



NRG Energy, Inc.

Second Quarter 2015 Results Presentation

August 4, 2015



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 regulations, 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, execute 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 and to grow our NRG Home Solar business, 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, our ability to close the drop-down transactions with NRG Yield, 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 4, 2015. 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.



Agenda

Strategic Update

David Crane

NRG Operations

Mauricio Gutierrez

Financial Results

Kirk Andrews

Q&A



Q2 2015 Review

NRG Financial Performance

	EBITDA	YOY
2Q ¹ :	\$729MM	+ 9%
1H ¹ :	1,569MM	+ 6%
FY'15 ² :	3,300MM	+ 6%

NRG Share Price Performance

LTM
-25%



2015 FCF Yield:
16%



Still to Come

➤ \$600MM of Dropdowns	(2015)
➤ PJM Capacity Auction Uplift	(2015)
➤ Home Solar Growth	(2015)
➤ Completion of Fleet Enhancements	(2015/2016)



Established and Growing Strength in Transforming Industry...

Strength in Retail...

- ✓ #1 in ERCOT – for both Residential and Commercial segments
- ✓ #2 Nationally in Residential (and #7 in Commercial)
- ✓ Market leader in customer service and innovative, smart energy products, powering people at home and on-the-go
- ✓ Demonstrated portfolio stability – both in customer count and earnings

Strength in Solar...

- ✓ Top two in Utility Scale Solar
- ✓ Top two in Distributed Solar
- ✓ Top four in Home Solar
- ✓ Deals with Kaiser Permanente, Starwood, Cisco, plus more to come

Strength in Cost of Capital...

- ✓ NYLD provides a competitive cost of capital to complement a variety of NRG's core businesses:
 - Solar: Utility Scale, Distributed, and Residential
 - Thermal: Distributed, District Energy, CHP
 - Natural gas: PPA bidding and Preferred Resources
- ✓ With significant dividend growth to the NRG parent combined with little permanent NRG capital required due to recycling through dropdowns

Built on a Core Foundation of
Conventional Generation



Disciplined Capital Allocation...

70%	Conventional Generation <ul style="list-style-type: none">- Maintenance & Environmental- Fuel Conversions & Repowerings
20%	Renewables <ul style="list-style-type: none">- Utility Scale, Distributed, Home Solar- Yield Eligible
10%	Renewables <ul style="list-style-type: none">- NRG Carbon360, NRG EVgo- Venture Investments

...to maintain and build the businesses of NRG

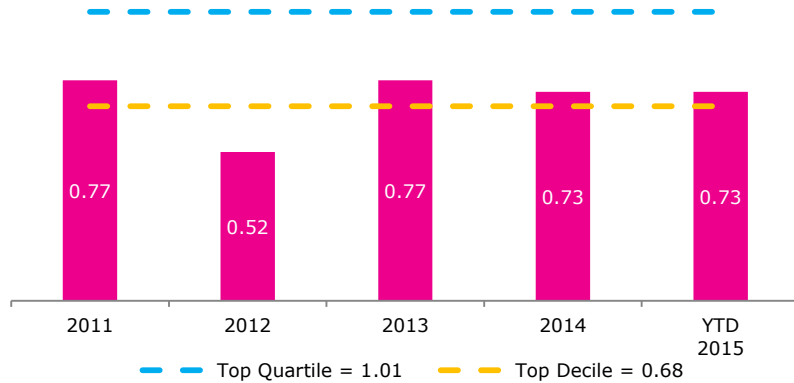


NRG Operations

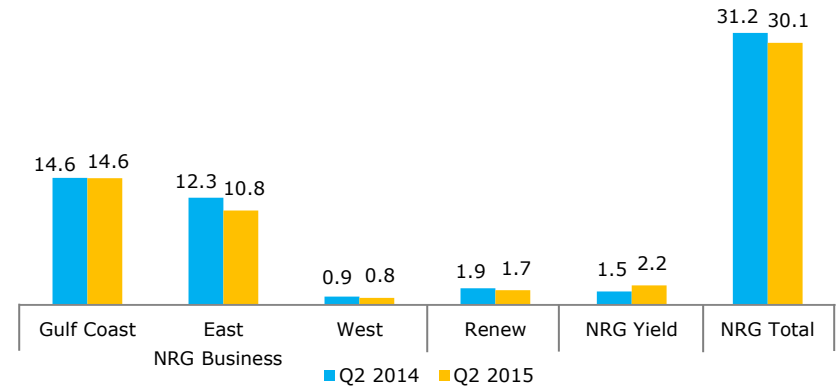


NRG Business – Metrics

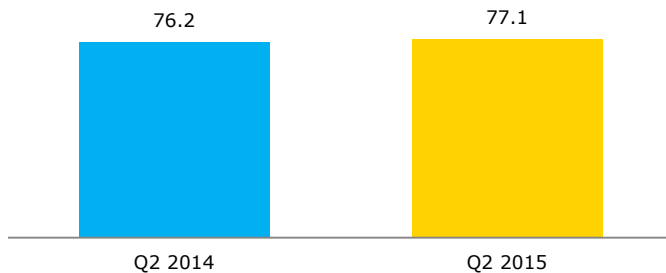
Safety: Top Quartile OSHA Recordable Rate¹



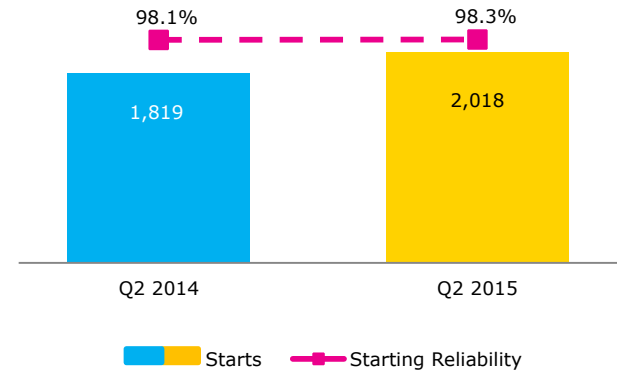
Production (TWh)²



Coal and Nuclear Availability (EAF)³



Gas and Oil Starts and Reliability



Top quartile safety performance and improved availability

¹ Excludes Goal Zero, NRG Home Services and NRG Home Solar; Top decile and top quartile based on Edison Electric Institute 2013 Total Company Survey results; Pre-2013 performance shown for NRG standalone; 2013 is NRG and GenOn; 2014 includes NRG, GenOn and pro forma EME

² All NRG-owned domestic generation; Excludes line losses, station service, and other items. Generation data presented above consistent with US GAAP accounting. Previous reports were pro-forma for acquisitions in prior periods.

³ EAF = Equivalent Availability Factor



NRG Business – Development Update

Major CapEx Projects Underway...

	MW	Project Description	Estimated COD
Repowerings (New Capacity)	Bowline 2	Capacity Restoration	Completed
	Robinson Peakers ¹	New Generation	Q1 2016
	Carlsbad Peakers ²	New Generation	Q4 2017
	Puente (Formerly Mandalay) ²	New Generation	Q2 2020
Fuel Conversions	Big Cajun II 2 ³	Natural Gas	Completed
	GenOn Facilities ⁴	Natural Gas	Q2 2016
	Joliet 6-8 ^{3,6}	Natural Gas	Q2 2016
	Dunkirk 2-4	Natural Gas	Q4 2016
Environmental Compliance	Big Cajun II 1 & 3	ACI & DSI	Completed
	Parish 5-8 / Limestone 1 & 2	ACI	Completed
	Conemaugh 1 & 2 ⁵	SCR	Completed
	Gilbert CCGT / Sayreville 1-4	Dry Low Nox / SCR	Completed
	Waukegan 8 ⁶	DSI & ESP Upgrade	Completed
	Powerton 5 & 6 ⁶	DSI & ESP Upgrade	Q4 2016

...Including Projects That Bring MWs Back Online At Attractive Economics

Bowline Restoration Project



- + ~388 incremental MWs in premium Lower Hudson Valley capacity zone
- + Investment at attractive economics ~ \$100/kW and ready for operation in Summer '15

Major growth & environmental CapEx program to be completed by 2017

¹ Represents average annual peaking capacity ² Subject to applicable regulatory approvals and permits ³ Joliet 6-8 and Big Cajun 2 Unit II are categorized as Environmental Compliance in Reporting ⁴ Includes Avon Lake 7&9, Shawville 1-4 and New Castle 3-5 ⁵ Represents percent owned / leased by NRG ⁶ Assets owned by MidWest Generation



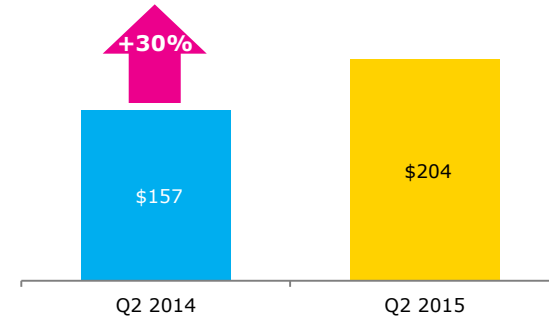
NRG Home Retail – Metrics

Q2 NRG Home Highlights

- Delivered record \$204MM Home Retail Adjusted EBITDA, the strongest second quarter performance ever
- Achieved customer count performance in-line with expectations; Texas additions offset by anticipated Dominion attrition
- Continued leadership in innovation across the Home platform

