DYNEGY INC.
Form 424B5
October 06, 2014

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-199179

The information contained in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS SUPPLEMENT (Subject to Completion) *Issued October 6, 2014*
(To Prospectus dated October 6, 2014)

4,000,000 Shares

DYNEGY INC.

% SERIES A MANDATORY CONVERTIBLE PREFERRED STOCK

We are offering 4,000,000 of our % Series A Mandatory Convertible Preferred Stock, par value $0.01 per share (the "Mandatory Convertible Preferred Stock").

Dividends on our Mandatory Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by our board of directors, at an annual rate of % on the liquidation preference of $100.00 per share. We may pay declared dividends in cash or, subject to certain limitations, in shares of common stock or by delivery of any combination of cash and shares of common stock on February 1, May 1, August 1 and November 1 of each year, commencing on February 1, 2015, and to, and including, November 1, 2017.

Each share of Mandatory Convertible Preferred Stock will automatically convert on November 1, 2017, into between and shares of our common stock, subject to anti-dilution adjustments. The number of shares of our common stock issuable on conversion of the Mandatory Convertible Preferred Stock will be determined based on the Average VWAP (as defined herein) per share of our common stock over the 20 consecutive trading day period commencing on and including the 22nd scheduled trading day immediately preceding the Mandatory Conversion Date (as defined herein). At any time prior to November 1, 2017, holders may elect to convert each share of Mandatory Convertible Preferred Stock into shares of common stock at the Minimum Conversion Rate of shares of our common stock per share of Mandatory Convertible Preferred Stock, subject to anti-dilution adjustments. If you elect to convert any shares of the Mandatory Convertible Preferred Stock during a specified period beginning on the effective date of a Fundamental Change (as defined herein), such shares of the Mandatory Convertible Preferred Stock will be converted into shares of our common stock at the Fundamental Change Conversion Rate (as defined herein), and the holders will also be entitled to receive a Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount (each as defined herein).

This offering is part of the financing for the Acquisitions (as defined herein). Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 22,500,000 shares of our common stock (the "Common Stock Offering"). In addition, subsequent to this offering and the Common Stock Offering, we expect to obtain debt financing (the "Debt Financing"). We expect that this offering, the Common Stock Offering, the Debt Financing and cash on hand will provide the funds necessary to complete the Acquisitions. The completion of this offering is not contingent on the completion of the Common Stock Offering or the Debt Financing, and neither the Common Stock Offering nor the Debt Financing is contingent on the completion of this

offering. In addition, none of this offering, the Common Stock Offering or the Debt Financing is or will be contingent on the consummation of the Acquisitions. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities being offered in the Common Stock Offering or the Debt Financing.

We will have the option to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at the redemption price set forth herein if (i) on the date that is nine months after the date of issuance of the Mandatory Convertible Preferred Stock (the "Outside Date"), the consummation of either or both of the Acquisitions has not occurred, or (ii) an Acquisition Termination Event (as defined herein) occurs prior to the Outside Date.

Prior to this offering, there has been no public market for our Mandatory Convertible Preferred Stock. We have applied to list the Mandatory Convertible Preferred Stock on the New York Stock Exchange under the symbol "DYN.PRA". Our common stock is listed on the New York Stock Exchange under the symbol "DYN". The last reported sale price of our common stock on the New York Stock Exchange on October 3, 2014 was $31.27 per share.

Investing in our Mandatory Convertible Preferred Stock involves risks. See "Risk Factors" beginning on page S-31 of this prospectus supplement.

	Price to Public	***Underwriting Discounts and Commissions***	***Proceeds to Dynegy Inc., Before Expenses***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters the option to purchase up to an additional 600,000 shares of Mandatory Convertible Preferred Stock from us at the public offering price less the underwriting discounts and commissions within 30 days from the date of this prospectus supplement. See the section of this prospectus supplement entitled "Underwriting".

The underwriters expect to deliver the Mandatory Convertible Preferred Stock to purchasers on or about , 2014.

Joint Book-Running Managers

MORGAN STANLEY *RBC CAPITAL MARKETS*

BARCLAYS *CREDIT SUISSE* *UBS INVESTMENT BANK*

Co-Managers

BNP PARIBAS *BOFA MERRILL LYNCH* *CREDIT AGRICOLE CIB*

DEUTSCHE BANK SECURITIES *J.P. MORGAN* *MUFG*

SUNTRUST ROBINSON HUMPHREY

, 2014

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GLOSSARY OF TERMS AND ABBREVIATIONS

Unless the context indicates otherwise, throughout this prospectus supplement, the terms "Dynegy," "the Company," "we," "us," "our," and "ours" refer to Dynegy Inc. and its direct and indirect subsidiaries. As used in this prospectus supplement, the terms contained herein have the meanings set forth below.

Acquisitions refers to the Duke Midwest Acquisition and the ERC and Brayton Acquisitions.

Acquisition Termination Event means either (1) one or both of the Duke Midwest Purchase Agreement or ERC Purchase Agreements are terminated or (2) we determine in our reasonable judgment that one of the Acquisitions will not occur.

AER Acquisition refers to the transaction completed on December 2, 2013, pursuant to the agreement between Ameren and Illinois Power Holdings, LLC, an indirect wholly-owned subsidiary of Dynegy ("IPH"), pursuant to which we acquired AER and its subsidiaries, Ameren Energy Generating Company ("Genco"), Ameren Energy Fuels and Services Company, New AERG, LLC (successor to Ameren Energy Resources Generating Company) ("AERG") and Ameren Energy Marketing Company ("AEM") from Ameren (such entities, collectively, the "AER Entities").

Brayton refers to Brayton Point Holdings, LLC.

Brayton Point Energy refers to Brayton Point Energy, LLC, a subsidiary of Brayton.

Combined Company refers to Dynegy and its subsidiaries after completion of the Transactions, including the Acquisitions.

Common Stock Offering refers to the concurrent common stock offering to finance the Acquisitions.

Debt Financing refers to the proposed incurrence of debt to finance a portion of the purchase price for the Acquisitions.

Duke refers to Duke Energy Corporation.

Duke Energy Commercial refers to Duke Energy Commercial Asset Management, LLC.

Duke Energy Retail Sales refers to Duke Energy Retail Sales, LLC, Duke's retail energy business.

Duke Midwest Acquisition refers to the proposed acquisition of membership interests in certain Midwest assets from certain subsidiaries of Duke announced by us through our Current Report on Form 8-K filed on August 26, 2014. See "Summary The Duke Midwest Acquisition."

Duke Midwest Assets refers to Duke Energy Commercial's interests in 11 generation facilities and Duke Energy Retail Sales, which we will acquire in the Duke Midwest Acquisition.

Duke Midwest Purchase Agreement refers to the Purchase and Sale Agreement, dated as of August 21, 2014, pursuant to which we will acquire the Duke Midwest Assets.

Duke Ohio refers to Duke Energy Ohio, Inc..

ECP refers to Energy Capital Partners, a private equity firm.

ECP Assets refers to 10 generation facilities which we will acquire in the ERC and Brayton Acquisitions.

ERC refers to EquiPower Resources Corp.

ERC and Brayton Acquisitions refers to the proposed acquisition of equity interests in ERC and Brayton announced by us through our Current Report on Form 8-K filed on August 26, 2014. See "Summary The ERC and Brayton Acquisitions."

ERC Purchase Agreements refers to two agreements, each dated as of August 21, 2014, pursuant to which we will acquire the ECP Assets. See "Summary The Transactions."

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Financing Transactions refers to this offering, the Common Stock Offering and the Debt Financing, in each case only to the extent they are completed.

Homefield Energy refers to IPM's retail business which was acquired in the AER Acquisition.

Target Companies refers to Duke Energy Commercial, Duke Energy Retail Sales, ERC, and Brayton.

Transactions refers to the Acquisitions and the Financing Transactions.

Further, as used in this prospectus supplement, the abbreviations contained herein have the meanings set forth below.

AER	New Ameren Energy Resources, LLC
ATSI	American Transmission Systems, Inc.
CAISO	The California Independent System Operator
CFTC	U.S. Commodity Futures Trading Commission
ComEd	Commonwealth Edison
CPUC	California Public Utility Commission
DH	Dynegy Holdings, LLC (formerly known as Dynegy Holdings Inc.)
DMG	Dynegy Midwest Generation, LLC
DMT	Dynegy Marketing and Trade, LLC
DYPM	Dynegy Power Marketing Inc.
EEI	Electric Energy, Inc.
EPA	Environmental Protection Agency
FCA	Forward Capacity Auction
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse Gas
HSR	Hart-Scott Rodino Act of 1976
IPM	Illinois Power Marketing Company (formerly known as Ameren Energy Marketing Company)
ISO	Independent System Operator
ISO-NE	Independent System Operator New England
KW	Kilowatt
KWh	Kilowatt Hour
LGE	Louisville Gas and Electric Company
LMP	Locational Marginal Pricing
MISO	Midcontinent Independent System Operator, Inc.
MMBTu	One Million British Thermal Units
MRTU	Market Redesign and Technology Update
MW	Megawatts
MWh	Megawatt Hour
NERC	North American Electric Reliability Corporation
NYISO	New York Independent System Operator
NYSE	New York Stock Exchange
OTC	Over-the-counter
PJM	PJM Interconnection, LLC
PRB	Powder River Basin
PRIDE	Producing Results through Innovation by Dynegy Employees
RMR	Reliability Must Run
RPM	Reliability Pricing Model
RTO	Regional Transmission Organization
SEC	U.S. Securities and Exchange Commission
SO2	Sulfur Dioxide
TVA	Tennessee Valley Authority
TWh	Terawatt Hour

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the SEC using a shelf registration process.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters relating to Dynegy, the Target Companies and the Combined Company, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering.

Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our Mandatory Convertible Preferred Stock and other information you should know before investing. You should read both this prospectus supplement and the accompanying prospectus, as well as additional information incorporated herein and therein, as set forth under "Incorporation by Reference," before investing in our Mandatory Convertible Preferred Stock.

Neither we nor the underwriters have authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our and the Target Companies' business, financial condition, results of operations and prospects may have changed since those dates.

Unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, does not give effect to the Acquisitions, the Common Stock Offering or the Debt Financing.

INDUSTRY AND MARKET DATA

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement regarding our industry and our position in the industry based on estimates made from our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus supplement or the date of the document incorporated by reference, as applicable. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. We cannot, and the underwriters cannot, guarantee the accuracy or completeness of any such information.

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SUMMARY

This summary does not contain all the information that you should consider before investing in our Mandatory Convertible Preferred Stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, before making an investment decision.

