nrg

Power to be free℠

Mauricio Gutierrez, President and CEO
NRG Energy, Inc.

Wolfe Research
Power & Gas Deep Dive Conference

April 6, 2016

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.

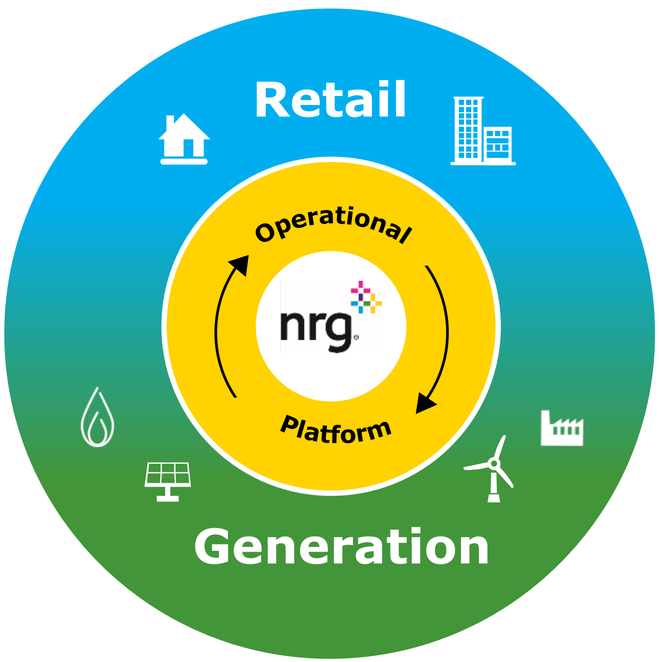
Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated herein include, among others, general economic 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 and the ability to refinance the Midwest Generation fleet, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions, repowerings or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to 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 find third party investment or realize the associated benefits of a sale of Home Solar or EVgo, our ability to realize anticipated benefits of transactions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, our ability to close the drop-down transactions with NRG Yield, and our ability to execute our Capital Allocation Plan. Debt and share repurchases may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws. Furthermore, any common stock dividend is subject to available capital and market conditions.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA and free cash flow guidance are estimates as of February 29, 2016. These estimates are based on assumptions the company believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance, except as required by law. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this 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.

The NRG Business Platform

A Differentiated Business Model…

Integrated Power Platform:
Largest Competitive Generation Portfolio Matched with Leading Retail Business



…Underpinned by a Unique Value Proposition

NRG's Platform Enables and Enhances Value Between Complementary Businesses

- ✓ **Economies of Scale and Scope:** Integrated Platform Affords Optimized and Low-Cost Operations Across the Enterprise
- ✓ **Diversified Margin:** High Percentage of Counter- and Non-Cyclical Gas Exposed Businesses (Retail, Capacity, Contracted)
- ✓ **Visible and Strong Free Cash Flow (FCF):** Robust Cash Flows Underpinned by Prudent Balance Sheet Management