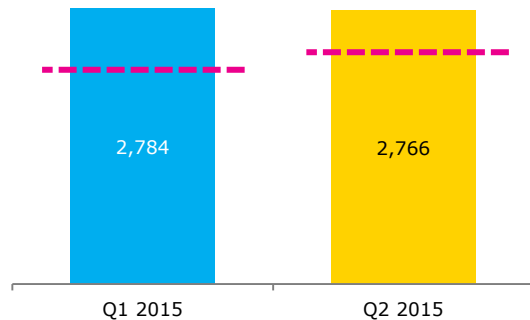
Retail Adjusted EBITDA¹

EBITDA (\$ millions)



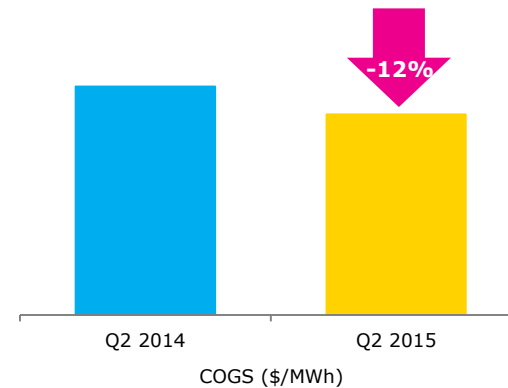
Retail Customer Count^{1, 2}

(000s)



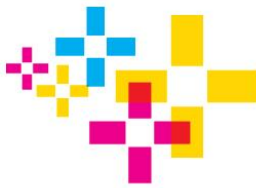
--- Customer count excluding Dominion East 2014 contracts

Low Supply Costs

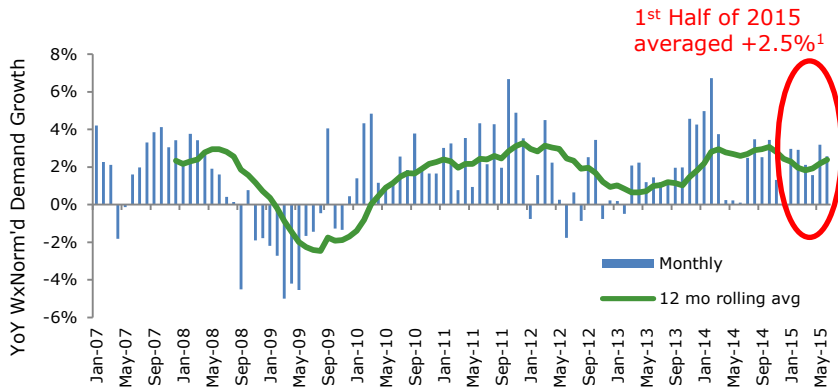


Best Q2 on record as a result of disciplined execution and low supply costs

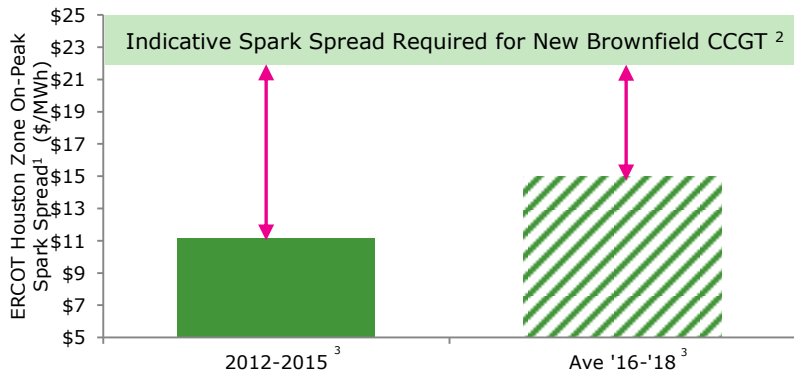
¹ Excludes C&I customers which are now included as part of NRG Business. Excludes NRG Home Solar
² Recurring customer count includes customers that subscribe to one or more recurring services, such as electricity and natural gas



Weather Normalized Load Continues To Be Strong



Persistent Weak Prices Present Challenging Economics For New And Existing Resources



Major Themes In ERCOT Market

- ✦ Improved reserve margins driven by uneconomic generation and lower official demand forecast
- ✦ Wind build out ahead of PTC expiration
- ✦ Strong load growth ~ 2.4% in Q2 (weather normalized)
- ✦ Persistent low prices below brownfield economics
- ✦ Continued weak ORDC price signals

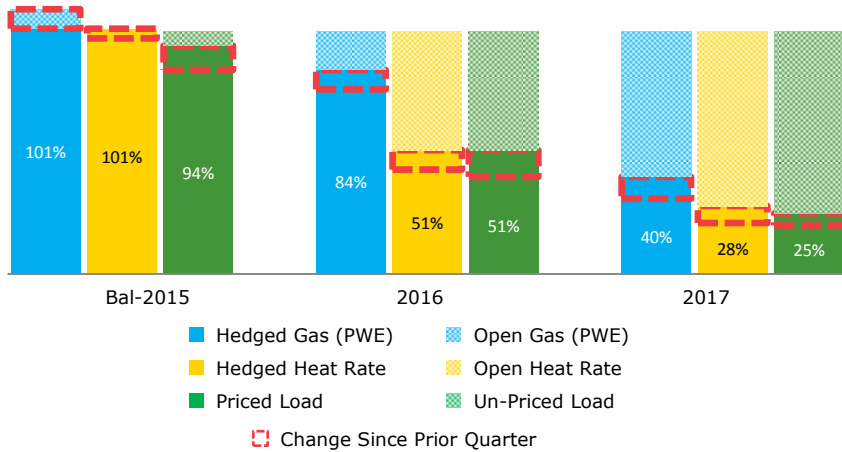
Questionable new supply and rationalization of existing resources

Sustained low spark spreads could accelerate supply rationalization

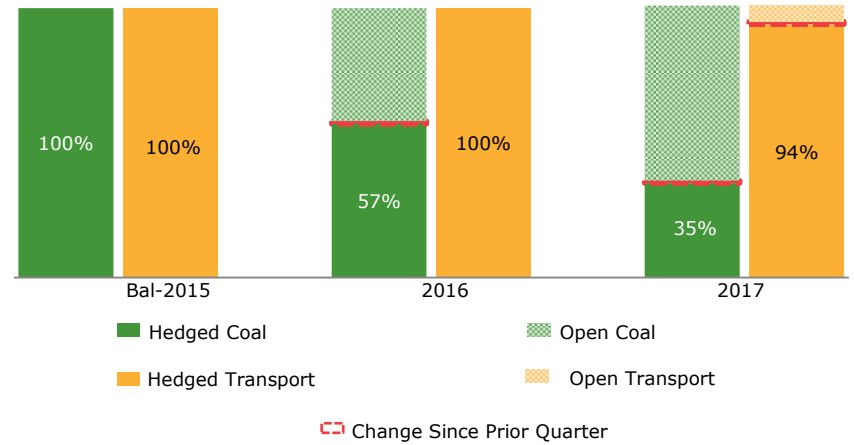


Managing Commodity Price Risk

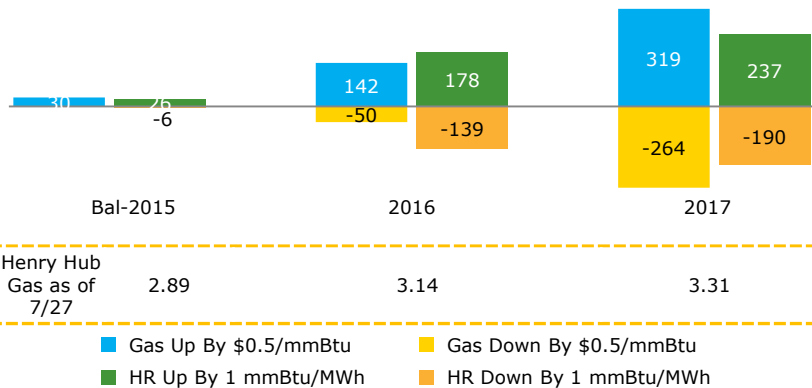
Coal and Nuclear Generation and Retail Hedge Position^{1,2}



Coal and Transport Hedge Position^{1,4}



Coal and Nuclear Generation Sensitivity to Gas Price and Heat Rate^{1,3}



Commercial Highlights

- Integrated platform continues to perform in a subdued commodity price environment
- Increased hedging activity in 2016 - 2017 timeframe
- Commercial group focusing on summer operations, retail supply and PJM CP auction

¹ Portfolio as of 7/27/2015; Bal-2015 reflects August through December
² Retail Priced Load includes Term load, Hedged Month-to-month load, and Indexed load
³ Price sensitivity reflects gross margin change from \$0.5/MMBtu gas price, 1 mmBtu/MWh heat rate move
⁴ Coal position as of 6/30/2015, excluding existing coal inventory