Our Company

Our primary business is the production and sale of electric energy, capacity and ancillary services. We operate a portfolio of generation assets that is diversified in terms of dispatch profile, fuel type and geography. Our Coal and IPH segments are fleets of baseload coal facilities located in Illinois that dispatch around the clock throughout the year. Our Gas segment operates both intermediate and peaking natural gas facilities, located in the Midwest, the Northeast and California. In addition to generating power, our generating facilities also receive capacity revenues through structured markets or bilateral tolling agreements, as local utilities and ISOs seek to ensure sufficient generation capacity is available to meet future market demands.

We sell electric energy, capacity and ancillary services on a wholesale basis from our power generation facilities. In connection with the acquisition of AER and its subsidiaries on December 2, 2013, we began serving residential, municipal, commercial and industrial consumers through our Homefield Energy retail business in Illinois. Wholesale electricity customers will, for reliability reasons and to meet regulatory requirements, contract for rights to capacity from generating units. Ancillary services are the products of a power generation facility that support the transmission grid operation, follow real-time changes in load and provide emergency reserves for major changes to the balance of generation and load. Retail electricity customers purchase energy and these related services in the deregulated retail energy market. We sell these products individually or in combination to our customers for various lengths of time ranging from hourly to multi-year transactions.

We do business with a wide range of customers, including: regional transmission organizations and ISOs, integrated utilities, municipalities, electric cooperatives, transmission and distribution utilities, power marketers, financial participants such as banks and hedge funds, and residential, commercial and industrial end-users. Some of our customers, such as municipalities or integrated utilities, purchase our products for resale in order to serve their retail, commercial and industrial customers. Other customers, such as some power marketers, may buy from us to serve their own wholesale or retail customers or as a hedge against power sales they have made.

Recent Developments

The Acquisitions

In August 2014, we entered into an agreement with Duke to purchase certain of its facilities located in the Midwest and its retail energy business and we entered into an agreement with ECP to purchase ERC and Brayton. The Acquisitions will increase our generation capacity by approximately 12,500 MW to nearly 26,000 MW. We anticipate that the Duke Midwest Acquisition and ERC and Brayton Acquisitions will each close by the end of the first quarter of 2015. However, we cannot assure you that the Acquisitions will be consummated or, if consummated, that they will be consummated at the price, within the time period or on the terms and with the anticipated benefits contemplated by this prospectus supplement. The closing of one Acquisition is not contingent upon the closing of the other Acquisition and this offering is not contingent on either or both of the Acquisitions occurring on a timely basis or at all. See "Risk Factors Risks Relating to Our Proposed Acquisitions" and "The Transactions," each included in this prospectus supplement.

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The Duke Midwest Acquisition

We will acquire the Duke Midwest Assets for a purchase price of $2.8 billion in cash, subject to certain adjustments. The Duke Midwest Acquisition is subject to receipt of FERC approval, HSR approval and other customary closing conditions. The Duke Midwest Assets are comprised of (1) 100% ownership interests in five natural gas-fired power facilities located in Ohio, Pennsylvania and Illinois, (2) 100% ownership interest in an oil-fired power facility located in Ohio, (3) partial interests in five coal-fired power facilities located in Ohio and (4) Duke's retail energy business. The facilities operate in the PJM wholesale market, have a diversified fuel mix with baseload coal-fired units, as well as combined cycle and peaking natural gas-fired units, and have an aggregate net generating capacity of approximately 6,200 MW. We will operate two of the five coal-fired plants for which we will obtain partial ownership interests, the Miami Fort and Zimmer facilities.

Duke Energy Retail Sales serves retail electric and gas customers in Ohio with energy and energy services at competitive rates. Duke Energy Retail Sales serves approximately 25% of switched load within Duke Ohio's service territory, which is the largest share of opt-in mass market customers in that territory, and provides approximately 7 TWh of customer load primarily in Ohio.

The following table sets forth certain information with respect to the generating facilities:

Facility	Net Generating Capacity (MW)[1]	Primary Fuel Type	Dispatch Type	Location	Region	Interest to be Acquired
Dicks Creek	153	Gas	Peaking	Middleton, OH	PJM	100.0%
Fayette	649	Gas	Intermediate	Masontown, PA	PJM	100.0%
Hanging Rock	1,296	Gas	Intermediate	Ironton, OH	PJM	100.0%
Lee	712	Gas	Intermediate	Dixon, IL	PJM	100.0%
Washington	648	Gas	Intermediate	Beverly, OH	PJM	100.0%
Killen	204	Coal	Baseload	Wrightsville, OH	PJM	33.0%
Stuart	904	Coal	Baseload	Aberdeen, OH	PJM	39.0%
Conesville	312	Coal	Baseload	Conesville, OH	PJM	40.0%
Zimmer	628	Coal	Baseload	Moscow, OH	PJM	46.5%
Miami Fort (Units 7 and 8)	653	Coal	Baseload	North Bend, OH	PJM	64.0%
Miami Fort (CT)	80	Oil	Peaking	North Bend, OH	PJM	100.0%
Total	6,239					

(1)
Unit capabilities are based on winter capacity.

The ERC and Brayton Acquisitions

We will acquire ERC and Brayton for approximately $3.25 billion in cash and $200 million of our common stock, subject to certain conditions and adjustments. The ERC and Brayton Acquisitions are subject to receipt of FERC approval, HSR approval and other customary closing conditions. ERC owns (1) 100% interests in five combined cycle gas turbine facilities in Connecticut, Massachusetts and Pennsylvania, (2) 100% interests in two gas and oil fired peaking facilities in Ohio, (3) 100% interests in one coal-fired facility in Illinois and (4) a 49.5% interest in one natural gas-fired peaking facility in Illinois. Brayton owns a 100% interest in the Brayton Point coal facility in Somerset, MA, which is scheduled to be retired in June 2017. The ECP Assets consist primarily of highly efficient and clean-burning natural gas-fired facilities and have an aggregate net generating capacity of approximately 6,300 MW.

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The following table sets forth certain information with respect to the generating facilities:

Facility	Net Generating Capacity (MW)[1]	Primary Fuel Type	Dispatch Type	Location	Region	Interest to be Acquired
Brayton Point[2]	1,493	Coal	Baseload	Somerset, MA	ISO-NE	100.0%
Kincaid[3]	1,108	Coal	Baseload	Kincaid, IL	PJM	100.0%
Milford	579	Gas	Intermediate	Milford, CT	ISO-NE	100.0%
Lake Road	856	Gas	Intermediate	Killingly, CT	ISO-NE	100.0%
Dighton	187	Gas	Intermediate	Dighton, MA	ISO-NE	100.0%
MASSPOWER	280	Gas	Intermediate	Indian Orchard, MA	ISO-NE	100.0%
Liberty	600	Gas	Intermediate	Eddystone, PA	PJM	100.0%
Richland	447	Gas	Peaking	Defiance, OH	PJM	100.0%
Stryker	19	Oil	Peaking	Stryker, OH	PJM	100.0%
Elwood[4]	780	Gas	Peaking	Elwood, IL	PJM	49.5%
Total	6,349					

(1) Unit capabilities are based on winter capacity.

(2) Brayton Point is scheduled to be retired from service in June 2017.

(3) Kincaid is physically located within the MISO market, but is interconnected to the PJM market and sells both energy and capacity in the PJM market only.

(4) In addition, ERC expects to acquire an additional 0.5% interest in Elwood from Dominion Energy, Inc. in the fourth quarter of 2014, which additional interest we would receive in connection with the ERC and Brayton Acquisitions.

Combined Company Power Generation Portfolio

The following table illustrates the Combined Company operating generation facilities:

Facility	Total Net Generating Capacity (MW)[1]	Primary Fuel Type	Dispatch Type	Location	Region
Dynegy					
Baldwin	1,800	Coal	Baseload	Baldwin, IL	MISO
Havana[2]	441	Coal	Baseload	Havana, IL	MISO
Hennepin	293	Coal	Baseload	Hennepin, IL	MISO
Wood River[3]	446	Coal	Baseload	Alton, IL	MISO
Total Coal Segment	*2,980*				

Coffeen	915	Coal	Baseload	Montgomery County, IL	MISO
Joppa/EEI[(4)]	802	Coal	Baseload	Joppa, IL	MISO
Newton	1,225	Coal	Baseload	Jasper County, IL	MISO
Duck Creek	425	Coal	Baseload	Canton, IL	MISO
E.D. Edwards	695	Coal	Baseload	Bartonville, IL	MISO
Total IPH Segment	*4,062*				

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Facility	Total Net Generating Capacity (MW)[1]	Primary Fuel Type	Dispatch Type	Location	Region
Moss Landing Units 1-2	1,020	Gas	Intermediate	Monterey County, CA	CAISO
Units 6-7	1,509	Gas	Peaking	Monterey County, CA	CAISO
Kendall	1,200	Gas	Intermediate	Minooka, IL	PJM
Ontelaunee	580	Gas	Intermediate	Ontelaunee Township, PA	PJM
Oakland	165	Oil	Peaking	Oakland, CA	CAISO
Casco Bay	540	Gas	Intermediate	Veazie, ME	ISO-NE
Independence	1,064	Gas	Intermediate	Scriba, NY	NYISO
Total Gas Segment	*6,078*				
Total Fleet	*13,120*				
Duke Midwest Assets					
Stuart	904	Coal	Baseload	Aberdeen, OH	PJM
Miami Fort	653	Coal	Baseload	North Bend, OH	PJM
Zimmer	628	Coal	Baseload	Moscow, OH	PJM
Conesville	312	Coal	Baseload	Conesville, OH	PJM
Killen	204	Coal	Baseload	Wrightsville, OH	PJM
Total Coal	*2,701*				
Hanging Rock	1,296	Gas	Intermediate	Ironton, OH	PJM
Washington	648	Gas	Intermediate	Beverly, OH	PJM
Fayette	649	Gas	Intermediate	Masontown, PA	PJM
Lee	712	Gas	Intermediate	Dixon, IL	PJM
Dicks Creek	153	Gas	Peaking	Middleton, OH	PJM
Miami Fort (CT)	80	Oil	Peaking	North Bend, OH	PJM
Total Gas	*3,538*				
Total Fleet	*6,239*				
ERC and Brayton					
Brayton Point[5]	1,493	Coal	Baseload	Somerset, MA	ISO-NE
Kincaid[6]	1,108	Coal	Baseload	Kincaid, IL	PJM
Total Coal	*2,601*				
Milford	579	Gas	Intermediate	Milford, CT	ISO-NE

Lake Road	856	Gas	Intermediate	Killingly, CT	ISO-NE
Dighton	187	Gas	Intermediate	Dighton, MA	ISO-NE
MASSPOWER	280	Gas	Intermediate	Indian Orchard, MA	ISO-NE
Liberty	600	Gas	Intermediate	Eddystone, PA	PJM
Elwood[7]	780	Gas	Peaking	Elwood, IL	PJM
Richland	447	Gas	Peaking	Defiance, OH	PJM
Stryker	19	Oil	Peaking	Stryker, OH	PJM
Total Gas	*3,748*				
Total Fleet	*6,349*				
Total	25,708				

(1) Unit capabilities are based on winter capacity.

