



NRG Energy's

# Second Quarter 2014 Results Presentation

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August 7, 2014



# Safe Harbor

## **Forward-Looking Statements**

In addition to historical information, the information presented in this communication 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 anticipated benefits of acquisitions, 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 have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, the condition of capital markets generally, our ability to access capital markets, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify or successfully implement acquisitions and repowerings, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to obtain federal loan guarantees, the inability to maintain or create successful partnering relationships, our ability to operate our businesses efficiently including NRG Yield, our ability to retain retail customers, our ability to realize value through our commercial operations strategy and the creation of NRG Yield, the ability to successfully integrate businesses of acquired companies, the 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 complete share repurchases under the Capital Allocation Plan 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 August 7, 2014. These estimates are based on assumptions 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 Earnings 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](http://www.sec.gov).



## **Strategic Update**

David Crane

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## **Operational and Commercial Review**

Mauricio Gutierrez

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## **Financial Results**

Kirk Andrews

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## **Q&A**



# Financial and Business Update

<b>Financial Results On Track</b>	(\$ millions)	<b>Adjusted EBITDA</b>	
		<b>2Q 2014</b>	<b>1H 2014</b>
		Wholesale	\$ 389
Retail	173	281	
NRG Yield	109	201	
<b>Total</b>		<b>\$ 671</b>	<b>\$ 1,487</b>

<b>Reaffirmed Guidance</b>	(\$ millions)	<b>Adjusted EBITDA</b>	<b>Free Cash Flow before Growth</b>
		<b>2014 Guidance</b>	<b>\$3,200 – \$3,400</b>

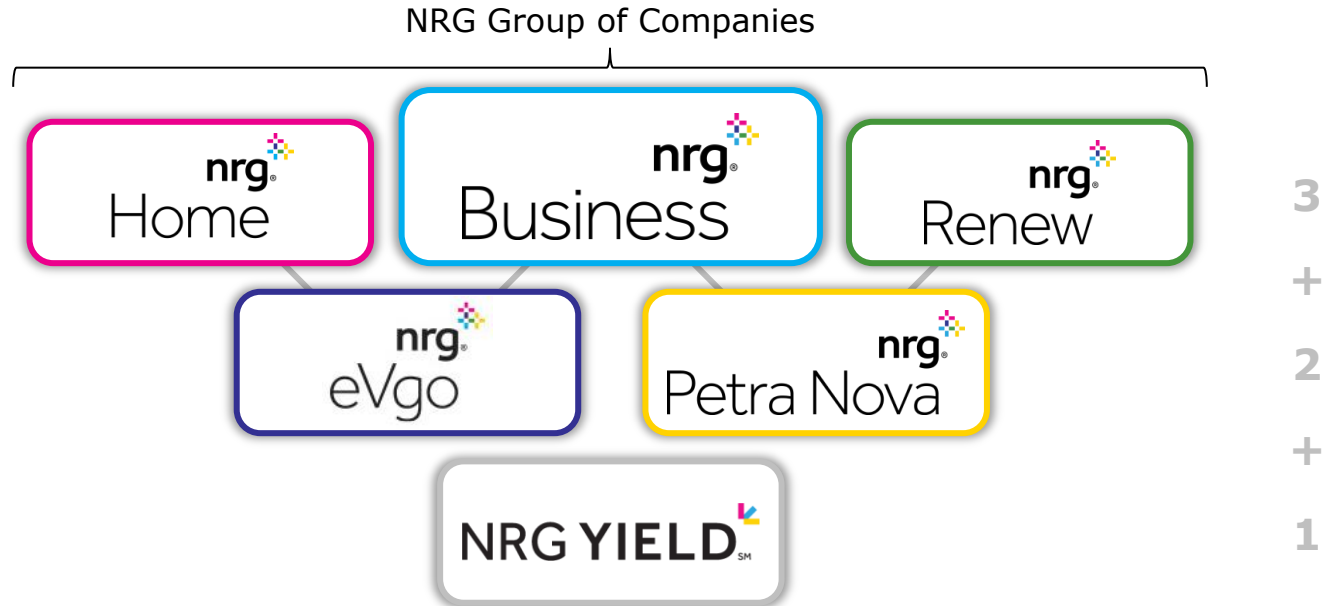
## Quarterly Scorecard

- + Petra Nova: Closed on post-combustion carbon capture – enhanced oil recovery project at WA Parish
- + Completed first drop-down to NRG Yield: ~\$357 MM in proceeds
- + Continued organic retail customer growth in Texas and successfully began integration of Dominion retail acquisition into NRG portfolio
- + Initiated operational improvement program at Midwest Generation while progressing asset management phase of GenOn integration
- Subdued summer weather constraining scarcity pricing and negatively impacting forward price curve

Opportunities Abound in Clean Energy



# NRG: Recognizing Several Distinct Value Propositions



## nrg Home

- ✦ Leading retail energy platform with ~2.8 million residential customers
- ✦ Smart energy management, home solutions, and personal power
- ✦ Rapidly growing residential solar business

## nrg Business

- ✦ Largest US competitive generation portfolio with over 50 GW of capacity
- ✦ Full suite of energy management services and retail energy supply for commercial and industrial customers
- ✦ Unique range of on-site generation offerings through dGen business

## nrg Renew

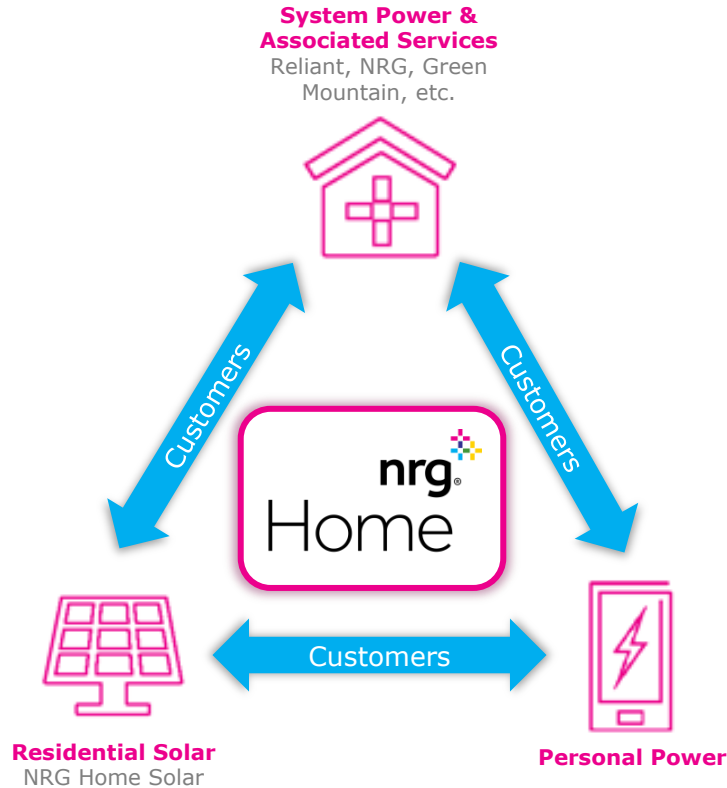
- ✦ Leading renewable development and operations platform
- ✦ Commercialized renewable microgrid solutions and green B2B initiatives
- ✦ Innovative focus on sustainable and distributed energy future

Creating the Foundation for Future Growth, Value Creation, and Value Recognition



# NRG Home: Powering the Individual at Home & On-the-Go with Clean Energy

## Positioning for Growth



### ***NRG Home Priorities***

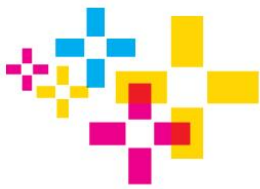
- + Win the Home
- + Power the Individual
- + Expand Nationally



### ***Keys to Growth***

- + Brand Awareness
- + Seamless Product and Service Offering
- + Cross-Selling
- + A Purpose-Driven Company

Leading the Movement to Create a Smarter, Sustainable Lifestyle



petra nova<sup>SM</sup>

# WA Parish Project: Value Proposition

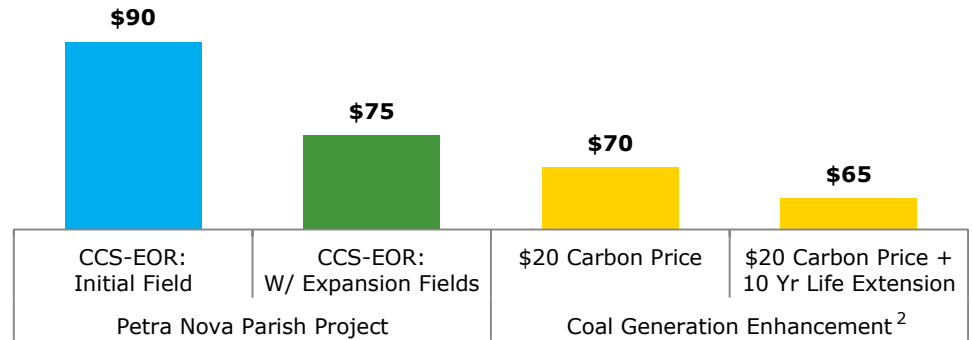
**Commodity Diversification Through Oil / Natural Gas Price Arbitrage**

**Carbon Price Hedge**

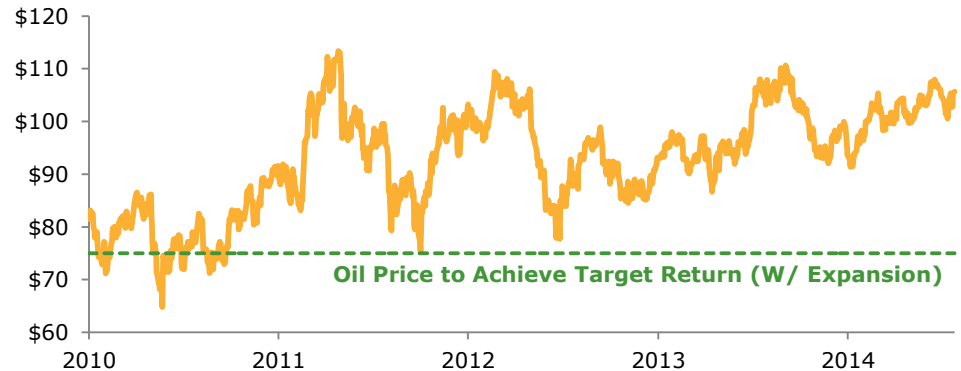
**Enhance Value and Useful Life of Coal Fleet**

**Fight Climate Change While Preserving Critical System Fuel Diversity**

## Illustrative Oil Price for Target Return<sup>1</sup> (\$/bbl)



## Historical WTI Crude Oil Prices (\$/bbl)<sup>1,3</sup>



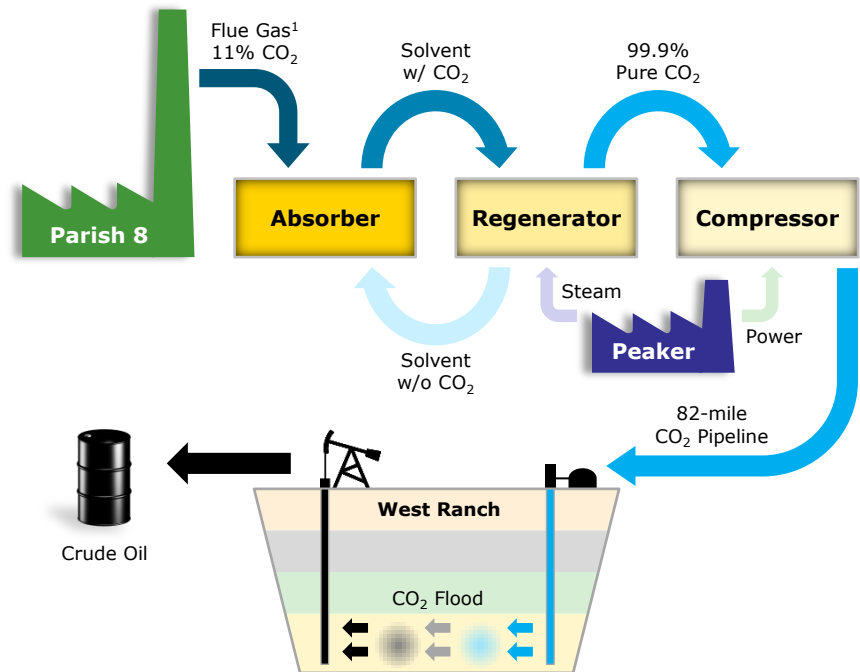
**Petra Nova Should Be a Value Multiplier for NRG**