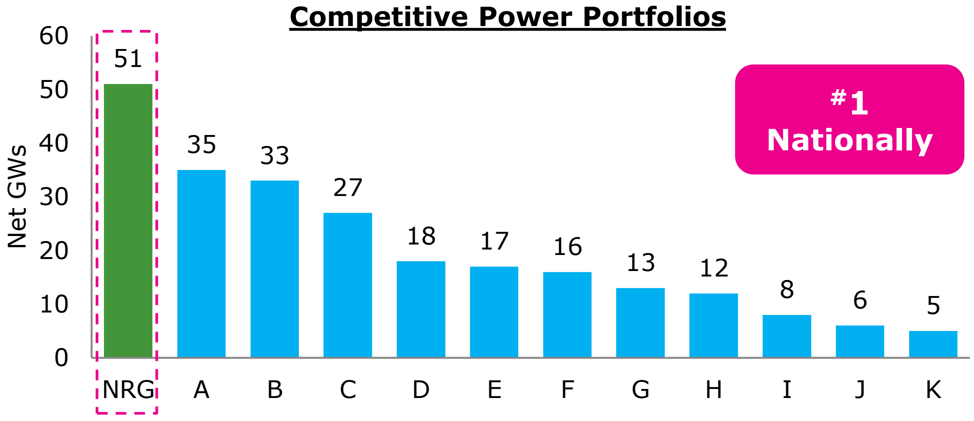
+

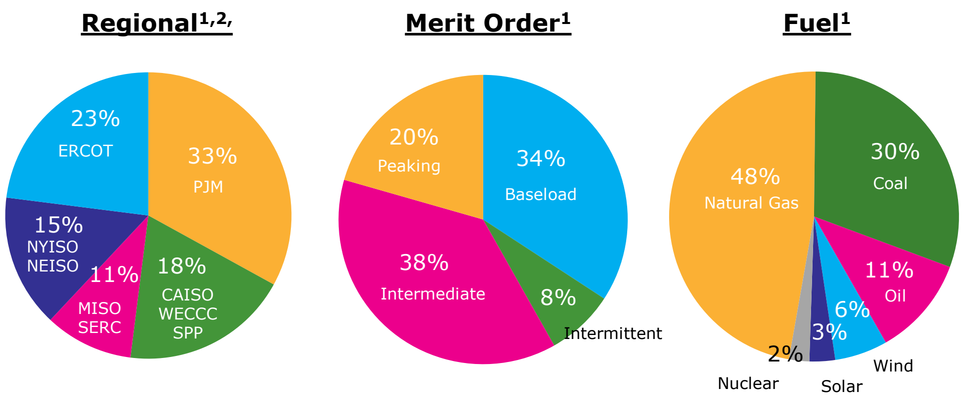
NRG YIELD

NRG is the Premier Integrated Competitive Power Company

Integrated Portfolio: Unmatched Scale and Diversification

- ☑ Largest Competitive Power Portfolio: ~51 GW of generation
- ☑ Largest Residential Retailer: Serving ~3 million customers
- ☑ Third Largest Renewable Portfolio





(% of MWs)

Integrated Platform Creates Unique Scale and Diversification Advantages

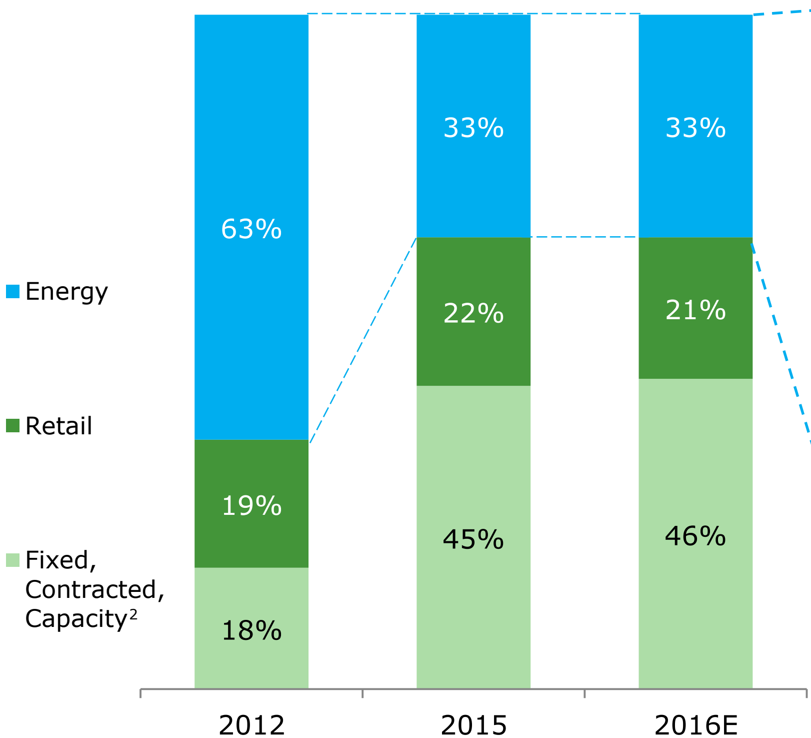
[1] Before non-controlling interest; Excludes International; [2] Excludes Distributed Solar

NRG Platform: Stable and Leveraged to the Upside

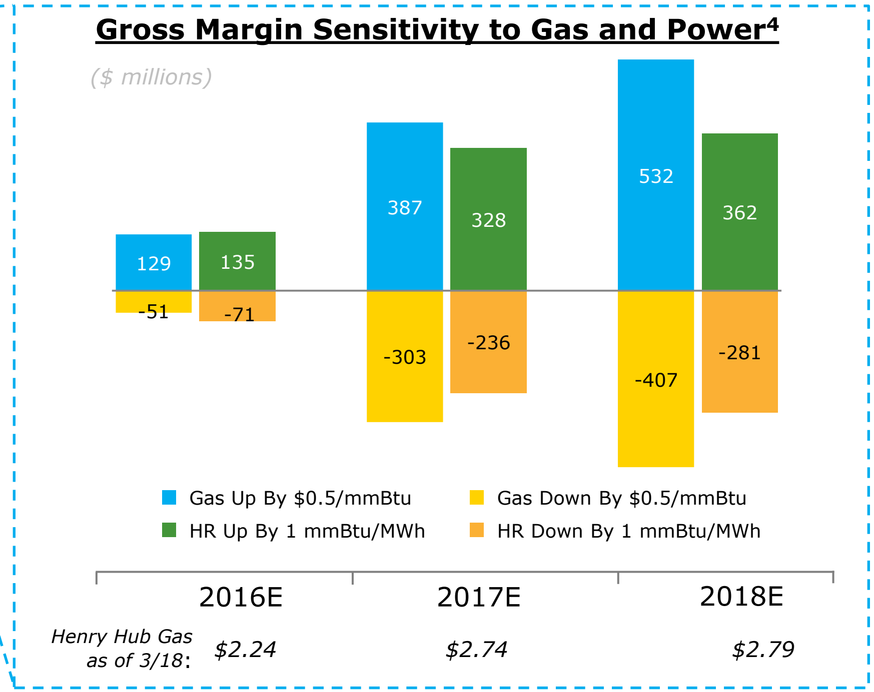
A Diversified Business Model Provides Predictability…