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(2) Represents Unit 6 generating capacity. Units 1-5, with a combined net generating capacity of 228 MW, are retired and out of operation.

(3) Represents Units 4 and 5 generating capacity. Units 1-3, with a combined net generating capacity of 119 MW, are retired and out of operation.

(4) We indirectly own an 80% interest in this facility. Total output capacity of this facility is 1,002 MW. Additionally, Joppa has 235 MW of natural gas-fired capacity which is currently not operating and therefore excluded from the table above.

(5) Brayton Point is scheduled to be retired in June 2017.

(6) Kincaid is physically located within the MISO market, but is interconnected to the PJM market and sells both energy and capacity in the PJM market only.

(7) In addition, ERC expects to acquire an additional 0.5% interest in Elwood from Dominion Energy, Inc. in the fourth quarter of 2014, which additional interest we would receive in connection with the ERC and Brayton Acquisitions.

Strategic Evaluation of California Assets

Recently, we began a strategic evaluation of our California assets including Moss Landing, Oakland and Morro Bay. We will continue operating and investing in these assets under normal course during this evaluation.

Power Prices and Spark Spreads

Our financial results are significantly impacted by fuel and commodity prices. Other factors impacting our financial results include market structure and prices for electric energy, capacity and ancillary services, including pricing at our plant locations relative to pricing at their respective trading hubs, the volatility of fuel and electricity prices, transportation and transmission logistics, weather conditions and plant performance.

The relationship between electricity prices and prices for natural gas and coal, commonly referred to as the "spark spread" and "dark spread," respectively, impacts the margin we earn on the electricity we generate. In particular, we benefit from rising commodity prices. For example, an increase in natural gas prices of $1/MMBTu (net of heat rate contraction) can have a positive material impact on our earnings, as can rising power prices and spark spreads.

Since the announcement of the Acquisitions, power prices and spark spreads have increased in 2015 and 2016, by approximately 8% to 31% in ISO-NE, by approximately 4% to 11% in PJM and by approximately 3% to 5% in MISO, although there can be no assurance as to how long these price increases may be maintained, if at all. In the six months ended June 30, 2014, and for the year ended December 31, 2013, we, the Duke Midwest Assets and the ECP Assets generated 6.7 million MWh and 11.3 million MWh in New England, 23.0 million MWh and 45.0 million MWh in PJM and 22.1 million MWh and 45.7 million MWh in MISO, in each case, respectively.

Financing Transactions

In addition to this offering, we expect to obtain additional financing for the Acquisitions as described below. We cannot assure you that we will complete any of the Financing Transactions on the terms contemplated by this prospectus supplement or at all.

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Common Stock Offering

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 22,500,000 shares of our common stock, plus up to 3,375,000 additional shares of common stock that the underwriters of the Common Stock Offering have the option to purchase from us, in each case, at an assumed public offering price of $31.27 per share. For a description of our common stock, see "Description of Common Stock". This prospectus supplement is not an offer to sell or a solicitation of an offer to buy shares of our common stock.

Debt Financing

Subsequent to this offering and the Common Stock Offering, we expect to obtain approximately $5.1 billion of debt financing in connection with the financing of the Acquisitions. See "The Transactions" and "Description of Indebtedness and Other Obligations," included in this prospectus supplement. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any debt being sold or placed in the Debt Financing.

The completion of this offering is not contingent on the completion of the Debt Financing, and the Debt Financing is not contingent on the completion of this offering or the consummation of either or both of the Acquisitions. Accordingly, even if one or both of the Acquisitions or Financing Transactions are not completed, the Mandatory Convertible Preferred Stock sold in this offering will remain outstanding.

We will be required to redeem all of the debt borrowed if neither of the Acquisitions is consummated. If one or the other of the Acquisitions is not consummated, we will be required to redeem the debt borrowed in connection with such contemplated but unconsummated Acquisition.

In the event we are unable to obtain such debt financing prior to the closing of the Acquisitions, we have obtained committed financing in the form of senior unsecured bridge loans as described below.

In connection with entering into each of the Duke Midwest Purchase Agreement and the ERC Purchase Agreements, we obtained $2.8 billion and $3.55 billion, respectively, bridge loan commitments to ensure financing for the Acquisitions. Although we do not expect to make any borrowings under the bridge loan commitments, there can be no assurance that such borrowings will not be made. In that regard, we may be required to borrow under the bridge loan commitments if any of the other Financing Transactions is not completed or generates significantly less net proceeds than contemplated by this prospectus supplement. See "Description of Certain Indebtedness and Other Obligations," included in this prospectus supplement.

Strategic Rationale for the Acquisitions

We believe that the Acquisitions will create significant value for stockholders and offer numerous strategic benefits, including:

- increasing our presence in the well-structured, highly-desirable PJM and ISO-NE markets through the addition of approximately 12,500 MW of high quality coal and gas assets in favorable locations with strong operational track records;

- increasing the visibility and predictability of our gross margin from PJM and ISO-NE capacity payments;

- expanding our retail presence in PJM and providing additional generation in the ComEd region of PJM to complement our existing retail business in that market;

- enabling the company to leverage its existing infrastructure to reduce the overhead costs per MWh by approximately 35%; and providing opportunities for meaningful synergies, including at least $40 million in cost reductions per year, $200 million in balance sheet efficiencies and nearly $500 million in present value cash tax savings. In order to achieve these synergies, we expect to incur a cost of approximately $40 million.

We believe that these strategic benefits significantly enhance our competitive profile as a leading U.S. independent power producer and should drive increased profitability while simultaneously reducing the risk profile of the company. We believe the diversity of our portfolio should reduce our operating risk profile and reliance on any single market because it provides a balanced mix of both intrinsic and extrinsic value throughout different market cycles, weather patterns and commodity environments. The breadth of our fleet will also mitigate asset concentration risk by reducing the reliance on any single asset for our overall financial performance. Furthermore, we believe our scale and employment of best practices improve our business development opportunities through well-established industry relationships, and a deep understanding of regional power market dynamics.

Competitive Strengths

We will have the following competitive strengths following the closing of the Acquisitions:

Strong Portfolio Balance. The Combined Company will have a well-diversified portfolio of assets with approximately 51%, 48% and 1% of total generation being fueled by natural gas, coal and oil, respectively, in multiple markets, including MISO, PJM, NYISO, ISO-NE and CAISO. The balance of the portfolio not only provides significant earnings potential and earnings diversity, but also risk mitigation as a greater proportion of the company's earnings are driven by visible capacity payments and the coal and gas fleets tend to partially hedge one another as power and fuel prices change.

Strong Cash Flow Profile. The high quality of the acquired assets, their favorable locations and strong capacity factors are expected to result in significant earnings and cash flows which may be used to further strengthen the Combined Company's balance sheet and liquidity position, make investments in existing assets, fund growth opportunities or support other high value capital allocation initiatives.

Structured Markets. The Acquisitions will increase our market share in the highly desirable PJM and ISO-NE markets. Both of these markets feature forward capacity, liquid energy and ancillary services markets that provide competitive pricing. Each of our markets benefits from mature regulatory frameworks supportive of existing generation, increasingly attractive market fundamentals and significant challenges to new construction including rising construction costs, more stringent siting and permitting processes and greater scrutiny of environmental impacts. Of the approximately 12,500 MW being acquired, 5,053 MW are modern combined cycle natural gas plants and 3,793 MW are environmentally compliant coal generation plants.

Improved Scale. The Acquisitions complement the current size and scale of our existing power generation platform. After the Acquisitions, we expect to be among the largest domestic publicly traded independent power producers, with approximately 26,000 MW of capacity, and benefit from significant diversification in terms of technology, fuel type and dispatch. The Combined Company generation fleet is geographically diversified with assets located in several power markets that feature forward capacity markets, mature regulatory frameworks supportive of existing generation, increasingly attractive market fundamentals, and low risk of becoming overbuilt because of the significant challenges to new construction. Our fleet also has a high degree of dispatch diversity consisting of baseload coal operations, some of the most efficient combined cycle assets that effectively operate in baseload mode because they are located in capacity-constrained regions, load-following capacity and peaking units. Further, the addition of Duke Energy Retail Sales will expand our retail business into three new competitive retail markets (Ohio, Pennsylvania and Michigan). The ECP Assets and Duke Midwest Assets will provide load following generation to support the retail business.

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Business Strategies

Our business strategy is to create value through the optimization of our generation facilities, cost structure and financial resources.

Customer Focus. Our commercial outreach focuses on the needs of the customers and constituents we serve, the end-use and wholesale customer, our market channel partners and the government agencies and regulatory bodies that represent the public interest. The insight provided through these relationships will drive decisions that meet customer needs while optimizing the value of our business.

Currently, our commercial strategy seeks to optimize the value of our assets by locking in near-term cash flow while preserving the ability to capture higher values long-term as power markets improve. We may hedge portions of the expected output from our facilities with the goal of stabilizing near-term earnings and cash flow while preserving upside potential should commodity prices or market factors improve. Our wholesale origination and trading and retail marketing teams are responsible for implementation of this strategy. These teams provide access to a broad portfolio of customers with varying energy and capacity requirements. There is a significant risk reduction effect from linking our generation to our customer load which reduces the need to purchase financial hedging products in the market.

Our wholesale origination efforts focus on marketing energy and services through structured transactions that are designed to meet our customers' operating, financial and risk requirements while simultaneously compensating Dynegy appropriately for the products and services delivered. Additionally, we seek to capture the intrinsic and extrinsic value of our generation portfolios. We utilize a wide range of products and contracts such as tolling agreements, fuel supply contracts, capacity auctions, bilateral capacity contracts, power and natural gas swap agreements, power and natural gas options and other financial instruments. The retail marketing effort focuses on offering end-use customers energy products that range from fixed price and full requirements to flexible price and volume structures. Our goal is to deliver value beyond price by leveraging our experience in the energy markets and sharing our expertise to help customers make sound energy decisions. Establishing and maintaining strong relationships with retail energy channel partners is another key focus where personal service and transparent communication further build our current and future retail brands as trusted suppliers. Our objective is to maximize the benefit to both Dynegy and our current and future customers by linking our generation to the load we serve.