<sup>1</sup> Represents after-tax 10% unlevered return; Oil prices represent today's dollars adjusted for annual inflation; Quality of oil produced at West Ranch field trades at a premium to WTI  
<sup>2</sup> Illustrative \$20 Carbon Price Scenario assumes \$20/ton carbon price beginning in 2020, oil field expansion post-West Ranch, 90% CO<sub>2</sub> removal rate on 240 MW, 1 ton/MWh baseline carbon emissions, 80% capacity factor, and \$0.53/MWh uplift in power prices for every \$1/ton carbon price; Illustrative 10 Year Life Extension assumes a \$20/MWh dark spread  
<sup>3</sup> Source: EIA Historical Spot Prices; Market data as of 7/30/2014

## Project Advantage

Demonstrated, Superior Technology	<ul style="list-style-type: none"> <li>Post-combustion carbon capture (PCCC) is a simple, mature, and proven technology</li> <li>Similar to back-end controls being used for SO<sub>2</sub> and NO<sub>x</sub> today</li> <li>Well-understood and proven technology with experienced OEM</li> </ul>
Enhanced CO <sub>2</sub> Capture	<ul style="list-style-type: none"> <li>90% carbon capture target for 240 MW flue gas slip stream</li> </ul>
Strong Project Partners	<ul style="list-style-type: none"> <li>Experienced project partners Hilcorp Energy and JX Nippon Oil &amp; Gas</li> <li>\$167 MM Department of Energy grant</li> </ul>
Leverages Existing Power Plant	<ul style="list-style-type: none"> <li>No new baseload power needed; Utilizes existing WA Parish plant</li> </ul>
No Reliability Impact	<ul style="list-style-type: none"> <li>No impact on plant operations; Capture unit is independent</li> </ul>
Cost Protections	<ul style="list-style-type: none"> <li>Fixed price under lump-sum turn-key (LSTK) EPC agreement</li> </ul>
Timing Protections	<ul style="list-style-type: none"> <li>Guaranteed completion with liquidated damages through EPC agreement</li> </ul>

## Process Overview



- Target COD for CCS by end of 2016
- Expected to capture 1.6 million tons of CO<sub>2</sub>/year
- West Ranch field holds reserves of ~60 million barrels<sup>2</sup>
- Projected production increase from 500 bbl/d to 15,000 bbl/d

Petra Nova: Leading the Market For Post-Combustion Carbon Capture

<sup>1</sup> Flue gas conditioning occurs prior to absorption, which removes all residual SO<sub>x</sub> and cools the flue gas

<sup>2</sup> Based on reserve report as of 12/31/2013; Reserves are proved and probable on a contingent basis subject to audit of final approved project





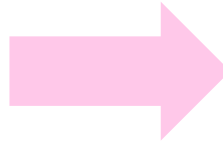
# Mid-Year Recap

***Solid Execution in  
Core Businesses***



***Near-Term Financial  
Performance Subject to  
Weather-Driven, Peak Demand***

***Adding Capabilities to  
Serve the End-Customer***



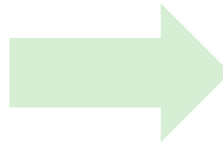
***Cross-Selling Opportunities  
Create Significant Growth  
Potential***

***Changing the Discussion  
on CO<sub>2</sub>***



***Petra Nova: Commodity  
Diversification and Coal Fleet  
Enhancement***

***Expanding Clean Energy  
Capabilities***

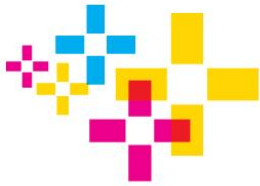


***Augmenting Capability Set for  
B2B Sustainability Solutions***

***Executing On the Virtuous  
Cycle of NRG Yield***



***Accretive Capital Recycling and  
Value Enhancement for NRG***



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# Operational and Commercial Review

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# Operational Highlights

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## + Safety and Plant Operations

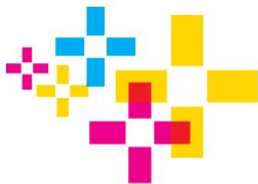
- Top decile safety performance with an OSHA recordable rate of 0.64
- Improved reliability metrics across the fleet

## + Executing on Integrated Platform Despite Mild Weather

- Lack of price volatility in early summer impacting spot and forward power prices
- Significant increase in hedging activity in 2015 and 2016
- Retail business results consistent with expectations; Dominion integration on track

## + Delivering on Operational Improvements and Capex Enhancements

- Revitalizing fleet by executing on fuel conversion strategy at select facilities
- Announcing increased operational improvements and environmental compliance plan for Midwest Generation



# Reactivation of Select Facilities

	Facility	Capacity	Details
2013 Announcements	Avon Lake <i>PJM - ATSI</i>	732 MW	<ul style="list-style-type: none"> <li>✦ Cleared 2016/17 &amp; 2017/18 PJM capacity auctions</li> <li>✦ Gas addition to existing coal units</li> <li>✦ Summer 2016 COD</li> </ul>
	New Castle <i>PJM - ATSI</i>	330 MW	<ul style="list-style-type: none"> <li>✦ Cleared 2016/17 &amp; 2017/18 PJM capacity auctions</li> <li>✦ Gas addition to existing coal units</li> <li>✦ Summer 2016 COD</li> </ul>
	Dunkirk Unit 2 <i>NY - RoS</i>	75 MW	<ul style="list-style-type: none"> <li>✦ Unit slated for mothball May 2013</li> <li>✦ Achieved new reliability contract with National Grid for 6/2013 through 6/2015</li> </ul>
2014 Announcements	Portland Oil <i>PJM - MAAC</i>	401 MW	<ul style="list-style-type: none"> <li>✦ Cleared 2017/18 PJM capacity auction</li> <li>✦ Retired June 2014</li> <li>✦ Ultra Low Sulfur Diesel (ULSD) conversion of existing coal units</li> <li>✦ Summer 2016 COD</li> </ul>
	Shawville Gas <i>PJM - MAAC</i>	597 MW	<ul style="list-style-type: none"> <li>✦ Cleared 2017/18 PJM capacity auction</li> <li>✦ Slated to retire April 2015</li> <li>✦ Gas addition to existing coal units</li> <li>✦ Summer 2016 COD</li> </ul>
	Dunkirk Units 2-4 <i>NY - RoS</i>	435 MW	<ul style="list-style-type: none"> <li>✦ Gas addition project of Dunkirk units 2-4</li> <li>✦ NY PSC approved term sheet with National Grid in June 2014</li> <li>✦ 10-year agreement starting Fall 2015</li> </ul>

Continuing to Execute on Asset Revitalization Plan



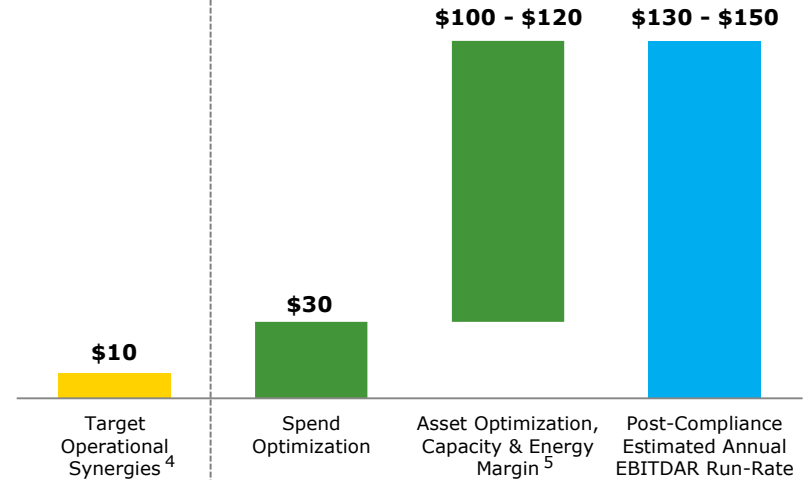
# Midwest Generation: Investing in the Future

## NRG's Optimization Plan...

Facility	Capacity	Anticipated Actions
Powerton	1,538	<ul style="list-style-type: none"> <li>Continue to operate on PRB coal</li> <li>Planned DSI and ESP upgrades<sup>1</sup></li> </ul>
Joliet	1,326	<ul style="list-style-type: none"> <li>Planned conversion to natural gas</li> <li>Expected 2016 COD</li> </ul>
Waukegan	681	<ul style="list-style-type: none"> <li>Continue to operate on PRB coal</li> <li>Planned DSI and ESP upgrades</li> </ul>
Will County	761	<ul style="list-style-type: none"> <li>Retire Unit 3 in April 2015 (251 MW)</li> <li>Testing Unit 4 for MATS compliance; no additional capex requirement</li> </ul>
<b>Environmental Benefits</b>		<ul style="list-style-type: none"> <li>60% reduction in annual CO<sub>2</sub></li> <li>90% reduction in annual SO<sub>2</sub></li> <li>65% reduction in annual NO<sub>x</sub></li> </ul>

## ...Significantly Enhances the Value of MWG

(\$ millions)



Investment	\$ MM
Compliance Plan <sup>2</sup>	\$545
PV of Lease Obligation <sup>3</sup>	\$224
<b>Total</b>	<b>\$769</b>



**Implied EV/EBITDAR  
Multiple of ~5.5x**

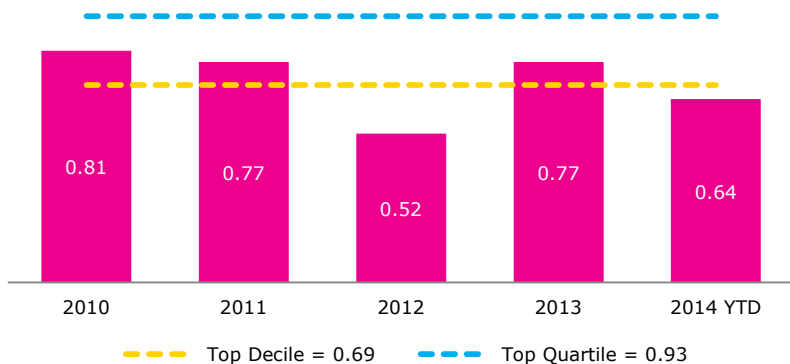
## Economically Improving Illinois Emissions Levels While Maintaining Critical Fuel Diversity

<sup>1</sup> DSI – Direct Sorbent Injection; ESP – Electrostatic Precipitator; <sup>2</sup> Excludes Interest During Construction (IDC)  
<sup>3</sup> Represents the present value of Midwest Generation operating lease payments (10% discount rate) as of 6/30/2014  
<sup>4</sup> Based on initial synergy guidance provided on 1/7/2014  
<sup>5</sup> Based on forward curves

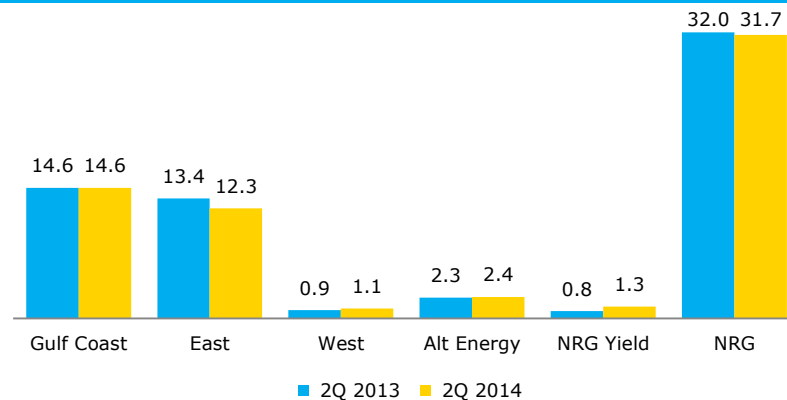


# Plant Operations

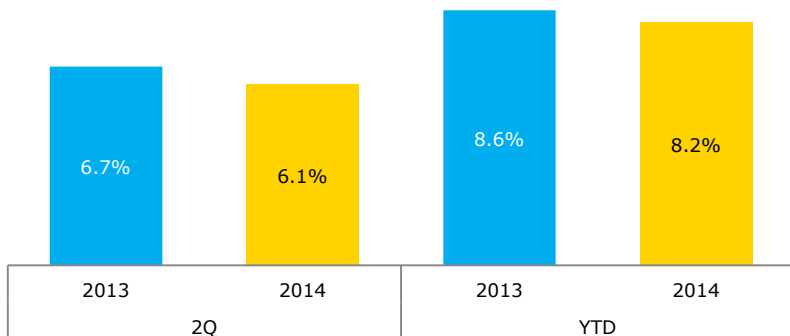
## Safety: Top Decile OSHA Recordable Rate<sup>1</sup>