…While Maintaining Significant Upside in a Market Recovery

Economic Gross Margin by Type[1]



Adj. EBITDA ($ Bn):	$2.0	$3.3	$3.1E[3]



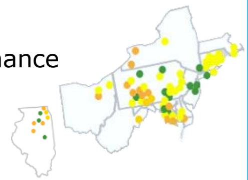
[1] As of 12/31/15; Economic Gross Margin includes realized energy and operating gross margins, capacity, contract and other revenues, and commercial optimization activity; [2] Includes Capacity Payments, NRG Yield, NRG ROFO Assets, other businesses; [3] Midpoint of 2016 Guidance as of 2/29/16; [4] Portfolio as of 3/18/2016

Regional Market Strategies

East 24,100[1] MW

Trends

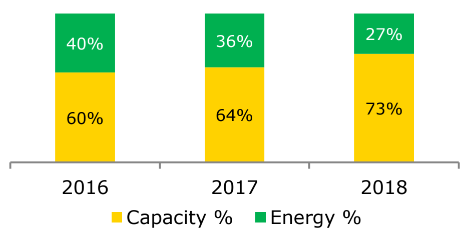
- Reliability & Performance
- Asset Retirements
- Locational Value
- Competitive Retail



Strategy

Reliability (Capacity Market) Maintain Energy Option

Gross Margin[2]



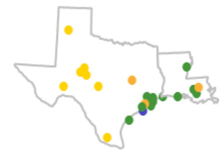
Competitive Advantage

- Scale and diversity of portfolio enables cost savings and efficiencies
- Low cost brownfield development options and fuel conversions
- Leverage retail platform & generation position

Gulf 16,600[1] MW

Trends

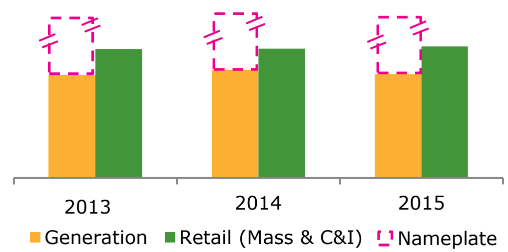
- Demand Growth
- Supply Rationalization
- Renewable Development
- Best Competitive Retail Market



Strategy

Integrated Wholesale-Retail

Integrated Platform in Texas



Competitive Advantage

- Integrated platform mitigates commodity downturn cycles: leading retail franchise
- Asymmetric upside in current market
- Environmentally controlled coal fleet

West 10,600[1] MW

Trends

- Renewables - RPS
- Grid Support
- Contracted Assets
- Quick Start Gas

Strategy

Renewables | Fast Start Gas Distributed

Competitive Advantage

- Premium site locations are candidates for long term contracts
- Renewable development capability; focus on medium-sized projects
- Capital replenishment via NRG Yield

NRG Maintains a Dynamic Portfolio that Adapts to Regional and Macro Market Trends

[1] Includes 100% of NRG Yield Assets in each region; [2] As of 12/31/2015

Immediate Priorities

1. Simplify the Company and Focus on Cost Reduction
   - ☑ $650 MM reduction in capex beginning 2017
   - ❑ $400 MM recurring cost savings and completed $100 MM capex savings (asset rebalancing)
   - ❑ $500 MM asset sale target; $138 MM executed to date

2. Strengthen the Balance Sheet and Create Financial Flexibility to Manage Commodity Cycles
   - ☑ Returned $1.3 BN in capital to shareholders in 2015
   - ☑ Adjusted dividend to be cycle-appropriate, preserving income fund investor option; unlocks ~$145 MM
   - ❑ Targeting further deleveraging of $1.1 BN