PJM Capacity Performance

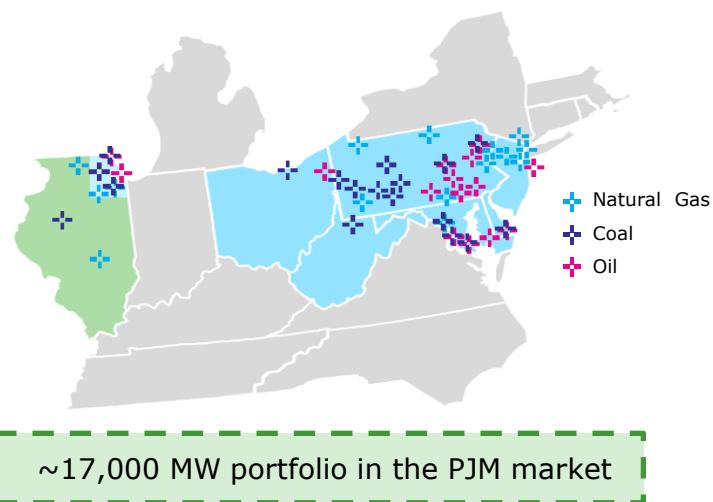
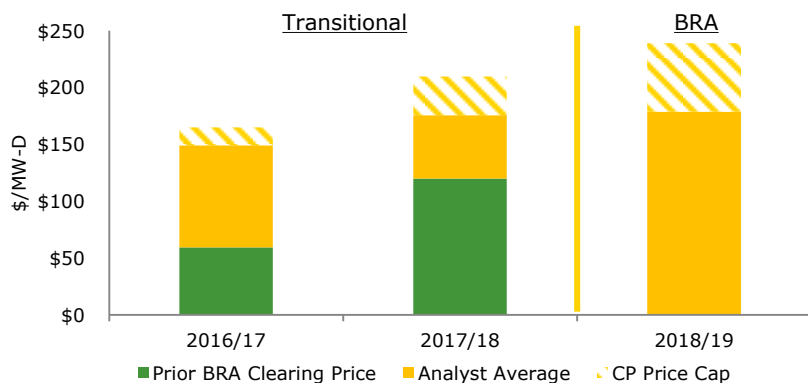
Capacity Performance: Status Update

- ✦ **BRA 18/19 (8/21)**
 - Participation mandatory
 - Bid caps moving from ACR to 85% net cone
- ✦ **Transitional Auctions 16/17 & 17/18 (8/31 & 9/9)**
 - Participation voluntary
 - Prior BRA clearing prices – threshold for new and riskier CP capacity
 - No LDA separation – one clearing price
 - Annual DR participation ~1.5 GW cleared in 17/18 BRA

NRG Portfolio Positioned To Benefit From CP

Winning Characteristics	NRG
Fuel certainty (fuel on site)	●
Asset reliability (low forced outage rate)	●
Location (geographic diversity)	●
Asset flexibility (quick start)	●
Fuel flexibility (dual fuel)	●

CP Prices Expected To Reflect Significant Risks¹



NRG's PJM portfolio well-positioned to benefit from CP

¹ Base clearing prices for 16/17 and 17/18 are for RTO. Top of analyst average range represents average of analyst estimates for CP product. Maximum market price set by PJM.



Financial Results



Financial Summary

Results

	2015	2015	Full Year
(\$ millions)	2 nd Quarter	1 st Half	Guidance
Business & Renew ¹	\$338	\$890	\$1,940-\$2,065
Home Retail	204	370	600-675
NRG Yield	187	309	660
Adjusted EBITDA ²	\$729	\$1,569	\$3,200-\$3,400

Highlights

- ✦ Record 2nd quarter Retail EBITDA performance highlights benefits of integrated platform
- ✦ Reaffirming guidance despite subdued summer prices
- ✦ Offered EME wind assets for dropdown to NYLD – expect to close in 3rd quarter
- ✦ Executed \$107MM of additional share buybacks bringing total capital returned to shareholders to \$156MM in 2nd quarter; \$51MM in remaining authorization and \$200MM in expected capacity³

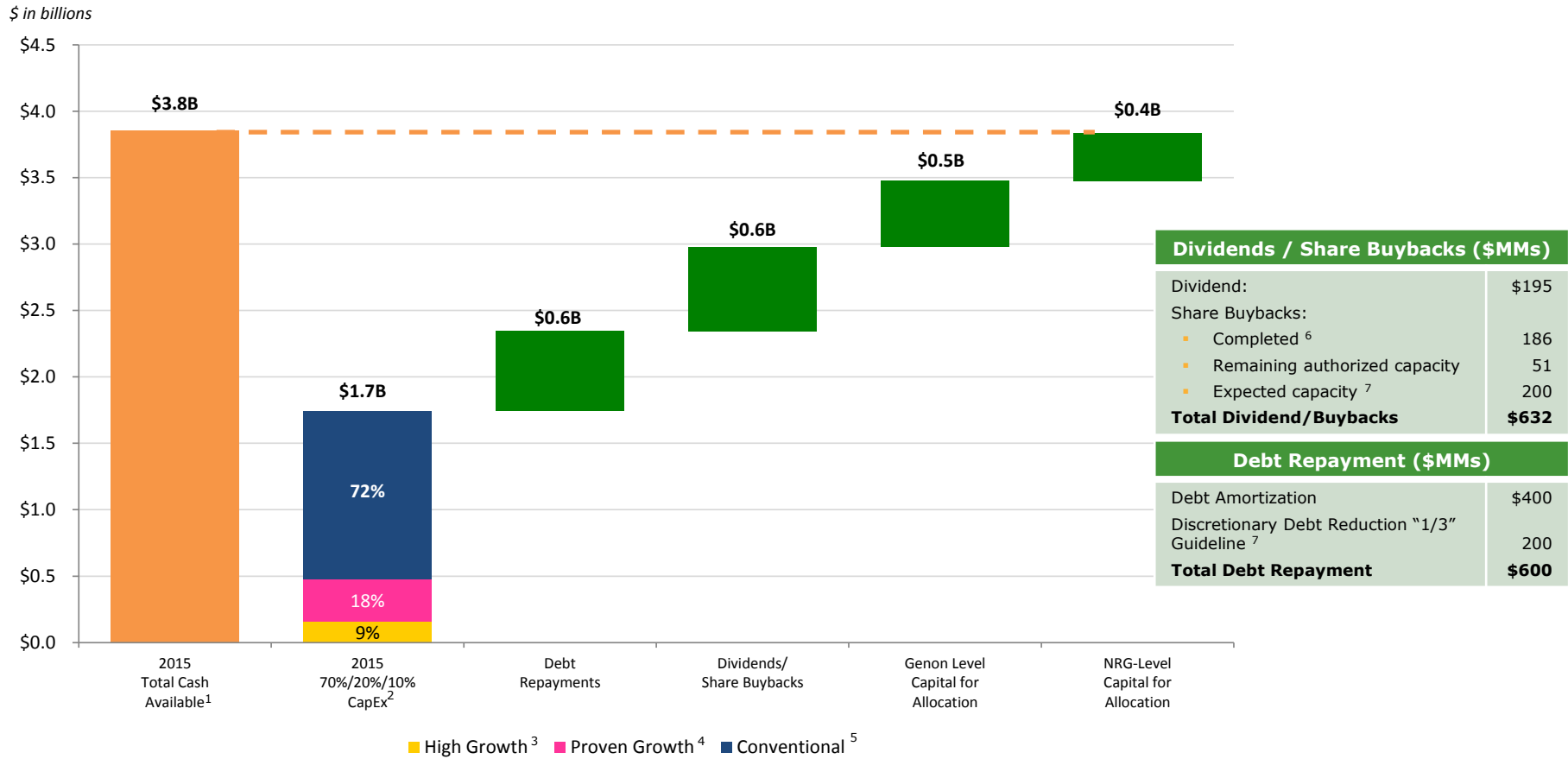
¹ Includes Corporate Segment

² 2nd quarter, six months ended June 30, 2015, and 2015 FY guidance excludes negative contribution from NRG Home Solar of \$47MM, \$87MM, and \$175MM, respectively

³ Equal to 1/3rd of the expected \$600MM in additional 2015 dropdowns as part of previously announced capital allocation program



2015 Capital Sources & Uses / Capital Allocation



Over \$1.2 billion in de-levering/return of shareholder capital

¹ \$2,116MM of cash on hand at 12/31/2014 less \$940MM minimum cash reserve (\$700MM at NRG, \$200MM at GenOn, and \$40MM at Yield) and \$125MM restricted cash at various projects, pro forma for \$210MM of net dropdown proceeds funded by NYLD revolver proceeds and cash on 1/2/15; plus NRG mid-point guidance estimate of Adjusted Cash Flow from Operations and distributions to non-controlling interests; plus NRG estimate of drop down proceeds in second half of 2015, subject to negotiation with and approval by NYLD Independent Directors, which are expected to consist primarily of EME wind assets, NRG's 51% interest in CVSR, and residential solar leases and distributed solar assets; ² Includes maintenance, environmental and growth capex as well as acquisitions, net of financing and tax equity; ³ High Growth includes NRG eVgo and NRG Carbon 360; ⁴ Proven Growth includes NRG Home Solar and Renew growth projects (primarily NYLD eligible); ⁵ Conventional includes maintenance, environmental, and growth capex (fuel conversions and repowering); ⁶ Includes \$56MM completed in 1Q 2015 as remainder of Phase I \$100MM program announced in December 2014, \$55MM of Phase II \$100MM program announced in March 2015, and \$75MM completed since Q1 earnings call; ⁷ 1/3rd of the \$600MM in expected dropdown proceeds under previously announced capital allocation program



