 2015, and 2014, the impact to the consolidated statements of operations was a gain of $7 million and $0 million, respectively.

See Note 6, *Fair Value of Financial Instruments*, for discussion regarding concentration of credit risk.

Note 8 — Long-term Debt

This footnote should be read in conjunction with the complete description under Note 9, *Long-term Debt,* to the Company's 2014 financial statements. Long-term debt consisted of the following:

	March 31, 2015	December 31, 2014	Interest rate % [(a)]
	(In millions, except rates)		
Long-term debt - affiliate, due 2019	$ 337	$ 337	3.580
Senior Notes, due 2024	500	500	5.375
NRG Yield LLC and NRG Yield Operating LLC Revolving Credit Facility, due 2019	195	—	L+2.25
Project-level debt:			
Alta Wind I, lease financing arrangement, due 2034	261	261	7.015
Alta Wind II, lease financing arrangement, due 2034	205	205	5.696
Alta Wind III, lease financing arrangement, due 2034	212	212	6.067
Alta Wind IV, lease financing arrangement, due 2034	138	138	5.938
Alta Wind V, lease financing arrangement, due 2035	220	220	6.071
Alta Wind X, due 2021	300	300	L+2.00
Alta Wind XI, due 2021	191	191	L+2.00
Alta Realty Investments, due 2031	33	34	7.00
Alta Wind Asset Management, due 2031	19	20	L+2.375
NRG West Holdings LLC, due 2023 (El Segundo Energy Center)	484	506	L+2.25 - L+2.875
NRG Marsh Landing LLC, due 2017 and 2023	457	464	L+1.75 - L+1.875
Walnut Creek Energy, due 2023	384	391	L+1.625
Tapestry Wind LLC, due 2021	188	192	L+1.625
NRG Solar Alpine LLC, due 2014 and 2022	162	163	L+1.75
NRG Energy Center Minneapolis LLC, due 2017 and 2025	119	121	5.95 -7.25
Laredo Ridge LLC, due 2026	107	108	L+1.875
NRG Solar Borrego LLC, due 2025 and 2038	75	75	L+ 2.50/5.65
South Trent Wind LLC, due 2020	65	65	L+2.75
NRG Solar Avra Valley LLC, due 2031	63	63	L+1.75
TA High Desert LLC, due 2020 and 2032	55	55	L+2.50/5.15
WCEP Holdings LLC, due 2023	46	46	L+3.00
NRG Roadrunner LLC, due 2031	42	42	L+2.01
NRG Solar Kansas South LLC, due 2031	35	35	L+2.00
NRG Solar Blythe LLC, due 2028	22	22	L+2.75
PFMG and related subsidiaries financing agreement, due 2030	31	31	6.00
NRG Energy Center Princeton LLC, due 2017	1	1	5.95
Subtotal project-level debt:	3,915	3,961	
Total debt	4,947	4,798	
Less current maturities	218	214	
Total long-term debt	$ 4,729	$ 4,584	

(a) As of March 31, 2015, L+ equals 3 month LIBOR plus x%, except for the NRG West Holdings LLC term loan, NRG Marsh Landing term loan, Walnut Creek term loan, and the Revolving Credit Facility where L+ equals 1 month LIBOR plus x% and Kansas South where L+ equals 6 month LIBOR plus x%.

The financing arrangements listed above contain certain covenants, including financial covenants that the Company is required to be in compliance with during the term of the respective arrangement. As of March 31, 2015, the Company was in compliance with all of the required covenants.

The discussion below lists changes to or additions of long term debt for the three months ended March 31, 2015.

NRG Yield LLC and NRG Yield Operating LLC Revolving Credit Facility

On January 2, 2015, the Company borrowed $210 million under its revolving credit facility to fund the acquisition of Walnut Creek, Laredo Ridge and the Tapestry projects. On February 2, 2015, the Company made an optional repayment of $15 million.