Dynegy operates in a complex and highly-regulated environment with multiple federal, state and local stakeholders, such as legislators, government agencies, industry groups, consumers and environmentalists. These stakeholders are important partners and exhibit influence over regulators and their decisions. Dynegy works with these stakeholders to encourage reasonable regulations that increase shareholder value through driving revenue and containing costs. Our regulatory strategy includes a continuous process of advocacy, visibility, education and building alliances. We also focus on the key issues that most affect our business. The ultimate goal is to find solutions that provide adequate cost recovery and incentivize investment, while providing safe, reliable, cost-effective and environmentally-compliant generation for the communities in which we operate.

Continuous Improvement. We have strong plant operations and are committed to operating all of our facilities in a safe, reliable, cost-efficient and environmentally compliant manner. We have dedicated significant resources toward these priorities with approximately $1 billion invested since 2005 in our Coal segment for environmental compliance initiatives to meet contractual obligations and state and federal environmental standards. In addition, we continue to invest across all segments to maintain and improve the safety, reliability and efficiency of the fleet. The Acquisitions highlight our commitment to operating safe, reliable, cost efficient and environmentally compliant power generation facilities. The facilities comprising the Duke Midwest Assets and the ECP Assets have benefited from regular investment, preventative maintenance and rigorous inspection programs. In addition, we will continue to capitalize on our centralized operations support function with the primary focus of instilling various cost and operating best practices across the fleets in the areas of safety procurement, engineering and outage management.

We continue to employ our cost and performance improvement initiative, known as PRIDE, which is designed to drive recurring cash flow benefits by optimizing our cost structure, implementing company-wide process and operating improvements, and improving balance sheet efficiency. Our PRIDE program has targeted $135 million in earnings and improvements and $165 million in balance sheet improvements during the 2014-2016 timeframe.

Capital Structure Management and Allocation. The power industry is a cyclical commodity business with significant price volatility requiring considerable ongoing capital investment. As such, it is imperative to build and maintain a balance sheet with manageable debt levels supported by a flexible and diverse liquidity program. Our ongoing capital allocation priorities, first and foremost, are to maintain an appropriate leverage and liquidity profile and to make the necessary capital investments to maintain the safety and reliability of our fleet and to comply with environmental rules and regulations. Additional capital allocation options that are evaluated include investments in our existing portfolio, potential acquisitions and returning capital to shareholders. Capital allocation decisions are based on the alternatives that provide the highest risk-adjusted rates of return.

We continue to focus on building a diverse liquidity program to support our ongoing operations and commercial activities. This includes maintaining adequate cash balances, expanding our first lien collateral program to include additional hedging counterparties and having in place sufficient committed lines of credit to support our ongoing liquidity needs. We will continue to evaluate other measures to best manage our balance sheet as well as seek additional sources of liquidity.

Industry Overview

The power industry is one of the largest industries in the United States and impacts nearly every aspect of our economy, with an estimated end-user market of approximately $372 billion in power sales in 2013. In 2013, total generation in the United States reached approximately 4 million Gigawatt hours ("GWh"), composed of 27.4% natural gas, 39.1% coal, 19.4% nuclear, 12.8% renewables, and 1.3% other. Historically, the power generation industry has been largely characterized by electric utility monopolies producing electricity from old, less efficient, high-cost generating facilities selling to a captive customer base. Over the last 25 years, however, industry trends and regulatory initiatives, culminating with deregulation in the late 1990s and early 2000s, have transformed the market into a more competitive one where end-users purchase electricity from a variety of suppliers, including non-utility generators, power marketers, public utilities and others. Although models and rules for competition differ from state to state, all markets in which we operate have some form of wholesale market competition.

The advancing age of the U.S. power generation fleet could present system reliability challenges as the economic efficiency of operating older plants declines over time. More than half of the U.S. power generation fleet is at least 30 years old, with the average age of the U.S. coal fleet being approximately 44 years old. Retirement decisions may also be affected by the cost of compliance with anticipated and existing state and federal environmental regulations. Further, although coal and oil generation assets currently comprise a large portion of planned retirements, baseload nuclear generation has also come under increased pressure. Since 2010, 4.8 GW of nuclear capacity has been retired or is in the process of retiring in the United States and there is a potential for further retirements as several nuclear generators have expressed concerns over maintenance and repair costs, declining profitability in a lower gas price environment and increasing regulatory compliance costs. The anticipated retirement of power generation resources would significantly alter the composition of the existing power supply. As resources are retired, higher cost units will be dispatched earlier and more often to meet demand, leading to higher power prices, particularly during winter and summer months when the demand for power is greatest.

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We believe that increasing demand and the need to replace old and less efficient generation facilities will create a significant need for additional power generating capacity throughout the United States. In our view, these factors combined with recent restructuring legislation provide an attractive environment in the United States for an independent power producer like us with existing generation assets and a history of successfully developing, acquiring and operating power generation facilities.

Our Markets and Segments

Currently, Dynegy's largest market is MISO. The Acquisitions will significantly increase our geographic diversity in the PJM and ISO-NE markets.

MISO Market. The MISO market includes all of Wisconsin and portions of Michigan, Kentucky, Indiana, Illinois, Missouri, Arkansas, Mississippi, Texas, Louisiana, Iowa, Minnesota, North Dakota, South Dakota, Montana and Manitoba, Canada. The MISO energy market is designed to ensure that all market participants have open-access to the transmission system on a non-discriminatory basis. MISO, as an independent RTO, maintains functional control over the use of the transmission system to ensure transmission circuits do not exceed their secure operating limits and become overloaded. MISO operates day-ahead and real-time energy markets using a LMP system which calculates a price for every generator and load point within MISO. This market is transparent, allowing generators and load serving entities to see real-time price effects of transmission constraints and the impacts of congestion at each pricing point. An independent market monitor is responsible for evaluating the performance of the markets and identifying conduct by market participants or MISO that may compromise the efficiency or distort the outcome of the markets. In the future, the potential retirement of marginal MISO coal capacity due to poor economics or expected environmental mandates and confirmed future capacity exports from MISO to PJM could affect MISO capacity and energy pricing.

PJM Market. PJM is the largest domestic and most liquid wholesale energy market, serving more than 61 million customers across more than 62,000 miles of transmission lines with over 1,100 generation sources. The PJM market is characterized by upward trends in energy and capacity prices, increasing retirements of coal generation assets, uncertainty of new construction projects and visible multi-year capacity revenue. The PJM market includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM administers markets for wholesale electricity and provides transmission planning for the region, utilizing the LMP system. PJM operates day-ahead and real-time markets into which generators can bid to provide energy and ancillary services. PJM also administers markets for capacity. An independent market monitor continually monitors PJM markets to ensure a robust, competitive market and to identify any improper behavior by any entity. PJM implemented a forward capacity auction in 2007, the RPM, which established long-term markets for capacity. PJM recently announced several initiatives to improve the effectiveness of the forward capacity market including additional limitations on imports and demand response, which we expect to increase the value of existing power generators. Reserve margins are also expected to tighten following substantial planned retirements due to the ongoing cost of environmental compliance. The Acquisitions will significantly increase our operating capacity to approximately 6% of the total generating capability in the PJM market.

ISO-NE Market. The ISO-NE market, serving the New England region, supplies electricity to 6.5 million households and businesses through 8,500 miles of transmission lines with approximately 350 power generation sources. The ISO-NE market is characterized by high clearing prices, a shortage of existing power generation resources, a lack of new projects under construction and a significant amount of current power generation assets at risk of retirement. The ISO-NE market includes the six New England states of Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island and Maine. ISO-NE also dispatches power plants to meet system energy and

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reliability needs and settles physical power deliveries at LMP. Energy prices vary among the participating states in ISO-NE, and are largely influenced by transmission constraints and fuel supply. This market is also benefitting from favorable supply and demand dynamics in the form of significant capacity retirements, the phase-out of nuclear power generation and the lack of new construction. The Acquisitions will significantly increase our operating capacity to more than 10% of the total generating capability in the ISO-NE market.

Our existing generation assets are divided into Coal, IPH and Gas segments. Our coal segment is comprised of four operating coal-fired power generation facilities in Illinois with a total generating capacity of 2,980 MW. Our IPH segment is comprised of five operating coal-fired power generation facilities located in Illinois with a total owned generating capacity of 4,062 MW. Our Coal and IPH segments are generally concentrated within the MISO market. The Duke Midwest Assets include partial interests in five coal-fired power generation facilities with a total net generating capacity of 2,701 MW. The ECP Assets include two coal facilities with a total net generating capacity of 2,601 MW, of which 1,493 MW relate to Brayton Point which is scheduled to be retired from service in June 2017.

Our Gas segment is comprised of six operating natural gas-fired power generation facilities located in California, Illinois, Pennsylvania, New York, and Maine and one fuel-oil fired power generation facility located in California, totaling 6,078 MW of electric generating capacity. Our Gas segment operates in the PJM, NYISO, ISO-NE and CAISO markets. The Duke Midwest Assets include 100% interests in six natural gas/oil-fired facilities with a total net generating capacity of 3,538 MW. The ECP Assets include five natural gas-fired power generation facilities, two natural gas and oil facilities in Ohio, and partial interests in one gas-fired power generation facility in Illinois, with a total net generating capacity of 3,748 MW.

Corporate Information

Our principal executive offices are located at 601 Travis, Suite 1400, Houston, Texas 77002. Our telephone number is (713) 507-6400 and we have a website accessible at www.dynegy.com. The information posted on our website is not incorporated into this prospectus supplement and is not part of this prospectus supplement.

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THE OFFERING

The summary below contains basic information about this offering. It does not contain all of the information that is important to you. You should read this prospectus supplement and the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus carefully before making an investment decision.

Issuer	Dynegy Inc., a Delaware corporation
Securities Offered	4,000,000 of our % Series A Mandatory Convertible Preferred Stock, par value $0.01 per share.
Public Offering Price	$100.00 per share of Mandatory Convertible Preferred Stock.
Underwriters' Option	We have granted the underwriters an option for a period of 30 days to purchase up to an additional 600,000 shares of Mandatory Convertible Preferred Stock at the public offering price, less the underwriting discounts and commissions.
Dividends	% of the liquidation preference of $100.00 per share of the Mandatory Convertible Preferred Stock per annum. Dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the first original issue date, whether or not in any dividend period or periods there have been funds legally available for the payment of such dividends, and, to the extent that we are legally permitted to pay dividends and our board of directors (which term, as used in this summary, includes an authorized committee of the board) declares a dividend with respect to the Mandatory Convertible Preferred Stock, we will pay such dividend in cash or, subject to certain limitations, in shares of our common stock or by delivery of any combination of cash and shares of our common stock, as determined by us in our sole discretion, on each dividend payment date; provided that any unpaid dividends will continue to accumulate. Dividends that are declared will be payable on the dividend payment dates to holders of record of the Mandatory Convertible Preferred Stock on the immediately preceding January 15, April 15, July 15 and October 15 (each a "Record Date"), whether or not such holders convert their shares, or such shares are automatically converted, after a Record Date and on or prior to the immediately succeeding dividend payment date. The expected dividend payable on the first dividend payment date is approximately $ per share. Each subsequent dividend is expected to be approximately $ per share. See "Description of Mandatory Convertible Preferred Stock Dividends".