3. Bring GreenCo Process to Close
   - ☑ Reintegrated NRG Renew with no change in financial guidance; reinforces relationship with NYLD
   - ❑ Final resolution of Home Solar and EVgo expected in Q2 2016

Appendix

Financial Performance and Key Updates

($ millions)	2015 EBITDA		2016 EBITDA[1]
	Narrowed Guidance	Actual	Guidance
Adjusted EBITDA	$3,250 - $3,350	$3,340	$3,000 - $3,200
Free Cash Flow before Growth	$1,125 - $1,225	$1,127	$1,000 - $1,200

Delivering Strong 2015 Results

- **Achieved Upper End of 2015 Adjusted EBITDA Guidance:** Integrated platform delivered; best Retail results in NRG's history
- **Streamlining the Business:** Executing on $250 MM of recurring cost savings and $100 MM capex reduction via asset rebalancing program
- **Over $1.3 BN Returned to Stakeholders:** $628 MM to shareholders in 2015; Retired $691 MM in debt since November and saved $54 MM in annual interest expense
- **Asset Sales Process** $138 MM achieved toward target of $500 MM - Closed on Seward and Shelby

Key Updates

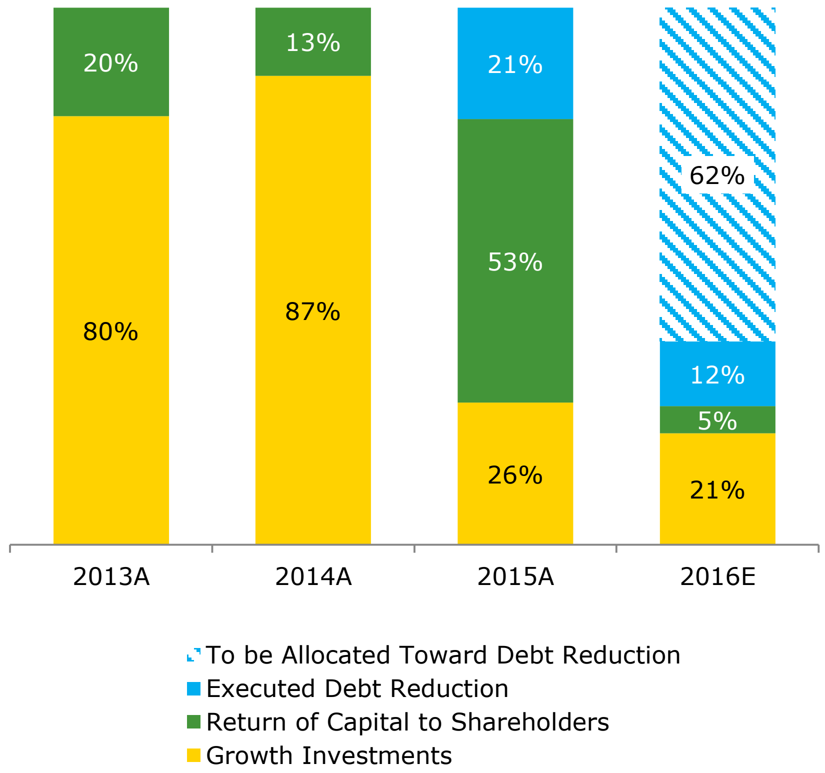
- **Expanding Deleveraging Plan:** Announced an additional $925 MM of capital for debt reduction
- **Reducing the Dividend:** Recalibrated the dividend to be cycle-appropriate while preserving income fund investor option; unlocks ~$145 MM in annual capital
- **Accelerated Savings:** $150 MM EBITDA-accretive savings under fornrg through 2017 (Previously 2018)
- **NRG "GreenCo" Process**: Reintegration of GreenCo's NRG Renew[2] with no change to financial guidance; final resolution of Home Solar and EVgo expected in Q2

Execution Across the Platform Results in Strong Financial Performance

[1] Inclusive of reintegration of GreenCo 's NRG Renew; [2] As previously defined on the September 18, 2015 NRG Reset Call