Laredo Ridge

On July 27, 2010, Laredo Ridge entered into a credit agreement with a group of lenders for a $75 million construction loan that was convertible to a term loan upon completion of the project, a $53 million cash grant loan and a $3 million working capital loan facility. The project met the conditions to convert to a term loan on March 18, 2011. The cash grant loan was repaid in July 2011 with proceeds of the cash grant. The credit agreement also included a letter of credit facility on behalf of Laredo Ridge of up to $9 million. Laredo Ridge paid a fee equal to the applicable margin on issued letters of credit.

On December 17, 2014, Laredo Ridge amended the credit agreement to increase its term loan borrowings by an additional $41 million to reduce the working capital facility by $1 million, to increase the letter of credit facility by $1 million and to reduce the related interest rate to LIBOR plus 1.875% through December 31, 2018, LIBOR plus 2.125% from January 1, 2019 through December 31, 2023 and LIBOR plus 2.375% from January 1, 2024 through the maturity date. The fee on the working capital facility was reduced to 0.5%. In addition, the maturity date was extended to March 31, 2028. The proceeds were utilized to make a distribution of $33 million to NRG Wind LLC, an NRG subsidiary, with the remaining $8 million utilized to fund the costs of the amendment. As of March 31, 2015, $107 million was outstanding under the term loan, nothing was outstanding under the working capital facility, and $10 million of letters of credit in support of the project were issued.

In connection with the amendment to the credit agreement, Laredo Ridge entered into a series of fixed for floating interest rate swaps that would fix the interest rate for a minimum of 75% of the outstanding notional amount. Laredo Ridge pays its counterparty the equivalent of a 2.31% fixed interest payment on a predetermined notional value, and quarterly, Laredo Ridge will receive the equivalent of a floating interest payment based on the three-month LIBOR calculated on the same notional value through December 31, 2028. All interest rate swap payments by Laredo Ridge and its counterparties are made quarterly and LIBOR is determined in advance of each interest period.

Tapestry Wind LLC

On December 21, 2011, Tapestry Wind LLC entered into a credit agreement with a group of lenders for a $214 million term loan and an $8 million working capital loan facility. The term loan matures in December 2021. It is secured by Tapestry Wind LLC's interest in the Buffalo Bear, Taloga, and Pinnacle projects. The term loan amortizes based upon a predetermined schedule. The working capital facility is available to fund the operating needs of Tapestry Wind LLC. The commitment fee on this facility is 0.75%. The credit agreement also includes a letter of credit facility on behalf of Tapestry Wind LLC of up to $20 million. Tapestry Wind LLC pays a fee equal to the applicable margin on issued letters of credit.

Under the terms of the agreement, Tapestry Wind LLC entered into a series of fixed for floating interest rate swaps that would fix the interest rate for a minimum of 90% of the outstanding notional amount. Tapestry Wind LLC will pay its counterparty the equivalent of a 2.21% fixed interest payment on a predetermined notional value, and quarterly, Tapestry will receive the equivalent of a floating interest payment based on a three-month LIBOR calculated on the same notional value through December 21, 2021. All interest rate swap payments by Tapestry Wind LLC and its counterparties are made quarterly and the LIBOR is determined in advance of each interest period. Swaps became effective December 30, 2011, and amortize in proportion to the term loan. At the same time Tapestry Wind LLC entered into a series of forward starting swaps to hedge the refinancing risk. The swaps are effective December 21, 2021. Tapestry Wind LLC will pay its counterparty the equivalent of a 3.57% fixed interest payment on a predetermined notional value, and quarterly, Tapestry Wind LLC will receive the equivalent of a floating interest payment based on a three-month LIBOR calculated on the same notional value through December 21, 2029.

On November 12, 2014, Tapestry Wind LLC amended the credit agreement to reduce the related interest rate to LIBOR plus 1.625% through December 20, 2018 and LIBOR plus 1.750% from December 21, 2018 through the maturity date. As of March 31, 2015, $188 million was outstanding under the term loan, nothing was outstanding under the working capital facility and $20 million of letters of credit in support of the project were issued.