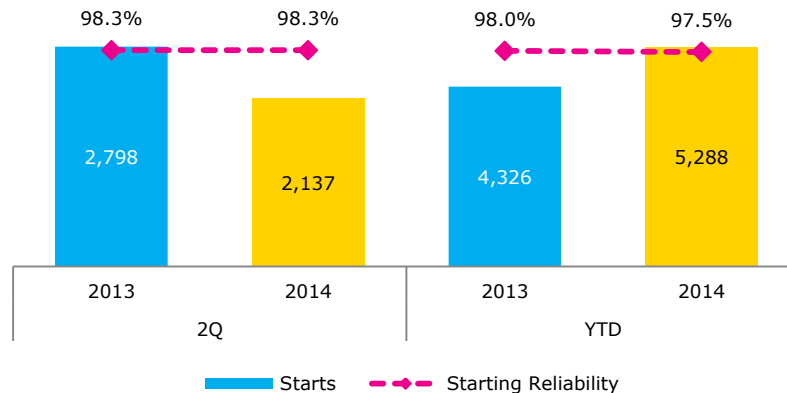
## Net Production (TWh)<sup>2</sup>



## Coal and Nuclear EFOR<sup>3</sup>



## Gas and Oil Unit Starts and Reliability



## Top Decile Safety Performance and Improved Reliability

Note: 2013 data pro forma for Edison Mission acquisition

<sup>1</sup> Top decile and top quartile based on Edison Electric Institute 2011 Total Company Survey results

<sup>2</sup> All NRG-owned domestic generation; Excludes line losses, station service, and other items

<sup>3</sup> Equivalent Forced Outage Rate (EFOR) – Measures the ratio of unplanned outage and derated equivalent hours over total service equivalent hours

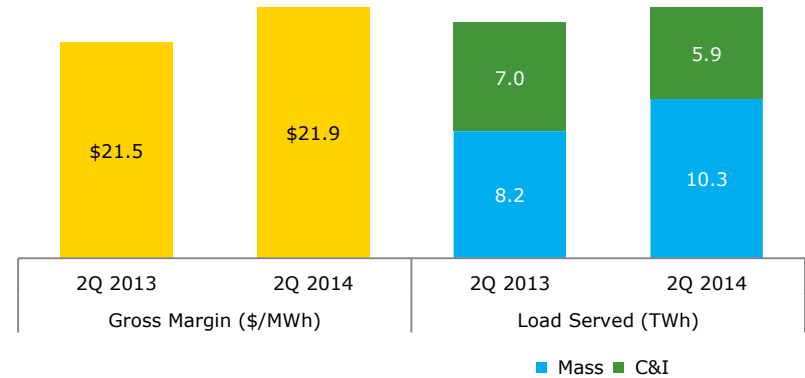


# Retail Operations

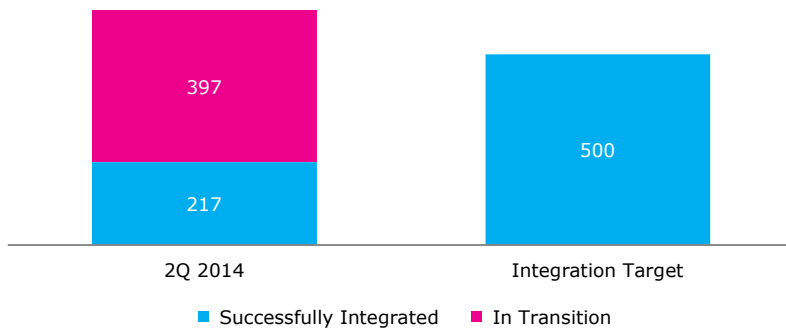
## Highlights

- ✦ 2Q 2014 Adjusted EBITDA: \$173 MM
- ✦ Sustained unit margins and customer count growth
- ✦ On track with integration of Dominion's Northeast customer book and Cirro Energy in Texas
- ✦ Continued development of distributed solar and personal power solutions

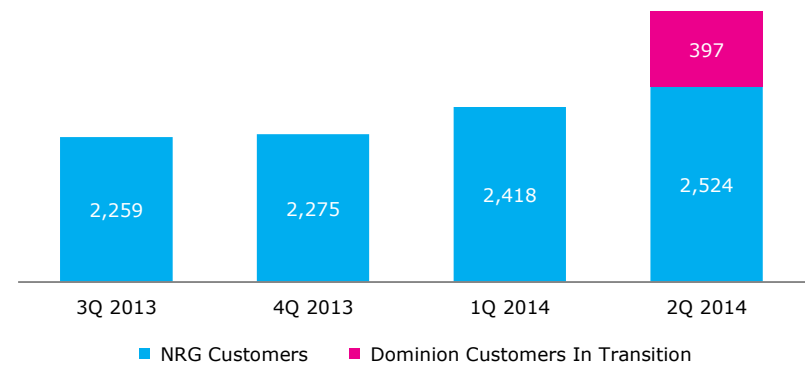
## Unit Gross Margin<sup>1</sup> & Load Served



## Dominion Integration On-Track ('000s)



## Expanding Customer Count ('000s)



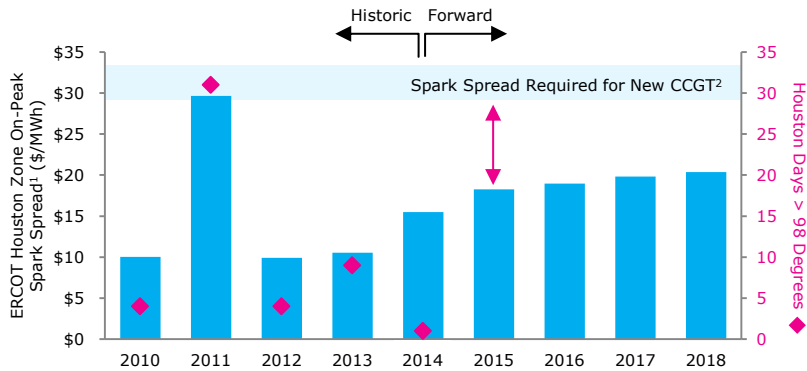
Maintaining Leadership Position While Integrating Dominion Customers

<sup>1</sup> Gross margin represents revenues less cost of goods sold; Excludes O&M and SG&A



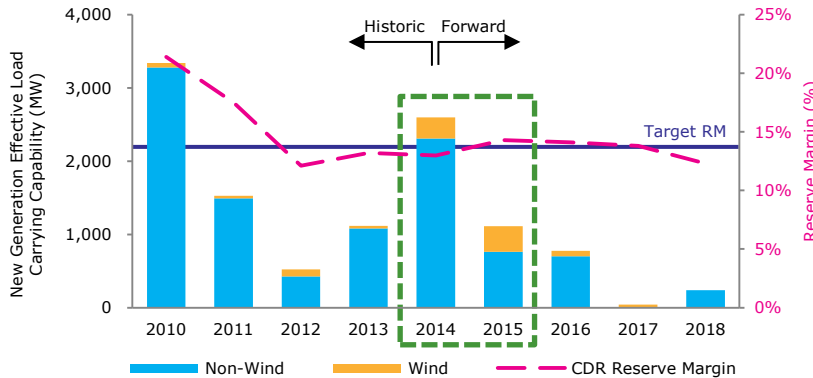
# Market Update

## ERCOT: Mild Summer Weather Impacts Spot and Forward Prices



Source: ERCOT, NOAA, NRG estimates

### New Builds Driven By Potential Capacity Market and PTC Extension

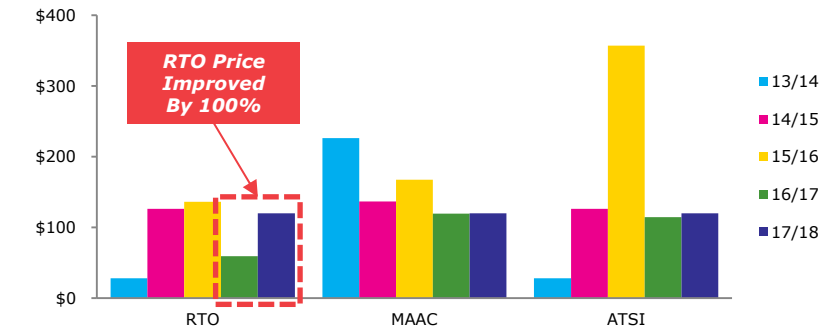


Source: ERCOT CDR

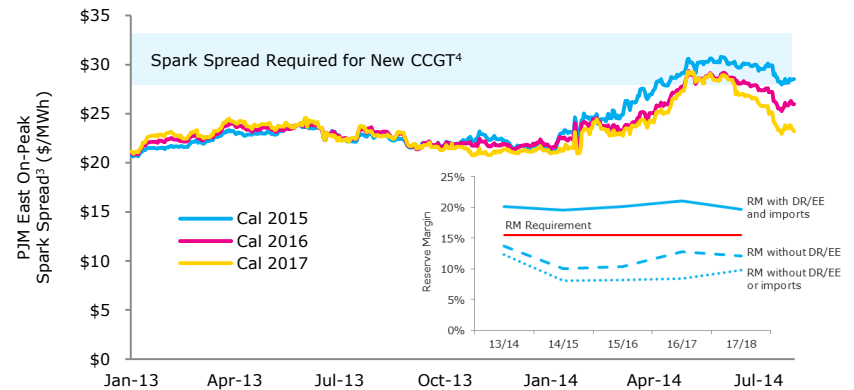
Note: 2014 new build includes a mix of both completed and planned projects as per the May 2014 CDR

## PJM: Strong Capacity Results Support Asset Optimization Plan

(\$/MW-day)



Capacity<sup>5</sup>: 6.4 GW 9.9 GW 1.1 GW



Source: PJM, NRG estimates

## NRG Continues to Benefit From Regional Diversification

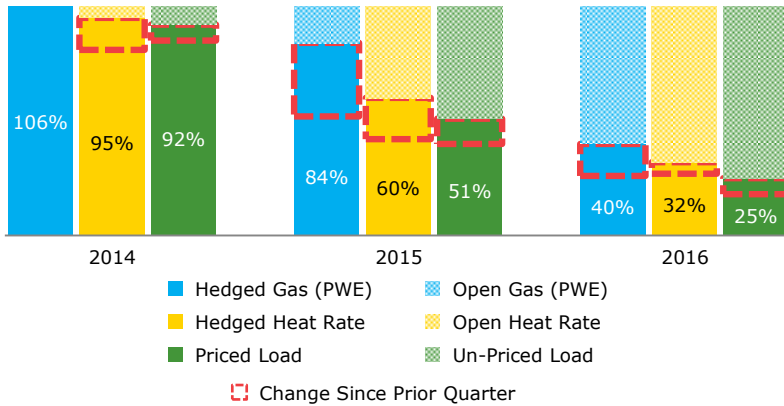
<sup>1</sup> 2010 – 2013 spark spreads calculated using actual DA settles vs. 7 heat rate x Houston Ship Channel gas; 2014 spark spreads are a combination of YTD actual DA settles and balance of year forwards; 2015 – 2018 spark spreads based on forward on-peak power prices vs. 7 heat rate x Houston Ship Channel gas; <sup>2</sup> CCGT CONE range calculated based on overnight capital cost in the range of \$800/kW to \$900/kW; Spark Spreads = (On-peak power - 7 heat rate x Houston Ship Channel gas); <sup>3</sup> Spark spreads based on forward on-peak power prices vs. 7 heat rate x TETCO M3 gas; <sup>4</sup> CCGT CONE range is calculated based on overnight capital cost of \$1,100/kW, net of capacity and ancillary revenue; Spark Spreads = (On-peak power - 7 heat rate x TETCO M3 gas); <sup>5</sup> Represents installed capacity (ICAP) as of 6/30/2014