NRG's Robust Cash Flow Continues

Despite the challenging commodity price environment, NRG is well positioned to continue generating significant ongoing Free Cash Flow

(\$ in millions)	2015	2016	2017	2018
Consensus EBITDA Estimates¹	3,300	\$3,100	\$2,900	\$3,400
Interest Payments ²	(1,160)			
Maintenance & Environmental Capex ³	(810)	(725)	(380)	(390)
Distributions to Non-Controlling Interests and Other ⁴	(130)	~(130)	~(200)	~(200)
Free Cash Flow Before Growth (FCFbG)⁵	\$1,200	\$1,085	\$1,160	\$1,650
Implied Free Cash Flow Yield⁶	16%			
				22%

+ Augmented by \$2B+ in drop down proceeds based on >\$165MM in CAFD at an 8% yield⁷

Based on current market cap, NRG anticipates to yield 16%-22% over then next several years

¹ FactSet average estimate as of 8/3/2015. For illustrative purposes only; not intended as guidance

² 2016 - 2018 run-rate based on 2015 guidance

³ Based on guidance presented at NRG's Analyst Day in January 2015

⁴ Includes working capital, Home Solar Adjusted EBITDA and income taxes for 2015. Excludes Home Solar beyond 2015

⁵ For illustrative purposes only; not intended as guidance

⁶ Based on NRG Market Cap as of 8/3/2015

⁷ As identified in Appendix slide on Expected NYLD Drop Down Proceeds. Excludes Home Solar dropdowns beyond 2015



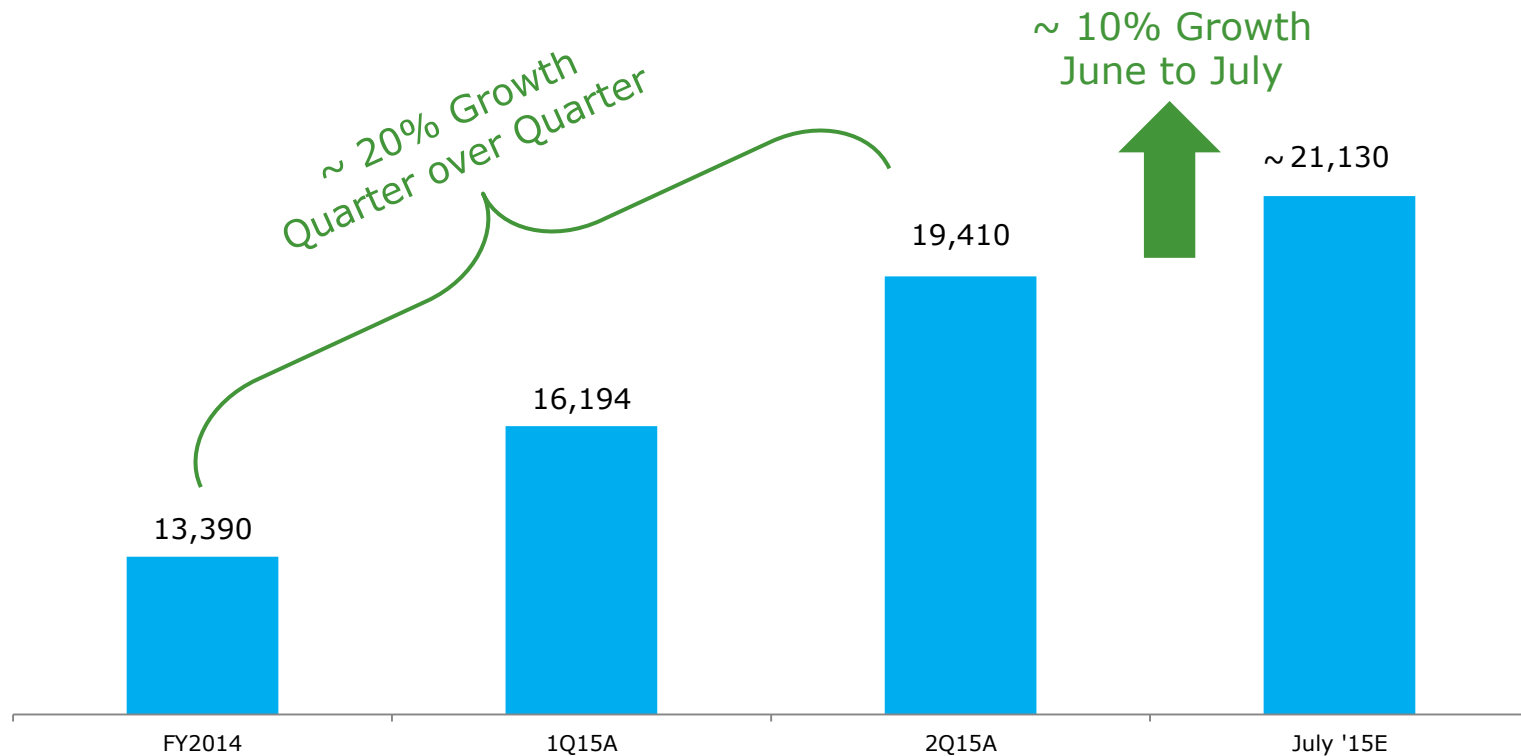
Q&A



Appendix



NRG Home Solar: Cumulative Customers¹



¹ Represents the total number of customers where NRG Home Solar has installed or Contracted to install a residential solar systems



Expected NYLD Drop Down Proceeds

	Project	Run Rate CAFD	Targeted Proceeds ³
Expected to Be Offered 2H2015	EME Wind Portfolio ¹	\$48MM	~\$600MM
	Remaining CVSR (51.05%)		
	Resi Solar DG Solar		
Expected to Be Offered 2016 & Beyond	Remaining Wind Portfolio and Other ¹	\$117MM	\$1,400MM+
	Ivanpah		
	Agua Caliente ²		
	~800MW long term contract gas assets in CA		

+ Pipeline for Additional Proceeds:

- ❖ Home Solar
- ❖ DG

¹ NRG offered 75% stake in portfolio to NYLD in 2015 with remaining 25% to be offered in 2016

² NRG owns 51.05% of Agua Caliente

³ Assumes 8.0% yield; subject to negotiation with, and approval by, NYLD Independent Directors



Commodity Prices

Forward Prices¹	Bal-2015²	2016	2017	Annual Average for 2015-2017
NG Henry Hub	\$2.89	\$3.14	\$3.31	\$3.11
ERCOT Houston Onpeak	\$32.95	\$36.16	\$38.76	\$35.96
ERCOT Houston Offpeak	\$23.26	\$25.17	\$26.65	\$25.03
PJM West Onpeak	\$40.54	\$45.65	\$43.93	\$43.37
PJM West Offpeak	\$28.59	\$31.52	\$30.60	\$30.24

¹ Prices as of 07/27/2015

² Represents August through December months



Hedge Disclosure: Coal and Nuclear Operations

	Texas and South Central ¹			East ¹			GenOn ¹		
	Bal-2015	2016	2017	Bal-2015	2016	2017	Bal-2015	2016	2017
Net Coal and Nuclear Capacity (MW) ²	6,290	6,290	6,290	10,197	8,732	7,280	5,054	4,526	4,086
Forecasted Coal and Nuclear Capacity (MW) ³	4,624	4,816	4,831	6,083	4,290	3,231	3,116	2,299	2,005
Total Coal and Nuclear Sales (MW) ⁴	5,606	5,602	2,332	5,471	2,581	1,080	2,480	1,520	733
Percentage Coal and Nuclear Capacity Sold Forward⁵	121%	116%	48%	90%	60%	33%	80%	66%	37%
Total Forward Hedged Revenues ⁶	\$888	\$1,863	\$784	\$831	\$1,073	\$443	\$426	\$710	\$330
Weighted Average Hedged Price (\$ per MWh)⁶	\$43.41	\$37.85	\$38.36	\$41.66	\$47.32	\$46.81	\$47.13	\$53.16	\$51.40
Average Equivalent Natural Gas Price (\$ per MMBtu)⁶	\$4.29	\$3.83	\$3.85	\$3.63	\$3.56	\$3.67	\$3.71	\$3.74	\$3.82
Gas Price Sensitivity Up \$0.50/MMBtu on Coal and Nuclear Units	(\$19)	(\$8)	\$127	\$49	\$150	\$192	\$31	\$83	\$101
Gas Price Sensitivity Down \$0.50/MMBtu on Coal and Nuclear Units	\$35	\$57	(\$125)	(\$26)	(\$107)	(\$139)	(\$21)	(\$53)	(\$75)
Heat Rate Sensitivity Up 1 MMBtu/MWh on Coal and Nuclear Units	\$1	\$95	\$123	\$25	\$83	\$114	\$14	\$41	\$57
Heat Rate Sensitivity Down 1 MMBtu/MWh on Coal and Nuclear Units	\$8	(\$77)	(\$107)	(\$13)	(\$62)	(\$83)	(\$10)	(\$28)	(\$43)