Walnut Creek

On July 27, 2011, Walnut Creek entered into a credit agreement with a group of lenders for a $442 million construction loan that was convertible to a term loan upon completion of the project, and a $5 million working capital loan facility. The project met the conditions to convert to a term loan on June 21, 2013 and matures in May 2023. The term loan amortizes based upon a predetermined schedule. The working capital facility is available to fund the operating needs of Walnut Creek. The commitment fee on this facility is 0.625%. The Walnut Creek agreement also includes a letter of credit facility on behalf of Walnut Creek of up to $117 million. Walnut Creek pays a fee equal to the applicable margin on issued letters of credit.

Under the terms of the agreement, Walnut Creek entered into a series of fixed for floating interest rate swaps that would fix the interest rate for a minimum of 90% of the outstanding notional amount. Walnut Creek will pay its counterparty the equivalent of a 3.54% fixed interest payment on a predetermined notional value, and quarterly, Walnut Creek will receive the equivalent of a floating interest payment based on a three-month LIBOR calculated on the same notional value through May 31, 2023. All interest rate swap payments by Walnut Creek and its counterparties are made quarterly and the LIBOR is determined in advance of each interest period. Swaps became effective June 28, 2013, and amortize in proportion to the term loan.

On October 21, 2014, Walnut Creek amended the credit agreement to increase its term loan borrowings by an additional $10 million, and to reduce the related interest rate to LIBOR plus 1.625% through September 30, 2018, LIBOR plus 1.750% from October 1, 2018 through September 30, 2022, and LIBOR plus 1.875% from October 1, 2022, through the maturity date. The fee on the working capital facility was reduced to 0.5%. The proceeds were utilized to make a distribution of $6 million to WCEP Holdings LLC with the remaining $4 million utilized to fund the costs of the amendment. In addition Walnut Creek entered into an additional interest rate swap to maintain the minimum of 90% of the outstanding notional amount being swapped to a fixed interest rate. Walnut Creek pays its counterparty the equivalent of a 4.0025% fixed interest payment on a predetermined notional value, and quarterly, Walnut Creek receives the equivalent of a floating interest payment based on a three-month LIBOR calculated on the same notional value through July 31, 2020. All interest rate swap payments by Walnut Creek and its counterparties are made quarterly and the LIBOR is determined in advance of each interest period. Swaps became effective June 28, 2013 and amortize in proportion to the term loan. As of March 31, 2015, $384 million was outstanding under the term loan, nothing was outstanding under the working capital facility, and $54 million of letters of credit were issued.

WCEP Holdings LLC

On July 27, 2011, WCEP Holdings LLC entered into a credit agreement with a group of lenders for a $53 million construction loan that was convertible to a term loan upon completion of the Walnut Creek project. The Walnut Creek project met the conditions for the WCEP Holdings LLC loan to convert to a term loan on June 21, 2013. The term loan has an interest rate of LIBOR plus an applicable margin of 4.00%. The term loan matures in May 2023. The term loan amortizes based upon a predetermined schedule.

Under the terms of the credit agreement, WCEP Holdings LLC entered into two fixed for floating interest rate swaps that would fix the interest rate for a minimum of 90% of the outstanding notional amount. WCEP Holdings LLC will pay its counterparty the equivalent of a 4.00% fixed interest payment on a predetermined notional value, and quarterly, WCEP Holdings LLC will receive the equivalent of a floating interest payment based on a three-month LIBOR calculated on the same notional value through May 31, 2023. All interest rate swap payments by WCEP Holdings LLC and its counterparties are made quarterly and the LIBOR is determined in advance of each interest period. Swaps became effective June 28, 2013, and amortize in proportion to the term loan.

On October 21, 2014, WCEP Holdings LLC amended the credit agreement to reduce the related interest rate to LIBOR plus 3.00%. The proceeds of the distribution from Walnut Creek were utilized to make an optional repayment of $6 million on the term loan. In addition WCEP Holdings LLC partially terminated the interest rate agreements so that at least 90% and no more than 100% of the aggregate principal amount of the loans then outstanding shall be subject to interest rate agreements. As of March 31, 2015, $46 million was outstanding under the term loan.