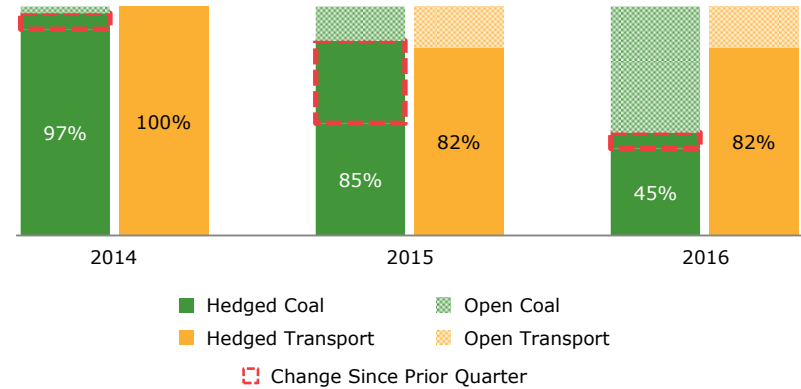


# Commercial Operations

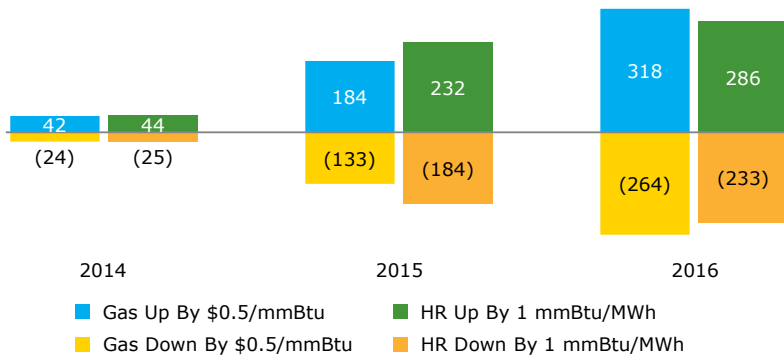
## Coal and Nuclear Generation and Retail Hedge Position<sup>1,2</sup>



## Coal and Transport Hedge Position<sup>1,4</sup>



## Coal and Nuclear Generation Sensitivity to Gas Price and Heat Rate<sup>1,3</sup>



## 2017/2018 PJM Auction Results

Zone	% Capacity Cleared <sup>5</sup>
MAAC	98%
ATSI	100%
RTO	93%
<b>Total</b>	<b>96%</b>

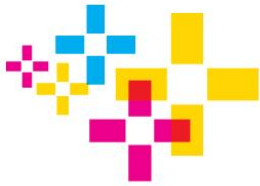
Continue to Hedge Opportunistically During Favorable Market Conditions

<sup>1</sup> Portfolio as of 7/17/2014; <sup>2</sup> Retail Priced Load includes Term load, Hedged Month-to-month load, and Indexed load

<sup>3</sup> Price sensitivity reflects gross margin change from \$0.5/MMBtu gas price, 1 mmBtu/MWh heat rate move

<sup>4</sup> Coal position excludes existing coal inventory

<sup>5</sup> Represents the amount of cleared UCAP capacity compared to total available UCAP capacity; Excludes assets retiring prior to the 2017/2018 planning year



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# Financial Results

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# Financial Summary

## Results

<i>(\$ millions)</i>	<b>Three Months Ended 6/30/2014</b>	<b>Six Months Ended 6/30/2014</b>
Wholesale <sup>1</sup>	\$ 389	\$ 1,005
Retail	173	281
NRG Yield <sup>1</sup>	109	201
<b>Adjusted EBITDA</b>	<b>\$ 671</b>	<b>\$ 1,487</b>

## Highlights

- ✦ Completed first ever drop-down transaction with NRG Yield for total cash consideration of \$357 MM including working capital adjustments
  - ✦ Intend to offer additional assets representing approximately \$120 MM in Adjusted EBITDA and \$35 MM in CAFD to NYLD during 3<sup>rd</sup> quarter
- ✦ On track to close the 947 MW Alta Wind facility by NRG Yield for \$870 MM, growing the combined wind portfolio collectively owned by both NRG Yield and NRG Energy to ~2.8 GW<sup>2</sup>
  - ✦ Now more than fully-funded by ~\$1.1 BN in net proceeds from NYLD equity/debt offerings
- ✦ Announcing enhanced Midwest Generation compliance plan of ~\$545 MM<sup>3</sup>
  - ✦ ~\$130 MM<sup>3</sup> of which occurs in 2014

<sup>1</sup> In accordance with GAAP, 2014 results restated to include full impact of the assets associated with the drop-down transaction closed on 6/30/2014

<sup>2</sup> Expected to close in 3rd quarter of 2014

<sup>3</sup> Excludes Interest During Construction (IDC)



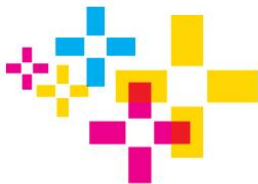
# 2014 Guidance Overview

<i>(\$ millions)</i>	<b>Guidance 8/7/2014</b>	<b>Guidance 5/6/2014</b>
Wholesale <sup>1,2</sup>	\$2,200 – \$2,320	\$2,315 – \$2,440
Retail	\$600 – \$675	\$600 – \$675
NRG Yield <sup>1</sup>	\$410	\$292
<b>Adjusted EBITDA</b>	<b>\$3,200 – \$3,400</b>	<b>\$3,200 – \$3,400</b>
<b>Free Cash Flow before Growth</b>	<b>\$1,200 – \$1,400</b>	<b>\$1,200 – \$1,400</b>

Reaffirming 2014 Adjusted EBITDA and FCFbG Guidance

<sup>1</sup> In accordance with GAAP, 2014 guidance includes \$100 MM shift in Adjusted EBITDA from Wholesale to NRG Yield following ROFO asset dropdown on 6/30/2014

<sup>2</sup> Includes approximately \$40 MM of negative Adjusted EBITDA associated with residential solar



# Liquidity Update

## 1H Sources / Uses of Adjusted Liquidity

(\$ millions)	12/31/2013	6/30/2014
Cash & cash equivalents	\$ 2,254	\$ 1,481
Restricted cash	268	286
<b>Total Cash</b>	<b>\$ 2,522</b>	<b>\$ 1,767</b>
NRG Corporate credit facility availability	1,173	1,243
<b>Total Liquidity</b>	<b>\$ 3,695</b>	<b>\$ 3,010</b>
Excess cash proceeds from NYLD equity & debt <sup>1</sup>		188
<b>Adjusted Liquidity</b>	<b>\$ 3,695</b>	<b>\$ 3,198</b>

Sources	(\$ millions)
\$ 564	Adjusted cash flow from operations
1,100	Debt proceeds, 6.25% senior notes due 2022
1,000	Debt proceeds, 6.25% senior notes due 2024
337	Convertible debt proceeds, NRG Yield, net of fees
70	Increase in credit facility availability
77	Proceeds from sale of assets, net
37	Other, net

### Uses

\$ 1,868	Acquisitions and growth investments, net
1,289	Debt repayments, excluding cash grant debt repayments
297	Collateral
250	Maintenance and environmental capex, net
91	Common and preferred stock dividends
75	Merger and integration-related payments

Continued Strength in Liquidity With Cash Available at NYLD to Fund Future Drop-Downs



# NRG Yield Drop-Down Update

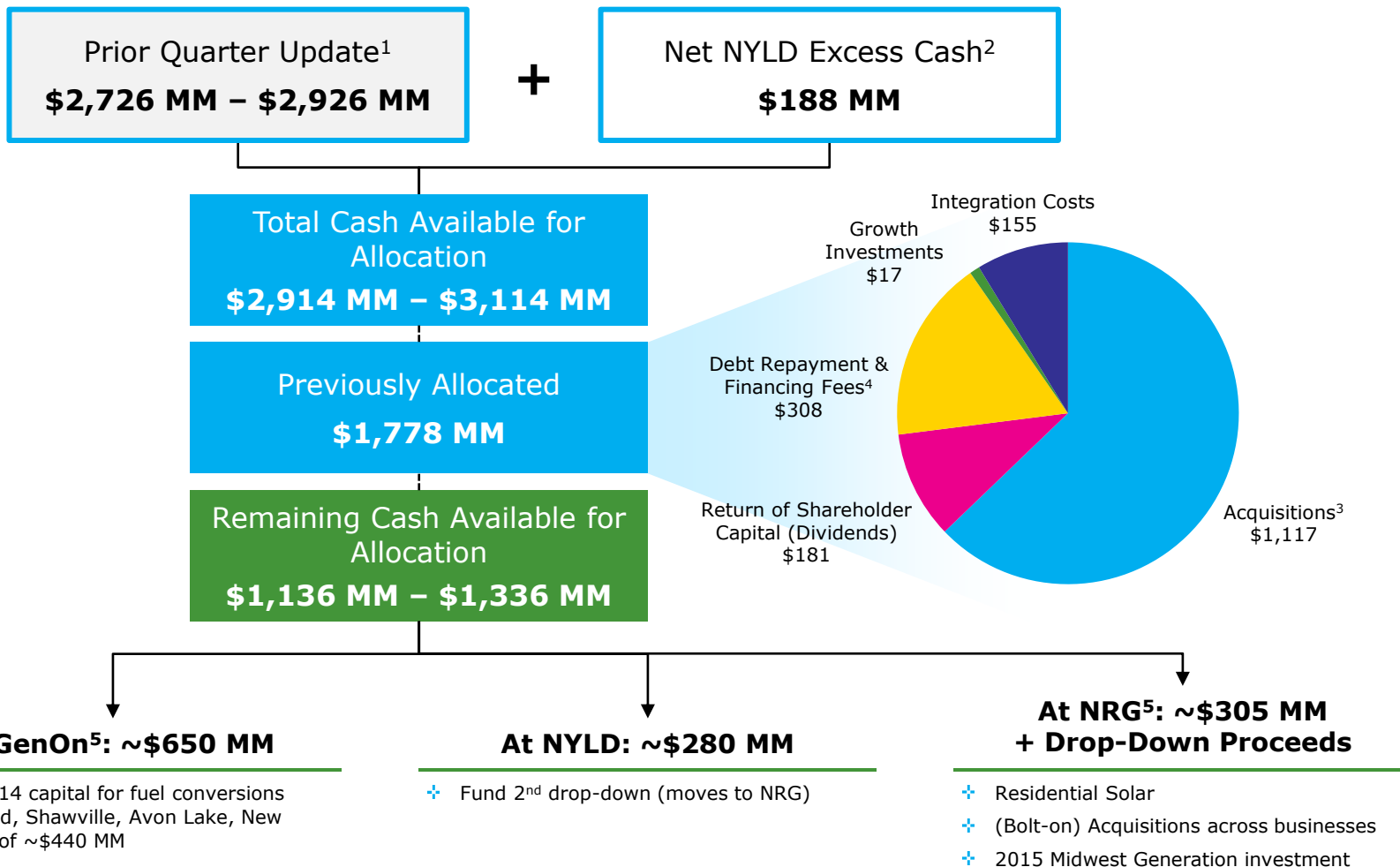
	Project	Technology	Net MW	COD	Off-Take
<b>Dropped Down 6/30/2014</b>  <i>Run-Rate Adj. EBITDA: \$100 MM</i>  <i>Run-Rate CAFD: \$30 MM</i>	El Segundo	CCGT	550	2013	10-year tolling agreement with SCE <sup>1</sup>
	TA High Desert	PV	20	2013	20-year PPA with SCE
	RA Kansas South	PV	20	2013	20-year PPA with PG&E <sup>1</sup>
<b>Expected to Be Offered By YE 2014</b>  <i>Run-Rate Adj. EBITDA: \$120 MM</i>  <i>Run-Rate CAFD: \$35 MM</i>	Walnut Creek	CT	500	2013	10-year PPA with SCE
	Tapestry	Wind	204	2008 – 2011	20-year PPA with various off-takers
	Laredo Ridge	Wind	81	2011	20-year PPA with NPPD <sup>1</sup>
<b>Expected to Be Offered Post-2014</b>  <i>Run-Rate Adj. EBITDA: \$215 MM</i>  <i>Run-Rate CAFD: \$100 MM</i>	CVSR <sup>2</sup>	PV	128	2013	25-year PPA with PG&E
	Agua Caliente <sup>3</sup>	PV	148	2014	25-year PPA with PG&E
	Ivanpah <sup>4</sup>	Solar Thermal	193	2013	20-25-year PPAs with PG&E and SCE
	Other NYLD-Eligible Assets	Wind	816	Various	Various long-term contracts

Poised for Capital Replenishment at NRG Energy and Driving CAFD Growth at NYLD

<sup>1</sup> SCE – Southern California Edison; PG&E – Pacific Gas & Electric; NPPD – Nebraska Public Power District  
<sup>2</sup> Represents NRG's remaining interest in CVSR  
<sup>3</sup> Capacity represents 51% NRG ownership; Remaining 49% of Agua Caliente is owned by MidAmerican Energy Holdings, Inc.  
<sup>4</sup> Capacity represents 49.95% NRG ownership; Remaining 50.05% is owned by Google, Inc. and BrightSource Energy, Inc.