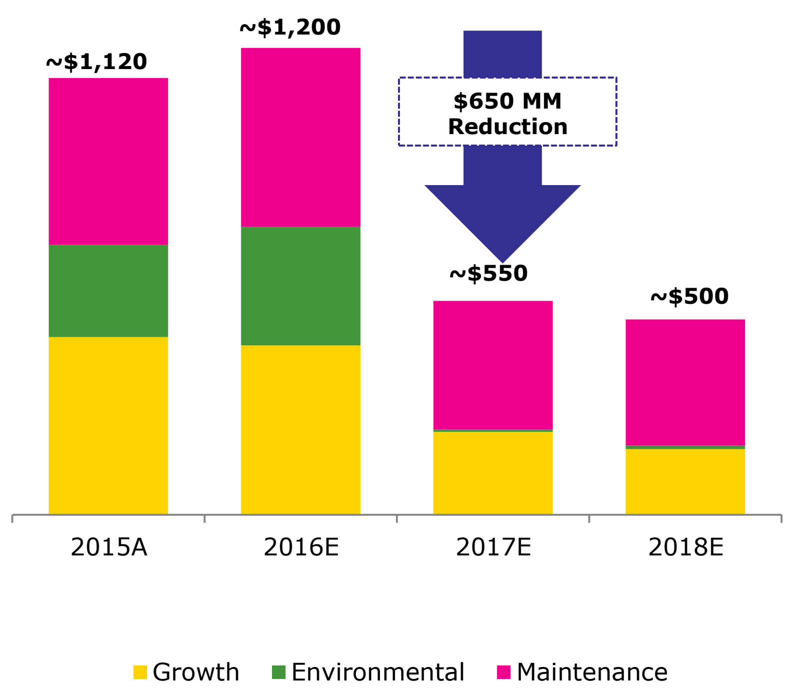
Capital Allocation Flexibility

Capital Allocation: Dedicated to Debt Reduction (75%)…



…Enhanced by Emergence from Capex Cycle

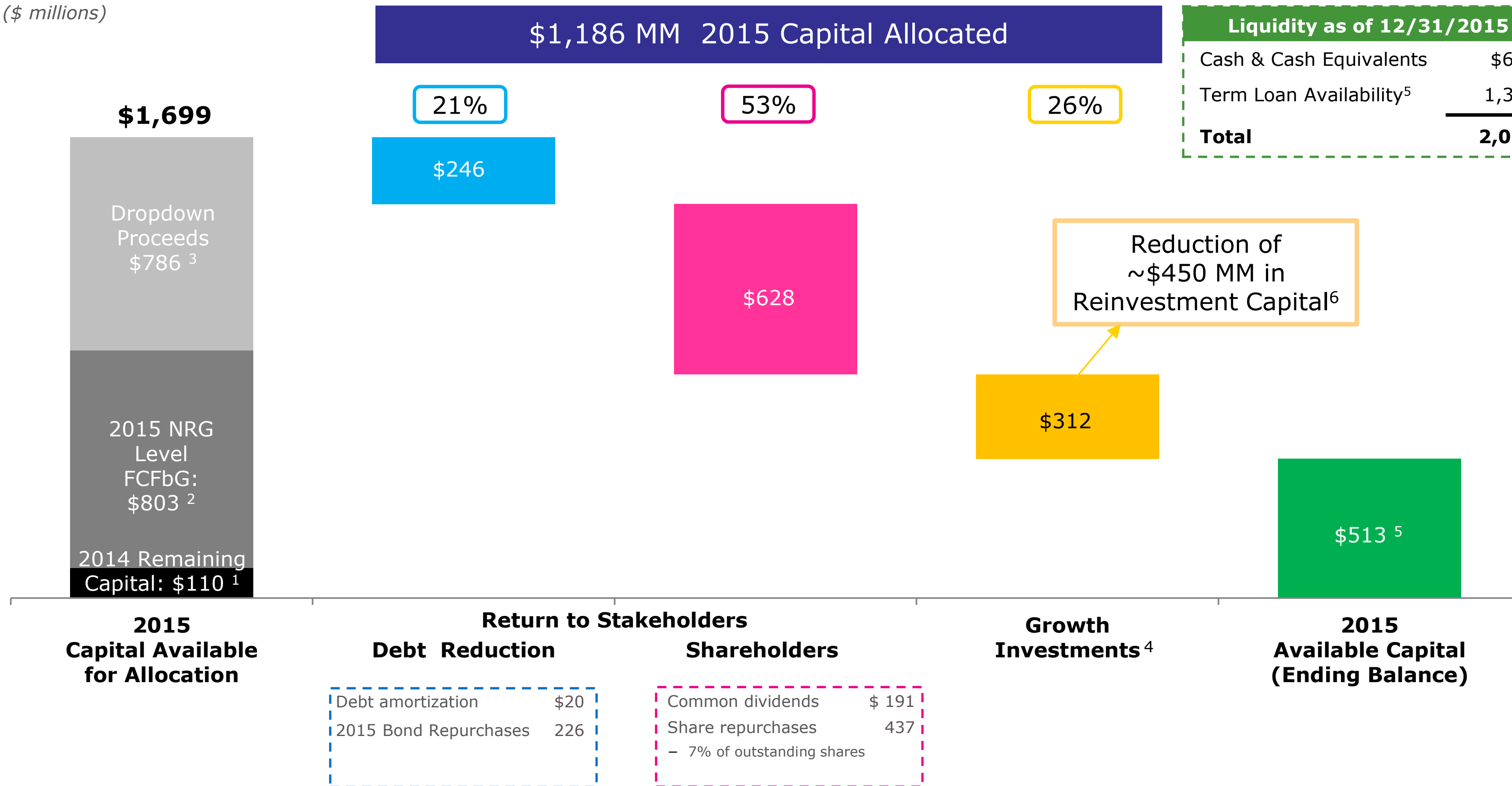
($ millions)