¹ Portfolio as of 07/27/2015, Bal-2015 reflects August through December; East portfolio includes GenOn

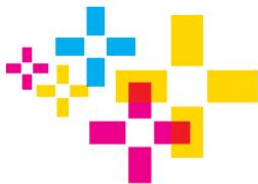
² Net Coal and Nuclear capacity represents nominal summer net MW capacity of power generated as adjusted for the Company's ownership position excluding capacity from inactive/mothballed units

³ Forecasted generation dispatch output (MWh) based on forward price curves as of 07/27/2015, 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

⁴ 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 07/27/2015, 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 2014 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

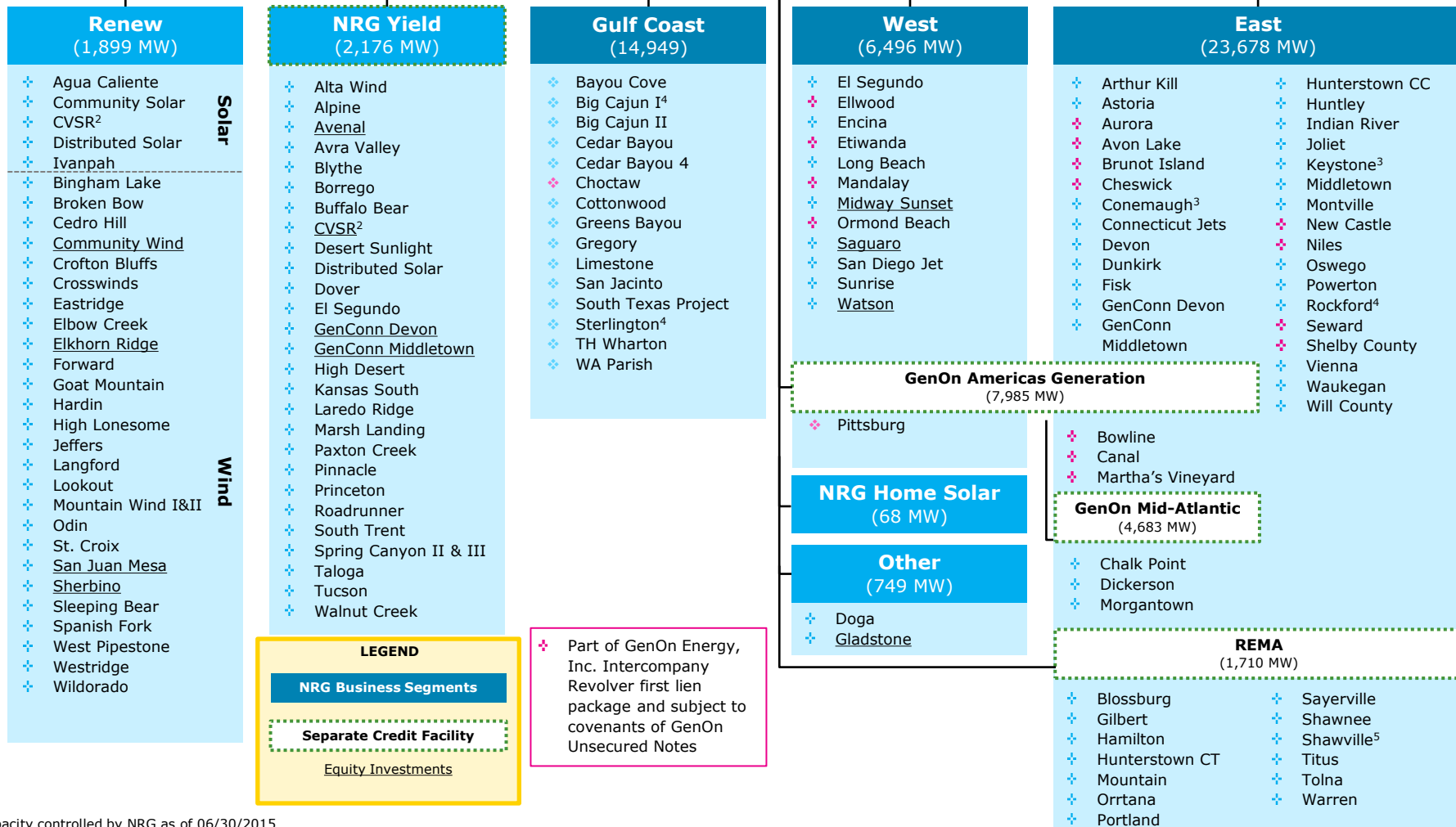
⁵ Percentage hedged is based on Total Coal and Nuclear sales as described above (4) divided by the forecasted Coal and Nuclear Capacity (3)

⁶ Represents all coal and nuclear sales, including energy revenue and demand charges.



Generation Organizational Structure

NRG Energy, Inc. (50,015¹ MW)



¹ Capacity controlled by NRG as of 06/30/2015

² NRG Yield owns 48.95% interest in CVSR; Remaining 51.05% interest is included in Renewables

³ NRG and GenOn jointly own/lease portions of these plants; GenOn portion is subject to REMA liens

⁴ Included as part of Peaker Finance Co

⁵ Mothballed on 05/31/15 to add natural gas capabilities, expected to return in Summer 2016

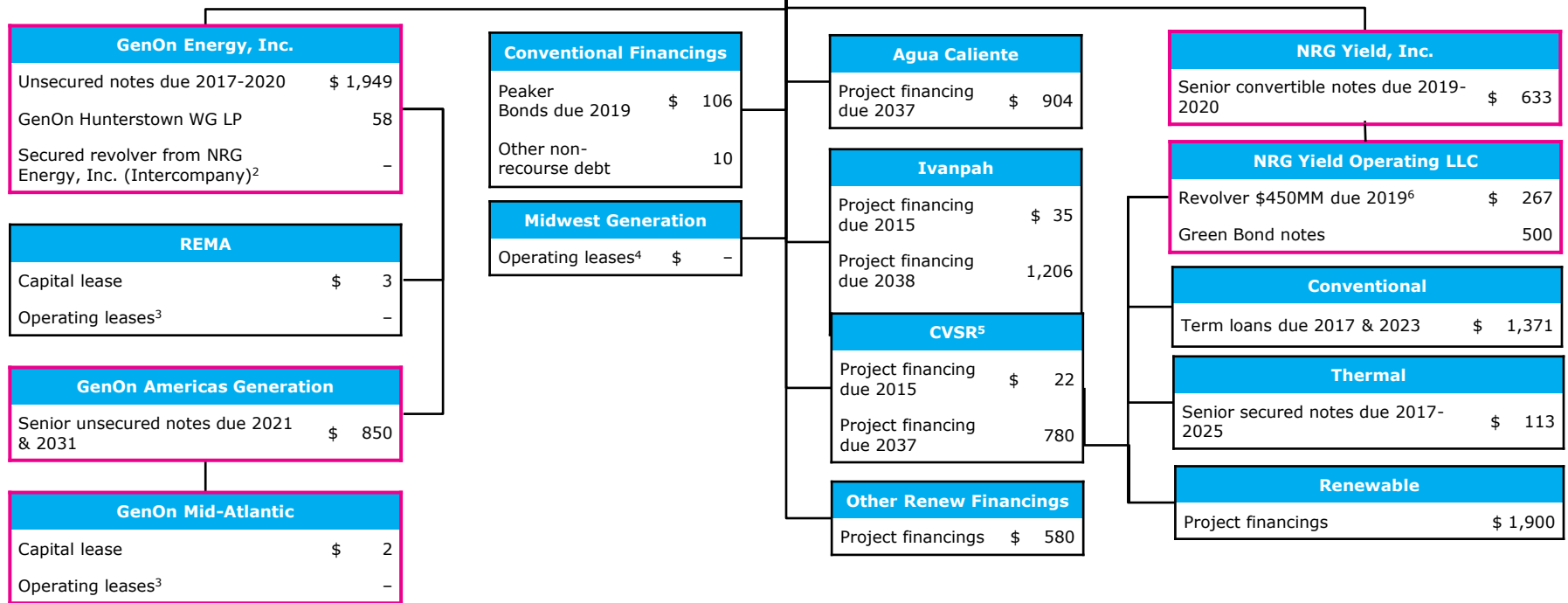


Consolidated Debt Structure

(\$ millions)
As of
06/30/2015

LEGEND	
Recourse Debt	
Non-Recourse Debt	
SEC Filer	

NRG Energy, Inc.	
Revolver \$2.5 BN due 2018 ¹	\$ -
Senior notes due 2018-2024	6,411
Term loan due 2018	1,976
Tax exempt bonds due 2038-2045	434
Total	\$ 8,821



Note: Debt balances exclude discounts and premiums

¹ \$1,102MM LC's issued and \$1,409MM Revolver available at NRG

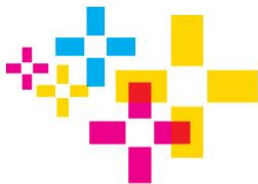
² \$239MM of LC's were issued and \$261MM of the Intercompany Revolver was available at GenOn

³ The present values of lease payments (10% discount rate) for GenOn Mid-Atlantic and REMA operating leases are \$665MM and \$391MM, respectively

⁴ The present value of lease payments (9.1% discount rate) for Midwest Generation operating lease is \$128MM; this lease is guaranteed by NRG Energy, Inc.