Avenal Solar Holdings LLC

On March 18, 2015, Avenal Solar Holdings LLC, one of the Company's equity method investments, amended its credit agreement to increase its borrowings by $43 million and to reduce the related interest rate from 6 month LIBOR plus an applicable margin of 2.25% to 6 month LIBOR plus 1.75% from March 18, 2015 through March 17, 2022 and 6 month LIBOR plus 2.00% from March 18, 2022 through March 17, 2027 and 6 month LIBOR plus 2.25% from March 18, 2027 through the maturity date. As a result of the credit agreement amendment, the Company received net proceeds of $20 million after fees from its 49.95% ownership in Avenal.

Note 9 — Segment Reporting

The Company's segment structure reflects how management currently makes financial decisions and allocates resources. Its businesses are primarily segregated based on conventional power generation, renewable businesses which consist of solar and wind, and the thermal and chilled water business. The Corporate segment reflects the Company's corporate costs.

	Three months ended March 31, 2015				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 76	$ 57	$ 47	$ —	$ 180
Cost of operations	21	20	34	—	75
Depreciation and amortization	21	28	5	—	54
General and administrative — affiliate	—	—	—	3	3
Operating income (loss)	34	9	8	(3)	48
Equity in earnings of unconsolidated affiliates	3	(2)	—	—	1
Other income, net	1	—	—	—	1
Interest expense	(12)	(43)	(2)	(12)	(69)
Net Income (Loss)	$ 26	$ (36)	$ 6	$ (15)	$ (19)
Total Assets	$ 2,136	$ 3,781	$ 451	$ 68	$ 6,436

	Three months ended March 31, 2014				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 56	$ 19	$ 65	$ —	$ 140
Cost of operations	10	4	46	—	60
Depreciation and amortization	13	7	4	—	24
General and administrative — affiliate	—	—	—	2	2
Operating income (loss)	33	8	15	(2)	54
Equity in earnings of unconsolidated affiliates	3	(2)	—	—	1
Other income, net	—	1	—	—	1
Interest expense	(11)	(12)	(2)	(1)	(26)
Net Income (Loss)	$ 25	$ (5)	$ 13	$ (3)	$ 30

Note 10 — Related Party Transactions

Management Services Agreement by and between NRG and the Company

Since the Company has no employees, NRG provides the Company with various operation, management, and administrative services, which include human resources, accounting, tax, legal, information systems, treasury, and risk management, as set forth in the Management Services Agreement. As of March 31, 2015, the base management fee was approximately $7 million per year subject to an inflation based adjustment annually at an inflation factor based on the year-over-year U.S. consumer price index. The fee is also subject to adjustments following the consummation of future acquisitions and as a result of a change in the scope of services provided under the Management Services Agreement. During the three months ended March 31, 2015, the fee was increased by approximately $1 million per year in connection with the acquisition of the EME-NYLD-Eligible Assets. Costs incurred under this agreement were approximately $3 million and $2 million for the three months ended March 31, 2015, and 2014, respectively, which included certain direct expenses incurred by NRG on behalf of the Company in addition to the base management fee.

Operation and Maintenance Services (O&M) Agreements by and between NRG and Thermal Entities

On October 1, 2014, NRG entered into Plant O&M Services Agreements with certain wholly-owned subsidiaries of the Company. NRG provides necessary and appropriate services to operate and maintain the subsidiaries' plant operations, businesses and thermal facilities. NRG is to be reimbursed for the provided services, as well as for all reasonable and related expenses and expenditures, and payments to third parties for services and materials rendered to or on behalf of the parties to the agreements. NRG is not entitled to any management fee or mark-up under the agreements. Prior to October 1, 2014, NRG provided the same services to the Thermal Business on an informal basis. Total fees incurred under the agreements were $7 million for the three months ended March 31, 2015 and 2014. There was a balance of $30 million and $22 million due to NRG in accounts payable — affiliate as of March 31, 2015 and December 31, 2014, respectively.

Administrative Services Agreement by and between Marsh Landing and GenOn Energy Services, LLC

Marsh Landing is a party to an administrative services agreement with GenOn Energy Services, LLC, a wholly owned subsidiary of NRG, which provides invoice processing and payment on behalf of Marsh Landing. Marsh Landing reimburses GenOn Energy Services, LLC for the amounts paid by it. The Company reimbursed costs under this agreement of approximately $2 million for the periods ended March 31, 2015 and 2014. There was a balance of $0 million and $4 million due to GenOn Energy Services, LLC in accounts payable — affiliate as of March 31, 2015 and December 31, 2014, respectively.