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	If we elect to make any payment of a declared dividend, or any portion thereof, in shares of our common stock, such shares shall be valued for such purpose at the Average VWAP per share of our common stock (as defined under "Description of Mandatory Convertible Preferred Stock Definitions") over the five consecutive trading day period beginning on and including the seventh scheduled trading day prior to the applicable dividend payment date (the "Average Price"), multiplied by 97%. In no event will the number of shares of our common stock delivered in connection with any declared dividend, including any declared dividend payable in connection with a conversion, exceed a number equal to the total dividend payment divided by $, which amount represents approximately 35% of the Initial Price (as defined below) (subject to adjustment in a manner inversely proportional to any anti-dilution adjustment to each fixed conversion rate as described below) (such dollar amount, as adjusted, the "Floor Price"). To the extent that the amount of the declared dividend exceeds the product of the number of shares of our common stock delivered in connection with such declared dividend and 97% of the Average Price, we will, if we are legally able to do so, pay such excess amount in cash.
	The Initial Price is $, which equals the per share public offering price of our common stock in the Common Stock Offering or, if the Common Stock Offering does not price prior to or concurrently with the pricing of this offering, the closing price of our common stock on October , 2014 (the "Initial Price").
Dividend Payment Dates	February 1, May 1, August 1 and November 1 of each year, commencing on February 1, 2015 and to, and including, the mandatory conversion date.

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Acquisition Termination Redemption	We will have the option to redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at the redemption price set forth herein if (i) on the date that is nine months after the date of issuance of the Mandatory Convertible Preferred Stock (the "Outside Date"), the consummation of either or both of the Acquisitions has not occurred, or (ii) an Acquisition Termination Event (as defined herein) occurs prior to the Outside Date (provided that, if an Acquisition Termination Event occurs within 45 days after the date of the underwriting agreement for the Common Stock Offering, our option to redeem shall be extended to the date that is the earlier of (i) the date on which the underwriters' option to purchase additional shares in the Common Stock Offering is exercised in full and (ii) 45 days after the date of such underwriting agreement). In such instance, we may, at our option, Within 10 business days of the occurrence of either (i) or (ii) above, mail a notice of acquisition termination redemption to the holders of the Mandatory Convertible Preferred Stock (provided that, as the Mandatory Convertible Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC"), we may give notice in any manner permitted by DTC). If we provide notice, then, on the Acquisition Termination Redemption Date (as defined herein), we will redeem the Mandatory Convertible Preferred Stock, in whole but not in part, at a redemption amount per share of Mandatory Convertible Preferred Stock equal to the Acquisition Termination Make-whole Amount described herein. We will pay the Acquisition Termination Make-whole Amount in cash unless the acquisition termination share price described herein is greater than the Initial Price. If the acquisition termination share price is greater than the Initial Price, we will pay the Acquisition Termination Make-whole Amount in shares of our common stock and cash, unless we elect, subject to certain limitations, to pay cash or shares of our common stock in lieu of these amounts. See "Description of Mandatory Convertible Preferred Stock Acquisition Termination Redemption" included in this prospectus supplement. Other than pursuant to the acquisition termination redemption provisions described in this prospectus supplement, the Mandatory Convertible Preferred Stock will not be redeemable by us.
Mandatory Conversion Date	November 1, 2017.
Mandatory Conversion	On the mandatory conversion date, each share of the Mandatory Convertible Preferred Stock, unless previously converted, will automatically convert into shares of our common stock based on the conversion rate as described below.

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If we declare a dividend for the dividend period ending on the mandatory conversion date, we will pay such dividend to the holders of record as of the immediately preceding record date, as described above. If, prior to the mandatory conversion date we have not declared all or any portion of the accumulated dividends on the Mandatory Convertible Preferred Stock, the conversion rate will be adjusted so that holders receive an additional number of shares of our common stock equal to the amount of such accumulated and unpaid dividends (such amount, the "Additional Conversion Amount") divided by the greater of the Floor Price and 97% of the Average Price. To the extent that the Additional Conversion Amount exceeds the product of the number of additional shares and 97% of the Average Price, we will, if we are legally able to do so, declare and pay such excess amount in cash pro rata to the holders of the Mandatory Convertible Preferred Stock.

Conversion Rate

The conversion rate for each share of the Mandatory Convertible Preferred Stock will be not more than shares of our common stock and not less than shares of our common stock (the "Minimum Conversion Rate"), depending on the Applicable Market Value of our common stock, as described below and subject to certain anti-dilution adjustments. The "Applicable Market Value" of our common stock is the average VWAP per share of our common stock over the 20 consecutive trading day period beginning on and including the 22nd scheduled trading day immediately preceding the mandatory conversion date. The conversion rate will be calculated as described under "Description of Mandatory Convertible Preferred Stock Mandatory Conversion", and the following table illustrates the conversion rate per share of the Mandatory Convertible Preferred Stock, subject to certain anti-dilution adjustments.

Applicable Market Value of our common stock	**Conversion rate (number of shares of our common stock to be received upon conversion of each share of the Mandatory Convertible Preferred Stock)**
Greater than $ (which is the threshold appreciation price)	shares (approximately equal to $100.00 divided by the threshold appreciation price).
Equal to or less than $ but greater than or equal to $	Between and shares, determined by dividing $100.00 by the Applicable Market Value of our common stock.
Less than $ (which is the Initial Price)	shares (approximately equal to $100.00 divided by the Initial Price).

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Early Conversion at the Option of the Holder	At any time prior to November 1, 2017, other than during a Fundamental Change Conversion Period, holders of the Mandatory Convertible Preferred Stock have the right to elect to convert their shares of Mandatory Convertible Preferred Stock in whole or in part (but in no event less than one share of Mandatory Convertible Preferred Stock) at the Minimum Conversion Rate of shares of our common stock per share of Mandatory Convertible Preferred Stock as described under "Description of Mandatory Convertible Preferred Stock Early Conversion at the Option of the Holder" included in this prospectus supplement. This Minimum Conversion Rate is subject to certain anti-dilution adjustments. If, as of the effective date of any early conversion (the "Early Conversion Date"), we have not declared all or any portion of the accumulated dividends for all dividend periods ending on a dividend payment date prior to such Early Conversion Date, the conversion rate for such early conversion will be adjusted so that holders converting their Mandatory Convertible Preferred Stock at such time receive an additional number of shares of our common stock equal to such amount of accumulated and unpaid dividends for such prior dividend periods, divided by the greater of the Floor Price and the average VWAP per Common Share over the 20 consecutive trading day period commencing on and including the 22nd scheduled trading day prior to the Early Conversion Date (the "Early Conversion Average Price"). To the extent that the cash amount of the accumulated and unpaid dividends for prior dividend periods exceeds the value of the product of the number of additional shares added to the conversion rate and the Early Conversion Average Price, we will not have any obligation to pay the shortfall in cash.

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Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-whole Amount	If a "Fundamental Change" (as defined under "Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount") occurs on or prior to November 1, 2017, holders of the Mandatory Convertible Preferred Stock will have the right to convert their shares of Mandatory Convertible Preferred Stock, in whole or in part (but in no event less than one share of the Mandatory Convertible Preferred Stock), into common stock at the "Fundamental Change Conversion Rate" during the period (the "Fundamental Change Conversion Period") beginning on the effective date of such Fundamental Change and ending on the date that is 20 calendar days after the effective date of such Fundamental Change (or, if earlier, the mandatory conversion date). The Fundamental Change Conversion Rate will be determined based on the effective date of the Fundamental Change and the price paid or deemed paid per share of our common stock in such Fundamental Change. Holders who convert their Mandatory Convertible Preferred Stock within the Fundamental Change Conversion Period will also receive a "Fundamental Change Dividend Make-whole Amount", in cash or in shares of our common stock or any combination thereof, equal to the present value (computed using a discount rate of % per annum) of all remaining dividend payments on their shares of Mandatory Convertible Preferred Stock (excluding any Accumulated Dividend Amount (as defined under "Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount")) from such effective date to, but excluding, the mandatory conversion date. If we elect to pay the Fundamental Change Dividend Make-whole Amount in shares of our common stock in lieu of cash, the number of shares of our common stock that we will deliver will equal (x) the Fundamental Change Dividend Make-whole Amount divided by (y) the greater of the Floor Price and 97% of the price paid, or deemed paid, per share of our common stock in the Fundamental Change.

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	In addition, to the extent that the Accumulated Dividend Amount exists as of the effective date of the Fundamental Change, holders who convert their Mandatory Convertible Preferred Stock within the Fundamental Change Conversion Period will be entitled to receive such Accumulated Dividend Amount in cash (to the extent we are legally permitted to do so) or shares of our common stock or any combination thereof, at our election, upon conversion. If we elect to pay the Accumulated Dividend Amount in shares of our common stock in lieu of cash, the number of shares of our common stock that we will deliver will equal (x) the Accumulated Dividend Amount divided by (y) the greater of the Floor Price and 97% of the price paid, or deemed paid, per share of our common stock in the transaction resulting in such Fundamental Change. To the extent that the sum of the Fundamental Change Dividend Make-whole Amount and Accumulated Dividend Amount or any portion thereof paid in shares of our common stock exceeds the product of the number of additional shares we deliver in respect thereof and 97% of the price paid or deemed paid, we will, if we are legally able to do so, pay such excess amount in cash. See "Description of Mandatory Convertible Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount".
Anti-Dilution Adjustments	The conversion rate may be adjusted in the event of, among other things: (1) share dividends or distributions; (2) certain issuances of common stock rights or warrants to purchase our common stock; (3) subdivisions or combinations of our common stock; (4) certain distributions of evidences of our indebtedness, shares of capital stock, securities, rights to acquire shares of our capital stock, cash or other assets, including spin-offs; (5) dividends or other distributions consisting exclusively of cash other than in connection with certain reorganization events, a voluntary or involuntary liquidation, dissolution or winding up, or a third party tender or exchange offer; and (6) certain self-tender or exchange offers for our common stock. See "Description of Mandatory Convertible Preferred Stock Anti-dilution Adjustments".
Liquidation Preference	$100.00 per share of the Mandatory Convertible Preferred Stock.
Ranking	The Mandatory Convertible Preferred Stock will rank with respect to dividend rights and distribution rights upon our liquidation, winding-up or dissolution: senior to our common stock and each class or series of our capital stock established in the future unless the terms of such stock expressly provide that it will rank senior to, or on parity with, the Mandatory Convertible Preferred Stock;

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- on parity with each class or series of our capital stock established in the future the terms of which expressly provide that it will rank on parity with the Mandatory Convertible Preferred Stock;
- junior to each class or series of our capital stock established in the future the terms of which expressly provide that it will rank senior to the Mandatory Convertible Preferred Stock ("Senior Stock"); and
- junior to our existing and future indebtedness.