Focus on Enhanced Financial Flexibility

2015 NRG-Level Capital Allocation

($ millions)



Liquidity as of 12/31/2015	
Cash & Cash Equivalents	$693
Term Loan Availability[5]	1,373
Total	**2,066**

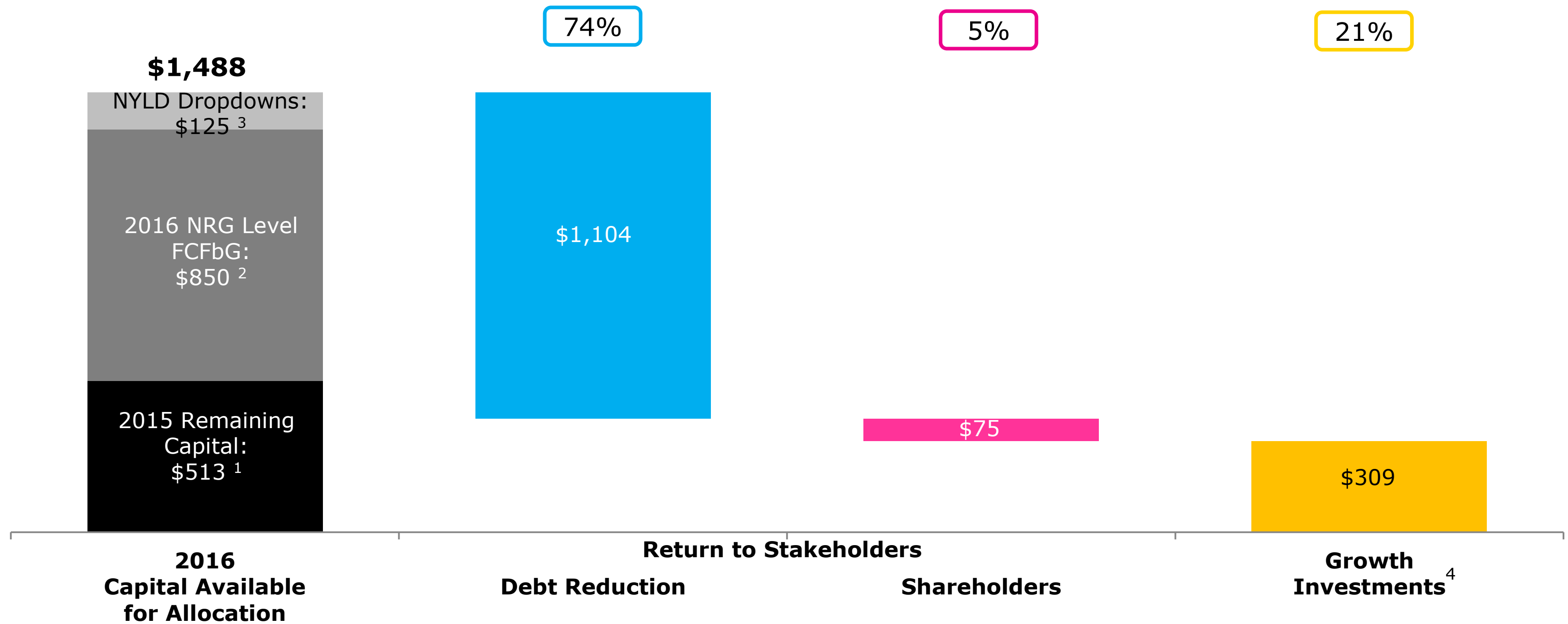
Significantly Decreased Growth Investments, Beginning Focus on Deleveraging