Note 11 — Condensed Consolidating Financial Information

On August 5, 2014, Yield Operating issued $500 million of Senior Notes as shown in Note 8, *Long-term Debt*. These Senior Notes are guaranteed by the Company, as well as certain of the Company's subsidiaries, or guarantor subsidiaries. These guarantees are both joint and several. The non-guarantor subsidiaries include the rest of the Company's subsidiaries, including the ones that are subject to project financing.

Unless otherwise noted below, each of the following guarantor subsidiaries fully and unconditionally guaranteed the Senior Notes as of March 31, 2015:

NRG Yield LLC
Alta Wind 1-5 Holding Company, LLC
Alta Wind Company, LLC
NRG Energy Center Omaha Holdings LLC
NRG Energy Center Omaha LLC
NYLD Fuel Cell Holdings LLC
UB Fuel Cell, LLC
NRG South Trent Holdings LLC

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2015

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
			(In millions)			
Operating Revenues						
Total operating revenues	$ —	$ 5	$ 166	$ 9	$ —	$ 180
Operating Costs and Expenses				—		
Cost of operations	—	4	71	—	—	75
Depreciation and amortization	—	1	53	—	—	54
General and administrative — affiliate	—	—	—	3	—	3
Total operating costs and expenses	—	5	124	3	—	132
Operating Income	—	—	42	6	—	48
Other Income (Expense)						
Equity in losses of consolidated affiliates	(19)	(25)	—	(14)	58	—
Equity in earnings of unconsolidated affiliates	—	—	—	1	—	1
Other income, net	—	—	1	—	—	1
Interest expense	—	—	(57)	(12)	—	(69)
Total other expense, net	(19)	(25)	(56)	(25)	58	(67)
Net Loss	$ (19)	$ (25)	$ (14)	$ (19)	$ 58	$ (19)

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE LOSS

For the Three Months Ended March 31, 2015

	NRG Yield LLC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[a]	Consolidated
			(In millions)			
Net Loss	$ (19)	$ (25)	$ (14)	$ (19)	$ 58	$ (19)
Other Comprehensive Loss						
Unrealized loss on derivatives	(25)	(1)	(24)	(25)	50	(25)
Other comprehensive loss	(25)	(1)	(24)	(25)	50	(25)
Comprehensive Loss	$ (44)	$ (26)	$ (38)	$ (44)	$ 108	$ (44)

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS

March 31, 2015

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
ASSETS			(In millions)			
Current Assets						
Cash and cash equivalents	$ 49	$ —	$ 65	$ —	$ —	$ 114
Restricted cash	—	—	46	—	—	46
Accounts receivable — trade	—	2	61	—	—	63
Accounts receivable — affiliate	21	21	68	275	(384)	1
Inventory	—	2	25	—	—	27
Derivative instruments	—	—	—	8	—	8
Notes receivable	—	—	7	—	—	7
Prepayments and other current assets	—	1	17	—	—	18
Total current assets	70	26	289	283	(384)	284
Net property, plant and equipment	—	63	4,367	—	—	4,430
Other Assets						
Investment in consolidated subsidiaries	1,102	560	—	1,977	(3,639)	—
Equity investments in affiliates	—	—	—	188	—	188
Notes receivable	—	—	15	—	—	15
Intangible assets, net	—	57	1,346	—	—	1,403
Other non-current assets	—	—	106	10	—	116
Total other assets	1,102	617	1,467	2,175	(3,639)	1,722
Total Assets	$ 1,172	$ 706	$ 6,123	$ 2,458	$ (4,023)	$ 6,436

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS
(Continued)