⁵ NRG Yield owns 48.95% of CVSR

⁶ \$32MM of LC's were issued and \$196MM of the Revolver was available at NYLD



Recourse / Non-Recourse Debt

(\$ millions)

	06/30/2015	03/31/2015	12/31/2014 ¹	9/30/2014
Recourse Debt				
Term Loan Facility	\$ 1,976	\$ 1,982	\$ 1,987	\$ 1,992
Senior Notes	6,411	6,411	6,411	6,411
Tax Exempt Bonds	434	434	406	373
Recourse Debt Subtotal	\$ 8,821	\$ 8,827	\$ 8,804	\$ 8,776
Non-Recourse Debt				
Total NRG Yield ²	\$ 4,784	\$ 4,955	\$ 5,016	\$ 4,103
GenOn Senior Notes	1,949	1,949	1,950	1,950
GenOn Americas Generation Notes	850	850	850	850
GenOn Other (including Capital Leases)	63	66	68	49
Renew ³	3,527	3,530	3,545	4,163
Conventional	116	117	117	590
Non-Recourse Debt and Capital Lease Subtotal	\$ 11,289	\$ 11,467	\$ 11,546	\$ 11,705
Total Debt	\$ 20,110	\$ 20,294	\$ 20,350	\$ 20,481

Note: Debt balances exclude discounts and premiums

¹ 12/31/14 pro forma adjusted for dropdown executed on January 2, 2015

² Includes Convertible Notes and project financings; 12/31/2014 is pro forma for NYLD revolver drawdown of \$210MM and debt associated with assets acquired in January 2, 2015 dropdown; excludes proportionate CVSR debt

³ Includes 100% of CVSR project debt in Solar (Non-NRG Yield); NRG Yield owns 48.95% of the project



NRG Residual Adjusted EBITDA and Debt

(\$ millions)

	2015 Guidance¹
Adjusted EBITDA	\$3,200 - \$3,400
Less: Partner's share of Adjusted EBITDA in consolidated projects (non-controlling interests; i.e. Agua Caliente, Ivanpah)	(90)
NRG Proportionate Adjusted EBITDA	\$3,105 - \$3,305
Less: NRG Yield Adjusted EBITDA	(660)
Less: NRG Yield Drop-Down Pipeline Adjusted EBITDA	(180)
NRG Residual Adjusted EBITDA	\$2,270 - \$2,470

	Debt as of 06/30/2015
Recourse Debt	8,821
Non-Recourse Debt	11,289
Consolidated Debt	\$20,110
Less: Pro Rata Debt associated with non controlling interests	(1,071)
Plus: NRG's share of debt in unconsolidated projects	550
NRG Proportionate Debt	\$19,588
Less: NRG Yield Proportionate Debt ²	(5,623)
Less: NRG Yield Drop-Down Pipeline Proportionate Debt	(1,681)
NRG Residual Debt	\$12,283

Note: Debt balances exclude discounts and premiums,

¹ 2015 guidance excludes negative contribution from NRG Home Solar

² Represents NRG Yield's portion of NRG Consolidated debt of \$4,784MM, plus its share of pro rata debt associated with Avenal, GenConn, Desert Sunlight, and its 48.95% interest in CVSR of \$393MM



Liquidity Update

<i>(\$ millions)</i>	6/30/2015	12/31/2014
Cash at NRG-Level	\$ 709	\$ 661
Revolver	1,409	1,367
NRG-Level Liquidity	\$ 2,118	\$ 2,028
Restricted Cash	433	457
Cash at Non-Guarantor Subsidiaries	1,437	1,455
Total Liquidity	\$ 3,988	\$ 3,940

Sources & Uses of Liquidity

Sources

(\$ millions)

\$678	Adjusted cash flow from operations
600	Equity proceeds, NRG Yield
282	Debt proceeds, NRG Yield revolver
281	Debt proceeds, NRG Yield convertible, net of fees
119	Tax equity financing
55	Cash grant proceeds, growth projects
42	Increase in credit facility
11	Debt proceeds, other project debt financings
6	Cash grant proceeds, other solar

Uses

\$662	Debt repayments, non-discretionary
316	Maintenance and environmental capex, net
285	NYLD investment in Desert Sunlight
211	Growth investments and acquisitions, net
186	Stock buyback
112	Collateral postings
102	Common and preferred stock dividends
83	Distributions to non-controlling entities
44	Other, net
25	Merger and integration related payments



1H 2015 Capital Expenditures and Growth Investments

(\$ millions)

	Maintenance	Environmental	Growth Investments	Total
Capital Expenditures				
NRG Business				
Gulf Coast	\$ 102	52	7	\$ 161
East	66	100	19	185
West	2	-	11	13
B2B	3	-	1	4
NRG Home Retail	13	-	-	13
NRG Home Solar	-	-	68	68
NRG Renew	6	-	94	100
NRG Yield	6	-	2	8
Corporate	16	-	15	31
Total Cash Capital Expenditures	\$ 214	\$ 152	\$ 217	\$ 583
Other Investments ¹	-	-	419	419
Project Funding, net of fees ²	(16)	(25)	(400)	(441)
Total Capital Expenditures and Growth Investments, net³	\$ 198	\$ 127	\$ 236	\$ 561

¹ Includes investments, restricted cash, network upgrades and \$285MM to support the acquisition of 25% interest in Desert Sunlight solar farm

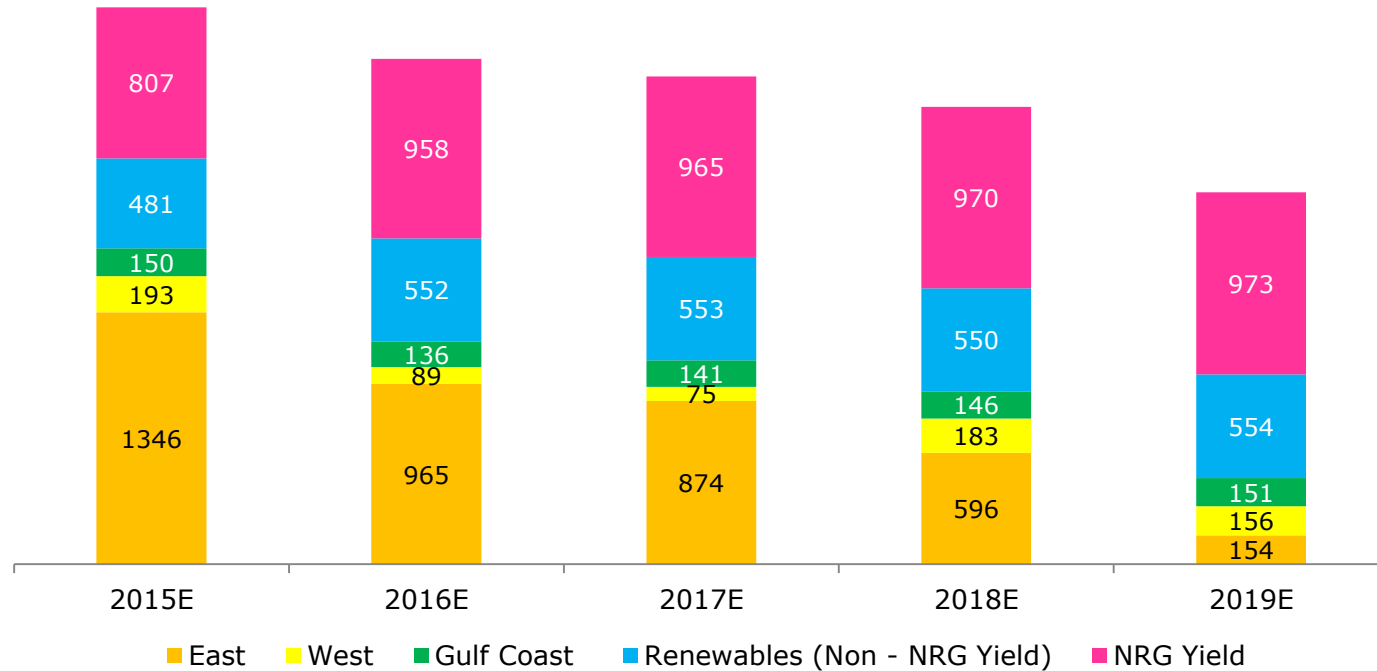
² Includes net debt proceeds, a portion of the NRG Yield equity issuance, cash grants, and third-party contributions

³ Maintenance includes \$9MM of merger and integration cash capital expenditures



Fixed Contracted and Capacity Revenue

(\$ millions)



Notes:

- ✦ East includes cleared capacity auction for PJM through 2018 and New England through May 2019
- ✦ Gulf Coast region includes the MISO auction and fixed Co-Op contracts
- ✦ West includes committed Resource Adequacy contracts and tolling agreements
- ✦ Renewables include wind and solar assets
- ✦ NRG Yield includes both contracted capacity and contracted energy revenues, in 2015 Alta Wind X and XI are excluded