[1] 2014 Remaining Capital: Represents $661 MM cash & cash equivalents at NRG Guarantor level on 12/31/14 less minimum cash reserves of $700 MM at NRG-level (net of $149 MM in NRG Level cash collateral postings); [2] Represents FCFbG of $1,127 MM at NRG Consolidated less impact from GenOn, NRG Yield, and other excluded project subsidiaries [3] Includes proceeds from sale of assets to NYLD (see Appendix slide 37 for details); [4] Net of financing (see Appendix slide 36 for details); [5] 2015 Remaining Capital: Represents $693 MM cash & cash equivalents at NRG Guarantor level on 12/31/15 less minimum cash reserves of $700 MM at NRG-level (net of $520 MM in NRG Level cash collateral postings); [6] As compared to original consolidated growth capex projection in 1Q15 (see slide 16 of 1Q15 earnings presentation), primarily driven by lower investment spend at Home Solar and DG Solar, and deferral of cost-to-achieve from NRG Reset to 2016

2016 NRG-Level Capital Allocation

As of 2/29/16
($ millions)

$1,488 MM 2016 Capital Allocation



Supplemental Sources of 2016 Capital	
Dropdown (CVSR):	$150-200
Non-Recourse Financing	~$250

Debt Amortization	$20
Completed	159
To be Completed	600
Reserved for 2018 Maturity	325

Common dividends	
1st Quarter	$46
2nd - 4th Quarter	29

Focus on Debt Reduction Continues Through 2016

[1] See slide 16; [2] Represents mid-point of NRG Level FCFbG guidance; [3] Includes remainder of dropdown proceeds related to sale of assets to NYLD (comprised of Home Solar and DG partnerships); [4] Net of financing (see appendix slide 36 for details); [5] $2.5 Bn revolving credit facility, less $1.1 Bn of letters of credit issued as of 12/31/2015

NRG's Capital Structure & Corporate Credit Metrics

($ millions)

Debt and Cash Balances As of 12/31/15

NRG Energy, Inc.

	Consolidated	Recourse
Total Debt:	$19,496	$8,586
Total Cash:	$1,932	$693

Dividends & Distributions

Project Company Management Service Payments

GenOn	NRG Yield	ROFO/ Other
Total Debt: $2,584	Total Debt: $4,898	Total Debt: $3,428

~ 11 Bn

LEGEND

Recourse Debt

Non-Recourse Debt (Excluded Project Sub)

2016E

	Post-Capital Allocation
Recourse Debt[1]	**$8,586**
Less: Debt Reduction Completed[2]	(171)
Less: Expanded Debt Reduction[3]	(600)
Pro Forma Corporate Debt	**~$7,800**
Mid-point 2016 Adjusted EBITDA	$3,100
Less Adjusted EBITDA:	
GenOn[4]	(335)
NRG Yield	(805)
ROFO / Other[5]	(305)
Add:	
NRG Yield Dividends to NRG[6]	80
ROFO / Other Dividends to NRG[7]	65
Other Adjustments[8]	150
Total Recourse EBITDA	**$1,950**
Corporate Debt/Corporate EBITDA	**4.01x**
Proforma, including 2018 reserve[6]	**3.84x**

On Plan with Prudent Balance Sheet Management Targets

[1] Includes NRG Energy Inc. term loan facility, senior notes and tax exempt bonds as of 12/31/15; [2] Par value of completed debt reduction in 2016 through February from $159 MM capital allocated; [3] Additional debt reduction based on 2016 Capital Allocation on slide 17; [4] Net of shared service payment by GenOn to NRG; [5] Includes Aqua Caliente, Ivanpah, CVSR, Midwest Generation, Yield Eligible assets, Sherbino, Capistrano, and international assets; [6] Estimate based on NYLD dividends equivalent to $1.00/share annualized by Q4 2016. Excludes proceeds from potential drop down transactions; [7] Distributions from NRG ROFO and other non-recourse project subsidiaries ; [8] Includes non-cash expenses (i.e. nuclear amortization, equity compensation, and bad debt expense) reflected in reported Adjusted EBITDA; [6] Pro forma for deleveraging resulting from the use of $325 MM in 2016 capital reserved for 2018 maturity (see slide 17)

Appendix:
Reg. G Schedules

Reg. G: Full Year 2015 Free Cash Flow before Growth

($ millions)	12/31/2015	
Adjusted EBITDAR	**$**	**3,473**
Less: GenOn & EME operating lease expense		(133)
Adjusted EBITDA	**$**	**3,340**
Interest payments		(1,158)
Income tax		(15)
Collateral / working capital / other		(685)
Adjusted EBITDA from NRG Home Solar		(173)
Cash Flow from Operations	**$**	**1,309**
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements		196
Merger and integration costs		21
Return of Capital from Equity Investments[1]		38
Collateral		381
Adjusted Cash Flow from Operations	**$**	**1,945**
Maintenance capital expenditures, net[2]		(413)
Environmental capital expenditures, net		(237)
Preferred dividends		(10)
Distributions to non-controlling interests		(158)
Consolidated Free Cash Flow before Growth	**$**	**1,127**
Less: FCFbG at Non-Guarantor Subsidiaries[3]		(324)
NRG-Level Free Cash Flow before Growth	**$**	**803**