March 31, 2015

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
LIABILITIES AND MEMBERS' EQUITY			(In millions)			
Current Liabilities						
Current portion of long-term debt	$ —	$ —	$ 218	$ —	$ —	$ 218
Accounts payable	—	8	24	1	—	33
Accounts payable — affiliate	—	9	106	316	(384)	47
Derivative instruments	—	—	47	1	—	48
Accrued expenses and other current liabilities	—	1	36	6	—	43
Total current liabilities	—	18	431	324	(384)	389
Other Liabilities						
Long-term debt — external	—	—	3,697	695	—	4,392
Long-term debt — affiliate	—	—	—	337	—	337
Derivative instruments	—	—	97	—	—	97
Other non-current liabilities	—	1	47	—	—	48
Total non-current liabilities	—	1	3,841	1,032	—	4,874
Total Liabilities	—	19	4,272	1,356	(384)	5,263
Commitments and Contingencies						
Members' Equity						
Contributed capital	1,119	749	1,857	1,052	(3,657)	1,120
Retained earnings (Accumulated Deficit)	136	(58)	59	133	(134)	136
Accumulated other comprehensive loss	(83)	(4)	(65)	(83)	152	(83)
Total Members' Equity	1,172	687	1,851	1,102	(3,639)	1,173
Total Liabilities and Members' Equity	$ 1,172	$ 706	$ 6,123	$ 2,458	$ (4,023)	$ 6,436

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2015

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
			(In millions)			
Net Cash Provided by Operating Activities	$ 30	$ 3	$ 35	$ 10	$ —	$ 78
Cash Flows from Investing Activities						
Acquisition of business, net of cash acquired	—	—	—	(490)	—	(490)
Capital expenditures	—	—	(3)	—	—	(3)
Increase in restricted cash	—	—	(1)	—	—	(1)
Decrease in notes receivable, including affiliates	—	—	2	—	—	2
Investments in unconsolidated affiliates	—	—	—	3	—	3
Net Cash Used in Investing Activities	—	—	(2)	(487)	—	(489)
Cash Flows from Financing Activities						
(Payment for) Proceeds from intercompany loans	(279)	(3)	—	282	—	—
Payment of dividends and distributions	(30)	—	—	—	—	(30)
Proceeds from issuance of long-term debt — external	—	—	—	210	—	210
Payments for long-term debt — external	—	—	(46)	(15)	—	(61)
Net Cash (Used in) Provided by Financing Activities	(309)	(3)	(46)	477	—	119
Net Decrease in Cash and Cash Equivalents	(279)	—	(13)	—	—	(292)
Cash and Cash Equivalents at Beginning of Period	328	—	78	—	—	406
Cash and Cash Equivalents at End of Period	$ 49	$ —	$ 65	$ —	$ —	$ 114

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

For the Three Months Ended March 31, 2014

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
			(In millions)			
Operating Revenues						
Total operating revenues	$ —	$ 7	$ 133	$ —	$ —	$ 140
Operating Costs and Expenses						
Cost of operations	—	5	55	—	—	60
Depreciation and amortization	—	1	23	—	—	24
General and administrative — affiliate	—	—	—	2	—	2
Total operating costs and expenses	—	6	78	2	—	86
Operating Income (Loss)	—	1	55	(2)	—	54
Other Income (Expense)						
Equity in earnings of consolidated affiliates	30	—	—	32	(62)	—
Equity in earnings of unconsolidated affiliates	—	—	—	1	—	1
Other income, net	—	—	1	—	—	1
Interest expense	—	—	(25)	(1)	—	(26)
Total other expense, net	30	—	(24)	32	(62)	(24)
Net Income	$ 30	$ 1	$ 31	$ 30	$ (62)	$ 30

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2014

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
			(In millions)			
Net Income	$ 30	$ 1	$ 31	$ 30	$ (62)	$ 30
Other Comprehensive Loss						
Unrealized gain on derivatives	(12)	—	(11)	(12)	23	(12)
Other comprehensive loss	(12)	—	(11)	(12)	23	(12)
Comprehensive Income	$ 18	$ 1	$ 20	$ 18	$ (39)	$ 18