# 2014 Capital Allocation Update



**Significant Progress Made Year-To-Date on Long-Term Value Creation**

<sup>1</sup> Cash Available for Allocation as provided on 1Q 2014 earnings call on 5/6/2014; Includes excess cash of \$1,189 MM, 2014 FCF before Growth guidance of \$1,200 MM – \$1,400 MM, and net drop-down proceeds of \$337 MM; <sup>2</sup> Represents total cash proceeds from NYLD equity and debt issuances above expected funding requirements for Alta Wind transaction (expected to close 3Q 2014)  
<sup>3</sup> Includes net \$899 MM related to EME acquisition and \$218 MM related to other acquisitions; <sup>4</sup> Includes scheduled debt amortization and \$35 MM of debt repayment related to divestiture of Bayou Cove  
<sup>5</sup> Implied based on mid-point of Free Cash Flow before Growth guidance

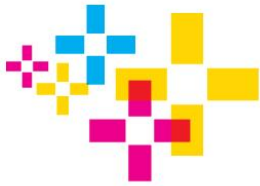


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# Q&A

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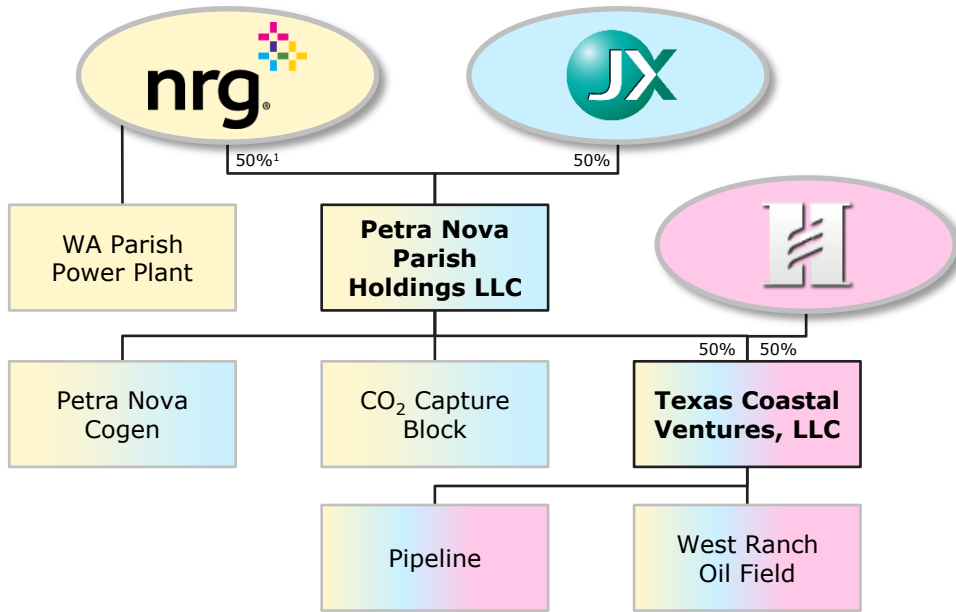


# Appendix



# WA Parish Project: Transaction Structure

## Project Ownership Structure



Sources	\$MM	Uses	\$MM
NRG Equity <sup>2</sup>	\$300	Parish Site Capital <sup>3</sup>	\$637
JX Nippon Equity	300	Oilfield and Pipeline Capital	300
Project Financing	250	Initial O&M, G&A, Fees, Other	80
DoE Grant	167		
<b>Total</b>	<b>\$1,017</b>	<b>Total</b>	<b>\$1,017</b>

## Partner Summary



**Hilcorp Energy**

- ❖ One of the largest privately-held oil and natural gas E&P companies in the US
- ❖ Strong track record of implementing new production techniques into mature reservoirs
- ❖ Specialized team that has extensive experience implementing CO<sub>2</sub> floods



**JX Nippon Oil & Gas Exploration**

- ❖ Currently conducting oil and natural gas business in 14 countries
- ❖ Parent company, JX Holdings, is a leading integrated energy, resources, and materials company



**Japan Bank for Int'l Cooperation**

- ❖ Policy-based financial institution
- ❖ Wholly-owned by the Japanese government
- ❖ Over 25,000 loan and equity commitments valued at over \$479 billion



**US DoE**

- ❖ Awarded \$167 MM grant
- ❖ Funded through Clean Coal Power Initiative

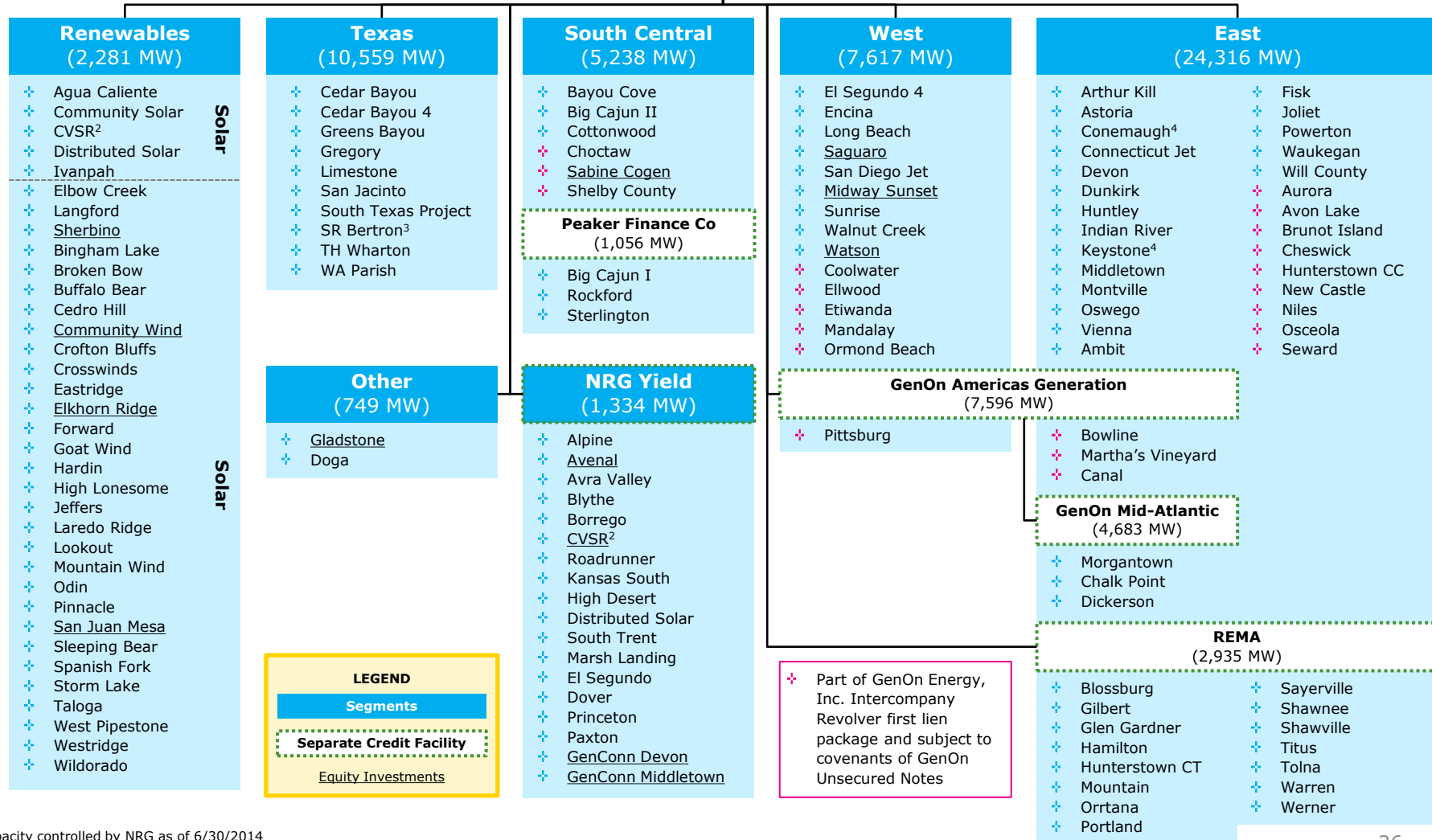
Well-Structured Project with Strong and Experienced Partners

<sup>1</sup> Petra Nova will be deconsolidated from NRG's financial statements  
<sup>2</sup> Includes investments already incurred during development of the project  
<sup>3</sup> Includes costs associated with CCS system and contribution of Parish peaker



# Generation Organizational Structure

**NRG Energy, Inc. (52,094<sup>1</sup> MW)**



<sup>1</sup> Capacity controlled by NRG as of 6/30/2014

<sup>2</sup> NRG Yield owns 48.95% interest in CVSR; Remaining 51.05% interest is included in Renewables

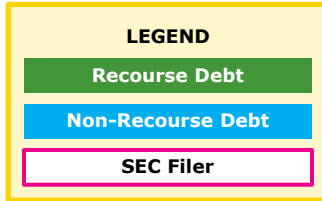
<sup>3</sup> 727 MW not anticipated to return to service in 2014, therefore not included in total MW

<sup>4</sup> NRG and GenOn jointly own portions of these plants; GenOn portion is subject to REMA liens

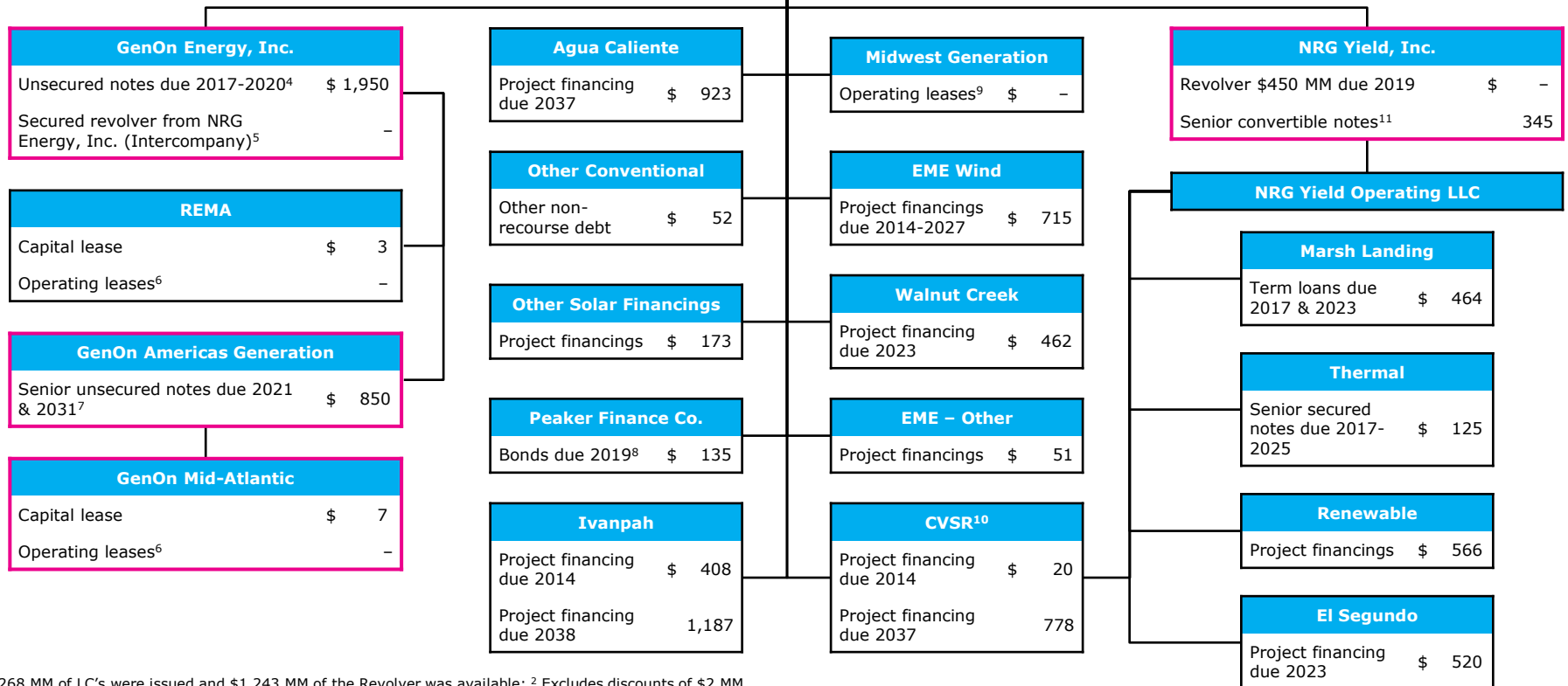


# Consolidated Debt Structure

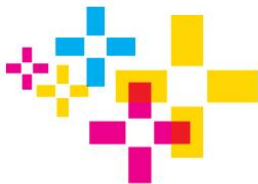
(\$ millions)  
As of 6/30/2014



NRG Energy, Inc.	
Revolver \$2.5 BN due 2018 <sup>1</sup>	\$ -
Senior notes due 2018-2024 <sup>2</sup>	6,636
Term loan due 2018 <sup>3</sup>	1,996
Tax exempt bonds due 2038-2045	373
<b>Total</b>	<b>\$ 9,005</b>