[1] Represents cash distributions to NRG from equity investments
[2] YTD 2015 maintenance capex excludes merger and integration capex of $15 MM
[3] Reflects impact from GenOn, NRG Yield, and other excluded project subsidiaries

Reg. G: 2015 Guidance

Appendix Table: 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	$1,845 - 1,895
Home Retail	700 - 750
NRG Yield	705
Adjusted EBITDA[1]	**$3,250 - $3,350**
Interest payments	(1,155)
Income tax	(30)
Working capital / other[2]	200
Adjusted EBITDA from Home Solar	(175)
Cash Flow from Operations	**$2,090 - $2,190**
Maintenance capital expenditures, net	(435) - (465)
Environmental capital expenditures, net	(295) - (325)
Preferred dividends / other distributions[3]	(155) – (165)
Free Cash Flow before Growth	**$1,125 - $1,225**

[1] 2015 guidance excludes negative contribution of $175 MM from NRG Home Solar
[2] Primary drivers include tax receipts associated with Capistrano of $20 MM, reduction in net AR/AP of $120 MM, and reduction in fuel inventory of $30 MM
[3] Includes estimated Yield distributions to public shareholders of $69 MM, Capistrano and Solar distributions to non-controlling interests of $35 and $45 MM, respectively, and preferred dividends of $10 MM

Reg. G: 2016 Guidance

Appendix Table: 2016 Guidance
The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Adjusted EBITDA

($ millions)	**2016 Guidance**
Business & Utility-Scale Renewables	$1,545 - 1,670
Home Retail	650 – 725
NRG Yield	805
Adjusted EBITDA[1]	**$3,000 - $3,200**
Interest payments	(1,090)
Income tax	(40)
Working capital / other[2]	75
Cash Flow from Operations	**$1,945 - $2,145**
Maintenance capital expenditures, net	(435) - (465)
Environmental capital expenditures, net	(285) - (315)
Preferred dividends / other distributions[3]	(205) – (215)
Free Cash Flow before Growth	**$1,000 - $1,200**

[1] 2016 guidance includes the impact of the recently announced $150 MM expense reductions across general & administrative, marketing and development expenses and the $100 MM of operations maintenance costs across the Business segments
[2] Primary drivers include tax receipts associated with Capistrano of $45 MM and reduction in fuel inventory of $30 MM
[3] Includes estimated Yield distributions to public shareholders of $93 MM, Capistrano and Solar distributions to non-controlling interests of $70 MM and $35 MM, respectively, and preferred dividends of $10 MM

Reg. G: 2012 Results

Appendix Table: Full-Year 2012 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

($ in millions)

	Total
Net Income/(Loss) Attributable to NRG Energy, Inc	**295**
Plus:	
Net Income Attributable to Non-Controlling Interest	20
Interest Expense, net	652
Loss on Debt Extinguishment	51
Income Tax	(327)
Depreciation Amortization and ARO Expense	960
Amortization of Contracts	136
EBITDA	**1,787**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	55
Merger and Transaction Costs	112
Deactivation Costs	3
Bargain Purchase Gain	(296)
Asset Write Off and Impairment	22
Legal Settlement	34
MtM losses/(gains) on economic hedges	268
Adjusted EBITDA[1]	**1,985**

[1] Revised to reflect new Adjusted EBITDA methodology disclosed in the February 27, 2013 earnings presentation

Reg. G

Appendix Table: Full Year 2015 Adjusted EBITDA and Free Cash Flow Reconciliation for GenOn Energy, Inc.
The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to net loss

($ millions)	**2015**	**2016**
Net loss	(115)	(117)
Plus:		
Interest expense, net	202	178
Gain on debt extinguishment	(65)	-
Income tax	(3)	-
Depreciation, amortization, and ARO expense	222	219
Amortization of contracts	(73)	(39)
EBITDA	**168**	**241**
Merger and transaction costs	12	-
Deactivation costs	3	5
Asset write offs and impairments	170	-
Mark to market (MtM) losses on economic hedges	180	89
Plus: Operating lease expense	112	111
Adjusted EBITDAR	**645**	**446**
Less: Operating lease expense	(112)	(111)
Adjusted EBITDA	**533**	**335**
Interest payments	(266)	(238)
Income tax	-	-
Collateral/working capital/other	(26)	(231)
Cash Flow from Operations	**241**	**(134)**
Collateral	10	103
Maintenance capital expenditures	(139)	(152)
Environmental capital expenditures	(36)	(62)
Free Cash Flow before Growth	**76**	**(245)**

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.