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS

December 31, 2014

ASSETS	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[(a)]	Consolidated
			(In millions)			
Current Assets						
Cash and cash equivalents	$ 328	$ —	$ 78	$ —	$ —	$ 406
Restricted cash	—	—	45	—	—	45
Accounts receivable — trade	—	3	82	—	—	85
Accounts receivable — affiliate	(256)	17	66	268	(95)	—
Inventory	—	1	26	—	—	27
Notes receivable	—	—	6	—	—	6
Prepayments and other current assets	—	1	20	—	—	21
Total current assets	72	22	323	268	(95)	590
Net property, plant and equipment	—	56	4,410	—	—	4,466
Other Assets						
Investment in consolidated subsidiaries	1,664	585	—	2,045	(4,294)	—
Equity investments in affiliates	—	—	—	227	—	227
Notes receivable	—	—	15	—	—	15
Intangible assets, net	—	58	1,365	—	—	1,423
Derivative instruments	—	—	2	—	—	2
Other non-current assets	—	—	93	10	—	103
Total other assets	1,664	643	1,475	2,282	(4,294)	1,770
Total Assets	$ 1,736	$ 721	$ 6,208	$ 2,550	$ (4,389)	$ 6,826

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS
(Continued)

December 31, 2014

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations [(a)]	Consolidated
LIABILITIES AND MEMBERS' EQUITY				(In millions)		
Current Liabilities						
Current portion of long-term debt	$ —	$ —	$ 214	$ —	$ —	$ 214
Accounts payable	—	1	19	—	—	20
Accounts payable — affiliate	—	8	99	33	(95)	45
Derivative instruments	—	—	48	—	—	48
Accrued expenses and other current liabilities	—	2	43	16	—	61
Total current liabilities	—	11	423	49	(95)	388
Other Liabilities						
Long-term debt — external	—	—	3,747	500	—	4,247
Long-term debt — affiliate	—	—	—	337	—	337
Derivative instruments	—	—	69	—	—	69
Other non-current liabilities	—	—	49	—	—	49
Total non-current liabilities	—	—	3,865	837	—	4,702
Total Liabilities	—	11	4,288	886	(95)	5,090
Commitments and Contingencies						
Members' Equity						
Contributed capital	1,609	747	1,848	1,542	(4,137)	1,609
Retained earnings (Accumulated deficit)	185	(34)	113	180	(259)	185
Accumulated other comprehensive loss	(58)	(3)	(41)	(58)	102	(58)
Total Members' Equity	1,736	710	1,920	1,664	(4,294)	1,736
Total Liabilities and Members' Equity	$ 1,736	$ 721	$ 6,208	$ 2,550	$ (4,389)	$ 6,826

(a) All significant intercompany transactions have been eliminated in consolidation.

NRG YIELD LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2014

	NRG Yield LLC	Other Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Yield Operating LLC (Note Issuer)	Eliminations[a]	Consolidated
			(In millions)			
Net Cash Provided by (Used in) Operating Activities	$ 21	$ 2	$ (23)	$ 25	$ —	$ 25
Cash Flows from Investing Activities						
Capital expenditures	—	—	(22)	—	—	(22)
Decrease in restricted cash, net	—	—	34	—	—	34
Decrease in notes receivable including affiliates, net	—	—	1	2	—	3
Proceeds from renewable energy grants	—	—	96	—	—	96
Investments in unconsolidated affiliates	—	—	—	3	—	3
Other	—	—	11	—	—	11
Net Cash Provided by Investing Activities	—	—	120	5	—	125
Cash Flows from Financing Activities						
Distributions and returns of capital to NRG	—	—	(23)	—	—	(23)
Payment of dividends and distributions	(22)	—	—	—	—	(22)
Proceeds from issuance of long-term debt - external	—	—	29	—	—	29
Transfer of funds under intercompany cash management arrangement	387	—	—	(387)	—	—
Payments of long-term debt- external	—	—	(96)	—	—	(96)
Proceeds from long-term debt - affiliate	—	—	—	337	—	337
Net Cash Provided by (Used in) Financing Activities	365	—	(90)	(50)	—	225
Net Increase (Decrease) in Cash and Cash Equivalents	386	2	7	(20)	—	375
Cash and Cash Equivalents at Beginning of Period	3	—	36	20	—	59
Cash and Cash Equivalents at End of Period	$ 389	$ 2	$ 43	$ —	$ —	$ 434

(a) All significant intercompany transactions have been eliminated in consolidation.