<sup>1</sup> \$1,268 MM of LC's were issued and \$1,243 MM of the Revolver was available; <sup>2</sup> Excludes discounts of \$2 MM  
<sup>3</sup> Excludes discounts of \$4 MM; <sup>4</sup> Excludes premiums of \$209 MM; <sup>5</sup> \$282 MM of LC's were issued and \$218 MM of the Intercompany Revolver was available  
<sup>6</sup> The present values of lease payments (10% discount rate) for GenOn Mid-Atlantic and REMA operating leases are \$706 MM and \$417 MM, respectively  
<sup>7</sup> Excludes premiums of \$83 MM; <sup>8</sup> Excludes discounts of \$7 MM  
<sup>9</sup> The present value of lease payments (10% discount rate) for Midwest Generation operating lease is \$224 MM; This lease is guaranteed by NRG Energy, Inc.  
<sup>10</sup> NRG Yield, Inc. owns 48.95% of CVSR; <sup>11</sup> Excludes discounts of \$21 MM



# Recourse / Non-Recourse Debt

(\$ millions)	6/30/2014	3/31/2014	12/31/2013
<b>Recourse Debt</b>			
Term Loan Facility	\$ 1,996	\$ 2,002	\$ 2,007
Senior Notes	6,636	6,418	5,717
Tax Exempt Bonds	373	373	373
<b>Recourse Debt Subtotal<sup>1</sup></b>	<b>\$ 9,005</b>	<b>\$ 8,793</b>	<b>\$ 8,097</b>
<b>Non-Recourse Debt</b>			
Total NRG Yield <sup>2</sup>	\$ 2,020	\$ 2,060	\$ 1,783
GenOn Senior Notes <sup>3</sup>	1,950	1,949	1,950
GenOn Americas Generation Notes <sup>4</sup>	850	850	850
Solar (Non-NRG Yield) <sup>5</sup>	3,489	3,409	3,647
Conventional <sup>6</sup>	187	147	177
Edison Mission Energy	1,228	1,187	-
Capital Lease	10	11	13
<b>Non-Recourse Debt and Capital Lease Subtotal</b>	<b>\$ 9,734</b>	<b>\$ 9,613</b>	<b>\$ 8,420</b>
<b>Total Debt</b>	<b>\$ 18,739</b>	<b>\$ 18,406</b>	<b>\$ 16,517</b>

<sup>1</sup> Excludes discounts of \$6 MM, \$7 MM, and \$10 MM for 6/30/2014, 3/31/14, and 12/31/13, respectively

<sup>2</sup> Includes Convertible Notes (\$345 MM as of 6/30 and 3/31) and various project financings; Excludes proportionate CVSR debt; Excludes discounts of \$21 MM and \$22 MM for 6/30 and 3/31, respectively

<sup>3</sup> Excludes premiums of \$209 MM, \$221 MM, and \$233 MM for 6/30, 3/31, and 12/31, respectively

<sup>4</sup> Excludes premiums of \$83 MM, \$85 MM, and \$85 MM for 6/30, 3/31, and 12/31, respectively

<sup>5</sup> Includes 100% of CVSR project debt in Solar (Non-NRG Yield); NRG Yield owns 48.95% of the project

<sup>6</sup> Excludes discounts of \$7 MM, \$8 MM, and \$11 MM for 6/30, 3/31, and 12/31, respectively



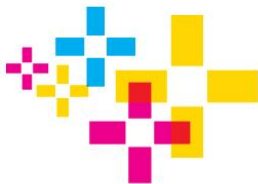
# NRG Residual Adjusted EBITDA and Debt

(\$ millions)

	<b>2014 Guidance</b>
<b>Adjusted EBITDA</b>	<b>\$3,200 – \$3,400</b>
Less: Pro-rata Adjusted EBITDA associated with project non-controlling interests (i.e. Agua Caliente, Ivanpah)	(70)
<b>NRG Proportionate Adjusted EBITDA</b>	<b>\$3,130 – \$3,330</b>
Less: NRG Yield Proportionate Adjusted EBITDA	(410)
<b>NRG Residual Adjusted EBITDA</b>	<b>\$2,720 – \$2,920</b>
Recourse Debt	8,843
Non-Recourse Debt	10,014
<b>Consolidated Debt<sup>1</sup></b>	<b>\$18,857</b>
Less: Pro-rata Debt associated with project non-controlling interests	(1,240)
Plus: Pro-rata Debt associated with unconsolidated affiliates	265
<b>NRG Proportionate Debt</b>	<b>\$17,882</b>
Less: NRG Yield Proportionate Debt <sup>2</sup>	(3,020)
<b>NRG Residual Debt</b>	<b>\$14,862</b>

<sup>1</sup> Debt balances exclude discounts and premiums

<sup>2</sup> Represents NRG Yield's portion of NRG Consolidated debt (\$2,462 MM including \$500 MM "Green" bond issuance in July 2014); Plus its share of pro rata debt associated with Avenal, GenConn, and 48.95% of CVSR, totaling \$559 MM



# 1H 2014 Capital Expenditures and Growth Investments

(\$ millions)	Maintenance	Environmental	Growth Investments, net			Total
			Conventional Investments	Operational Improvements	Solar Investments	
<b>Capital Expenditures</b>						
Retail	\$ 13	-	-	-	-	\$ 13
NRG Yield	5	-	24	-	-	29
Wholesale						
Gulf Coast	42	66	5	-	-	113
East	104	20	-	2	-	126
West	3	-	-	-	-	3
Renewables	-	-	-	-	194	194
Corporate (Including New Businesses)	11	-	18	-	-	29
<b>Total Cash Capital Expenditures</b>	<b>\$ 178</b>	<b>\$ 86</b>	<b>\$ 47</b>	<b>\$ 2</b>	<b>\$ 194</b>	<b>\$ 507</b>
Other Investments <sup>1</sup>	-	-	9	-	45	54
Project Funding, net of fees <sup>2</sup>						
Conventional Assets	(3)	-	(27)	-	-	(30)
Solar Assets	-	-	-	-	(219)	(219)
<b>Total Capital Expenditures and Growth Investments, net<sup>3</sup></b>	<b>\$ 175</b>	<b>\$ 86</b>	<b>\$ 29</b>	<b>\$ 2</b>	<b>\$ 20</b>	<b>\$ 312</b>

<sup>1</sup> Includes investments, restricted cash and network upgrades

<sup>2</sup> Includes net debt proceeds, cash grants and third party contributions

<sup>3</sup> Maintenance includes \$11 MM of merger and integration cash capital expenditures



# 2014 Capital Expenditures and Growth Investments Guidance

(\$ millions)	Maintenance	Environmental	Growth Investments, net			Total
			Conventional Investments	Operational Improvements	Solar Investments	
<b>Capital Expenditures</b>						
Retail	\$ 17	-	-	-	-	\$ 17
NRG Yield	15	-	27	-	-	42
Wholesale						
Gulf Coast	145	140	14	-	-	299
East	200	213	-	39	-	452
West	9	-	-	-	-	9
Renewables	4	-	-	-	421	425
Corporate (Including New Businesses)	57	-	21	-	-	78
<b>Total Cash Capital Expenditures</b>	<b>\$ 447</b>	<b>\$ 353</b>	<b>\$ 62</b>	<b>\$ 39</b>	<b>\$ 421</b>	<b>\$ 1,322</b>
Other Investments <sup>1</sup>	-	-	24	-	68	92
Project Funding, net of fees <sup>2</sup>						
Conventional Assets	(41)	-	(135)	-	-	(176)
Solar Assets	-	-	-	-	(462)	(462)
<b>Total Capital Expenditures and Growth Investments, net<sup>3</sup></b>	<b>\$ 406</b>	<b>\$ 353</b>	<b>\$ (49)</b>	<b>\$ 39</b>	<b>\$ 27</b>	<b>\$ 776</b>

<sup>1</sup> Includes investments, restricted cash and network upgrades

<sup>2</sup> Includes net debt proceeds, cash grants and third party contributions

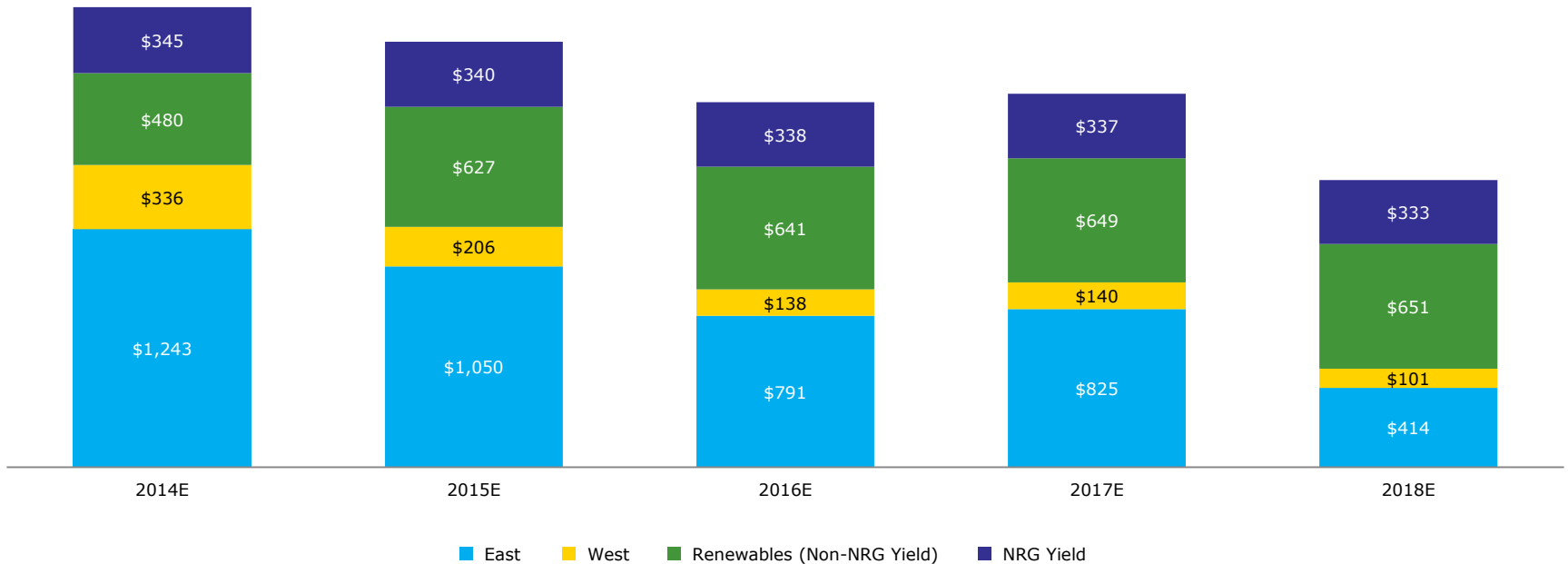
<sup>3</sup> Maintenance includes \$28 MM of merger and integration cash capital expenditures





# Fixed Contracted and Capacity Revenue

(\$ millions)



## Notes:

- ✦ East includes cleared capacity auction for both PJM and New England through May 2018
- ✦ West includes committed Resource Adequacy contracts and tolling agreements