In addition, with respect to dividend rights and distribution rights upon our liquidation, winding-up or dissolution, the Mandatory Convertible Preferred Stock will be structurally subordinated to existing and future indebtedness and other obligations of each of our subsidiaries. See "Risk Factors The Mandatory Convertible Preferred Stock will rank junior to all of our consolidated liabilities." For information concerning the ranking of the Mandatory Convertible Preferred Stock, see "Description of Mandatory Convertible Preferred Stock Ranking".

As of June 30, 2014, we had a total of approximately $2.1 billion of outstanding indebtedness and, on an as-adjusted basis after giving effect to the Acquisitions the Debt Financing, Common Stock Offering and the Offering, would have had approximately $7.2 billion of outstanding indebtedness, in each case including long-term debt. We have the ability to, and may, incur additional indebtedness in the future.

Voting Rights

Except as specifically required by Delaware law or our Third Amended and Restated Certificate of Incorporation ("Charter"), which will include the Certificate of Designations (as defined below) for the Mandatory Convertible Preferred Stock, the holders of Mandatory Convertible Preferred Stock will have no voting rights.

Whenever dividends on any shares of Mandatory Convertible Preferred Stock have not been paid in the aggregate amount equivalent to at least six or more dividend payments, whether or not for consecutive dividend periods (a "Nonpayment"), the authorized number of directors on our board of directors will, at the next annual meeting of stockholders or at a special meeting of stockholders as provided below, automatically be increased by two and the holders of such shares of the Mandatory Convertible Preferred Stock, voting together as a single class with holders of any and all other series of Voting Preferred Stock (as defined below) then outstanding, will be entitled, at our next annual meeting or at a special meeting of stockholders, to fill such newly created directorships by electing two additional directors, subject to certain limitations.

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	So long as any shares of Mandatory Convertible Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of Mandatory Convertible Preferred Stock and all other series of Voting Preferred Stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at an annual or special meeting of such stockholders, amend our Certificate of Incorporation or take any other action, to: (i) increase the aggregate number of authorized shares of any Parity Stock or Senior Stock; (ii) authorize the issuance of any Senior Stock; (iii) change the designations, preferences, limitations, voting or other relevant rights of the preferred stock or any outstanding series of preferred stock, including the Mandatory Convertible Preferred Stock; (iv) effect an exchange, reclassification or cancellation of all or part of the preferred stock, including the Mandatory Convertible Preferred Stock; (v) change the preferred stock into the same or a different number of shares, with or without par value, of the same or another class; or (vi) cancel or otherwise affect dividends on the shares of any series of preferred stock, including the Mandatory Convertible Preferred Stock, which have accrued but have not been declared. For more information about voting rights, see "Description of Mandatory Convertible Preferred Stock Voting Rights".
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and before estimated offering expenses, will be approximately $388.0 million (or approximately $446.2 million if the underwriters exercise their option in full). We intend to use the net proceeds from this offering, together with the net proceeds of the Common Stock Offering and the Debt Financings, the common stock placement to ECP and cash on hand to finance the Acquisitions and to pay related fees and expenses. If we consummate only one of the Acquisitions, we may use some or all of the net proceeds of this offering to fund the Acquisition that is consummated and any remaining amount for general corporate purposes. If we do not consummate either of the Acquisitions, we have an option to redeem the Mandatory Convertible Preferred Stock or use all of the net proceeds from this offering for general corporate purposes. See "Use of Proceeds" and "Description of Mandatory Convertible Preferred Stock".

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	A $1.00 increase (decrease) in the public offering price of our common stock would increase (decrease) the estimated net proceeds received by us from the Common Stock Offering by approximately $21.8 million (or approximately $25.1 million if the underwriters' option to purchase additional shares of common stock is exercised in full), after deducting estimated underwriting discounts and commissions and before estimated offering expenses payable by us. For a sensitivity analysis related to the Acquisitions, see "Use of Proceeds" and "Summary Unaudited Pro Forma Condensed Combined Financial Information" included in this prospectus supplement.
Material United States Federal Income Tax Considerations	The material United States federal income tax consequences of purchasing, owning and disposing of the Mandatory Convertible Preferred Stock and any common stock received upon conversion are described in "Material United States Federal Income Tax Considerations".
Listing	We intend to apply to have the Mandatory Convertible Preferred Stock listed on The New York Stock Exchange under the symbol "DYN.PRA". Our common stock is listed on the NYSE under the symbol "DYN".
Concurrent Common Stock Offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 22,500,000 shares of our common stock, plus up to an additional 3,375,000 shares of our common stock that the underwriters of such offering have the option to purchase, in each case, from us in connection with the financing of the Acquisitions.
Debt Financings	Subsequent to this offering and the Common Stock Offering, we expect to obtain Debt Financing in connection with the financing of the Acquisitions. We will be required to redeem all of the debt borrowed if neither of the Acquisitions is consummated. If one or the other of the Acquisitions is not consummated, we will be required to redeem the debt borrowed in connection with such contemplated but non-consummated Acquisition. For additional information, see "The Transactions" and "Description of Certain Indebtedness and Obligations Debt Financing", included in this prospectus supplement.
Transfer Agent and Registrar	Computershare Inc. is the transfer agent, registrar, conversion agent and dividend disbursement agent for the Mandatory Convertible Preferred Stock.

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Payment and Settlement	The Mandatory Convertible Preferred Stock is expected to be delivered against payment on , 2014. The shares of the Mandatory Convertible Preferred Stock will be registered in the name of a nominee of DTC in New York, New York. In general, beneficial ownership interests in the Mandatory Convertible Preferred Stock will be shown on, and transfers of these beneficial ownership interests will be effected only through, records maintained by DTC and its direct and indirect participants.
Risk Factors	See "Risk Factors" beginning on page S-32 of this prospectus supplement and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the Mandatory Convertible Preferred Stock.

Immediately after the consummation of this offering, we will have 4,000,000 shares of Mandatory Convertible Preferred Stock issued and outstanding (or 4,600,000 shares if the underwriters' option to purchase additional Mandatory Convertible Preferred Stock is exercised). Immediately after the completion of the Common Stock Offering, we will have 122,882,015 shares of common stock issued and outstanding. The number of shares of common stock to be outstanding immediately after the Common Stock Offering that appears in the preceding sentence is based on the number of shares of our common stock outstanding as of October 2, 2014, and excludes:

- up to shares of our common stock (up to shares of common stock if the underwriters in this offering exercise their option to purchase additional Mandatory Convertible Preferred Stock in full), in each case subject to anti-dilution, make-whole and other adjustments, that would be issuable upon conversion of Mandatory Convertible Preferred Stock issued in this offering;

- 2,892,047 shares of our common stock available for future grant under our existing equity incentive plans as of October 2, 2014; and

- 17,287,192 shares of our common stock issuable upon exercise of options, warrants and performance units, outstanding as of October 2, 2014.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) the option we have granted to the underwriters in the Common Stock Offering to purchase 3,375,000 additional shares of common stock and the option we have granted to the underwriters in this offering to purchase 600,000 additional shares of Mandatory Convertible Preferred Stock, in each case, are not exercised, (2) the Mandatory Convertible Preferred Stock will not be redeemed if either or both of the Acquisitions are not consummated and (3) we elect to pay any and all dividends with respect to the Mandatory Convertible Preferred Stock in cash.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF DYNEGY

The selected financial information presented below as of December 31, 2012 and 2013 and for the year ended December 31, 2011, the period from January 1 through October 1, 2012, the period from October 2, 2012 through December 31, 2012, and the year ended December 2013 was derived from, and is qualified by reference to, our audited consolidated financial statements, including the notes thereto, which are incorporated by reference in this prospectus supplement. The selected financial information presented below for the years ended December 31, 2009 and 2010 was derived from, and is qualified by reference to, our audited consolidated financial statements, including the notes thereto, which are not incorporated by reference in this prospectus supplement. The selected financial information as of June 30, 2014 and for the six months ended June 30, 2013 and 2014, was derived from, and is qualified by reference to, our consolidated financial statements, including the notes thereto, which are incorporated by reference in this prospectus supplement.

This information is only a summary. You should read the data set forth in the table below in conjunction with the section entitled "Selected Financial Data" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and the section entitled "Part I. Financial Information" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, which are incorporated by reference in this prospectus supplement. As a result of the application of fresh-start accounting as of the October 1, 2012, following our reorganization, the financial statements on or prior to October 1, 2012 are not comparable with the financial statements after October 1, 2012. References to "Successor" refer to Dynegy after October 1, 2012, after giving effect to the application of fresh-start accounting. References to "Predecessor" refer to Dynegy on or prior to October 1, 2012.

	Predecessor				Successor			
	Year Ended December 31,			January 1 Through October 1,	October 2 Through December 31,	Year Ended December 31,	Six Months Ended June 30,	
	2009	2010	2011[1]	2012[2][3]	2012	2013	2013	2014
	(in millions)				(in millions)			
							(unaudited)	
Statement of Operations Data:								
Revenues	$ 2,195	$ 2,059	$ 1,333	$ 981	$ 312	$ 1,466	$ 619	$ 1,283
Depreciation expense	(327)	(397)	(295)	(110)	(45)	(216)	(103)	(124)
Goodwill impairment	(433)							
Impairment and other charges, exclusive of goodwill impairment shown separately above	(326)	(146)	(5)					
General and administrative expense	(159)	(158)	(102)	(56)	(22)	(97)	(47)	(55)
Operating income (loss)	(632)	(32)	(189)	5	(104)	(318)	(226)	(53)
Bankruptcy reorganization items, net			(52)	1,037	(3)	(1)		
Interest expense and debt extinguishment costs[4]	(461)	(363)	(369)	(120)	(16)	(108)	(56)	(72)
Income tax benefit	235	194	144	9		58		1
Income (loss) from continuing operations	(920)	(259)	(431)	130	(113)	(359)	(292)	(159)
Income (loss) from discontinued operations, net of taxes[5]	(348)	17	(509)	(162)	6	3	5	
Net income (loss)	(1,268)	(242)	(940)	(32)	(107)	(356)	(287)	(159)
Cash Flow Data:								
Net cash provided by (used in) operating activities	$ 152	$ 423	$ (1)	$ (37)	$ (44)	$ 175	$ (10)	$ 163
Net cash provided by (used in) investing activities	790	(520)	(229)	278	265	474	283	(55)
Net cash provided by (used in) financing activities	(1,193)	(69)	375	(184)	(328)	(154)	(160)	(3)
Capital expenditures, acquisitions and investments	(596)	(517)	(21)	193	(46)	136	(55)	(69)

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	Successor		
	As of December 31,		As of June 30,
	2012	2013	2014
			(unaudited)
	(in millions)		
Balance Sheet Data:			
Current assets	$ 1,043	$ 1,685	$ 1,699
Current liabilities	347	721	753
Property, plant and equipment, net	3,022	3,315	3,260
Total assets	4,535	5,291	5,188
Notes payable and current portion of long-term debt	29	13	37
Long-term debt (excluding current portion)[6]	1,386	1,979	1,971
Capital leases not already included in long-term debt			
Total stockholders'/member's equity	2,503	2,207	2,052

(1) We completed the DMG Transfer effective September 1, 2011; therefore, the results of our coal segment are only included through August 31, 2011. See Note 23 Dispositions and Discontinued Operations to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.