2Q 2015 Generation & Operational Performance Metrics

(MWh 000's)	2015		2014		2015		2014	
	Generation ¹	Generation ¹	MWh Change	% Change	EAF ²	NCF ³	EAF ²	NCF ³
Gulf Coast – Texas	11,100	10,293	807	8%	90%	48%	86%	44%
Gulf Coast – South Central	3,447	4,270	(824)	(19%)	66%	42%	85%	37%
East	10,821	12,275	(1,454)	(12%)	75%	20%	75%	22%
West	804	942	(138)	(15%)	89%	7%	96%	8%
Renewables	1,662	1,895	(233)	(12%)	96%	33%	93%	40%
NRG Yield ⁴	2,240	1,523	717	47%	97%	21%	98%	15%
Total	30,074	31,198	(1,124)	(4%)	81%	26%	83%	26%
Gulf Coast – Texas Nuclear	1,968	1,656	312	19%	79%	77%	66%	64%
Gulf Coast – Texas Coal	6,935	7,314	(379)	(5%)	92%	76%	90%	80%
Gulf Coast – South Central Coal	1,370	2,594	(1,224)	(47%)	53%	90%	42%	79%
East Coal	8,386	11,325	(2,939)	(26%)	74%	36%	70%	46%
Baseload	18,659	22,889	(4,230)	(18%)	77%	53%	72%	58%
Renewables Solar	656	595	61	10%	99%	31%	99%	29%
Renewables Wind	1,007	1,300	(293)	(23%)	95%	33%	92%	43%
NRG Yield Solar	165	174	(9)	(5%)	99%	23%	99%	22%
NRG Yield Wind	1,015	390	625	160%	97%	34%	97%	46%
Intermittent	2,842	2,459	384	16%	97%	32%	94%	40%
East Oil	401	159	242	152%	78%	7%	82%	1%
Gulf Coast – Texas Gas	2,197	1,323	874	66%	90%	19%	86%	12%
Gulf Coast – South Central Gas	2,077	1,677	401	24%	69%	33%	82%	24%
East Gas	2,034	791	1,243	157%	78%	9%	82%	5%
West Gas	804	942	(138)	(15%)	89%	7%	96%	8%
NRG Yield Conventional	541	466	75	16%	97%	12%	98%	9%
NRG Yield Thermal ⁴	518	493	25	5%	90%	30%	88%	18%
Intermediate / Peaking	8,573	5,850	2,722	47%	83%	13%	87%	8%

¹ Excludes line losses, station service and other items; 2014 performance shown is for combined company of NRG and EME

² EAF – Equivalent Availability Factor

³ NCF – Net Capacity Factor

⁴ Includes MWh (thermal heating & chilled water generation); NCF not inclusive of MWHT

Note: For Renew and NYLD Wind – EAF and NCF values do not factor in EME Wind and Alta Wind because no data available



1H 2015 Generation & Operational Performance Metrics

(MWh 000's)	2015	2014			2015	2014		
	Generation ¹	Generation ¹	MWh Change	% Change	EAF ²	NCF ³	EAF ²	NCF ³
Gulf Coast – Texas	20,722	20,148	574	3%	89%	45%	83%	44%
Gulf Coast – South Central	8,209	8,663	(454)	(5%)	73%	45%	84%	42%
East	25,639	24,790	849	3%	79%	24%	76%	24%
West	1,230	1,286	(56)	(4%)	80%	5%	89%	5%
Renewables	3,108	2,489	620	25%	96%	32%	94%	25%
NRG Yield ⁴	4,011	3,114	898	29%	93%	26%	94%	17%
Total	62,920	60,490	2,430	4%	82%	28%	81%	27%
Gulf Coast – Texas Nuclear	4,467	3,978	489	12%	88%	87%	78%	78%
Gulf Coast – Texas Coal	12,849	13,812	(963)	(7%)	88%	71%	86%	76%
Gulf Coast – South Central Coal	3,412	5,216	(1,804)	(35%)	62%	53%	88%	80%
East Coal	20,816	20,835	(18)	(0%)	77%	44%	75%	52%
Baseload	41,544	43,840	(2,296)	(5%)	79%	54%	79%	62%
Renewables Solar	1,081	933	148	16%	98%	26%	99%	22%
Renewables Wind	2,027	1,556	471	30%	96%	34%	93%	26%
NRG Yield Solar	280	291	(11)	(4%)	99%	31%	99%	32%
NRG Yield Wind	1,692	778	914	117%	97%	49%	97%	47%
Intermittent	5,080	3,558	1,523	43%	97%	40%	95%	30%
East Oil	891	861	30	4%	84%	3%	83%	3%
Gulf Coast – Texas Gas	3,406	2,358	1,048	44%	90%	15%	81%	10%
Gulf Coast – South Central Gas	4,797	3,447	1,350	39%	76%	39%	82%	24%
East Gas	3,931	3,094	837	27%	83%	10%	83%	12%
West Gas	1,230	1,286	(56)	(4%)	80%	5%	89%	5%
NRG Yield Conventional	861	812	49	6%	90%	10%	93%	10%
NRG Yield Thermal ⁴	1,179	1,233	(54)	(4%)	92%	22%	92%	22%
Intermediate / Peaking	16,295	13,092	3,203	24%	84%	11%	84%	9%

¹ Excludes line losses, station service and other items; 2014 performance shown is for combined company of NRG and EME

² EAF – Equivalent Availability Factor

³ NCF – Net Capacity Factor

⁴ Includes MWh (thermal heating & chilled water generation); NCF not inclusive of MWHT

Note: For Renew and NYLD Wind – EAF and NCF values do not factor in EME Wind and Alta Wind because no data available



Fuel Statistics

	2Q		1H	
	2015	2014	2015	2014 ¹
Domestic²				
Coal Consumed (mm Tons)	9.4	12.7	20.9	22.4
PRB Blend	72%	68%	72%	61%
East	59%	33%	61%	37%
Gulf Coast	82%	70%	83%	71%
Bituminous	15%	15%	16%	20%
East	34%	55%	32%	47%
Lignite & Other	13%	17%	12%	19%
East	7%	12%	7%	16%
Gulf Coast	18%	30%	17%	29%
Cost of Coal (\$/Ton)	\$ 40.20	\$ 42.74	\$41.77	\$ 45.49
Cost of Coal (\$/mmBtu)	\$ 2.28	\$ 2.49	\$2.35	\$ 2.58
Cost of Gas (\$/mmBtu)	\$ 2.50	\$ 4.31	\$ 3.30	\$ 5.95

¹ NRG standalone; Not pro forma for 1Q Edison Mission

² NRG's interests in Keystone and Conemaugh (jointly owned plants) are excluded from the fuel statistics schedule



Appendix: Reg. G Schedules



Reg. G: June YTD 2015 Free Cash Flow before Growth

(\$ millions)	6/30/2015	6/30/2014	Variance
Adjusted EBITDAR	\$ 1,636	\$ 1,550	\$ 86
Less: GenOn & EME operating lease expense	(67)	(56)	(11)
Adjusted EBITDA	\$ 1,569	\$ 1,494	\$ 75
Interest payments	(577)	(542)	(35)
Income tax	(8)	(9)	1
Collateral / working capital / other	(439)	(566)	127
Adjusted EBITDA from NRG Home Solar	(87)	(7)	(80)
Cash Flow from Operations	\$ 458	\$ 370	\$ 88
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements	91	(167)	258
Merger and integration costs	17	64	(47)
Collateral	112	297	(185)
Adjusted Cash Flow from Operations	\$ 678	\$ 564	\$ 114
Maintenance capital expenditures, net ¹	(189)	(164)	(25)
Environmental capital expenditures, net	(127)	(86)	(41)
Preferred dividends	(5)	(5)	-
Distributions to non-controlling interests	(83)	(23)	(60)
Free Cash Flow before Growth	\$ 274	\$ 286	\$ (12)

¹ 1Q 2015 and 1Q 2014 maintenance capex excludes merger and integration capex of \$9MM and \$11MM, respectively



Reg. G: 2015 Guidance

Appendix Table A-1: 2015 Guidance

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Adjusted EBITDA

(\$ millions)

	2015 Guidance
Business and Renew	\$1,940 - 2,065
Home – Retail	600 – 675
NRG Yield	660
Adjusted EBITDA¹	\$3,200 - \$3,400
Interest payments	(1,160)
Income tax	(40)
Working capital / other ²	250
Adjusted EBITDA from Home Solar	(175)
Cash Flow from Operations	\$2,075 - \$2,275
Maintenance capital expenditures, net	(480) - (510)
Environmental capital expenditures, net	(305) - (335)
Preferred dividends / other distributions ³	(170) – (180)
Free Cash Flow before Growth	\$1,100 - \$1,300

¹ 2015 guidance excludes negative contribution of \$175 MM from NRG Home Solar

² Primary drivers include tax receipts associated with Capistrano of \$30M, reduction in net AR/AP of \$120M, and reduction in fuel inventory of \$50M,

³ Includes Yield distributions to public shareholders of \$57M, Capistrano and Solar distributions to non-controlling interests of \$73M and \$70M, respectively, and preferred dividends of \$10M



Reg. G

Appendix Table A-2: Second Quarter 2015 Adjusted EBITDA Reconciliation by Operating Segment