# 2Q 2014 Generation & Operational Performance Metrics

(MWh 000's)	2014	2013			2014		2013	
	Generation <sup>1</sup>	Generation <sup>1</sup>	MWh Change	% Change	EAF <sup>2</sup>	NCF <sup>3</sup>	EAF <sup>2</sup>	NCF <sup>3</sup>
Gulf Coast – Texas	10,293	10,429	(136)	(1%)	86%	45%	83%	45%
Gulf Coast – South Central	4,270	4,193	77	2%	82%	38%	85%	38%
East	12,291	13,436	(1,145)	(9%)	76%	22%	78%	23%
West	1,102	912	190	21%	96%	7%	91%	5%
Renewables	2,335	2,309	26	1%	N/A	48%	N/A	53%
NRG Yield <sup>4</sup>	1,271	753	518	69%	98%	18%	94%	10%
<b>Total</b>	<b>31,562</b>	<b>32,024</b>	<b>(470)</b>	<b>(1%)</b>	<b>82%</b>	<b>26%</b>	<b>86%</b>	<b>27%</b>
Gulf Coast – Texas Nuclear	1,656	2,179	(523)	(24%)	66%	65%	85%	85%
Gulf Coast – Texas Coal	7,314	7,357	(43)	(1%)	90%	80%	88%	80%
Gulf Coast – South Central Coal	2,594	2,542	52	2%	90%	79%	86%	78%
East Coal	11,325	11,377	(52)	(0%)	70%	46%	78%	44%
<b>Baseload</b>	<b>22,889</b>	<b>23,455</b>	<b>(566)</b>	<b>(2%)</b>	<b>76%</b>	<b>58%</b>	<b>81%</b>	<b>57%</b>
Renewables Solar	391	227	164	72%	N/A	39%	N/A	22%
Renewables Wind	1,944	2,082	(138)	(7%)	N/A	50%	N/A	54%
NRG Yield Solar	299	206	92	47%	99%	39%	88%	26%
NRG Yield Wind	105	106	(1)	(1%)	98%	48%	99%	48%
<b>Intermittent</b>	<b>2,739</b>	<b>2,621</b>	<b>117</b>	<b>4%</b>	<b>99%</b>	<b>N/A</b>	<b>95%</b>	<b>N/A</b>
East Oil	159	244	(85)	(35%)	80%	3%	78%	7%
Gulf Coast – Texas Gas	1,323	894	429	48%	86%	12%	79%	8%
Gulf Coast – South Central Gas	1,676	1,651	25	2%	78%	21%	84%	21%
East Gas	806	1,815	(1,009)	(56%)	80%	3%	78%	7%
West Gas	1,102	912	190	21%	96%	7%	91%	5%
NRG Yield Gas	374	40	334	828%	98%	N/A	99%	N/A
NRG Yield Thermal <sup>4</sup>	493	401	92	23%	N/A	N/A	N/A	N/A
<b>Intermediate / Peaking</b>	<b>5,935</b>	<b>5,957</b>	<b>(23)</b>	<b>(0%)</b>	<b>85%</b>	<b>8%</b>	<b>82%</b>	<b>8%</b>

<sup>1</sup> Excludes line losses, station service and other items; 2013 performance shown is for combined company of NRG and EME

<sup>2</sup> EAF – Equivalent Availability Factor

<sup>3</sup> NCF – Net Capacity Factor

<sup>4</sup> Includes MWh (thermal heating & chilled water generation); NCF not inclusive of MWhT



# 1H 2014 Generation & Operational Performance Metrics

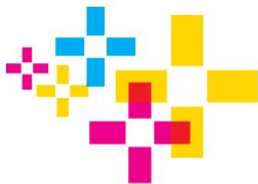
(MWh 000's)	2014	2013			2014		2013	
	Generation <sup>1</sup>	Generation <sup>1</sup>	MWh Change	% Change	EAF <sup>2</sup>	NCF <sup>3</sup>	EAF <sup>2</sup>	NCF <sup>3</sup>
Gulf Coast – Texas	20,148	18,030	2,118	12%	83%	44%	81%	40%
Gulf Coast – South Central	8,667	8,612	55	1%	77%	39%	81%	39%
East	30,945	27,723	3,222	12%	78%	28%	81%	24%
West	2,140	1,666	474	28%	88%	6%	85%	5%
Renewables	4,747	4,506	241	5%	N/A	49%	N/A	52%
NRG Yield <sup>4</sup>	2,652	1,485	1,168	79%	96%	17%	92%	8%
<b>Total</b>	<b>69,300</b>	<b>62,021</b>	<b>7,278</b>	<b>12%</b>	<b>81%</b>	<b>29%</b>	<b>82%</b>	<b>26%</b>
Gulf Coast – Texas Nuclear	3,978	3,525	453	13%	78%	78%	69%	69%
Gulf Coast – Texas Coal	13,812	13,343	469	4%	86%	76%	89%	73%
Gulf Coast – South Central Coal	5,216	5,243	(28)	(1%)	88%	80%	88%	81%
East Coal	26,975	23,501	3,475	15%	77%	55%	81%	45%
<b>Baseload</b>	<b>49,981</b>	<b>45,612</b>	<b>4,369</b>	<b>10%</b>	<b>80%</b>	<b>63%</b>	<b>83%</b>	<b>56%</b>
Renewables Solar	639	391	248	63%	N/A	32%	N/A	42%
Renewables Wind	4,108	4,114	(7)	(0%)	N/A	53%	N/A	53%
NRG Yield Solar	487	341	146	45%	98%	32%	90%	30%
NRG Yield Wind	199	193	6	3%	98%	45%	98%	44%
<b>Intermittent</b>	<b>5,433</b>	<b>5,040</b>	<b>393</b>	<b>8%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
East Oil	863	308	555	180%	80%	7%	81%	7%
Gulf Coast – Texas Gas	2,358	1,161	1,197	103%	81%	10%	77%	5%
Gulf Coast – South Central Gas	3,451	3,369	83	2%	73%	22%	78%	22%
East Gas	3,107	3,914	(807)	(21%)	80%	7%	81%	7%
West Gas	2,140	1,666	474	28%	88%	6%	85%	5%
NRG Yield Gas	734	43	690	1,589%	92%	N/A	96%	N/A
NRG Yield Thermal <sup>4</sup>	1,233	907	326	36%	N/A	N/A	N/A	N/A
<b>Intermediate / Peaking</b>	<b>13,886</b>	<b>11,368</b>	<b>2,518</b>	<b>22%</b>	<b>81%</b>	<b>9%</b>	<b>81%</b>	<b>8%</b>

<sup>1</sup> Excludes line losses, station service and other items; 2013 performance shown is for combined company of NRG and EME

<sup>2</sup> EAF – Equivalent Availability Factor

<sup>3</sup> NCF – Net Capacity Factor

<sup>4</sup> Includes MWh (thermal heating & chilled water generation); NCF not inclusive of MWhT



# Fuel Statistics

Domestic	2Q		1H	
	2014	2013 <sup>1</sup>	2014	2013 <sup>1</sup>
Coal Consumed (Million Tons)	12.7	9.4	22.4	17.6
<b>PRB Blend</b>	<b>68%</b>	<b>61%</b>	<b>61%</b>	<b>61%</b>
East	33%	10%	37%	11%
Gulf Coast – Texas	70%	75%	71%	75%
Gulf Coast – South Central	100%	100%	100%	100%
<b>Bituminous</b>	<b>15%</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>
East	55%	75%	47%	67%
<b>Lignite &amp; Other</b>	<b>17%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
East	12%	15%	16%	22%
Gulf Coast – Texas	30%	25%	29%	25%
<b>Cost of Coal (\$/Ton)</b>	<b>\$ 42.74</b>	<b>\$ 45.66</b>	<b>\$ 45.49</b>	<b>\$ 44.92</b>
<b>Cost of Coal (\$/mmBtu)</b>	<b>\$ 2.49</b>	<b>\$ 2.57</b>	<b>\$ 2.58</b>	<b>\$ 2.56</b>
<b>Cost of Gas (\$/mmBtu)</b>	<b>\$ 4.31</b>	<b>\$ 4.15</b>	<b>\$ 5.95</b>	<b>\$ 4.37</b>

<sup>1</sup> NRG standalone; Not pro forma for Edison Mission



# Hedge Disclosure: Coal and Nuclear Operations

	Gulf Coast <sup>1</sup>			East <sup>1</sup>			GenOn <sup>1</sup>		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Net Coal and Nuclear Capacity (MW) <sup>2</sup>	6,865	6,290	6,290	11,045	10,401	8,732	5,740	5,317	4,526
Forecasted Coal and Nuclear Capacity (MW) <sup>3</sup>	5,736	5,075	4,977	5,999	5,182	3,499	2,948	2,566	1,987
Total Coal and Nuclear Sales (MW) <sup>4</sup>	5,650	5,110	2,232	6,792	3,516	1,165	3,253	2,053	873
<b>Percentage Coal and Nuclear Capacity Sold Forward<sup>5</sup></b>	<b>98%</b>	<b>101%</b>	<b>45%</b>	<b>113%</b>	<b>68%</b>	<b>33%</b>	<b>110%</b>	<b>80%</b>	<b>44%</b>
Total Forward Hedged Revenues <sup>6</sup>	\$862	\$1,915	\$883	\$1,277	\$1,401	\$521	\$684	\$917	\$417
<b>Weighted Average Hedged Price (\$ per MWh)<sup>6</sup></b>	<b>\$41.57</b>	<b>\$42.78</b>	<b>\$45.17</b>	<b>\$51.22</b>	<b>\$45.47</b>	<b>\$51.04</b>	<b>\$57.23</b>	<b>\$51.00</b>	<b>\$54.57</b>
<b>Average Equivalent Natural Gas Price (\$ per MMBtu)<sup>6</sup></b>	<b>\$4.63</b>	<b>\$4.41</b>	<b>\$4.63</b>	<b>\$4.68</b>	<b>\$4.34</b>	<b>\$4.75</b>	<b>\$4.32</b>	<b>\$4.41</b>	<b>\$4.90</b>
Gas Price Sensitivity Up \$0.50/MMBtu on Coal and Nuclear Units	\$10	\$21	\$145	\$32	\$162	\$173	\$16	\$70	\$87
Gas Price Sensitivity Down \$0.50/MMBtu on Coal and Nuclear Units	\$(8)	\$(15)	\$(139)	\$(17)	\$(118)	\$(126)	\$(5)	\$(44)	\$(57)
Heat Rate Sensitivity Up 1 MMBtu/MWh on Coal and Nuclear Units	\$18	\$82	\$129	\$26	\$150	\$156	\$13	\$64	\$85
Heat Rate Sensitivity Down 1 MMBtu/MWh on Coal and Nuclear Units	\$(14)	\$(67)	\$(113)	\$(11)	\$(117)	\$(120)	\$(3)	\$(45)	\$(62)

<sup>1</sup> Portfolio as of 7/17/2014; 2014 represents August through December months; East region includes GenOn

<sup>2</sup> Net Coal and Nuclear capacity represents nominal summer net MW capacity of power generated as adjusted for the Company's ownership position excluding capacity from inactive/mothballed units inclusive of newly acquired Edison Mission Portfolio

<sup>3</sup> Forecasted generation dispatch output (MWh) based on forward price curves as of 7/10/2014, which is then divided by number of hours in a given year to arrive at MW capacity; The dispatch takes into account planned and unplanned outage assumptions

<sup>4</sup> Includes amounts under power sales contracts and natural gas hedges; The forward natural gas quantities are reflected in equivalent MWh based on forward market implied heat rate as of 7/17/2014, and then combined with power sales to arrive at equivalent MWh hedged which is then divided by number of hours in given year to arrive at MW hedged; The Coal and Nuclear Sales include swaps and delta of options sold which is subject to change; For detailed information on the Company's hedging methodology through use of derivative instruments, see discussion in 2013 10K Item 15 - Note 5, Accounting for Derivative Instruments and Hedging Activities, to the Consolidated Financial Statements; Includes inter-segment sales from the Company's wholesale power generation business to the Retail Business

<sup>5</sup> Percentage hedged is based on Total Coal and Nuclear sales as described above (4) divided by the forecasted Coal and Nuclear Capacity (3)

<sup>6</sup> Represents all coal and nuclear sales, including energy revenue and demand charges; For purpose of consistency, rail rates for South Central were held constant



# Appendix: Reg. G Schedules



# Reg. G: 2Q 2014 Free Cash Flow before Growth

(\$ millions)	6/30/2014	6/30/2013	Variance
<b>Adjusted EBITDAR</b>	<b>\$ 699</b>	<b>\$ 604</b>	<b>\$ 95</b>
Less: GenOn operating lease expense	(28)	(20)	(8)
<b>Adjusted EBITDA</b>	<b>\$ 671</b>	<b>\$ 584</b>	<b>\$ 87</b>
Interest payments	(334)	(327)	(7)
Income tax	(8)	64	(73)
Collateral / working capital / other	(350)	(275)	(75)
<b>Cash Flow from Operations</b>	<b>\$ (21)</b>	<b>\$ 46</b>	<b>\$ (67)</b>
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	56	73	(17)
Merger and integration costs	31	33	(2)
Collateral	(110)	(68)	(42)
<b>Adjusted Cash Flow from Operations</b>	<b>\$ (43)</b>	<b>\$ 84</b>	<b>\$ (128)</b>
Maintenance capital expenditures, net <sup>1</sup>	(102)	(80)	(22)
Environmental capital expenditures, net	(36)	(19)	(17)
Preferred dividends	(3)	(3)	-
Distributions to non-controlling interests	(16)	-	(16)
<b>Free Cash Flow before Growth</b>	<b>\$ (201)</b>	<b>\$ (18)</b>	<b>\$ (183)</b>