(2) We completed the DMG Acquisition effective June 5, 2012; therefore, the results of our Coal segment are only included subsequent to June 5, 2012. See Note 3 Merger and Acquisition to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.

(3) The results of operations for the period January 1, 2012 through October 1, 2012 includes the effects of the plan of reorganization ("Plan") and impacts of fresh-start accounting related to the DH bankruptcy. See "Selected Financial Data" in the 10-K for the period ended December 31, 2012, incorporated by reference in this prospectus supplement.

(4) Includes $46 million, $21 million and $11 million of debt extinguishment costs for the years ended December 31, 2009, 2011 and 2013 respectively.

(5) Discontinued operations include the results of operations from the following businesses:

- The DNE Debtor Entities (see Note 23 Dispositions and Discontinued Operations to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion);
- The Arlington Valley and Griffith power generation facilities (sold fourth quarter 2009);
- Bluegrass power generating facility (sold fourth quarter 2009); and
- Heard County power generating facility (sold second quarter 2009).

(6) As a result of the DH Chapter 11 Cases, we reclassified approximately $3.6 billion in long-term debt to liabilities subject to compromise as of December 31, 2011. These liabilities were settled upon our emergence from bankruptcy on October 1, 2012. See Note 21 Emergence from Bankruptcy and Fresh-Start Accounting to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF DUKE MIDWEST ASSETS

The following table sets forth summary historical consolidated financial data for the Duke Midwest Assets as of and for the periods ended on the dates indicated below. We have derived the summary consolidated financial data as of and for the years ended December 31, 2011, 2012 and 2013 from the audited consolidated financial statements incorporated by reference into this prospectus supplement. We have derived the summary consolidated financial data as of June 30, 2014 and for the six-months ended June 30, 2013 and 2014, from the unaudited financial statements incorporated by reference into this prospectus supplement. The unaudited financial statements were prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair statement of the information set forth therein.

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013	2013	2014
				(unaudited)	
	(in millions)				
Statement of Operations Data:					
Operating revenues	$ 2,299	$ 1,874	$ 1,951	$ 907	$ 622
Operating expenses:					
Plant operating expense	1,746	1,550	1,718	818	787
Depreciation and amortization expense	154	151	146	74	77
Impairment charges	79				
Other operating expenses	27	27	28	18	18
Total operating expenses	2,006	1,728	1,892	910	882
Gain on sale of assets, net	4	6		1	1
Income from operations	297	152	59	(2)	(259)
Interest expense	2	3	2	1	5
Other income, net	3	1			1
Income (loss) before income taxes and discontinued operations	298	150	57	(3)	(263)
Income tax expense (benefit)	103	54	20	(1)	(93)
Net income (loss)	195	96	37	(2)	(170)

	As of December 31,		As of June 30,
	2012	2013	2014
			(unaudited)
	(in millions)		
Balance Sheet Information:			
Cash and cash equivalents	$ 2	$ 5	$ 5
Total assets	3,936	3,924	3,879
Total debt	402	402	
Total liabilities	1,457	1,481	1,078
Total stockholders' equity	2,479	2,443	2,801

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SUMMARY HISTORICAL COMBINED FINANCIAL DATA OF ECP ASSETS

The following table sets forth summary historical combined financial data for the ECP Assets as of and for the periods ended on the dates indicated below. We have derived the summary combined financial data as of and for the years ended December 31, 2011, 2012 and 2013 from the audited combined financial statements incorporated by reference into this prospectus supplement. We have derived the summary unaudited combined interim financial data as of June 30, 2014 and for the six-months ended June 30, 2013 and 2014, from the unaudited combined financial statements incorporated by reference into this prospectus supplement. The unaudited combined financial statements were prepared on the same basis as the audited combined financial statements and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair statement of the information set forth therein.

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013	2013	2014
				(unaudited)	
			(in millions)		
Combined Statements of Operations Data					
Operating revenues	$ 562	$ 558	$ 870	$ 381	$ 876
Operating expenses:					
Energy and fuel costs	462	371	667	297	522
Operations and maintenance	47	68	101	23	97
Depreciation and amortization	31	52	65	28	46
Taxes other than income taxes	22	31	25	16	12
Total operating expenses	561	522	857	364	677
Operating income		36	13	18	199
Other expense (income):					
Interest and fees on debt	36	89	87	36	43
Equity (income) loss in affiliates			1		(2)
Other income, net		(4)			
Mark-to-market on interest rate derivative contracts	8	5	(4)	(8)	7
Other expense, net	44	89	84	28	48
Gain on bargain purchase of business			3		
Income (loss) before income tax expense (benefit)	(44)	(53)	(68)	(10)	151
Income tax expense (benefit)	(16)	(13)	(27)	(4)	59
Loss before preferred dividends	(28)	(40)	(41)	(7)	92
Preferred dividends	1				
Income (loss) from continuing operations	(29)	(40)	(41)	(7)	92

	As of December 31,		As of June 30, 2014
	2012	2013	
			(unaudited)
		(in millions)	
Combined Balance Sheets Data			
Cash and cash equivalents	$ 21	$ 51	$ 71
Restricted cash	73	87	85
Total assets	1,679	2,562	2,531
Total debt (includes inventory financing facility)	923	1,538	1,548
Total liabilities	1,146	1,943	1,921
Total equity	533	613	610

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following summary unaudited pro forma condensed combined financial information (the "Summary Pro Forma Financial Information") sets forth selected historical consolidated financial information for Dynegy. The Summary Pro Forma Financial Information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Information and related notes filed as Exhibit 99.1 to our Current Report on Form 8-K, filed October 6, 2014 (the "Pro Forma 8-K"), which is incorporated by reference into this prospectus supplement. The Summary Pro Forma Financial Information is provided for informational and illustrative purposes only and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes in Dynegy's Annual Report on Form 10-K for the year ended December 31, 2013 and Dynegy's audited annual consolidated financial statements and unaudited interim condensed consolidated financial statements, which are incorporated by reference into this prospectus supplement.

The pro forma adjustments, as described in the notes to the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Pro Forma 8-K, which is incorporated by reference into this prospectus supplement, are based on currently available information. Management believes such adjustments are reasonable, factually supportable and directly attributable to the events and transactions described therein. The unaudited pro forma condensed combined balance sheet reflects the impact of the AER Acquisition, this offering, the Common Stock Offering, the Debt Financing, the Duke Midwest Acquisition, the ERC and Brayton Acquisitions, and the two incremental revolving credit facilities discussed elsewhere in this prospectus supplement (see "Overview of Financial Condition, Liquidity and Capital Resources") as if they had been completed on June 30, 2014. The unaudited pro forma condensed combined statements of operations give effect to the events and transactions described in the previous sentence as if they had been completed on January 1, 2013, and only include adjustments which have an ongoing impact. The Summary Pro Forma Financial Information does not purport to represent what our actual consolidated results of operations or financial position would have been had the events and transactions occurred on the dates assumed, nor is it necessarily indicative of our future financial condition or consolidated results of operations.

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

	As of June 30, 2014					
	Dynegy As Reported	Equity Offerings	Debt Financing and Revolver	Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted
	(in millions)					
ASSETS						
Current Assets						
Cash and cash equivalents	$ 948	$ 1,068	$ 4,977	$ (2,849)	$ (3,180)	$ 964
Restricted cash						
Accounts receivable, net	367			146	54	567
Inventory	206			130	181	517
Assets from risk management activities	10			9	5	24
Intangible assets	60					60
Prepayments and other current assets	108			140	80	328
Total Current Assets	1,699	1,068	4,977	(2,424)	(2,860)	2,460
Property, plant, and equipment, net	3,260			2,695	4,252	10,207
Investment in affiliates					152	152
Assets from risk management activities	11			8	1	20
Intangible assets	50					50
Goodwill						
Deferred income taxes	65				(20)	45
Other long-term assets	103		75	14	70	262
Total Assets	$ 5,188	$ 1,068	$ 5,052	$ 293	$ 1,595	$ 13,196
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts payable	305			143	106	554
Accrued interest	13					13
Deferred income taxes	65				(20)	45
Intangible liabilities	57					57
Accrued liabilities and other current liabilities	166			36	68	270
Liabilities from risk management activities	110			49	57	216
Debt, current portion	37					37
Total Current Liabilities	753			228	211	1,192

Debt, long-term portion	1,971		5,100			7,071
Other Liabilities						
Liabilities from risk management activities	40			56	17	113
Asset retirement obligations	160			4	59	223
Other long-term liabilities	212			23	59	294
Total Liabilities	3,136		5,100	311	346	8,893
Commitments and contingencies						
Total Equity	2,052	1,068	(48)	(18)	1,249	4,303
Total Liabilities and Equity	$ 5,188	$ 1,068	$ 5,052	$ 293	$ 1,595	$ 13,196

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	Year Ended December 31, 2013					
	Dynegy As Reported	AER Acquisition	Debt Financing, Revolver, and Equity Offerings	Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted
	($ in millions, except per share amounts)					
Revenues	$ 1,466	$ 1,096	$	$ 1,893	$ 870	$ 5,325
Cost of sales, excluding depreciation expense	(1,145)	(831)		(1,344)	(667)	(3,987)
Gross margin	321	265		549	203	1,338
Operating and maintenance expense	(308)	(204)		(261)	(119)	(892)
Depreciation and amortization expense	(216)	(22)		(108)	(170)	(516)
Gain on sale of assets	2					2
Impairment						
General and administrative expense	(97)	(26)		(79)		(202)
Acquisition and integration costs	(20)	20				
Operating (loss) income	(318)	33		101	(86)	(270)
Bankruptcy reorganization items, net	(1)					(1)
Earnings from unconsolidated investments	2					2
Interest expense	(97)	(55)	(348)		(1)	(501)
Loss on extinguishment of debt	(11)					(11)
Other income and expense, net	8				2	10
(Loss) income from continuing operations before income taxes	(417)	(22)	(348)	101	(85)	(771)
Income tax benefit (expense)	58					58
(Loss) income from continuing operations	(359)	(22)	(348)	101	(85)	(713)
Less: Income (loss) attributable to noncontrolling interest		3				3
Net (loss) income attributable to Dynegy Inc. (excluding discontinued operations)	(359)	(25)	(348)	101	(85)	(716)
Less: Preferred stock dividends			(22)			(22)
Net (loss) income attributable to Dynegy Inc. common shareholders (excluding discontinued operations)	$ (359)	$ (25)	$ (370)	$ 101	$ (85)	$ (738)

Basic loss per share from continuing operations excluding discontinued operations available to common shareholders	$	(3.59)	$	(5.72)
Diluted loss per share from continuing operations excluding discontinued operations available to common shareholders	$	(3.59)	$	(5.72)
Basic shares outstanding		100		129
Diluted shares outstanding		100		129

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	Six Months Ended June 30, 2014				
	Dynegy As Reported	Debt Financing, Revolver, and Equity Offerings	Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted
	($ in millions, except per share amounts)				
Revenues	$ 1,283	$	$ 575	$ 876	$ 2,734
Cost of sales, exclusding depreciation expense	(917)		(605)	(522)	(2,044)
Gross margin	366		(30)	354	690
Operating and maintenance expense	(246)		(140)	(109)	(495)
Depreciation and amortization expense	(124)		(54)	(85)	(263)
Gain on sale of assets, net	14		1		15
General and administrative expense	(55)		(32)		(87)
Acquisition and integration costs	(8)				(8)
Operating (loss) income	(53)		(255)	160	(148)
Earnings from unconsolidated investments	10				10
Interest expense	(72)	(174)		(1)	(247)
Other income and expense, net	(45)		1	2	(42)
(Loss) income from continuing operations before income taxes	(160)	(174)	(254)	161	(427)
Income tax benefit (expense)	1				1
Net (loss) income from continuing operations	(159)	(174)	(254)	161	(426)
Less: Net income attributable to noncontrolling interest	5				5
Net (loss) income attributable to Dynegy Inc.	(164)	(174)	(254)	161	(431)
Less: Preferred stock dividends		(11)			(11)
Net (loss) income attributable to Dynegy Inc. common shareholders	$ (164)	$ (185)	$ (254)	$ 161	$ (442)
Basic loss per share from continuing operations available to common shareholders	$ (1.64)				$ (3.43)
	$ (1.64)				$ (3.43)

Diluted loss per share from continuing operations available to common shareholders		
Basic shares outstanding	100	129
Diluted shares outstanding	100	129

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RISK FACTORS

Any investment in our mandatory convertible preferred stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase our mandatory convertible preferred stock. In addition, you should carefully consider, among other things, the matters discussed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in other documents that we subsequently file with the SEC, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock and mandatory convertible preferred stock could decline and you may lose all or part of your investment. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."

Risks Related to the Proposed Acquisitions

We may be unable to obtain the regulatory approvals required to complete one or both of the Acquisitions or, in order to do so, we may be required to comply with material restrictions on our conduct or satisfy other material conditions required by various regulatory authorities.

Consummation of the Acquisitions is subject to conditions and governmental approvals, including FERC approval and review by the U.S. Department of Justice Antitrust Division, referred to as the Antitrust Division, and the Federal Trade Commission, referred to as the FTC, under the HSR. We, Duke and ECP are currently responding to preliminary inquiries by the Antitrust Division. The expiration or termination of the waiting period (and any extension of the waiting period) applicable to an Acquisition under the HSR Act is a condition to closing such Acquisition. The closing of the Acquisitions are also subject to the condition that there be no injunction or order issued by a court of competent jurisdiction that prevents the consummation of the transactions contemplated by the acquisition agreements. We can provide no assurance that all required regulatory approvals will be obtained. There can also be no assurance as to the cost, scope or impact of the actions that may be required to obtain the required regulatory approvals. Furthermore, these actions could have the effect of delaying or preventing completion of the proposed transactions or imposing additional costs, conditions or restrictions on our business and operations, some of which could be material and adversely affect our revenues and profitability following the consummation of the transactions.

Furthermore, the FERC, the Department of Justice or other governmental authorities could seek to block or challenge the Acquisitions as they deem necessary or desirable in the public interest at any time, including after completion of the transactions. In addition, in some circumstances, a competitor, customer or other third party could initiate a private action under antitrust laws challenging or seeking to enjoin either or both Acquisitions, before or after either or both of them are consummated. We may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

If one or both of the Acquisitions are consummated, we may be unable to successfully integrate the operations of the relevant Target Companies with each other or with our existing operations or to realize targeted cost savings, revenues and other anticipated benefits of the Acquisitions.

The success of the proposed Acquisitions will depend, in part, on our ability to realize the anticipated benefits and synergies from integrating the Duke Midwest Assets and/or the ECP Assets with each other or with our existing generation business. To realize these anticipated benefits, the businesses must be successfully combined.

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We may be required to make unanticipated capital expenditures or investments in order to maintain, integrate, improve or sustain the Duke Midwest Assets' and/or the ECP Assets' operations, or take unexpected write-offs or impairment charges resulting from the Acquisitions. Further, we may be subject to unanticipated or unknown liabilities relating to the Target Companies. If any of these factors occur or limit our ability to integrate the businesses successfully or on a timely basis, the expectations of our future financial conditions and results of operations following the Acquisitions might not be met.

In addition, we, the Duke Midwest Assets and the ECP Assets have operated and, until the consummation of the Acquisitions, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses, inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to achieve the anticipated benefits of the Acquisitions and could harm our financial performance. Further, because ECP is a private company, we may be required to implement or improve the internal controls, procedures and policies of the ECP Assets to meet standards applicable to public companies, which may be time-consuming and more expensive than anticipated.

In addition, we continue to evaluate our estimates of synergies to be realized from, and the fair value accounting allocations associated with, the Acquisitions and refine them, so that our actual cost-savings could differ materially from our current estimates. Actual cost-savings, the costs required to realize the cost-savings and the source of the cost-savings could differ materially from our estimates, and we cannot assure you that we will achieve the full amount of cost-savings on the schedule anticipated or at all.

Finally, we may not be able to achieve the targeted operating or long-term strategic benefits of the Acquisitions. If the combined businesses are not able to achieve our objectives, or are not able to achieve our objectives on a timely basis, the anticipated benefits of the Acquisitions may not be realized fully or at all. An inability to realize the full extent of, or any of, the anticipated benefits of the Acquisitions, as well as any delays encountered in the integration process, could have an adverse effect on our financial condition, results of operations and cash flows.

This offering is not contingent upon the consummation of the Acquisitions. If either or both of the Acquisitions are not consummated, we will have broad discretion to use the net proceeds of this offering and our concurrent Common Stock Offering for general corporate purposes. Even if the Acquisitions are consummated, they may not be consummated in the time frame, or on the terms or in the manner contemplated, which could have a negative impact on our business.

This offering is not contingent upon the consummation of the Acquisitions. Accordingly, your purchase of our Mandatory Convertible Preferred Stock in this offering may be an investment in Dynegy on a stand-alone basis without any of the assets of the Duke Midwest Assets or the ECP Assets, or anticipated benefits of the Acquisitions. We will have broad discretion to use the net proceeds of this offering if either or both of the Acquisitions do not occur. General corporate purposes may include strategic investments and acquisitions.

There are a number of risks and uncertainties relating to the Acquisitions. For example, the Acquisitions may not be consummated, or may not be consummated in the time frame, on the terms or in the manner currently anticipated, as a result of a number of factors, including, among other things, the failure of one or more of the conditions to closing to be satisfied. There can be no assurance that the conditions to closing of the Acquisitions will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the Acquisitions. Any delay in closing or a failure to close could have a negative impact on our business and the trading prices of our securities, including our common stock and Mandatory Convertible Preferred Stock. Likewise, the Transactions may be completed on terms that differ, perhaps substantially, from those described in this prospectus supplement.

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We will incur significant transaction and acquisition-related costs in connection with the proposed Acquisitions.

We expect to incur significant costs associated with the Acquisitions and combining the operations of our company with the Target Companies, including costs to achieve targeted cost-savings. The substantial majority of the expenses resulting from the Acquisitions will be composed of transaction costs, systems consolidation costs, and business integration and employment-related costs, including costs for severance, retention and other restructuring. We may also incur transaction fees and costs related to formulating integration plans. Additional unanticipated costs may be incurred in the integration of our and the Target Companies' businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

The announcement and pendency of the Acquisitions could impact or cause disruptions in our, Duke Midwest Assets' and ECP Assets'.

The announcement and pendency of the Acquisitions could impact or cause disruptions in our, Duke's and ECP's operations. Specifically:

- our, Duke Midwest Assets' and ECP Assets' current and prospective customers and suppliers may experience uncertainty associated with the Acquisitions, including with respect to current or future business relationships with us, Duke Midwest Assets, ECP Assets or the Combined Company business and may attempt to negotiate changes in existing business;

- our, Duke Midwest Assets' and ECP Assets' employees may experience uncertainty about their future roles with us, which may adversely affect our, Duke Midwest Assets' and ECP Assets' ability to retain and hire key employees;

- the Acquisitions may give rise to potential liabilities, including as a result of pending and future shareholder lawsuits relating to the Acquisitions; and

- if the ERC and Brayton Acquisitions are consummated, the accelerated vesting of equity-based awards and payment of "change in control" benefits to some members of ECP Assets' management on consummation of the ERC and Brayton Acquisitions could result in increased difficulty or cost in retaining Duke Midwest Assets' and ECP Assets' officers and employees.

Any of the above disruptions could have an adverse effect on our business, results of operations and financial condition.

The Duke Midwest Assets and ECP Assets have no operating history as a stand-alone provider of electric energy, capacity and ancillary services. Therefore, each of the Target Companies' historical financial information and the pro forma financial information do not reflect the results we would have achieved during the periods presented as a stand-alone company and may not be a reliable indicator of our future results.

The historical and pro forma financial information included or incorporated by reference in this prospectus supplement does not reflect the financial condition, results of operations or cash flows we would have achieved during the periods presented or those results we will achieve in the future as a stand-alone provider of electric energy, capacity and ancillary services.

The audited combined financial statements included in this prospectus supplement have been derived from the books and records of Duke and Duke Ohio on the one hand and ERC and Brayton on the other hand. Preparing the audited combined financial statements required management of Duke and Duke Ohio and ERC and Brayton to assign certain assets, liabilities, revenues and expenses using the historical results of operations and cost basis of the Duke Midwest Assets and ECP Assets, respectively, during the periods presented. The financial statements of the Duke Midwest Assets also include income and expense