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

<i>(\$ millions)</i>	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income / (Loss)	212	(54)	(1)	(18)	41	(189)	(9)
Plus:							
Interest expense, net	-	1	17	23	44	175	260
Loss on debt extinguishment	-	-	-	-	7	-	7
Income tax	-	-	-	(3)	4	(18)	(17)
Depreciation, amortization, and ARO expense	32	6	235	64	58	8	403
Amortization of contracts	1	-	(19)	2	14	1	(1)
EBITDA	245	(47)	232	68	168	(23)	643
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	11	(4)	14	9	30
Integration & transaction costs	1	-	-	-	1	1	3
Deactivation costs	-	-	3	-	-	-	3
NRG Home Solar EBITDA	-	47	-	-	-	-	47
Mark to Market (MtM) (gains)/losses on economic hedges	(42)	-	39	2	4	-	3
Adjusted EBITDA	204	-	285	66	187	(13)	729



Reg. G

Appendix Table A-3: Second Quarter 2014 Adjusted EBITDA Reconciliation by Operating Segment

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

<i>(\$ millions)</i>	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net (Loss) / Income	(50)	(7)	99	2	42	(166)	(80)
Plus:					.		
Interest expense, net	-	-	16	30	35	187	268
Loss on debt extinguishment	-	-	-	-	-	40	40
Income tax	-	-	-	-	2	(128)	(126)
Depreciation, amortization, and ARO expense	32	1	239	51	54	11	388
Amortization of contracts	-	-	(8)	-	-	-	(8)
EBITDA	(18)	(6)	346	83	133	(56)	482
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	-	(5)	8	17	20
Integration & transaction costs, gain on sale	-	-	2	-	-	38	40
Deactivation costs	-	-	3	-	-	-	3
Asset write offs and impairments	-	-	5	-	-	2	7
NRG Home Solar EBITDA	-	6	-	-	-	-	6
Mark to Market (MtM) losses/(gains) on economic hedges	175	-	(55)	(1)	-	-	119
Adjusted EBITDA	157	-	301	77	141	1	677



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Appendix Table A-4: YTD Second Quarter 2015 Adjusted EBITDA Reconciliation by Operating Segment

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

<i>(\$ millions)</i>	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income/(Loss)	316	(99)	28	(73)	25	(342)	(145)
Plus:					.		
Interest expense, net	-	1	35	54	114	354	558
Loss on debt extinguishment	-	-	-	-	7	-	7
Income tax	-	-	-	(9)	-	(81)	(90)
Depreciation, amortization, and ARO expense	63	11	475	128	113	15	805
Amortization of contracts	1	-	(31)	-	26	1	(3)
EBITDA	380	(87)	507	100	285	(53)	1,132
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	16	(4)	26	12	50
Integration & transaction costs, gain on sale	-	-	-	-	1	12	13
Deactivation costs	-	-	6	-	-	-	6
NRG Home Solar EBITDA	-	87	-	-	-	-	87
Mark to Market (MtM) (gains)/losses on economic hedges	(10)	-	292	2	(3)	-	281
Adjusted EBITDA	370	-	821	98	309	(29)	1,569



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Appendix Table A-5: YTD Second Quarter 2014 Adjusted EBITDA Reconciliation by Operating Segment

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

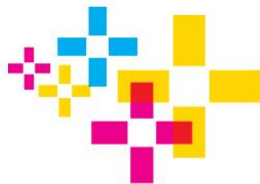
<i>(\$ millions)</i>	Home Retail	Home Solar	Business	Renew	NRG Yield	Corporate	Total
Net Income/(Loss)	135	(9)	93	(63)	68	(371)	(147)
Plus:							
Interest expense, net	1	-	33	56	61	370	521
Loss on debt extinguishment	-	-	-	1	-	80	81
Income tax	-	-	-	-	5	(162)	(157)
Depreciation, amortization, and ARO expense	61	2	470	100	78	16	727
Amortization of contracts	-	-	(7)	-	1	(1)	(7)
EBITDA	197	(7)	589	94	213	(68)	1,018
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	(4)	(5)	20	20	31
Integration & transaction costs, gain on sale	-	-	(16)	-	-	50	34
Deactivation costs	-	-	6	-	-	-	6
Asset write offs and impairments	-	-	5	-	-	2	7
Legal settlement	4	-	-	-	-	-	4
NRG Home Solar EBITDA	-	7	-	-	-	-	7
Mark to Market (MtM) losses/(gains) on economic hedges	71	-	316	-	-	-	387
Adjusted EBITDA	272	-	896	89	233	4	1,494



Appendix Table A-6: Second Quarter 2015 Regional Adjusted EBITDA Reconciliation for NRG Business

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

<i>(\$ millions)</i>	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income / (Loss)	98	(116)	(11)	28	-	(1)
Plus:						
Interest expense, net	17	-	-	-	-	17
Depreciation, amortization, and ARO expense	76	143	16	-	-	235
Amortization of contracts	(18)	-	(2)	1	-	(19)
EBITDA	173	27	3	29	-	232
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	12	2	-	(3)	11
Deactivation costs	2	-	1	-	-	3
Mark to Market (MtM) (gains)/losses on economic hedges	(31)	76	14	(20)	-	39
Adjusted EBITDA	144	115	20	9	(3)	285



Appendix Table A-7: Second Quarter 2014 Regional Adjusted EBITDA Reconciliation for NRG Business

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

<i>(\$ millions)</i>	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income (Loss) / Income	(9)	144	32	(66)	(2)	99
Plus:						
Interest expense, net	16	-	-	-	-	16
Depreciation, amortization, and ARO expense	72	143	21	2	1	239
Amortization of contracts	(10)	5	(3)	-	-	(8)
EBITDA	69	292	50	(64)	(1)	346
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	1	(5)	3	1	-
Integration & transaction costs, gain on sale	2	-	-	-	-	2
Deactivation Costs	1	-	2	-	-	3
Asset write offs and impairments	-	5	-	-	-	5
Mark to Market (MtM) losses / (gains) on economic hedges	83	(210)	(1)	73	-	(55)
Adjusted EBITDA	155	88	46	12	-	301



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Appendix Table A-8: YTD Second Quarter 2015 Regional Adjusted EBITDA Reconciliation for NRG Business

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

<i>(\$ millions)</i>	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income / (Loss)	186	(79)	(35)	(37)	(7)	28
Plus:						
Interest expense, net	35	-	-	-	-	35
Depreciation, amortization, and ARO expense	153	287	32	3	-	475
Amortization of contracts	(33)	2	(3)	3	-	(31)
EBITDA	341	210	(6)	(31)	(7)	507
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	10	4	-	2	16
Deactivation costs	4	-	2	-	-	6
Mark to Market (MtM) losses on economic hedges	222	11	13	46	-	292
Adjusted EBITDA	567	231	13	15	(5)	821



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Appendix Table A-9: YTD Second Quarter 2014 Regional Adjusted EBITDA Reconciliation for NRG Business

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

<i>(\$ millions)</i>	East	Gulf Coast	West	B2B	Carbon 360	Total
Net Income / (Loss)	176	(156)	40	37	(4)	93
Plus:						
Interest expense, net	33	-	-	-	-	33
Depreciation, amortization, and ARO expense	142	287	33	7	1	470
Amortization of contracts	(16)	11	(5)	3	-	(7)
EBITDA	335	142	68	47	(3)	589
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	(9)	2	3	(4)
Integration & transaction costs, gain on sale	7	(23)	-	-	-	(16)
Deactivation costs	2	-	4	-	-	6
Asset write offs and impairments	-	5	-	-	-	5
Mark to Market (MtM) losses / (gains) on economic hedges	330	29	1	(44)	-	316
Adjusted EBITDA	674	153	64	5	-	896



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Appendix Table A-10: Run Rate 2015 Adjusted EBITDA and Cash Available for Distribution Reconciliation for NYLD

The following table summarizes the calculations of Adjusted EBITDA and CAFD, and provides a reconciliation to income/(loss) before tax

<i>(\$ millions)</i>	Desert Sunlight Run-Rate	Alta X-XI Tax Equity, net of Corp Debt Run-Rate¹	75% interest of EME Wind Drop Down Run-Rate²
Income / (Loss) before Tax	13	-	(9)
Plus:			
Interest expense, net	-	-	10
Depreciation, amortization, and ARO expense	-	-	45
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	32	-	1
Adjusted EBITDA	45	-	47
Pro-rata Adjusted EBITDA from unconsolidated affiliates	(45)	-	(10)
Cash distributions from unconsolidated affiliates	22	-	10
Tax Equity Proceeds	-	-	9
Distributions to non-controlling interest	-	(4)	(7)
Cash interest paid	-	11	(11)
Maintenance Capital expenditures	-	-	(1)
Principal amortization of indebtedness	-	21	(17)
Cash Available for Distribution	22	28	20

¹Alta reflects interest and principal savings on debt extinguishment of \$491MM of non-recourse debt, run rate basis

²75% interest in 814 net MW of wind assets primarily acquired by NRG in the EME transaction, Adjusted EBITDA will be consolidated on NRG Yield, 75% pro-rata Adjusted EBITDA is approximately \$35MM



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- EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.
- EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:
 - EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
 - EBITDA does not reflect changes in, or cash requirements for, working capital needs;
 - EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
 - Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
 - Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.
- Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.
- Adjusted EBITDA is presented as a further supplemental measure of operating performance. 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.