<sup>1</sup> 2Q 2014 and 2Q 2013 maintenance capex excludes merger and integration capex of \$6 MM and \$5 MM, respectively

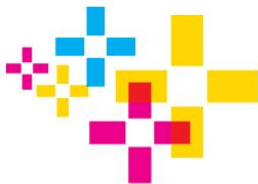


# Reg. G: 1H 2014 Free Cash Flow before Growth

(\$ millions)	6/30/2014	6/30/2013	Variance
<b>Adjusted EBITDAR</b>	<b>\$ 1,543</b>	<b>\$ 1,006</b>	<b>\$ 537</b>
Less: GenOn operating lease expense	(56)	(39)	(17)
<b>Adjusted EBITDA</b>	<b>\$ 1,487</b>	<b>\$ 967</b>	<b>\$ 520</b>
Interest payments	(542)	(492)	(50)
Income tax	(9)	62	(71)
Collateral / working capital / other	(567)	(615)	48
<b>Cash Flow from Operations</b>	<b>\$ 370</b>	<b>\$ (78)</b>	<b>\$ 448</b>
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	(167)	171	(338)
Merger and integration costs	64	80	(16)
Collateral	297	158	139
<b>Adjusted Cash Flow from Operations</b>	<b>\$ 564</b>	<b>\$ 331</b>	<b>\$ 233</b>
Maintenance capital expenditures, net <sup>1</sup>	(164)	(170)	6
Environmental capital expenditures, net	(86)	(33)	(53)
Preferred dividends	(5)	(5)	-
Distributions to non-controlling interests	(23)	-	(23)
<b>Free Cash Flow before Growth</b>	<b>\$ 286</b>	<b>\$ 123</b>	<b>\$ 163</b>

<sup>1</sup> 1H 2014 and 1H 2013 maintenance capex excludes merger and integration capex of \$11 MM and \$10 MM, respectively





# Reg. G: 2014 Guidance

	8/7/2014 Guidance
<i>(\$ millions)</i>	
<b>Adjusted EBITDAR</b>	<b>\$3,328 - \$3,528</b>
Less: Operating lease expense	(128)
<b>Adjusted EBITDA</b>	<b>\$3,200 - \$3,400</b>
Interest payments <sup>1</sup>	(1,061)
Income tax	(40)
Working capital / other	(70)
<b>Adjusted Cash Flow from Operations</b>	<b>\$2,029 - \$2,229</b>
Maintenance capital expenditures, net	(375) - (395)
Environmental capital expenditures, net	(340) - (360)
Preferred dividends	(9)
Distributions to non-controlling interests	(100)
<b>Free Cash Flow before Growth</b>	<b>\$1,200 - \$1,400</b>

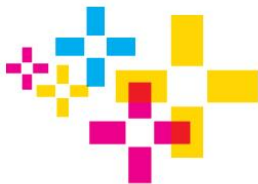
<sup>1</sup> Includes \$70 MM debt extinguishment costs associated with refinancings



# Reg. G: Drop-Down Pipeline Annual Run-Rate

(\$ millions)

	2H 2014 Drop-Downs	Post-2014 Drop-Downs
<b>Income Before Taxes</b>	\$ 38	\$ 75
Adjustments to net income to arrive at Adjusted EBITDA:		
Depreciation & amortization	45	68
Adjustment to reflect reported equity earnings	-	10
Interest expense, net	37	61
<b>Adjusted EBITDA</b>	<b>\$ 120</b>	<b>\$ 215</b>
Cash interest paid	(37)	(59)
Working capital / other	(1)	(8)
Maintenance capital expenditures	-	(1)
Principal amortization of indebtedness	(47)	(46)
<b>Cash Available for Distribution</b>	<b>\$ 35</b>	<b>\$ 100</b>



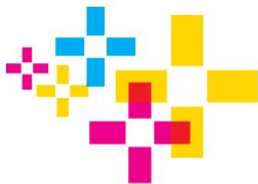
# Reg. G

## Appendix Table A-1: Second Quarter 2014 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

(\$ millions)

	Retail	Texas	South Central	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
<b>Net Income / (Loss) Attributable to NRG Energy, Inc.</b>	<b>(112)</b>	<b>116</b>	<b>18</b>	<b>134</b>	<b>6</b>	<b>33</b>	<b>28</b>	<b>(19)</b>	<b>(167)</b>	<b>(97)</b>
Plus:										
Net income attributable to non-controlling interest	-	-	-	-	-	-	6	20	(9)	17
Interest expense, net	1	-	5	5	11	4	29	33	185	268
Loss on debt extinguishment	-	-	-	-	-	-	-	(1)	41	40
Income tax	1	-	-	-	-	-	2	-	(129)	(126)
Depreciation, amortization, and ARO expense	33	117	29	146	71	29	36	60	13	388
Amortization of contracts	2	11	(5)	6	(15)	(1)	-	-	-	(8)
<b>EBITDA</b>	<b>(75)</b>	<b>244</b>	<b>47</b>	<b>291</b>	<b>73</b>	<b>65</b>	<b>101</b>	<b>93</b>	<b>(66)</b>	<b>482</b>
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	1	1	-	(1)	8	5	7	20
Integration & transaction costs	-	-	-	-	1	-	-	-	39	40
Deactivation costs	-	-	-	-	-	3	-	-	-	3
Sale of businesses	-	-	1	1	(1)	-	-	-	-	-
Asset write-offs and impairments	-	5	-	5	-	-	-	-	2	7
Mark to Market (MtM) losses / (gains) on economic hedges	248	(203)	(7)	(210)	83	(1)	-	(1)	-	119
<b>Adjusted EBITDA</b>	<b>173</b>	<b>46</b>	<b>42</b>	<b>88</b>	<b>156</b>	<b>66</b>	<b>109</b>	<b>97</b>	<b>(18)</b>	<b>671</b>



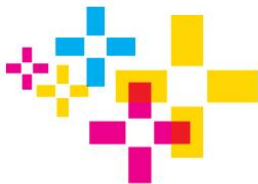
# Reg. G

## Appendix Table A-2: Second Quarter 2013 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

(\$ millions)

	Retail	Texas	South Central	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
<b>Net Income / (Loss) Attributable to NRG Energy, Inc.</b>	<b>(82)</b>	<b>173</b>	<b>7</b>	<b>180</b>	<b>133</b>	<b>36</b>	<b>35</b>	<b>(22)</b>	<b>(156)</b>	<b>124</b>
Plus:										
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	9	(2)	7
Interest expense, net	-	-	4	4	14	1	6	14	165	204
Loss on debt extinguishment	-	-	-	-	-	-	-	-	21	21
Income tax	-	-	-	-	-	-	-	-	(63)	(63)
Depreciation, amortization, and ARO expense	36	112	25	137	98	14	10	24	5	324
Amortization of contracts	18	12	(5)	7	(10)	(1)	-	-	(2)	12
<b>EBITDA</b>	<b>(28)</b>	<b>297</b>	<b>31</b>	<b>328</b>	<b>235</b>	<b>50</b>	<b>51</b>	<b>25</b>	<b>(32)</b>	<b>629</b>
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	-	-	-	-	14	5	(4)	15
Integration & transaction costs	-	-	-	-	-	-	-	-	27	27
Deactivation costs	-	-	-	-	6	2	-	-	-	8
Asset write-offs and impairments	-	2	1	3	-	-	-	-	-	3
Mark to Market (MtM) losses / (gains) on economic hedges	168	(179)	(12)	(191)	(73)	-	-	(2)	-	(98)
<b>Adjusted EBITDA</b>	<b>140</b>	<b>120</b>	<b>20</b>	<b>140</b>	<b>168</b>	<b>52</b>	<b>65</b>	<b>28</b>	<b>(9)</b>	<b>584</b>



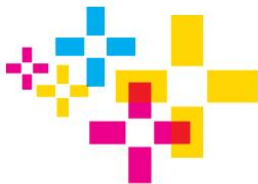
# Reg. G

## Appendix Table A-3: First Half 2014 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

(\$ millions)

	Retail	Texas	South Central	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
<b>Net Income / (Loss) Attributable to NRG Energy, Inc.</b>	<b>179</b>	<b>(208)</b>	<b>5</b>	<b>(203)</b>	<b>225</b>	<b>41</b>	<b>50</b>	<b>(67)</b>	<b>(378)</b>	<b>(153)</b>
Plus:										
Net income attributable to non-controlling interest	-	-	-	-	-	-	10	3	(7)	6
Interest expense, net	1	-	35	35	(3)	4	56	58	370	521
Loss on debt extinguishment	-	-	-	-	-	-	-	-	81	81
Income tax	1	-	-	-	-	-	5	-	(163)	(157)
Depreciation, amortization, and ARO expense	66	235	54	289	140	43	60	107	22	727
Amortization of contracts	3	21	(9)	12	(19)	(3)	-	-	-	(7)
<b>EBITDA</b>	<b>250</b>	<b>48</b>	<b>85</b>	<b>133</b>	<b>343</b>	<b>85</b>	<b>181</b>	<b>101</b>	<b>(75)</b>	<b>1,018</b>
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	1	1	-	(4)	20	3	11	31
Integration & transaction costs	-	-	-	-	1	-	-	-	51	52
Deactivation costs	-	-	-	-	2	4	-	-	-	6
Legal settlement	4	-	-	-	-	-	-	-	-	4
Sale of businesses	-	-	(23)	(23)	5	-	-	-	-	(18)
Asset write-offs and impairments	-	5	-	5	-	-	-	-	2	7
Mark to Market (MtM) losses / (gains) on economic hedges	27	33	(4)	29	330	1	-	-	-	387
<b>Adjusted EBITDA</b>	<b>281</b>	<b>86</b>	<b>59</b>	<b>145</b>	<b>681</b>	<b>86</b>	<b>201</b>	<b>104</b>	<b>(11)</b>	<b>1,487</b>



# Reg. G

## Appendix Table A-4: First Half 2013 Regional Adjusted EBITDA Reconciliation

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to net income

(\$ millions)

	Retail	Texas	South Central	Gulf Coast	East	West	NRG Yield	Renewables	Corporate	Total
<b>Net Income / (Loss) Attributable to NRG Energy, Inc.</b>	<b>287</b>	<b>(251)</b>	<b>-</b>	<b>(251)</b>	<b>(25)</b>	<b>32</b>	<b>46</b>	<b>(38)</b>	<b>(259)</b>	<b>(208)</b>
Plus:										
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	10	(2)	8
Interest expense, net	1	-	8	8	27	-	11	22	328	397
Loss on debt extinguishment	-	-	-	-	-	-	-	-	49	49
Income tax	-	-	-	-	-	-	-	-	(215)	(215)
Depreciation, amortization, and ARO expense	68	225	49	274	178	28	20	47	15	630
Amortization of contracts	39	21	(10)	11	(21)	(3)	-	-	(2)	24
<b>EBITDA</b>	<b>395</b>	<b>(5)</b>	<b>47</b>	<b>42</b>	<b>159</b>	<b>57</b>	<b>77</b>	<b>41</b>	<b>(86)</b>	<b>685</b>
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	1	1	-	1	20	12	(1)	33
Integration & transaction costs	-	-	-	-	-	-	-	-	69	69
Deactivation costs	-	-	-	-	9	2	-	-	-	11
Asset write-offs and impairments	-	2	1	3	-	-	-	-	1	4
Mark to Market (MtM) losses / (gains) on economic hedges	(152)	197	(37)	160	159	(1)	-	(1)	-	165
<b>Adjusted EBITDA</b>	<b>243</b>	<b>194</b>	<b>12</b>	<b>206</b>	<b>327</b>	<b>59</b>	<b>97</b>	<b>52</b>	<b>(17)</b>	<b>967</b>



# 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. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which we do not consider indicative of future operating performance. 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.
- 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 and integration related costs. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates. The Company adds back merger and integration related costs as they are one time and unique in nature and do not reflect ongoing cash from operations and they are fully disclosed to investors.
- Free cash flow (before growth investments) is adjusted cash flow from operations less maintenance and environmental capital expenditures, net of funding, and preferred stock dividends 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.
- Cash available for distribution is adjusted EBITDA plus cash dividends from unconsolidated affiliates, less maintenance capital expenditures, pro-rata adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in others assets. Management believes cash available for distribution is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors.