NRG ENERGY, INC.
Form 10-K/A
September 10, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K/A
(Amendment No. 2)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year ended December 31, 2013.

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from to .

Commission file No. 001-15891

NRG Energy, Inc.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware<br>(State or other jurisdiction of incorporation or organization) | 41-1724239<br>(I.R.S. Employer Identification No.) |
| 211 Carnegie Center Princeton, New Jersey<br>(Address of principal executive offices) | 08540<br>(Zip Code) |

(609) 524-4500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Name of Exchange on Which Registered |
|---|---|
| Common Stock, par value $0.01 | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| Large accelerated filer x | Accelerated filer o | Non-accelerated filer o (Do not check if a smaller reporting company) | Smaller reporting company o |
|---|---|---|---|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

As of the last business day of the most recently completed second fiscal quarter, the aggregate market value of the common stock of the registrant held by non-affiliates was approximately $9,508,294,816 based on the closing sale price of $37.20 as reported on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

| Class | Outstanding at August 30, 2014 |
|---|---|
| Common Stock, par value $0.01 per share | 337,890,742 |

Documents Incorporated by Reference:

None

EXPLANATORY NOTE

We are filing this Amendment No. 2 (the "Amendment No. 2") to our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as filed with the U.S. Securities and Exchange Commission (the "Commission") on February 28, 2014 (the "Original Filing") and as amended and filed with the Commission on April 4, 2014 (the "Amendment No. 1"). The Amendment No. 1 was filed to include the attestation report of our independent registered public accounting firm as required by Item 308(b) of Regulation S-K, which was inadvertently omitted from the Original Filing. This Amendment No. 2 is being filed to include the complete text of Item 15 of Part IV of Form 10-K.

In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended, we have included new certifications of our principal executive, financial and accounting officers.

This Amendment No. 2 does not affect the original financial statements or footnotes as originally filed in the Original Filing. In addition, this Amendment No. 2 does not reflect events occurring after the Original Filing date, and does not modify or update the disclosures therein in any way other than as required to reflect the Amendment No. 2 as described above and set forth below. Accordingly, this Amendment No. 2 should be read in conjunction with the Original Filing, the Amendment No. 1, and our other filings made with the Commission subsequent to the date of the Original Filing, including any amendments to those filings.

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PART IV

Item 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The following consolidated financial statements of NRG Energy, Inc. and related notes thereto, together with the reports thereon of KPMG LLP, are included herein:

Consolidated Statements of Operations — Years ended December 31, 2013, 2012, and 2011

Consolidated Statements of Comprehensive Income/(Loss) — Years ended December 31, 2013, 2012, and 2011

Consolidated Balance Sheets — December 31, 2013 and 2012

Consolidated Statements of Cash Flows — Years ended December 31, 2013, 2012, and 2011

Consolidated Statement of Stockholders' Equity — Years ended December 31, 2013, 2012, and 2011

Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedule

The following Consolidated Financial Statement Schedule of NRG Energy, Inc. is filed as part of Item 15(d) of this report and should be read in conjunction with the Consolidated Financial Statements.

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted.

(a)(3) Exhibits: See Exhibit Index submitted as a separate section of this report.

(b) Exhibits

See Exhibit Index submitted as a separate section of this report.

(c) Not applicable

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

NRG Energy Inc.'s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including its principal executive officer, principal financial officer and principal accounting officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under the framework in Internal Control — Integrated Framework (1992), the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2013, has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in its report which is included in this Form 10 K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

NRG Energy, Inc.:

We have audited NRG Energy, Inc.'s internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). NRG Energy, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, NRG Energy, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of NRG Energy, Inc. and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income/(loss), cash flows, and stockholders' equity for each of the years in the three-year period ended December 31, 2013, and our report dated February 28, 2014 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
KPMG LLP

Philadelphia, Pennsylvania
February 28, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

NRG Energy, Inc.:

We have audited the accompanying consolidated balance sheets of NRG Energy, Inc. and subsidiaries as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income/(loss), cash flows, and stockholders' equity for each of the years in the three-year period ended December 31, 2013. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule “Schedule II. Valuation and Qualifying Accounts.” These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NRG Energy, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of NRG Energy, Inc. and subsidiaries internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 28, 2014 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
KPMG LLP

Philadelphia, Pennsylvania
February 28, 2014

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Year Ended December 31, | | |
|---|---|---|---|
| (In millions, except per share amounts) | 2013 | 2012 | 2011 |
| Operating Revenues | | | |
| Total operating revenues | $11,295 | $8,422 | $9,079 |
| Operating Costs and Expenses | | | |
| Cost of operations | 8,121 | 6,140 | 6,745 |
| Depreciation and amortization | 1,256 | 950 | 896 |
| Impairment losses | 459 | — | 160 |
| Selling, general and administrative | 904 | 807 | 586 |
| Acquisition-related transaction and integration costs | 128 | 107 | — |
| Development activity expenses | 84 | 68 | 57 |
| Total operating costs and expenses | 10,952 | 8,072 | 8,444 |
| Operating Income | 343 | 350 | 635 |
| Other Income/(Expense) | | | |
| Equity in earnings of unconsolidated affiliates | 7 | 37 | 35 |
| Bargain purchase gain related to GenOn acquisition | — | 296 | — |
| Impairment losses on investments | (99) | (2) | (495) |
| Other income, net | 13 | 19 | 19 |
| Loss on debt extinguishment | (50) | (51) | (175) |
| Interest expense | (848) | (661) | (665) |
| Total other expense | (977) | (362) | (1,281) |
| Loss Before Income Taxes | (634) | (12) | (646) |
| Income tax benefit | (282) | (327) | (843) |
| Net (Loss)/Income | (352) | 315 | 197 |
| Less: Net income attributable to noncontrolling interest | 34 | 20 | — |
| Net (Loss)/Income Attributable to NRG Energy, Inc. | (386) | 295 | 197 |
| Dividends for preferred shares | 9 | 9 | 9 |
| (Loss)/Income Available for Common Stockholders | $(395) | $286 | $188 |
| (Loss)/Earnings Per Share Attributable to NRG Energy, Inc. Common Stockholders | | | |
| Weighted average number of common shares outstanding — basic | 323 | 232 | 240 |
| Net (Loss)/Income per Weighted Average Common Share — Basic | $(1.22) | $1.23 | $0.78 |
| Weighted average number of common shares outstanding — diluted | 323 | 234 | 241 |
| Net (Loss)/Income per Weighted Average Common Share — Diluted | $(1.22) | $1.22 | $0.78 |
| Dividends Per Common Share | $0.45 | $0.18 | $— |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Net (Loss)/Income | $(352) | $315 | $197 |
| Other Comprehensive Income/(Loss), net of tax | | | |
| Unrealized gain/(loss) on derivatives, net of income tax benefit of $6, $94, and $181 | 8 | (163) | (309) |
| Foreign currency translation adjustments, net of income tax benefit of $14, $1, and $1 | (24) | (1) | (2) |
| Reclassification adjustment for translation gain realized upon sale of Schkopau, net of income tax benefit of $0, $6, and $0 | — | (11) | — |
| Available-for-sale securities, net of income tax expense of $2, $1, and $0 | 3 | 3 | (1) |
| Defined benefit plan, net of income tax (expense)/benefit of $(100), $21, and $27 | 168 | (52) | (46) |
| Other comprehensive income/(loss) | 155 | (224) | (358) |
| Comprehensive (Loss)/Income | (197) | 91 | (161) |
| Less: Comprehensive income attributable to noncontrolling interest | 34 | 20 | — |
| Comprehensive (Loss)/Income Attributable to NRG Energy, Inc. | (231) | 71 | (161) |
| Dividends for preferred shares | 9 | 9 | 9 |
| Comprehensive (Loss)/Income Available for Common Stockholders | $(240) | $62 | $(170) |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | $2,254 | $2,087 |
| Funds deposited by counterparties | 63 | 271 |
| Restricted cash | 268 | 217 |
| Accounts receivable — trade, less allowance for doubtful accounts of $40 and $32 | 1,214 | 1,061 |
| Inventory | 898 | 903 |
| Derivative instruments | 1,328 | 2,644 |
| Cash collateral paid in support of energy risk management activities | 276 | 229 |
| Deferred income taxes | 258 | 56 |
| Renewable energy grant receivable | 539 | 58 |
| Prepayments and other current assets | 498 | 446 |
| Total current assets | 7,596 | 7,972 |
| Property, Plant and Equipment | | |
| In service | 23,649 | 21,133 |
| Under construction | 2,775 | 4,428 |
| Total property, plant and equipment | 26,424 | 25,561 |
| Less accumulated depreciation | (6,573) | (5,408) |
| Net property, plant and equipment | 19,851 | 20,153 |
| Other Assets | | |
| Equity investments in affiliates | 453 | 676 |
| Notes receivable, less current portion | 73 | 79 |
| Goodwill | 1,985 | 1,956 |
| Intangible assets, net of accumulated amortization of $1,977 and $1,706 | 1,140 | 1,210 |
| Nuclear decommissioning trust fund | 551 | 473 |
| Derivative instruments | 311 | 662 |
| Deferred income taxes | 1,202 | 1,203 |
| Other non-current assets | 740 | 599 |
| Total other assets | 6,455 | 6,858 |
| Total Assets | $33,902 | $34,983 |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions, except share data) | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Current portion of long-term debt and capital leases | $1,050 | $147 |
| Accounts payable | 1,038 | 1,172 |
| Derivative instruments | 1,055 | 1,981 |
| Cash collateral received in support of energy risk management activities | 63 | 271 |
| Accrued interest expense | 185 | 191 |
| Other accrued expenses | 480 | 539 |
| Other current liabilities | 333 | 369 |
| Total current liabilities | 4,204 | 4,670 |
| Other Liabilities | | |
| Long-term debt and capital leases | 15,767 | 15,736 |
| Nuclear decommissioning reserve | 294 | 354 |
| Nuclear decommissioning trust liability | 324 | 273 |
| Postretirement and other benefit obligations | 506 | 803 |
| Deferred income taxes | 22 | 55 |
| Derivative instruments | 195 | 500 |
| Out-of-market contracts | 1,177 | 1,278 |
| Other non-current liabilities | 695 | 796 |
| Total non-current liabilities | 18,980 | 19,795 |
| Total Liabilities | 23,184 | 24,465 |
| 3.625% convertible perpetual preferred stock; $0.01 par value; 250,000 shares issued and outstanding (at liquidation value of $250, net of issuance costs) | 249 | 249 |
| Commitments and Contingencies | | |
| Stockholders' Equity | | |
| Common stock; $0.01 par value; 500,000,000 shares authorized; 401,126,780 and 399,112,616 shares issued and 323,779,252 and 322,606,898 shares outstanding at December 31, 2013 and 2012 | 4 | 4 |
| Additional paid-in capital | 7,840 | 7,587 |
| Retained earnings | 3,695 | 4,230 |
| Less treasury stock, at cost; 77,347,528 and 76,505,718 shares at December 31, 2013 and 2012 | (1,942) | (1,920) |
| Accumulated other comprehensive income/(loss) | 5 | (150) |
| Noncontrolling interest | 867 | 518 |
| Total Stockholders' Equity | 10,469 | 10,269 |
| Total Liabilities and Stockholders' Equity | $33,902 | $34,983 |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Cash Flows from Operating Activities | | | |
| Net (loss)/income | $(352) | $315 | $197 |
| Adjustments to reconcile net (loss)/income to net cash provided by operating activities: | | | |
| Distributions and equity in earnings of unconsolidated affiliates | 84 | 2 | 9 |
| Bargain purchase gain related to GenOn acquisition | — | (296) | — |
| Depreciation and amortization | 1,256 | 950 | 896 |
| Provision for bad debts | 67 | 45 | 59 |
| Amortization of nuclear fuel | 36 | 39 | 39 |
| Amortization of financing costs and debt discount/premiums | (33) | 31 | 32 |
| Adjustment to loss on debt extinguishment | (15) | 9 | 58 |
| Amortization of intangibles and out-of-market contracts | 49 | 146 | 167 |
| Amortization of unearned equity compensation | 38 | 41 | 28 |
| (Gain)/Loss on disposals and sales of assets, net | (3) | 11 | 14 |
| Impairment losses | 558 | — | 657 |
| Changes in derivative instruments | 164 | 124 | (138) |
| Changes in deferred income taxes and liability for uncertain tax benefits | (67) | (353) | (859) |
| Changes in nuclear decommissioning trust liability | 15 | 37 | 20 |
| Cash (used)/provided by changes in other working capital, net of acquisition and disposition effects: | | | |
| Accounts receivable - trade | (224) | (131) | (119) |
| Inventory | 11 | (172) | 145 |
| Prepayments and other current assets | (22) | (26) | 59 |
| Accounts payable | 275 | (132) | 9 |
| Accrued expenses and other current liabilities | (114) | 231 | (111) |
| Other assets and liabilities | (453) | 278 | 4 |
| Net Cash Provided by Operating Activities | 1,270 | 1,149 | 1,166 |
| Cash Flows from Investing Activities | | | |
| Acquisition of businesses, net of cash acquired | (494) | (81) | (377) |
| Cash acquired in GenOn acquisition | — | 983 | — |
| Capital expenditures | (1,987) | (3,396) | (2,310) |
| Increase in restricted cash, net | (22) | (66) | (35) |
| (Increase)/decrease in restricted cash to support equity requirements for U.S. DOE funded projects | (26) | 164 | (215) |
| (Increase)/decrease in notes receivable | (11) | (24) | 12 |
| Proceeds from renewable energy grants | 55 | 62 | — |
| Purchases of emission allowances, net of proceeds | 5 | (1) | (19) |
| Investments in nuclear decommissioning trust fund securities | (514) | (436) | (406) |
| Proceeds from sales of nuclear decommissioning trust fund securities | 488 | 399 | 385 |
| Proceeds from sale of assets, net | 13 | 137 | 7 |
| Investments in unconsolidated affiliates | — | (25) | (66) |
| Other | (35) | 22 | (23) |
| Net Cash Used by Investing Activities | (2,528) | (2,262) | (3,047) |
| Cash Flows from Financing Activities | | | |

| | | | |
|---|---|---|---|
| Payment of dividends to preferred and common stockholders | (154) | (50) | (9) |
| Net receipts/(payments for) from settlement of acquired derivatives that include financing elements | 267 | (68) | (83) |
| Payment for treasury stock | (25) | — | (430) |
| Sales proceeds and other contributions from noncontrolling interests in subsidiaries | 531 | 347 | 29 |
| Proceeds from issuance of common stock | 16 | — | 2 |
| Proceeds from issuance of long-term debt | 1,777 | 3,165 | 6,224 |
| Payments for term loan for funded letter of credit facility | — | — | (1,300) |
| Decrease in restricted cash supporting funded letter of credit facility | — | — | 1,300 |
| Payment of debt issuance and hedging costs | (50) | (35) | (207) |
| Payments for short and long-term debt | (935) | (1,260) | (5,493) |
| Net Cash Provided by Financing Activities | 1,427 | 2,099 | 33 |
| Effect of exchange rate changes on cash and cash equivalents | (2) | (4) | 2 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 167 | 982 | (1,846) |
| Cash and Cash Equivalents at Beginning of Period | 2,087 | 1,105 | 2,951 |
| Cash and Cash Equivalents at End of Period | $2,254 | $2,087 | $1,105 |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

| | Preferred Stock | Common Stock | Additional Paid-In Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income/(Loss) | Noncontrolling Interest | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | (In millions) | | | | | | | |
| Balances at December 31, 2010 | $— | $ 3 | $ 5,323 | $ 3,800 | $ (1,503) | $ 432 | $ 17 | $ 8,072 |
| Net income | | | | 197 | | | — | 197 |
| Other comprehensive income | | | | | | (358) | | (358) |
| Equity-based compensation | | | 28 | | | | | 28 |
| Purchase of treasury stock | | | | | (430) | | | (430) |
| Preferred stock dividends | | | | (9) | | | | (9) |
| ESPP share purchases | | | (5) | (1) | 9 | | | 3 |
| NINA deconsolidation | | | | | | | (17) | (17) |
| Ivanpah contribution | | | | | | | 183 | 183 |
| Balances at December 31, 2011 | $— | $ 3 | $ 5,346 | $ 3,987 | $ (1,924) | $ 74 | $ 183 | $ 7,669 |
| Net income | | | | 295 | | | 20 | 315 |
| Other comprehensive loss | | | | | | (224) | | (224) |
| Issuance of shares for acquisition of GenOn | | 1 | 2,176 | | | | | 2,177 |
| Equity-based compensation | | | 34 | | | | | 34 |
| Preferred stock dividends | | | | (9) | | | | (9) |
| Common stock dividends | | | | (41) | | | | (41) |
| ESPP share purchases | | | (1) | (2) | 4 | | | 1 |
| Sales proceeds and other contributions from noncontrolling interests | | | 32 | | | | 315 | 347 |
| Balances at December 31, 2012 | $— | $ 4 | $ 7,587 | $ 4,230 | $ (1,920) | $ (150) | $ 518 | $ 10,269 |
| Net loss | | | | (386) | | | 34 | (352) |
| Other comprehensive income | | | | | | 155 | | 155 |
| Equity-based compensation | | | 36 | | | | | 36 |
| Purchase of treasury stock | | | | | (25) | | | (25) |
| Preferred stock dividends | | | | (9) | | | | (9) |
| Common stock dividends | | | | (145) | | | | (145) |
| ESPP share purchases | | | | 5 | 3 | | | 8 |
| NRG Yield IPO | | | 217 | | | | 240 | 457 |
| Sales proceeds and other contributions from noncontrolling interests | | | | | | | 75 | 75 |
| Balances at December 31, 2013 | $— | $ 4 | $ 7,840 | $ 3,695 | $ (1,942) | $ 5 | $ 867 | $ 10,469 |

See notes to Consolidated Financial Statements.

NRG ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Note 1 — Nature of Business
General
NRG Energy, Inc., or NRG or the Company, is a competitive power and energy company that aspires to be a leader in the way residential, industrial and commercial consumers think about, use, produce and deliver energy and energy services in major competitive power markets in the United States. NRG engages in the ownership and operation of power generation facilities; the trading of energy, capacity and related products; the transacting in and trading of fuel and transportation services and the direct sale of energy, services, and innovative, sustainable products to retail customers. The Company sells retail electric products and services under the name “NRG” and various brands owned by NRG. Finally, NRG aspires to be a clean energy leader and is focused on the deployment and commercialization of potentially transformative technologies, like electric vehicles, Distributed Solar and smart meter/home automation technology that collectively have the potential to fundamentally change the nature of the power industry, including a substantial change in the role of the national electric transmission grid and distribution system.
NRG's domestic generation facilities consist of intermittent, baseload, intermediate, and peaking power generation facilities. The following table summarizes NRG's global generation portfolio by operating segment, which includes 88 fossil fuel and nuclear plants, eleven Utility Scale Solar facilities and four wind farms, as well as Distributed Solar facilities. Also included is one Utility Scale Solar facility and additional Distributed Solar facilities currently under construction. All Utility Scale Solar and Distributed Solar facilities are described in megawatts on an alternating current basis. MW figures provided represent nominal summer net megawatt capacity of power generated as adjusted for the Company's owned or leased interest excluding capacity from inactive/mothballed units:

| | Fossil Fuel, Nuclear, and Renewable (In MW) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Generation Type | Texas | East | South Central | West | Alternative Energy | NRG Yield | Total Domestic | Other (Inter-national) | Total Global |
| Natural gas | 5,917 | 7,651 | 3,817 | 6,779 | — | 843 | 25,007 | — | 25,007 |
| Coal | 4,193 | 6,879 | 1,496 | — | — | — | 12,568 | 605 | 13,173 |
| Oil(a) | — | 5,531 | — | — | — | 190 | 5,721 | — | 5,721 |
| Nuclear | 1,176 | — | — | — | — | — | 1,176 | — | 1,176 |
| Wind | — | — | — | — | 347 | 101 | 448 | — | 448 |
| Utility Scale Solar | — | — | — | — | 836 | 303 | 1,139 | — | 1,139 |
| Distributed Solar | — | — | — | — | 37 | 10 | 47 | — | 47 |
| Total generation capacity | 11,286 | 20,061 | 5,313 | 6,779 | 1,220 | 1,447 | 46,106 | 605 | 46,711 |
| Capacity attributable to noncontrolling interest | — | — | — | — | (331) | (499) | (830) | — | (830) |
| Total net generation capacity | 11,286 | 20,061 | 5,313 | 6,779 | 889 | 948 | 45,276 | 605 | 45,881 |
| Under Construction | | | | | | | | | |
| Utility Scale Solar | — | — | — | — | 26 | — | 26 | — | 26 |
| Distributed Solar | — | — | — | — | 6 | — | 6 | — | 6 |
| Total under construction | — | — | — | — | 32 | — | 32 | — | 32 |

(a) The NRG Yield operating segment consists of two dual-fuel (natural gas and oil) simple-cycle generation facilities.
In addition, the Company's thermal assets provide steam and chilled water capacity of approximately 1,374 MWt through its district energy business, 28 MWt of which is available under the right-to-use provision of the Chilled Water Service Agreement at NRG Energy Center Phoenix, AZ.
NRG sells power from its generation portfolio, offers capacity or similar products to retail electric providers and others, and provides ancillary services to support system reliability.

The Retail Business provides energy and related services to residential, commercial and institutional customers primarily located in Texas and selected Northeast markets. Products and services range from system power to home services, to bundled products which combine system power with protection products, energy efficiency and renewable energy solutions. Based on metered locations, as of December 31, 2013, NRG's Retail Business served approximately 2.3 million residential, small business, commercial and industrial customers.

NRG was incorporated as a Delaware corporation on May 29, 1992. NRG's common stock is listed on the New York Stock Exchange under the symbol "NRG". The Company's principal executive offices are located at 211 Carnegie Center, Princeton, New Jersey 08540. NRG is dual headquartered, with financial and commercial headquarters in Princeton, New Jersey and operational headquarters in Houston, Texas. NRG's telephone number is (609) 524-4500. The address of the Company's website is www.nrgenergy.com. NRG's recent annual reports, quarterly reports, current reports, and other periodic filings are available free of charge through the Company's website.

Initial Public Offering of NRG Yield, Inc.

The Company formed NRG Yield, Inc. to own and operate a portfolio of contracted generation assets and thermal infrastructure assets that have historically been owned and/or operated by NRG and its subsidiaries. On July 22, 2013, NRG Yield, Inc. closed its initial public offering of 22,511,250 shares of Class A common stock at a price of $22 per share. Net proceeds to NRG Yield, Inc. from the sale of the Class A common stock were approximately $468 million, net of underwriting discounts and commissions of $27 million. The Company retained 42,738,250 shares of Class B common stock of NRG Yield, Inc. As a result, the Company owns a controlling interest in NRG Yield, Inc. and will consolidate this entity for financial reporting purposes. In addition, the Company retained a 65.5% interest in NRG Yield LLC. The initial public offering represented the sale of a 34.5% interest in NRG Yield LLC. NRG Yield LLC's initial assets consisted of three natural gas or dual-fired facilities, eight utility-scale solar and wind generation facilities, two portfolios of distributed solar facilities that collectively represent 1,324 net MW, and thermal infrastructure assets with an aggregate steam and chilled water capacity of 1,098 net MWt and electric generation capacity of 123 net MW. On December 31, 2013, NRG Yield LLC acquired Energy Systems, as described in Note 3, Business Acquisitions and Dispositions. The following table represents the structure of NRG Yield, Inc. after the initial public offering:

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements have been prepared in accordance with U.S. GAAP. The ASC, established by the FASB, is the source of authoritative U.S. GAAP to be applied by nongovernmental entities. In addition, the rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants.

The consolidated financial statements include NRG's accounts and operations and those of its subsidiaries in which the Company has a controlling interest. All significant intercompany transactions and balances have been eliminated in consolidation. The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. However, a controlling financial interest may also exist through arrangements that do not involve controlling voting interests. As such, NRG applies the guidance of ASC 810, Consolidations, or ASC 810, to determine when an entity that is insufficiently capitalized or not controlled through its voting interests, referred to as a VIE should be consolidated.

Segment Reporting

Effective June 2013, the Company's segment structure and its allocation of corporate expenses were updated to reflect how management currently makes financial decisions and allocates resources. The Company has recast data from prior periods to reflect this change in reportable segments to conform to the current year presentation. The Company's businesses are primarily segregated based on the Retail Business, conventional power generation, alternative energy businesses, NRG Yield, and corporate activities. Within NRG's conventional power generation, there are distinct components with separate operating results and management structures for the following geographical regions: Texas, East, South Central, West and Other, which includes international businesses and maintenance services. The Company's alternative energy segment includes solar and wind assets, excluding those in the NRG Yield segment, electric vehicle services and the carbon capture business. NRG Yield includes certain of the Company's contracted generation assets including three natural gas or dual-fired facilities, eight utility-scale solar and wind generation facilities, two portfolios of distributed solar facilities and thermal infrastructure assets.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the time of purchase.

Funds Deposited by Counterparties

Funds deposited by counterparties consist of cash held by the Company as a result of collateral posting obligations from its counterparties. Some amounts are segregated into separate accounts that are not contractually restricted but, based on the Company's intention, are not available for the payment of general corporate obligations. Depending on market fluctuations and the settlement of the underlying contracts, the Company will refund this collateral to the hedge counterparties pursuant to the terms and conditions of the underlying trades. Since collateral requirements fluctuate daily and the Company cannot predict if any collateral will be held for more than twelve months, the funds deposited by counterparties are classified as a current asset on the Company's balance sheet, with an offsetting liability for this cash collateral received within current liabilities. Changes in funds deposited by counterparties are closely associated with the Company's operating activities, and are classified as an operating activity in the Company's consolidated statements of cash flows.

Restricted Cash

Restricted cash consists primarily of funds held to satisfy the requirements of certain debt agreements and funds held within the Company's projects that are restricted in their use. These funds are used to pay for current operating expenses and current debt service payments as well as to fund required equity contributions, per the restrictions of the debt agreements.

Trade Receivables and Allowance for Doubtful Accounts

Trade receivables are reported in the balance sheet at outstanding principal adjusted for any write-offs and the allowance for doubtful accounts. For its Retail Business, the Company accrues an allowance for doubtful accounts based on estimates of uncollectible revenues by analyzing counterparty credit ratings (for commercial and industrial customers), historical collections, accounts receivable aging and other factors. The Retail Business writes-off accounts

receivable balances against the allowance for doubtful accounts when it determines a receivable is uncollectible.

Inventory

Inventory is valued at the lower of weighted average cost or market, and consists principally of fuel oil, coal and raw materials used to generate electricity or steam. The Company removes these inventories as they are used in the production of electricity or steam. Spare parts inventory is valued at a weighted average cost, since the Company expects to recover these costs in the ordinary course of business. The Company removes these inventories when they are used for repairs, maintenance or capital projects. Sales of inventory are classified as an operating activity in the consolidated statements of cash flows.

Property, Plant and Equipment

Property, plant and equipment are stated at cost; however impairment adjustments are recorded whenever events or changes in circumstances indicate that their carrying values may not be recoverable. NRG also classifies nuclear fuel related to the Company's 44% ownership interest in STP as part of the Company's property, plant, and equipment. Significant additions or improvements extending asset lives are capitalized as incurred, while repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred. Depreciation other than nuclear fuel is computed using the straight-line method, while nuclear fuel is amortized based on units of production over the estimated useful lives. Certain assets and their related accumulated depreciation amounts are adjusted for asset retirements and disposals with the resulting gain or loss included in cost of operations in the consolidated statements of operations.

Asset Impairments

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate carrying values may not be recoverable. Such reviews are performed in accordance with ASC 360. An impairment loss is recognized if the total future estimated undiscounted cash flows expected from an asset are less than its carrying value. An impairment charge is measured by the difference between an asset's carrying amount and fair value with the difference recorded in operating costs and expenses in the statements of operations. Fair values are determined by a variety of valuation methods, including third-party appraisals, sales prices of similar assets and present value techniques.

Investments accounted for by the equity method are reviewed for impairment in accordance with ASC 323, Investments-Equity Method and Joint Ventures, or ASC 323, which requires that a loss in value of an investment that is other than a temporary decline should be recognized. The Company identifies and measures losses in the value of equity method investments based upon a comparison of fair value to carrying value.

For further discussion of these matters, refer to Note 10, Asset Impairments.

Development Activity Expenses and Capitalized Interest

Project development costs are expensed in the preliminary stages of a project and capitalized when the project is deemed to be commercially viable. Commercial viability is determined by one or a series of actions including among others, Board of Director approval pursuant to a formal project plan that subjects the Company to significant future obligations that can only be discharged by the use of a Company asset.

Development activity expenses include project development costs, which are expensed in the preliminary stages of a project and capitalized when the project is deemed to be commercially viable. Commercial viability is determined by one or a series of actions including, among others, Board of Director approval pursuant to a formal project plan that subjects the Company to significant future obligations that can only be discharged by the use of a Company asset. When a project is available for operations, capitalized project development costs are reclassified to property, plant and equipment and amortized on a straight-line basis over the estimated useful life of the project's related assets. Capitalized costs are charged to expense if a project is abandoned or management otherwise determines the costs to be unrecoverable.

Development activity expenses also include selling, general, and administrative expenses associated with the current operations of certain developing businesses including residential solar, electric vehicles, waste-to-energy, carbon capture and other emerging technologies. The revenue associated with these businesses was immaterial for the years ended December 31, 2013, 2012, and 2011. When it is determined that a business will remain an ongoing part of the Company's operations or when operating revenues become material relative to the operating costs of the underlying business, the Company no longer classifies a business as a development activity.

Interest incurred on funds borrowed to finance capital projects is capitalized until the project under construction is ready for its intended use. The amount of interest capitalized for the years ended December 31, 2013, 2012, and 2011, was $64 million, $104 million, and $80 million, respectively.

When a project is available for operations, capitalized interest and project development costs are reclassified to property, plant and equipment and amortized on a straight-line basis over the estimated useful life of the project's related assets. Capitalized costs are charged to expense if a project is abandoned or management otherwise determines the costs to be unrecoverable.

Debt Issuance Costs

Debt issuance costs are capitalized and amortized as interest expense on a basis which approximates the effective interest method over the term of the related debt.

Intangible Assets

Intangible assets represent contractual rights held by NRG. The Company recognizes specifically identifiable intangible assets including customer contracts, customer relationships, energy supply contracts, marketing partnerships, development rights, trade names, emission allowances, and fuel contracts when specific rights and contracts are acquired. In addition, NRG also established values for emission allowances and power contracts upon adoption of Fresh Start reporting. These intangible assets are amortized based on expected volumes, expected delivery, expected discounted future net cash flows, straight line or units of production basis.

Intangible assets determined to have indefinite lives are not amortized, but rather are tested for impairment at least annually or more frequently if events or changes in circumstances indicate that such acquired intangible assets have been determined to have finite lives and should now be amortized over their useful lives. NRG had no intangible assets with indefinite lives recorded as of December 31, 2013.

Emission allowances held-for-sale, which are included in other non-current assets on the Company's consolidated balance sheet, are not amortized; they are carried at the lower of cost or fair value and reviewed for impairment in accordance with ASC 360.

Goodwill

In accordance with ASC 350, the Company recognizes goodwill for the excess cost of an acquired entity over the net value assigned to assets acquired and liabilities assumed. NRG performs goodwill impairment tests annually, during the fourth quarter, and when events or changes in circumstances indicate that the carrying value may not be recoverable.

In September 2011, the FASB issued ASU No. 2011-08, Intangibles - Goodwill and Other (Topic 350) Testing Goodwill for Impairment, or ASU No. 2011-08. The objective of ASU 2011-08 is to simplify how entities test goodwill for impairment. The amendments in ASU No. 2011-08 permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. The Company adopted the provisions of ASU No. 2011-08, effective January 1, 2011, with no impact on its results of operations, financial position or cash flows.

In the absence of sufficient qualitative factors, goodwill impairment is determined using a two step process:

| | |
|---|---|
| Step one — | Identify potential impairment by comparing the fair value of a reporting unit to the book value, including goodwill. If the fair value exceeds book value, goodwill of the reporting unit is not considered impaired. If the book value exceeds fair value, proceed to step two. |
| Step two — | Compare the implied fair value of the reporting unit's goodwill to the book value of the reporting unit goodwill. If the book value of goodwill exceeds fair value, an impairment charge is recognized for the sum of such excess. |

Income Taxes

NRG accounts for income taxes using the liability method in accordance with ASC 740, which requires that the Company use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences.

NRG has two categories of income tax expense or benefit — current and deferred, as follows:

- Current income tax expense or benefit consists solely of current taxes payable less applicable tax credits, and
- Deferred income tax expense or benefit is the change in the net deferred income tax asset or liability, excluding amounts charged or credited to accumulated other comprehensive income.

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NRG reports some of the Company's revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's financial statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's consolidated balance sheets. NRG measures the Company's deferred income tax assets and deferred income tax liabilities using income tax rates that are currently in effect. The Company believes it is more likely than not that the results of future operations will generate sufficient taxable income which includes the future reversal of existing taxable temporary differences to realize deferred tax assets, net of valuation allowances. In arriving at this conclusion to utilize projections of future profit before tax in our estimate of future taxable income, the Company considered the profit before tax generated in recent years. A valuation allowance is recorded to reduce the Company's net deferred tax assets to an amount that is more-likely-than-not to be realized.

NRG reduces its current income tax expense in the consolidated statement of operations for any investment tax credits, or ITCs, that are not convertible into cash grants, as well as other tax credits, in the period the tax credit is generated. ITCs that are convertible into cash grants, as well as the deferred income tax benefit generated by the difference in the financial statement and tax basis of the related assets, are recorded as a reduction to the carrying value of the underlying property and subsequently amortized to earnings on a straight-line basis over the useful life of each underlying property.

The Company accounts for uncertain tax positions in accordance with ASC 740, which applies to all tax positions related to income taxes. Under ASC 740, tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position that has surpassed the more-likely-than-not threshold is the largest amount of benefit that is more than 50% likely to be realized upon settlement. The Company recognizes interest and penalties accrued related to uncertain tax benefits as a component of income tax expense.

In accordance with ASC 805 and as discussed further in Note 19, Income Taxes, changes to existing net deferred tax assets or valuation allowances or changes to uncertain tax benefits, are recorded to income tax expense.

Revenue Recognition

Energy — Both physical and financial transactions are entered into to optimize the financial performance of NRG's generating facilities. Electric energy revenue is recognized upon transmission to the customer. Physical transactions, or the sale of generated electricity to meet supply and demand, are recorded on a gross basis in the Company's consolidated statements of operations. Financial transactions, or the buying and selling of energy for trading purposes, are recorded net within operating revenues in the consolidated statements of operations in accordance with ASC 815.

Capacity — Capacity revenues are recognized when contractually earned, and consist of revenues billed to a third party at either the market or a negotiated contract price for making installed generation capacity available in order to satisfy system integrity and reliability requirements.

Sale of Emission Allowances — NRG records the Company's bank of emission allowances as part of the Company's intangible assets. From time to time, management may authorize the transfer of emission allowances in excess of usage from the Company's emission bank to intangible assets held-for-sale for trading purposes. NRG records the sale of emission allowances on a net basis within operating revenue in the Company's consolidated statements of operations.

Contract Amortization — Assets and liabilities recognized from power sales agreements assumed at Fresh Start and through acquisitions related to the sale of electric capacity and energy in future periods for which the fair value has been determined to be significantly less (more) than market are amortized to revenue over the term of each underlying contract based on actual generation and/or contracted volumes.

Retail revenues — Gross revenues for energy sales and services to retail customers are recognized upon delivery under the accrual method. Energy sales and services that have been delivered but not billed by period end are estimated. Gross revenues also includes energy revenues from resales of purchased power, which were $166 million, $151 million and $186 million for the years ended December 31, 2013, 2012, and 2011, respectively. These revenues represent the sale of excess supply to third parties in the market.

Accrued unbilled revenues are based on estimates of customer usage since the date of the last meter reading provided by the independent system operators or electric distribution companies. Volume estimates are based on daily forecasted volumes and estimated customer usage by class. Unbilled revenues are calculated by multiplying these volume estimates by the applicable rate by customer class. Estimated amounts are adjusted when actual usage is known and billed. NRG recorded receivables for unbilled revenues of $356 million, $338 million and $318 million as of December 31, 2013, 2012, and 2011, respectively, for retail energy sales and services.

PPAs — Certain of the Company's revenues are currently obtained through PPAs or other contractual arrangements. All of these PPAs are recorded as operating leases in accordance with ASC 840, Leases, or ASC 840. ASC 840 requires minimum lease payments received to be amortized over the term of the lease and contingent rentals are recorded when the achievement of the contingency becomes probable. These leases have no minimum lease payments and all the rent is recorded as contingent rent on an actual basis when the electricity is delivered. The contingent rental income recognized in the years ended December 31, 2013, 2012, and 2011 was $400 million, $130 million, and $27 million, respectively.

Gross Receipts and Sales Taxes

In connection with its Retail Business, the Company records gross receipts taxes on a gross basis in revenues and cost of operations in its consolidated statements of operations. During the years ended December 31, 2013, 2012, and 2011, NRG's revenues and cost of operations included gross receipts taxes of $88 million, $79 million, and $78 million respectively. Additionally, the Retail Business records sales taxes collected from its taxable customers and remitted to the various governmental entities on a net basis, thus, there is no impact on the Company's consolidated statement of operations.

Cost of Energy for Retail Operations

The cost of energy for electricity sales and services to retail customers is based on estimated supply volumes for the applicable reporting period. A portion of the cost of energy ($90 million, $97 million and $87 million as of December 31, 2013, 2012, and 2011, respectively) was accrued and consisted of estimated transmission and distribution charges not yet billed by the transmission and distribution utilities. In estimating supply volumes, the Company considers the effects of historical customer volumes, weather factors and usage by customer class. Transmission and distribution delivery fees are estimated using the same method used for electricity sales and services to retail customers. In addition, ISO fees are estimated based on historical trends, estimated supply volumes and initial ERCOT ISO settlements. Volume estimates are then multiplied by the supply rate and recorded as cost of operations in the applicable reporting period.

Derivative Financial Instruments

NRG accounts for derivative financial instruments under ASC 815, which requires the Company to record all derivatives on the balance sheet at fair value unless they qualify for a NPNS exception. Changes in the fair value of non-hedge derivatives are immediately recognized in earnings. Changes in the fair value of derivatives accounted for as hedges, if elected for hedge accounting, are either:

- Recognized in earnings as an offset to the changes in the fair value of the related hedged assets, liabilities and firm commitments; or
- Deferred and recorded as a component of accumulated OCI until the hedged transactions occur and are recognized in earnings.

NRG's primary derivative instruments are power sales contracts, fuels purchase contracts, other energy related commodities, and interest rate instruments used to mitigate variability in earnings due to fluctuations in market prices and interest rates. On an ongoing basis, NRG assesses the effectiveness of all derivatives that are designated as hedges for accounting purposes in order to determine that each derivative continues to be highly effective in offsetting changes in fair values or cash flows of hedged items. Internal analyses that measure the statistical correlation between the derivative and the associated hedged item determine the effectiveness of such an energy contract designated as a hedge. If it is determined that the derivative instrument is not highly effective as a hedge, hedge accounting will be discontinued prospectively. Hedge accounting will also be discontinued on contracts related to commodity price risk previously accounted for as cash flow hedges when it is probable that delivery will not be made against these contracts. In this case, the gain or loss previously deferred in accumulated OCI would be immediately reclassified into earnings. If the derivative instrument is terminated, the effective portion of this derivative deferred in accumulated OCI will be frozen until the underlying hedged item is delivered.

Revenues and expenses on contracts that qualify for the NPNS exception are recognized when the underlying physical transaction is delivered. While these contracts are considered derivative financial instruments under ASC 815, they are not recorded at fair value, but on an accrual basis of accounting. If it is determined that a transaction designated as NPNS no longer meets the scope exception, the fair value of the related contract is recorded on the balance sheet and

immediately recognized through earnings.

NRG's trading activities are subject to limits in accordance with the Company's Risk Management Policy. These contracts are recognized on the balance sheet at fair value and changes in the fair value of these derivative financial instruments are recognized in earnings.

Foreign Currency Translation and Transaction Gains and Losses

The local currencies are generally the functional currency of NRG's foreign operations. Foreign currency denominated assets and liabilities are translated at end-of-period rates of exchange. Revenues, expenses, and cash flows are translated at the weighted-average rates of exchange for the period. The resulting currency translation adjustments are not included in the Company's statements of operations for the period, but are accumulated and reported as a separate component of stockholders' equity until sale or complete or substantially complete liquidation of the net investment in the foreign entity takes place. Foreign currency transaction gains or losses are reported within other income/(expense) in the Company's statements of operations. For the years ended December 31, 2013, 2012, and 2011, amounts recognized as foreign currency transaction gains (losses) were immaterial. The Company's cumulative translation adjustment balances as of December 31, 2013, 2012, and 2011 were $15 million, $53 million and $72 million, respectively.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trust funds, accounts receivable, notes receivable, derivatives, and investments in debt securities. Trust funds are held in accounts managed by experienced investment advisors. Certain accounts receivable, notes receivable, and derivative instruments are concentrated within entities engaged in the energy industry. These industry concentrations may impact the Company's overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic, industry or other conditions. Receivables and other contractual arrangements are subject to collateral requirements under the terms of enabling agreements. However, the Company believes that the credit risk posed by industry concentration is offset by the diversification and creditworthiness of its customer base. See Note 4, Fair Value of Financial Instruments, for a further discussion of derivative concentrations.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, funds deposited by counterparties, receivables, accounts payables, and accrued liabilities approximate fair value because of the short-term maturity of these instruments. See Note 4, Fair Value of Financial Instruments for a further discussion of fair value of financial instruments.

Asset Retirement Obligations

NRG accounts for its AROs in accordance with ASC 410-20, Asset Retirement Obligations, or ASC 410-20. Retirement obligations associated with long-lived assets included within the scope of ASC 410-20 are those for which a legal obligation exists under enacted laws, statutes, and written or oral contracts, including obligations arising under the doctrine of promissory estoppel, and for which the timing and/or method of settlement may be conditional on a future event. ASC 410-20 requires an entity to recognize the fair value of a liability for an ARO in the period in which it is incurred and a reasonable estimate of fair value can be made.

Upon initial recognition of a liability for an ARO, NRG capitalizes the asset retirement cost by increasing the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its future value, while the capitalized cost is depreciated over the useful life of the related asset. See Note 13, Asset Retirement Obligations, for a further discussion of AROs.

Pensions and Other Postretirement Benefits

NRG offers pension benefits through a defined benefit pension plan. In addition, the Company provides postretirement health and welfare benefits for certain groups of employees. NRG accounts for pension and other postretirement benefits in accordance with ASC 715, Compensation — Retirement Benefits. NRG recognizes the funded status of the Company's defined benefit plans in the statement of financial position and records an offset for gains and losses as well as all prior service costs that have not been included as part of the Company's net periodic benefit cost to other comprehensive income. The determination of NRG's obligation and expenses for pension benefits is dependent on the selection of certain assumptions. These assumptions determined by management include the discount rate, the expected rate of return on plan assets and the rate of future compensation increases. NRG's actuarial consultants determine assumptions for such items as retirement age. The assumptions used may differ materially from actual results, which may result in a significant impact to the amount of pension obligation or expense recorded by the Company.

NRG measures the fair value of its pension assets in accordance with ASC 820, Fair Value Measurements and Disclosures, or ASC 820.

Stock-Based Compensation

NRG accounts for its stock-based compensation in accordance with ASC 718, Compensation — Stock Compensation, or ASC 718. The fair value of the Company's non-qualified stock options and performance units are estimated on the date of grant using the Black-Scholes option-pricing model and the Monte Carlo valuation model, respectively. NRG uses the Company's common stock price on the date of grant as the fair value of the Company's restricted stock units and deferred stock units. Forfeiture rates are estimated based on an analysis of NRG's historical forfeitures, employment turnover, and expected future behavior. The Company recognizes compensation expense for both graded and cliff vesting awards on a straight-line basis over the requisite service period for the entire award.

Investments Accounted for by the Equity Method

NRG has investments in various domestic energy projects, as well as one Australian project. The equity method of accounting is applied to such investments in affiliates, which include joint ventures and partnerships, because the ownership structure prevents NRG from exercising a controlling influence over the operating and financial policies of the projects. Under this method, equity in pre-tax income or losses of domestic partnerships and, generally, in the net income or losses of its Australian project, are reflected as equity in earnings of unconsolidated affiliates.

Marketing and Advertising Costs

The Company expenses its advertising and marketing costs as incurred. The costs of tangible assets used in advertising campaigns are recorded as fixed assets or deferred advertising costs and amortized as advertising costs over the shorter of the useful life of the asset or the advertising campaign. The Company has several long-term sponsorship arrangements. Payments related to these arrangements are deferred and expensed over the term of the arrangement. Marketing and advertising expenses included within selling, general and administrative expense for the years ended December 31, 2013, 2012, and 2011 were $195 million, $197 million, and $127 million respectively.

Business Combinations

The Company accounts for its business combinations in accordance with ASC 805, Business Combinations, or ASC 805. ASC 805 requires an acquirer to recognize and measure in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at fair value at the acquisition date. It also recognizes and measures the goodwill acquired or a gain from a bargain purchase in the business combination and determines what information to disclose to enable users of an entity's financial statements to evaluate the nature and financial effects of the business combination. In addition, transaction costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

In recording transactions and balances resulting from business operations, NRG uses estimates based on the best information available. Estimates are used for such items as plant depreciable lives, tax provisions, uncollectible accounts, actuarially determined benefit costs, and the valuation of energy commodity contracts, environmental liabilities, legal costs incurred in connection with recorded loss contingencies, and assets acquired and liabilities assumed in business combinations, among others. In addition, estimates are used to test long-lived assets and goodwill for impairment and to determine the fair value of impaired assets. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Reclassifications

Certain prior-year amounts have been reclassified for comparative purposes.

Recent Accounting Developments

ASU 2011-11 - Effective January 1, 2013, the Company adopted the provisions of ASU No. 2011-11, Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities, or ASU No. 2011-11, and began providing enhanced disclosures regarding the effect or potential effect of netting arrangements on an entity's financial position by improving information about financial instruments and derivative instruments that either (1) offset in accordance with either ASC 210-20-45 or ASC 810-20-45 or (2) are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset. Reporting entities are required to disclose both gross and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. The disclosures required by ASU No. 2011-11 are required to be adopted retroactively. As this guidance provides only disclosure requirements, the adoption of this standard did not impact the Company's results of operations, cash flows or financial position.

ASU 2013-02 - Effective January 1, 2013, the Company adopted the provisions of ASU No. 2013-02, Other Comprehensive Income (Topic 220) Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income, or ASU No. 2013-02, and began reporting the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income within the notes to the financial statements if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income in the same reporting period. For other amounts not required by U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures which provide additional information about the amounts. The provisions of ASU No. 2013-02 are required to be adopted prospectively. As this guidance provides only presentation requirements, the adoption of this standard did not impact the Company's results of operations, cash flows or financial position.

Other - The following accounting standard was issued in 2013 and was adopted January 1, 2014:

•ASU 2013-11 - In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740) Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists, or ASU No. 2013-11. The amendments of ASU 2013-11 requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction of a deferred tax asset for a net operating loss, or NOL, a similar tax loss or tax credit carryforwards rather than a liability when the uncertain tax position would reduce the NOL or other carryforward under the tax law of the applicable jurisdiction and the entity intends to use the deferred tax asset for that purpose. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013 with early adoption permitted. The Company adopted this standard effective December 31, 2013. The adoption of this standard did not impact the Company's results of operations or cash flows as the unrecognized tax benefits relate to state issues and the Company either has no NOL's or the NOL's are limited for that particular jurisdiction.

Note 3 — Business Acquisitions and Dispositions

2013 Acquisitions

Pending Acquisition — On October 18, 2013, the Company entered into an agreement to acquire substantially all of the assets of Edison Mission Energy, or EME. EME, through its subsidiaries and affiliates, owns, operates, and leases a portfolio of 8,000 MW consisting of wind energy facilities and coal- and gas-fired generating facilities. On December 17, 2012, EME and certain of its direct and indirect subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, or the Bankruptcy Code. EME was deconsolidated from its parent company, Edison International, for financial statement purposes but not for tax purposes on December 17, 2012. On May 2, 2013, certain other subsidiaries of EME filed voluntary petitions for relief under the Bankruptcy Code.

The Company expects to pay an aggregate purchase price of $2.6 billion (subject to adjustment), which will consist of 12,671,977 shares of NRG common stock (valued at $350 million based upon the volume-weighted average trading price over the 20 trading days prior to October 18, 2013) with the balance to be paid in cash. The Company expects to fund the net cash portion of the purchase price using a combination of cash on hand, including acquired cash on hand of $1.1 billion, and approximately $700 million in newly-issued corporate debt. The Company also expects to assume debt related to acquired project assets of approximately $1.5 billion, which will be non-recourse to NRG.

In connection with the transaction, NRG has agreed to certain conditions with the parties to the Powerton and Joliet, or POJO, sale-leaseback transaction subject to which an NRG subsidiary will assume the POJO leveraged leases and NRG will guarantee the remaining payments under each lease. In connection with this agreement, NRG has committed to fund up to $350 million in capital expenditures for plant modifications at Powerton and Joliet to install controls to comply with MATS.

The acquisition is subject to customary conditions, including approval of the U.S. Bankruptcy Court for the Northern District of Illinois and required regulatory approvals, and is expected to close by the end of the first quarter of 2014. Under certain circumstances, including if EME enters into an alternative transaction, NRG will receive a cash fee of $65 million plus expense reimbursement. There are no assurances that the conditions to the acquisition of EME will be satisfied, that EME will not enter into an alternative transaction, or that the acquisition of EME will be consummated on the terms agreed to, if at all.

Energy Systems — On December 31, 2013, NRG Energy Center Omaha Holdings, LLC, an indirect wholly owned subsidiary of NRG Yield LLC, acquired 100% of Energy Systems Company, or Energy Systems, for approximately $120 million. The acquisition was financed from cash on hand. Energy Systems is an operator of steam and chilled thermal facilities that provides heating and cooling services to nonresidential customers in Omaha, Nebraska. The acquisition was recorded as a business combination under ASC 805, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. The purchase price was primarily allocated to property, plant and equipment of $60 million, customer relationships of $59 million, and working capital of $1 million. The initial accounting for the business combination is not complete because the evaluations necessary to assess the fair values of certain net assets acquired and the amount of goodwill to be recognized are still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date.

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

•Customer relationships - The customer relationships were valued using a variation of the income approach. Under this approach, the present value of the expected future cash flows resulting from existing customer relationships, considering attrition and charges for contributory assets (such as working capital, fixed assets, and workforce) utilized in the business were estimated and then discounted back at an integrated utility peer group's weighted average cost of capital adjusted to be consistent with the risk inherent in the cash flows. The customer relationships are amortized to depreciation and amortization expense, on a straight-line basis, over 33 years.

Significant considerations in determining fair value measurements as defined in ASC 820 of the assets acquired and liabilities assumed are as follows:

•Property, plant & equipment - The fair value of property, plant and equipment acquired were valued utilizing the cost approach. Under this approach, the fair value approximates the current cost of replacing an asset with another of equivalent economic utility adjusted for functional obsolescence and physical depreciation.

Gregory — On August 7, 2013, NRG Texas Gregory, LLC, a wholly owned subsidiary of NRG, acquired Gregory Power Partners, L.P. for approximately $245 million in cash, net of $32 million cash acquired. Gregory is a cogeneration plant located in Corpus Christi, Texas, which has generation capacity of 388 MW and steam capacity of 160 MWt. The Gregory cogeneration plant provides steam, processed water and a small percentage of its electrical generation to the Corpus Christi Sherwin Alumina plant. The majority of the plant's generation is available for sale in the ERCOT market. The acquisition was recorded as a business combination under ASC 805, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. The purchase price was provisionally allocated to property, plant, and equipment of $248 million, current assets of $13 million, and other liabilities of $16 million. The initial accounting for the business combination is not complete because the evaluations necessary to assess the fair value of certain net assets acquired are still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date.

Significant considerations in determining fair value measurements as defined in ASC 820 of the assets acquired and liabilities assumed are as follows:

•Property, plant & equipment - The fair value of property, plant and equipment acquired were valued utilizing the cost approach. Under this approach, the fair value approximates the current cost of replacing an asset with another of equivalent economic utility adjusted for functional obsolescence and physical depreciation.

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2012 Acquisitions

GenOn Energy, Inc. — On December 14, 2012, NRG acquired GenOn Energy, Inc., or GenOn. GenOn, a generator of wholesale electricity, has baseload, intermediate and peaking power generation facilities using coal, natural gas and oil, totaling approximately 21,440 MW. The Company issued, as consideration for the acquisition, 0.1216 shares of NRG common stock for each outstanding share of GenOn, including restricted stock units outstanding, on the acquisition date, except for fractional shares which were paid in cash. The Company issued approximately 93.9 million shares of NRG common stock, or 29% of total common shares outstanding following the closing of the transaction. The acquisition was recorded as a business combination under ASC 805, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. The accounting for the GenOn acquisition was completed on December 13, 2013 at which point the fair values became final. The provisional amounts were subject to revision until the evaluations were completed to the extent that additional information was obtained about the facts and circumstances that existed as of the acquisition date. Any changes made to the fair value assessments affected the gain on bargain purchase.

The following table summarizes the provisional amounts recognized for assets acquired and liabilities assumed as of the acquisition date as well as adjustments made through December 13, 2013 to the amounts initially recorded in 2012 due to the ongoing evaluation of initial estimates. The measurement period adjustments were recorded as an adjustment to the gain on bargain purchase and did not have a significant impact on the Company's consolidated cash flows or financial position in any period. The purchase price of $2.2 billion was allocated as follows:

| (In millions) | Amounts Recognized as of Acquisition Date (as previously reported) | Measurement Period Adjustments | Amounts Recognized as of Acquisition Date (as adjusted) |
|---|---|---|---|
| Assets | | | |
| Cash | $983 | $— | $983 |
| Current and non-current assets | 1,385 | 28 | 1,413 |
| Property, plant and equipment | 3,936 | (115) | 3,821 |
| Derivative assets | 1,157 | — | 1,157 |
| Deferred income taxes | 2,265 | (58) | 2,207 |
| Total assets acquired | $9,726 | $(145) | $9,581 |
| | | | |
| Liabilities | | | |
| Current and non-current liabilities | $1,312 | $54 | $1,366 |
| Out-of-market contracts and leases | 1,064 | 62 | 1,126 |
| Derivative liabilities | 399 | — | 399 |
| Long-term debt and capital leases | 4,203 | 3 | 4,206 |
| Total liabilities assumed | 6,978 | 119 | 7,097 |
| Net assets acquired | 2,748 | (264) | 2,484 |
| Consideration paid | 2,188 | | 2,188 |
| Gain on bargain purchase | $560 | $(264) | $296 |

The measurement period adjustments for property, plant and equipment and out-of market liabilities primarily reflect revisions of various estimates based on additional information available. In addition, measurement period adjustments were recorded for additional environmental reserves resulting from further review and revisions to various estimates. The difference between the historical tax basis of the assets and liabilities over the net amount assigned to the assets and liabilities in acquisition accounting was recorded as a net deferred tax asset. In addition, the deferred tax assets associated with net operating losses and other deferred tax benefits were adjusted to reflect the amount expected to be realized in the post-acquisition period.

2012 Dispositions

Agua Caliente — On January 18, 2012, the Company completed the sale of a 49% interest in NRG Solar AC Holdings LLC, the indirect owner of the Agua Caliente project, to MidAmerican Energy Holdings Company, or MidAmerican. A majority of the $122 million of cash consideration received at closing represented 49% of construction costs funded by NRG's equity contributions. The excess of the consideration over the carrying value of the divested interest was recorded to additional paid-in capital. MidAmerican will fund its proportionate share of future equity contributions and other credit support for the project. NRG continues to hold a majority interest in and consolidate the project.

Saale Energie GmbH — On July 17, 2012, the Company completed the sale of its 100% interest in Saale Energie GmbH, or SEG, which holds a 41.9% interest in Kraftwerke Schkopau GbR and a 44.4% interest in Kraftwerke Schkopau Betriebsgesllschaft mbH, collectively, Schkopau. Schkopau holds a fixed 400 MW participation in the 900 MW Schkopau Power Station located in Germany. In connection with the sale of Schkopau, NRG entered into a foreign currency swap contract to hedge the impact of exchange rate fluctuations on the sale proceeds of €141 million. The Company received cash consideration, net of selling expenses, of $174 million, which included $4 million related to the settlement of the swap contract that was recorded as a gain within Other income, net in the quarter ended September 30, 2012. The cash consideration approximated the book value of the net assets, including cash of $38 million, on the date of the sale.

2011 Acquisitions

Energy Plus — On September 30, 2011, NRG acquired Energy Plus for $194 million in cash, net of $5 million cash acquired, funded from cash on hand. Energy Plus is a retail electricity provider with 188,000 customers as of December 31, 2011, concentrated in the Northeast markets, and a unique sales channel involving exclusive loyalty and affinity program partnerships. The acquisition was recorded as a business combination under ASC 805, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date. The purchase price was primarily allocated to customer relationships of $63 million, marketing partnerships of $88 million, trade names of $10 million and goodwill of $29 million. The factors that resulted in goodwill arising from the acquisition include the revenues associated with expanding the Energy Plus retail business and its unique sales channel in new regions, expanding its loyalty and affinity program partnerships and the synergies associated with combining the business with NRG's generation assets. The accounting for the Energy Plus acquisition was completed as of March 31, 2012, at which point the provisional fair values became final with no material changes.

Solar Acquisitions — During the year ended December 31, 2011, NRG acquired stakes in three Utility Scale Solar facilities for approximately $165 million in cash consideration, as part of the Company's initiative to capture opportunities for future growth in renewables. Subsequent to the acquisition dates in 2011, NRG made capital contributions into these projects of $868 million. In addition, NRG has a commitment to contribute additional amounts into the projects, comprised of $66 million in letters of credit as of December 31, 2013. The Company may increase its letters of credit to replace the restricted cash at its discretion. NRG's minority partners had contributed approximately $413 million of equity subsequent to the acquisition through December 31, 2013 and had additional equity commitments of $64 million as of December 31, 2013. These acquisitions were recorded as business combinations under ASC 805, with identifiable assets acquired and liabilities assumed provisionally recorded at their estimated fair values on the acquisition date.

The acquisitions of these three solar facilities are further described below:

California Valley Solar Ranch — On September 30, 2011, NRG Solar LLC, a wholly-owned subsidiary of NRG, acquired 100% of the 250 MW California Valley Solar Ranch project, or CVSR, in eastern San Luis Obispo County, California. During the second quarter of 2012, the Company met the conditions necessary to permit loan disbursements under the CVSR Financing Agreement, as discussed in Note 12, Debt and Capital Leases. Operations commenced on the first 22 MW phase in September 2012 and 105 MWs for Phases 2 and 4 in December 2012. For the completion of the final phase, 21 MWs commenced operation in the third quarter of 2013 and 102 MWs commenced operation in October 2013. Power generated from CVSR is sold to PG&E under a 25 year PPA.

Agua Caliente — On August 5, 2011, NRG, through its wholly-owned subsidiary, NRG Solar PV LLC, acquired 100% of the 290 MW Agua Caliente solar project in Yuma, AZ. On January 18, 2012, the Company completed the sale of a 49% interest to MidAmerican Energy Holdings Company as discussed above. Power generated from Agua Caliente is sold to PG&E under a 25 year PPA. Full commercial operations of the entire 290 MW project was achieved as of September 30, 2013.

Ivanpah — On April 5, 2011, NRG acquired a 50.1% stake in the 378 MW Ivanpah Solar Electric Generation System, or Ivanpah, from BrightSource Energy, Inc., or BSE. BSE maintained a 21.8% interest in Ivanpah and the remaining 28.1% was acquired by a wholly-owned subsidiary of Google. Ivanpah is composed of three separate facilities - Ivanpah 1 (126 MW), Ivanpah 2 (133 MW), and Ivanpah 3 (133 MW). Ivanpah achieved operations as of December

31, 2013. Power generated from Ivanpah is sold to Southern California Edison and Pacific Gas and Electric, under multiple 20 to 25 year PPAs.

The purchase price for these acquisitions, considered business combinations, was primarily allocated to $767 million of property, plant and equipment, $489 million of accrued expenses, $60 million of other assets, including restricted cash, and $19 million of other liabilities. The accounting for these acquisitions was completed as of March 31, 2012, at which point the provisional fair values became final with no material changes.

Note 4 — Fair Value of Financial Instruments

For cash and cash equivalents, funds deposited by counterparties, accounts and other receivables, accounts payable, restricted cash, and cash collateral paid and received in support of energy risk management activities, the carrying amount approximates fair value because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

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

| | As of December 31, | | | |
|---|---|---|---|---|
| | 2013 | | 2012 | |
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | (In millions) | | | |
| Assets | | | | |
| Notes receivable [(a)] | $99 | $99 | $88 | $88 |
| Liabilities | | | | |
| Long-term debt, including current portion | 16,804 | 17,222 | 15,866 | 16,492 |

(a) Includes the current portion of notes receivable which is recorded in prepayments and other current assets on the Company's consolidated balance sheets.

The fair value of the Company's publicly-traded long-term debt is based on quoted market prices and is classified as Level 2 within the fair value hierarchy. The fair value of debt securities, non publicly-traded long-term debt, and certain notes receivable of the Company are based on expected future cash flows discounted at market interest rates, or current interest rates for similar instruments with equivalent credit quality and are classified as Level 3 within the fair value hierarchy.

Fair Value Accounting under ASC 820

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

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date. NRG's financial assets and liabilities utilizing Level 1 inputs include active exchange-traded securities, energy derivatives, and trust fund investments.
- Level 2 — inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. NRG's financial assets and liabilities utilizing Level 2 inputs include fixed income securities, exchange-based derivatives, and over the counter derivatives such as swaps, options and forward contracts.
- Level 3 — unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date. NRG's financial assets and liabilities utilizing Level 3 inputs include infrequently-traded, non-exchange-based derivatives and commingled investment funds, and are measured using present value pricing models.

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

Recurring Fair Value Measurements

Debt securities, equity securities, and trust fund investments, which are comprised of various U.S. debt and equity securities, and derivative assets and liabilities, are carried at fair market value.

The following tables present assets and liabilities measured and recorded at fair value on the Company's consolidated balance sheets on a recurring basis and their level within the fair value hierarchy:

| | As of December 31, 2013 | | | |
|---|---|---|---|---|
| | Fair Value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Investment in available-for-sale securities (classified within other non-current assets): | | | | |
| Debt securities | $— | $— | $16 | $16 |
| Available-for-sale securities | 2 | — | — | 2 |
| Other [(a)] | 37 | — | 10 | 47 |
| Nuclear trust fund investments: | | | | |
| Cash and cash equivalents | 26 | — | — | 26 |
| U.S. government and federal agency obligations | 40 | 5 | — | 45 |
| Federal agency mortgage-backed securities | — | 62 | — | 62 |
| Commercial mortgage-backed securities | — | 14 | — | 14 |
| Corporate debt securities | — | 70 | — | 70 |
| Equity securities | 276 | — | 56 | 332 |
| Foreign government fixed income securities | — | 2 | — | 2 |
| Other trust fund investments: | | | | |
| U.S. government and federal agency obligations | 1 | — | — | 1 |
| Derivative assets: | | | | |
| Commodity contracts | 346 | 1,126 | 147 | 1,619 |
| Interest rate contracts | — | 20 | — | 20 |
| Total assets | $728 | $1,299 | $229 | $2,256 |
| Derivative liabilities: | | | | |
| Commodity contracts | $216 | $831 | $134 | $1,181 |
| Interest rate contracts | — | 69 | — | 69 |
| Total liabilities | $216 | $900 | $134 | $1,250 |

(a) Consists primarily of mutual funds held in a Rabbi Trust for non-qualified deferred compensation plans for some key and highly compensated employees and a total return swap that does not meet the definition of a derivative.

| | As of December 31, 2012 | | | |
|---|---|---|---|---|
| | Fair Value | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | (In millions) | | | |
| Investment in available-for-sale securities (classified within other non-current assets): | | | | |
| Debt securities | $— | $— | $12 | $12 |
| Other [(a)] | 22 | — | — | 22 |
| Nuclear trust fund investments: | | | | |
| Cash and cash equivalents | 10 | — | — | 10 |
| U.S. government and federal agency obligations | 33 | — | — | 33 |
| Federal agency mortgage-backed securities | — | 59 | — | 59 |
| Commercial mortgage-backed securities | — | 9 | — | 9 |
| Corporate debt securities | — | 80 | — | 80 |
| Equity securities | 233 | — | 47 | 280 |
| Foreign government fixed income securities | — | 2 | — | 2 |
| Other trust fund investments: | | | | |
| U.S. government and federal agency obligations | 1 | — | — | 1 |
| Derivative assets: | | | | |
| Commodity contracts | 1,457 | 1,711 | 135 | 3,303 |
| Interest rate contracts | — | 3 | — | 3 |
| Total assets | $1,756 | $1,864 | $194 | $3,814 |
| Derivative liabilities: | | | | |
| Commodity contracts | $1,144 | $1,047 | $147 | $2,338 |
| Interest rate contracts | — | 143 | — | 143 |
| Total liabilities | $1,144 | $1,190 | $147 | $2,481 |

(a) Consists primarily of mutual funds held in a Rabbi Trust for non-qualified deferred compensation plans for some key and highly compensated employees.

There have been no transfers during the year ended December 31, 2013, between Levels 1 and 2. The following tables reconcile, for the years ended December 31, 2013, and 2012, the beginning and ending balances for financial instruments that are recognized at fair value in the consolidated financial statements at least annually using significant unobservable inputs:

| | For the Year Ended December 31, 2013 | | | | |
|---|---|---|---|---|---|
| | Fair Value Measurement Using Significant Unobservable Inputs (Level 3) | | | | |
| | Debt Securities | Other | Trust Fund Investments | Derivatives [(a)] | Total |
| | (In millions) | | | | |
| Beginning balance as of January 1, 2013 | $12 | $— | $47 | $ (12) | $47 |
| Total gains and losses (realized/unrealized): | | | | | |
| Included in OCI | 4 | — | — | — | 4 |
| Included in earnings | — | — | — | (12) | (12) |
| Included in nuclear decommissioning obligations | — | — | 10 | — | 10 |
| Purchases | — | 10 | 2 | 4 | 16 |
| Sales | — | — | (3) | — | (3) |
| Transfers into Level 3 [(b)] | — | — | — | 6 | 6 |
| Transfers out of Level 3 [(b)] | — | — | — | 27 | 27 |
| Ending balance as of December 31, 2013 | $16 | $10 | $56 | $ 13 | $95 |
| | $— | $— | $— | $ 1 | $1 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Gains for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of December 31, 2013 | | | | | | | | | |

(a) Consists of derivatives assets and liabilities, net.

(b) Transfers in/out of Level 3 are related to the availability of external broker quotes, and are valued as of the end of the reporting period. All transfers in/out are with Level 2.

| | For the Year Ended December 31, 2012 | | | |
|---|---|---|---|---|
| | Fair Value Measurement Using Significant Unobservable Inputs (Level 3) | | | |
| | Debt Securities | Trust Fund Investments | Derivatives [a] | Total |
| | (In millions) | | | |
| Beginning balance as of January 1, 2012 | $7 | $42 | $ 8 | $57 |
| Total gains and losses (realized/unrealized): | | | | |
| Included in OCI | 5 | — | — | 5 |
| Included in earnings | — | — | (13) | (13) |
| Included in nuclear decommissioning obligations | — | 5 | — | 5 |
| Purchases | — | — | 8 | 8 |
| Contracts acquired in GenOn acquisition | — | — | 18 | 18 |
| Transfers into Level 3 [b] | — | — | (33) | (33) |
| Transfer out of Level 3 [b] | — | — | — | — |
| Ending balance as of December 31, 2012 | $12 | $47 | $ (12) | $47 |
| Losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of December 31, 2012 | $— | $— | $ (3) | $(3) |

(a) Consists of derivatives assets and liabilities, net.

(b) Transfers in/out of Level 3 are related to the availability of external broker quotes, and are valued as of the end of the reporting period. All transfers in/out are with Level 2.

Realized and unrealized gains and losses included in earnings that are related to the energy derivatives are recorded in operating revenues and cost of operations.

Non-derivative fair value measurements

NRG's investments in debt securities are classified as Level 3 and consist of non-traded debt instruments that are valued based on third-party market value assessments.

The trust fund investments are held primarily to satisfy NRG's nuclear decommissioning obligations. These trust fund investments hold debt and equity securities directly and equity securities indirectly through commingled funds. The fair values of equity securities held directly by the trust funds are based on quoted prices in active markets and are categorized in Level 1. In addition, U.S. government and federal agency obligations are categorized as Level 1 because they trade in a highly liquid and transparent market. The fair values of corporate debt securities are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences and are categorized in Level 2. Certain equity securities, classified as commingled funds, are analogous to mutual funds, are maintained by investment companies, and hold certain investments in accordance with a stated set of fund objectives. The fair value of the equity securities classified as commingled funds are based on net asset values per fund share (the unit of account), derived from the quoted prices in active markets of the underlying equity securities. However, because the shares in the commingled funds are not publicly quoted, not traded in an active market and are subject to certain restrictions regarding their purchase and sale, the commingled funds are categorized in Level 3. See also Note 6, Nuclear Decommissioning Trust Fund.

Derivative fair value measurements

A portion of NRG's contracts are exchange-traded contracts with readily available quoted market prices. A majority of NRG's contracts are non-exchange-traded contracts valued using prices provided by external sources, primarily price quotations available through brokers or over-the-counter and on-line exchanges. For the majority of NRG markets, the Company receives quotes from multiple sources. To the extent that NRG receives multiple quotes, the Company's prices reflect the average of the bid-ask mid-point prices obtained from all sources that NRG believes provide the most liquid market for the commodity. If the Company receives one quote, then the mid-point of the bid-ask spread for that quote is used. The terms for which such price information is available vary by commodity, region and product.

A significant portion of the fair value of the Company's derivative portfolio is based on price quotes from brokers in active markets who regularly facilitate those transactions and the Company believes such price quotes are executable. The Company does not use third party sources that derive price based on proprietary models or market surveys. The remainder of the assets and liabilities represents contracts for which external sources or observable market quotes are not available. These contracts are valued based on various valuation techniques including but not limited to internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Contracts valued with prices provided by models and other valuation techniques make up 9% of derivative assets and 11% of derivative liabilities. The fair value of each contract is discounted using a risk free interest rate. In addition, the Company applies a credit reserve to reflect credit risk which is calculated based on published default probabilities. To the extent that NRG's net exposure under a specific master agreement is an asset, the Company uses the counterparty's default swap rate. If the exposure under a specific master agreement is a liability, the Company uses NRG's default swap rate. The credit reserve is added to the discounted fair value to reflect the exit price that a market participant would be willing to receive to assume NRG's liabilities or that a market participant would be willing to pay for NRG's assets. As of December 31, 2013, the credit reserve resulted in a $1 million decrease in fair value which is reflected as a $1 million loss in operating revenue and cost of operations.

The fair values in each category reflect the level of forward prices and volatility factors as of December 31, 2013, and may change as a result of changes in these factors. Management uses its best estimates to determine the fair value of commodity and derivative contracts NRG holds and sells. These estimates consider various factors including closing exchange and over-the-counter price quotations, time value, volatility factors and credit exposure. It is possible, however, that future market prices could vary from those used in recording assets and liabilities from energy marketing and trading activities and such variations could be material.

Under the guidance of ASC 815, entities may choose to offset cash collateral paid or received against the fair value of derivative positions executed with the same counterparties under the same master netting agreements. The Company has chosen not to offset positions as defined in ASC 815. As of December 31, 2013, the Company recorded $276 million of cash collateral paid and $63 million of cash collateral received on its balance sheet.

Concentration of Credit Risk

In addition to the credit risk discussion as disclosed in Note 2, Summary of Significant Accounting Policies, the following item is a discussion of the concentration of credit risk for the Company's financial instruments. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process; (ii) a daily monitoring of counterparties' credit limits; (iii) the use of credit mitigation measures such as margin, collateral, prepayment arrangements, or volumetric limits; (iv) the use of payment netting agreements; and (v) the use of master netting agreements that allow for the netting of positive and negative exposures of various contracts associated with a single counterparty. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties. The Company also has credit protection within various agreements to call on additional collateral support if and when necessary. Cash margin is collected and held at NRG to cover the credit risk of the counterparty until positions settle.

As of December 31, 2013, counterparty credit exposure, excluding credit risk exposure under certain long term agreements, was $813 million and NRG held collateral (cash and letters of credit) against those positions of $5 million, resulting in a net exposure of $808 million. Approximately 87% of the Company's exposure before collateral is expected to roll off by the end of 2015. Counterparty credit exposure is valued through observable market quotes and discounted at a risk free interest rate. The following tables highlight net counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for NRG with counterparties where netting is permitted under the enabling agreement and includes all cash flow, mark-to-market and NPNS, and non-derivative transactions. The exposure is shown net of collateral held, and includes amounts net of receivables or payables.

| Category | Net Exposure (a) (% of Total) | |
|---|---|---|
| Financial institutions | 52 | % |
| Utilities, energy merchants, marketers and other | 29 | |
| Coal and emissions | 1 | |
| ISOs | 18 | |
| Total | 100 | % |

| Category | Net Exposure [a] (% of Total) | |
|---|---|---|
| Investment grade | 94 | % |
| Non-Rated | 6 | |
| Total | 100 | % |

(a) Counterparty credit exposure excludes uranium and coal transportation contracts because of the unavailability of market prices.

NRG has counterparty credit risk exposure to certain counterparties, each of which represent more than 10% of total net exposure discussed above. The aggregate of such counterparties' exposure was $349 million. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration. Given the credit quality, diversification and term of the exposure in the portfolio, NRG does not anticipate a material impact on the Company's financial position or results of operations from nonperformance by any of NRG's counterparties.

Counterparty credit exposure described above excludes credit risk exposure under certain long term agreements, including California tolling agreements, South Central load obligations, solar PPAs, and a coal supply agreement. As external sources or observable market quotes are not available to estimate such exposure, the Company values these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of December 31, 2013, aggregate credit risk exposure managed by NRG to these counterparties was approximately $2.3 billion, including $797 million related to assets of NRG Yield, Inc., for the next five years. This amount excludes potential credit exposures for projects with long term PPAs that have not reached commercial operations. The majority of these power contracts are with utilities or public power entities with strong credit quality and public utility commission or other regulatory support. However, such regulated utility counterparties can be impacted by changes in government regulations, which NRG is unable to predict. In the case of the coal supply agreement, NRG holds a lien against the underlying asset which significantly reduces the risk of loss.

Retail Customer Credit Risk

NRG is exposed to retail credit risk through the Company's retail electricity providers, which serve C&I customers and the Mass market. Retail credit risk results when a customer fails to pay for services rendered. The losses may result from both nonpayment of customer accounts receivable and the loss of in-the-money forward value. NRG manages retail credit risk through the use of established credit policies that include monitoring of the portfolio and the use of credit mitigation measures such as deposits or prepayment arrangements.

As of December 31, 2013, the Company's retail customer credit exposure to C&I customers was diversified across many customers and various industries, as well as government entities.

NRG is also exposed to retail customer credit risk relating to its Mass customers, which may result in a write-off of bad debt. The Company's bad debt expense was $67 million and $45 million for the years ending December 31, 2013 and 2012, respectively. Current economic conditions may affect the Company's customers' ability to pay bills in a timely manner, which could increase customer delinquencies and may lead to an increase in bad debt expense.

Note 5 — Accounting for Derivative Instruments and Hedging Activities

ASC 815 requires NRG to recognize all derivative instruments on the balance sheet as either assets or liabilities and to measure them at fair value each reporting period unless they qualify for a NPNS exception. NRG may elect to designate certain derivatives as cash flow hedges, if certain conditions are met, and defer the effective portion of the change in fair value of the derivatives to accumulated OCI, until the hedged transactions occur and are recognized in earnings. The ineffective portion of a cash flow hedge is immediately recognized in earnings.

For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair value of both the derivative and the hedged transaction are recorded in current earnings.

For derivatives that are not designated as cash flow hedges or do not qualify for hedge accounting treatment, the changes in the fair value will be immediately recognized in earnings. Certain derivative instruments may qualify for the NPNS exception and are therefore exempt from fair value accounting treatment. ASC 815 applies to NRG's energy related commodity contracts, interest rate swaps, and foreign exchange contracts.

As the Company engages principally in the trading and marketing of its generation assets and Retail Business, some of NRG's commercial activities qualify for hedge accounting. In order for the generation assets to qualify, the physical generation and sale of electricity should be highly probable at inception of the trade and throughout the period it is held, as is the case with the Company's baseload plants. For this reason, many trades in support of NRG's baseload units normally qualify for NPNS or cash flow hedge accounting treatment, and trades in support of NRG's peaking unit's asset optimization will generally not qualify for hedge accounting treatment, with any changes in fair value likely to be reflected on a mark-to-market basis in the statement of operations. Most of the retail load contracts either qualify for the NPNS exception or fail to meet the criteria for a derivative and the majority of the retail supply and fuels supply contracts are recorded under mark-to-market accounting. All of NRG's hedging and trading activities are subject to limits within the Company's Risk Management Policy.

Energy-Related Commodities

To manage the commodity price risk associated with the Company's competitive supply activities and the price risk associated with wholesale power sales from the Company's electric generation facilities and retail power sales from the Retail Business, NRG enters into a variety of derivative and non-derivative hedging instruments, utilizing the following:

- Forward contracts, which commit NRG to purchase or sell energy commodities or purchase fuels in the future.
- Futures contracts, which are exchange-traded standardized commitments to purchase or sell a commodity or financial instrument.
- Swap agreements, which require payments to or from counter-parties based upon the differential between two prices for a predetermined contractual, or notional, quantity.
- Option contracts, which convey to the option holder the right but not the obligation to purchase or sell a commodity.
- Extendable swaps, which include a combination of swaps and options executed simultaneously for different periods. This combination of instruments allows NRG to sell out-year volatility through call options in exchange for natural gas swaps with fixed prices in excess of the market price for natural gas at that time. The above-market swap combined with its later-year call option are priced in aggregate at market at the trade's inception.
- Weather and hurricane derivative products used to mitigate a portion of Reliant Energy's lost revenue due to weather.

The objectives for entering into derivative contracts designated as hedges include:

- Fixing the price for a portion of anticipated future electricity sales that provides an acceptable return on the Company's electric generation operations.
- Fixing the price of a portion of anticipated fuel purchases for the operation of NRG's power plants.
- Fixing the price of a portion of anticipated power purchases for the Company's retail sales.

NRG's trading and hedging activities are subject to limits within the Company's Risk Management Policy. These contracts are recognized on the balance sheet at fair value and changes in the fair value of these derivative financial instruments are recognized in earnings.

As of December 31, 2013, NRG's derivative assets and liabilities consisted primarily of the following:

- Forward and financial contracts for the purchase/sale of electricity and related products economically hedging NRG's generation assets' forecasted output or NRG's retail load obligations through 2019.
- Forward and financial contracts for the purchase of fuel commodities relating to the forecasted usage of NRG's generation assets through 2017.
- Cash flow hedge energy-related derivative financial instruments extending through December 2015.

Also, as of December 31, 2013, NRG had other energy-related contracts that did not meet the definition of a derivative instrument or qualified for the NPNS exception and were therefore exempt from fair value accounting treatment as follows:

- Load-following forward electric sale contracts extending through 2026;
- Power Tolling contracts through 2038;
- Coal purchase contract through 2020;
- Power transmission contracts through 2015;
- Natural gas transportation contracts and storage agreements through 2028; and
- Coal transportation contracts through 2020.

Interest Rate Swaps

NRG is exposed to changes in interest rates through the Company's issuance of variable and fixed rate debt. In order to manage the Company's interest rate risk, NRG enters into interest rate swap agreements. As of December 31, 2013, NRG had interest rate derivative instruments on non-recourse debt extending through 2030, the majority of which are designated as cash flow hedges.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of NRG's open derivative transactions broken out by commodity, excluding those derivatives that qualified for the NPNS exception as of December 31, 2013 and 2012. Option contracts are reflected using delta volume. Delta volume equals the notional volume of an option adjusted for the probability that the option will be in-the-money at its expiration date.

| Commodity | Units | Total Volume December 31, 2013 | December 31, 2012 |
|---|---|---|---|
| | | (In millions) | |
| Emissions | Short Ton | — | (1) |
| Coal | Short Ton | 51 | 37 |
| Natural Gas | MMBtu | (166) | (413) |
| Oil | Barrel | 1 | 1 |
| Power | MWh | (27) | (14) |
| Interest | Dollars | $1,444 | $2,612 |

The decrease in the natural gas position was the result of additional purchases entered into during the year to hedge our retail portfolio as well as the settlement of positions during the period. These amounts were slightly offset by natural gas sales entered into during the year to hedge our conventional power generation. The decrease in the interest rate position was primarily the result of the settlement of interest rate swaps.

Fair Value of Derivative Instruments

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

| (In millions) | Fair Value Derivative Assets | | Derivative Liabilities | |
|---|---|---|---|---|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Derivatives Designated as Cash Flow or Fair Value Hedges: | | | | |
| Interest rate contracts current | $— | $— | $35 | $29 |
| Interest rate contracts long-term | 14 | 3 | 29 | 96 |
| Commodity contracts current | — | — | 1 | 3 |
| Commodity contracts long-term | — | — | 1 | 1 |
| Total Derivatives Designated as Cash Flow or Fair Value Hedges | 14 | 3 | 66 | 129 |
| Derivatives Not Designated as Cash Flow or Fair Value Hedges: | | | | |
| Interest rate contracts current | — | — | 4 | 7 |
| Interest rate contracts long-term | 6 | — | 1 | 11 |
| Commodity contracts current | 1,328 | 2,644 | 1,015 | 1,942 |
| Commodity contracts long-term | 291 | 659 | 164 | 392 |
| Total Derivatives Not Designated as Cash Flow or Fair Value Hedges | 1,625 | 3,303 | 1,184 | 2,352 |
| Total Derivatives | $1,639 | $3,306 | $1,250 | $2,481 |

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. In addition, collateral received or paid on the Company's derivative assets or liabilities are recorded on a separate line item on the balance sheet. The following table summarizes the offsetting derivatives by counterparty master agreement level and collateral received or paid:

| | Gross Amounts Not Offset in the Statement of Financial Position | | | |
|---|---|---|---|---|
| As of December 31, 2013 | Gross Amounts of Recognized Assets/Liabilities | Derivative Instruments | Cash Collateral (Held)/Posted | Net Amount |
| | (in millions) | | | |
| Commodity contracts: | | | | |
| Derivative assets | $1,619 | $(1,032) | $(62) | $525 |
| Derivative liabilities | (1,181) | 1,032 | 18 | (131) |
| Total commodity contracts | 438 | — | (44) | 394 |
| Interest rate contracts: | | | | |
| Derivative assets | 20 | (12) | — | 8 |
| Derivative liabilities | (69) | 12 | — | (57) |
| Total interest rate contracts | (49) | — | — | (49) |
| Total derivative instruments | $389 | $— | $(44) | $345 |

| | Gross Amounts Not Offset in the Statement of Financial Position | | | |
|---|---|---|---|---|
| As of December 31, 2012 | Gross Amounts of Recognized Assets/Liabilities | Derivative Instruments | Cash Collateral (Held)/Posted | Net Amount |
| | (in millions) | | | |
| Commodity contracts: | | | | |
| Derivative assets | $3,303 | $(2,024) | $(374) | $905 |
| Derivative liabilities | (2,338) | 2,024 | 28 | (286) |
| Total commodity contracts | 965 | — | (346) | 619 |
| Interest rate contracts: | | | | |
| Derivative assets | 3 | — | — | 3 |
| Derivative liabilities | (143) | — | — | (143) |
| Total interest rate contracts | (140) | — | — | (140) |
| Total derivative instruments | $825 | $— | $(346) | $479 |

Accumulated Other Comprehensive Income

The following tables summarize the effects on NRG's accumulated OCI balance attributable to cash flow hedge derivatives, net of tax:

| | Year Ended December 31, 2013 | | |
|---|---|---|---|
| | Energy Commodities | Interest Rate | Total |
| | (In millions) | | |
| Accumulated OCI balance at December 31, 2012 | $41 | $(72) | $(31) |
| Reclassified from accumulated OCI to income: | | | |
| Due to realization of previously deferred amounts | (51) | 20 | (31) |
| Mark-to-market of cash flow hedge accounting contracts | 9 | 30 | 39 |
| Accumulated OCI balance at December 31, 2013, net of $14 tax | (1) | (22) | (23) |
| Losses expected to be realized from OCI during the next 12 months, net of $8 tax | $(1) | $(14) | $(15) |

There were no gains or losses recognized in income from the ineffective portion of cash flow hedges for the year ended December 31, 2013.

| | Year Ended December 31, 2012 | | |
|---|---|---|---|
| | Energy Commodities | Interest Rate | Total |
| | (In millions) | | |
| Accumulated OCI balance at December 31, 2011 | $188 | $(56) | $132 |
| Reclassified from accumulated OCI to income: | | | |
| Due to realization of previously deferred amounts | (144) | 23 | (121) |
| Mark-to-market of cash flow hedge accounting contracts | (3) | (39) | (42) |
| Accumulated OCI balance at December 31, 2012, net of $7 tax | $41 | $(72) | $(31) |
| Losses recognized in income from the ineffective portion of cash flow hedges | $(51) | $— | $(51) |

| | Year Ended December 31, 2011 | | |
|---|---|---|---|
| | Energy Commodities | Interest Rate Contracts | Total |
| | (In millions) | | |
| Accumulated OCI balance at December 31, 2010 | $488 | $(47) | $441 |
| Reclassified from accumulated OCI to income: | | | |
| Due to realization of previously deferred amounts | (374) | 12 | (362) |
| Mark-to-market of cash flow hedge accounting contracts | 74 | (21) | 53 |
| Accumulated OCI balance at December 31, 2011, net of $87 tax | $188 | $(56) | $132 |
| Gains recognized in income from the ineffective portion of cash flow hedges | $28 | $3 | $31 |

Amounts reclassified from accumulated OCI into income and amounts recognized in income from the ineffective portion of cash flow hedges are recorded to operating revenue for commodity contracts and interest expense for interest rate contracts.

Accounting guidelines require a high degree of correlation between the derivative and the hedged item throughout the period in order to qualify as a cash flow hedge. As of April 30, 2012, the Company's regression analysis for natural gas prices to ERCOT power prices, while positively correlated, did not meet the required threshold for cash flow hedge accounting for calendar year 2012. As a result, the Company de-designated its 2012 ERCOT cash flow hedges as of April 30, 2012, and prospectively marked these derivatives to market through the income statement.

Impact of Derivative Instruments on the Statement of Operations

Unrealized gains and losses associated with changes in the fair value of derivative instruments not accounted for as cash flow hedges and ineffectiveness of hedge derivatives are reflected in current period earnings.

The following table summarizes the pre-tax effects of economic hedges that have not been designated as cash flow hedges, ineffectiveness on cash flow hedges, and trading activity on NRG's statement of operations. The effect of commodity hedges is included within operating revenues and cost of operations and the effect of interest rate hedges is included in interest expense.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Unrealized mark-to-market results | | | |
| Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges | $(105) | $(247) | $54 |
| Reversal of (gain)/loss positions acquired as part of the Reliant Energy, Green Mountain Energy and GenOn acquisitions | (357) | 20 | 107 |
| Net unrealized gains/(losses) on open positions related to economic hedges | 177 | 10 | (33) |
| (Losses)/gains on ineffectiveness associated with open positions treated as cash flow hedges | — | (51) | 28 |
| Total unrealized mark-to-market (losses)/gains for economic hedging activities | (285) | (268) | 156 |
| Reversal of previously recognized unrealized (gains)/losses on settled positions related to trading activity | (50) | (60) | 21 |
| Net unrealized gains on open positions related to trading activity | 7 | 46 | 42 |
| Total unrealized mark-to-market (losses)/gains for trading activity | (43) | (14) | 63 |
| Total unrealized (losses)/gains | $(328) | $(282) | $219 |

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Unrealized (losses)/gains included in operating revenues | $(621) | $(464) | $388 |

| | | | |
|---|---|---|---|
| Unrealized gains/(losses) included in cost of operations | 293 | 182 | (169) |
| Total impact to statement of operations — energy commodities | $(328) | $(282) | $219 |
| Total impact to statement of operations — interest rate contracts | $15 | $(8) | $2 |

The reversal of gain or loss positions acquired as part of the Reliant Energy, Green Mountain Energy and GenOn acquisitions were valued based upon the forward prices on the acquisition dates. The roll-off amounts were offset by realized gains or losses at the settled prices and are reflected in revenue or cost of operations during the same period.
For the year ended December 31, 2013, the $177 million gain from economic hedge positions was primarily the result of an increase in value of forward sales of natural gas and electricity due to a decrease in forward power and gas prices and an increase in value of forward purchases of coal due to an increase in forward coal prices.
As of June 30, 2013, NRG had interest rate swaps designated as cash flow hedges on the CVSR solar project. The notional amount on the swaps exceeded the actual debt draws on the project. As such, NRG discontinued cash flow hedge accounting for these contracts and $5 million of loss previously deferred in OCI was recognized in earnings for the year ended December 31, 2013.
For the year ended December 31, 2012, the $10 million gain from economic hedge positions was the result of an increase in value of forward sales of natural gas and electricity due to a decrease in forward power and gas prices offset by a decrease in value of forward purchases of coal due to a decrease in forward coal prices.
As of June 30, 2012 NRG had interest rate swaps designated as cash flow hedges on the Alpine solar project. The notional amount of the swaps exceeded the actual debt draws on the project. As such, NRG discontinued cash flow hedge accounting for these contracts and $4 million of loss previously deferred in OCI was recognized in earnings for the year ended December 31, 2012.
Credit Risk Related Contingent Features
Certain of the Company's hedging agreements contain provisions that require the Company to post additional collateral if the counterparty determines that there has been deterioration in credit quality, generally termed "adequate assurance" under the agreements, or require the Company to post additional collateral if there were a one notch downgrade in the Company's credit rating. The collateral required for contracts that have adequate assurance clauses that are in net liability positions as of December 31, 2013, was $85 million. The collateral required for contracts with credit rating contingent features that are in a net liability position as of December 31, 2013, was $15 million. The Company is also a party to certain marginable agreements under which it has a net liability position, but the counterparty has not called for the collateral due, of approximately $34 million as of December 31, 2013.
See Note 4, Fair Value of Financial Instruments, for discussion regarding concentration of credit risk.

Note 6 — Nuclear Decommissioning Trust Fund

NRG's nuclear decommissioning trust fund assets, which are for the decommissioning of STP, are comprised of securities classified as available-for-sale and recorded at fair value based on actively quoted market prices. Although NRG is responsible for managing the decommissioning of its 44% interest in STP, the predecessor utilities that owned STP are authorized by the PUCT to collect decommissioning funds from their ratepayers to cover decommissioning costs on behalf of NRG. NRC requirements determine the decommissioning cost estimate which is the minimum required level of funding. In the event that funds from the ratepayers that accumulate in the nuclear decommissioning trust are ultimately determined to be inadequate to decommission the STP facilities, the utilities will be required to collect through rates charged to rate payers all additional amounts, with no obligation from NRG, provided that NRG has complied with PUCT rules and regulations regarding decommissioning trusts. Following completion of the decommissioning, if surplus funds remain in the decommissioning trusts, any excess will be refunded to the respective ratepayers of the utilities.

NRG accounts for the nuclear decommissioning trust fund in accordance with ASC 980, Regulated Operations, or ASC 980 because the Company's nuclear decommissioning activities are subject to approval by the PUCT, with regulated rates that are designed to recover all decommissioning costs and that can be charged to and collected from the ratepayers per PUCT mandate. Since the Company is in compliance with PUCT rules and regulations regarding decommissioning trusts and the cost of decommissioning is the responsibility of the Texas ratepayers, not NRG, all realized and unrealized gains or losses (including other-than-temporary impairments) related to the Nuclear Decommissioning Trust Fund are recorded to the Nuclear Decommissioning Trust Liability and are not included in net income or accumulated other comprehensive income, consistent with regulatory treatment.

The following table summarizes the aggregate fair values and unrealized gains and losses (including other-than-temporary impairments) for the securities held in the trust funds, as well as information about the contractual maturities of those securities.

| | As of December 31, 2013 | | | | As of December 31, 2012 | | |
|---|---|---|---|---|---|---|---|
| (In millions, except otherwise noted) | Fair Value | Unrealized Gains | Unrealized Losses | Weighted-average maturities (in years) | Fair Value | Unrealized Gains [a] | Weighted-average maturities (in years) |
| Cash and cash equivalents | $26 | $ — | $ — | — | $10 | $ — | — |
| U.S. government and federal agency obligations | 45 | 1 | 1 | 9 | 33 | 2 | 10 |
| Federal agency mortgage-backed securities | 62 | 1 | 1 | 24 | 59 | 2 | 23 |
| Commercial mortgage-backed securities | 14 | — | — | 29 | 9 | — | 30 |
| Corporate debt securities | 70 | 1 | 1 | 9 | 80 | 4 | 11 |
| Equity securities | 332 | 204 | — | — | 280 | 143 | — |
| Foreign government fixed income securities | 2 | — | — | 9 | 2 | — | 6 |
| Total | $551 | $ 207 | $ 3 | | $473 | $ 151 | |

(a) There are no unrealized losses as of December 31, 2012.

The following table summarizes proceeds from sales of available-for-sale securities and the related realized gains and losses from these sales. The cost of securities sold is determined on the specific identification method.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Realized gains | $25 | $12 | $4 |
| Realized losses | (8) | (7) | (3) |
| Proceeds from sale of securities | 488 | 399 | 385 |

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Note 7 — Inventory

Inventory consisted of:

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Fuel oil | $259 | $181 |
| Coal/Lignite | 290 | 405 |
| Natural gas | 15 | 12 |
| Spare parts | 316 | 301 |
| Other | 18 | 4 |
| Total Inventory | $898 | $903 |

Note 8 — Notes Receivable

Notes receivable primarily consisted of fixed and variable rate notes secured by equity interests in partnerships and joint ventures. NRG's notes receivable and capital leases were as follows:

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Notes receivable — non-affiliates[a] | $97 | $82 |
| Notes receivable — affiliate | | |
| Avenal Solar Holdings LLC, indefinite maturity date, 4.5% [b] | 2 | 6 |
| Total notes receivable | 99 | 88 |
| Less current maturities[c] | 26 | 9 |
| Total notes receivable — noncurrent | $73 | $79 |

(a) Primarily relates to Agua Caliente, Alpine, Borrego, El Segundo Energy Center and CVSR's agreements with their respective transmission owners to provide financing for required network upgrades. The notes will be repaid within a five year period following the date each facility reaches commercial operations.

(b) NRG entered into a long-term $35 million note receivable facility with Avenal Solar Holdings LLC, to fund project liquidity needs in 2011.

(c) The current portion of notes receivable is recorded in prepayments and other current assets on the consolidated balance sheets.

Note 9 — Property, Plant and Equipment

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

| | As of December 31, | | Depreciable |
|---|---|---|---|
| | 2013 | 2012 | Lives |
| | (In millions) | | |
| Facilities and equipment | $22,087 | $19,571 | 1-40 Years |
| Land and improvements | 801 | 793 | |
| Nuclear fuel | 463 | 414 | 5 Years |
| Office furnishings and equipment | 298 | 355 | 2-10 Years |
| Construction in progress | 2,775 | 4,428 | |
| Total property, plant, and equipment | 26,424 | 25,561 | |
| Accumulated depreciation | (6,573) | (5,408) | |
| Net property, plant, and equipment | $19,851 | $20,153 | |

Note 10 — Asset Impairments

2013 Impairment Losses

Indian River - Annually during the fourth quarter, the Company revises its views of power and fuel prices including the Company's fundamental view for long term prices in connection with the preparation of its annual budget. Changes to the Company's views of long term power and fuel prices impacted the Company's projections of profitability, based on management's estimate of supply and demand within the sub-markets for each plant and the physical and economic characteristics of each plant. The Company's revised views of projected profitability for Indian River resulted in a significant adverse change in the extent to which the assets are expected to be used. As a result, the Company considered this to be an indicator of impairment and performed an impairment test for these assets under ASC 360, Property, Plant and Equipment. The carrying amount of the assets was lower than the future net cash flows expected to be generated by the asset, considering project specific assumptions for long-term power pool prices, escalated future project operating costs and expected plant operations. As a result, the assets are considered to be impaired, and the Company measured the impairment loss as the difference between the carrying amount and the fair value of the assets. The fair value of the assets was determined by factoring in the probability weighting of different courses of action available to the Company and included both an income approach and a market approach. The Company recorded an impairment loss related to Indian River in the fourth quarter of 2013 of $459 million.

Gladstone - During the fourth quarter of 2013, the Company reviewed its 37.5% interest in Gladstone for impairment utilizing the other-than-temporary impairment model under ASC 820, Fair Value Measurements, due to future market expectations as well as discussions with the managing joint venture participants regarding the plant's expected life. In determining fair value, the Company utilized an income approach and considered project specific assumptions for future project operating revenues and costs and expected plant operations. The carrying amount of the Company's equity method investment exceeded the fair value of the investment and the Company concluded that the decline is considered to be other than temporary. As a result, the Company measured the impairment loss as the difference between the carrying amount and fair value of the investment and recorded an impairment loss in the fourth quarter of 2013 of $92 million.

2011 Impairment Losses

Emissions Allowances - Under CSAPR, use of discounted Acid Rain $SO_2$ and CAIR $NO_x$ allowances would have been discontinued and replaced with completely distinct allowance programs. Acid Rain allowances would still be required on a 1:1 basis under the Acid Rain Program. During the year ended December 31, 2011, the Company recorded an impairment charge of $160 million on the Company's Acid Rain Program $SO_2$ emission allowances in order to comply with the Acid Rain Program as discussed in Note 24, Environmental Matters.

Nuclear Innovation North America, LLC (NINA) - NINA is majority-owned subsidiary of NRG established to develop, finance and invest in new advanced design nuclear projects in select markets across North America, including the planned South Texas Project Units 3 and 4 Project, or STP 3 & 4. On March 11, 2011, Japan was hit by a devastating earthquake and tsunami which, in turn, triggered a nuclear incident at the Fukushima Daiichi Nuclear Power Station. The nuclear incident in Japan introduced multiple and substantial uncertainties around new nuclear development in the United States and the availability of debt and equity financing to NINA. Consequently, NINA announced, on March 21, 2011, that it was reducing the scope of development at the STP 3 & 4 expansion and suspended indefinitely all detailed engineering work and other pre-construction activities. As a result, NRG announced that, while it will cooperate with and support its current partners and any prospective future partners in attempting to develop STP 3 & 4 successfully, it was withdrawing from further financial participation in NINA's development of STP 3 & 4.

Due to the events described above, NRG evaluated its investment in NINA for impairment. As part of this process, NRG evaluated the contractual rights and economic interests held by the various stakeholders in NINA, and concluded that while it continues to hold majority legal ownership, NRG ceased to have a controlling financial interest in NINA at the end of the first quarter of 2011. Consequently, NRG deconsolidated NINA as of March 31, 2011, in accordance with ASC 810. Furthermore, NRG concluded it was remote that NRG would recover any portion of the carrying amount of its equity investment in NINA and, consequently, recorded impairment charges related to the full amount of its investment, as well as additional contributions made to support the reduced scope of work. The impairment charges

totaled $495 million for the year ended December 31, 2011. In 2012, NRG recorded an additional impairment charge related to additional contributions made of $2 million.

Note 11 — Goodwill and Other Intangibles

Goodwill — NRG's goodwill balance was $2.0 billion as of December 31, 2013 and 2012. The Company recorded approximately $1.7 billion of goodwill in connection with the acquisition of Texas Genco in 2006. The Company recorded $144 million of goodwill in connection with the 2010 acquisition of Green Mountain Energy, and $29 million in connection with the 2011 acquisition of Energy Plus. In 2013 and 2012, the Company recorded additional goodwill for several business acquisitions. The Energy Plus acquisition is discussed further in Note 3, Business Acquisitions and Dispositions. As of December 31, 2013, there was no impairment to goodwill. As of December 31, 2013, 2012, and 2011, NRG had approximately $573 million, $609 million, and $594 million, respectively, of goodwill that is deductible for U.S. income tax purposes in future periods.

Intangible Assets — The Company's intangible assets as of December 31, 2013, primarily reflect intangible assets established with the acquisitions of various companies in 2013, 2012, 2011, 2010, 2009, and 2006, and are comprised of the following:

- Emission Allowances — These intangibles primarily consist of $SO_2$ and NOx emission allowances established with the 2012 GenOn acquisition and 2006 Texas Genco acquisition and also include RGGI emission credits which NRG began purchasing in 2009. These emission allowances are held-for-use and are amortized to cost of operations, with NOx allowances amortized on a straight-line basis and $SO_2$ allowances and RGGI credits amortized based on units of production. During the year ended December 31, 2011, the Company recorded an impairment charge of $160 million on the Company's Acid Rain Program $SO_2$ emission allowances in order to comply with the Acid Rain Program as discussed in Note 24, Environmental Matters.
- Development rights — Arising primarily from the acquisition of solar businesses in 2010 and 2011, these intangibles are amortizable to depreciation and amortization expense on a straight-line basis over the estimated life of the related project portfolio.
- Energy supply contracts — Established with the acquisitions of Reliant Energy and Green Mountain Energy, these represent the fair value at the acquisition date of in-market contracts for the purchase of energy to serve retail electric customers. The contracts are amortized to cost of operations based on the expected delivery under the respective contracts.
- In-market fuel (gas and nuclear) contracts — These intangibles were established with the Texas Genco acquisition in 2006 and are amortized to cost of operations over expected volumes over the life of each contract.
- Customer contracts — Established with the acquisitions of Reliant Energy, Green Mountain Energy, and Northwind Phoenix, these intangibles represent the fair value at the acquisition date of contracts that primarily provide electricity to Reliant Energy's and Green Mountain Energy's C&I customers. These contracts are amortized to revenues based on expected volumes to be delivered for the portfolio.
- Customer relationships — These intangibles represent the fair value at the acquisition date of acquired businesses' customer base, primarily for Energy Alternatives, Energy Plus, Reliant Energy, Green Mountain Energy, Energy Systems and Energy Curtailment Specialists. The customer relationships are amortized to depreciation and amortization expense based on the expected discounted future net cash flows by year.
- Marketing partnerships — Established with the acquisition of Energy Plus, as further discussed in Note 3, Business Acquisitions and Dispositions, these intangibles represent the fair value at the acquisition date of existing agreements with loyalty and affinity partners. The marketing partnerships are amortized to depreciation and amortization expense based on the expected discounted future net cash flows by year.
- Trade names — Established with the Reliant Energy, Green Mountain and Energy Plus acquisitions, these intangibles are amortized to depreciation and amortization expense, on a straight-line basis.
- Other — Consists of renewable energy credits, wind intangible assets, costs to extend the operating license for STP Units 1 and 2, the intangible asset related to a purchased ground lease and the value of acquired power purchase agreements.

The following tables summarize the components of NRG's intangible assets subject to amortization:

| Year Ended December 31, 2013 | Emission Allowances | Development Rights | Contracts Energy Supply | Fuel | Customer | Customer Relationships | Marketing Partnerships | Trade Names | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | (In millions) | | | | | | | | | |
| January 1, 2013 | $793 | $ 24 | $54 | $72 | $ 859 | $ 640 | $ 88 | $318 | $68 | $2,916 |
| Purchases | 76 | — | — | — | — | 14 | — | — | 28 | 118 |
| Acquisition of businesses | — | — | — | — | — | 89 | — | — | 10 | 99 |
| Usage | — | — | — | — | — | — | — | — | (14) | (14) |
| Other | 2 | (5) | — | — | — | — | — | — | 1 | (2) |
| December 31, 2013 | 871 | 19 | 54 | 72 | 859 | 743 | 88 | 318 | 93 | 3,117 |
| Less accumulated amortization | (433) | — | (36) | (61) | (847) | (487) | (12) | (93) | (8) | (1,977) |
| Net carrying amount | $438 | $ 19 | $18 | $11 | $ 12 | $ 256 | $ 76 | $225 | $85 | $1,140 |

| Year Ended December 31, 2012 | Emission Allowances | Development Rights | Contracts Energy Supply | Fuel | Customer | Customer Relationships | Marketing Partnerships | Trade Names | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | (In millions) | | | | | | | | | |
| January 1, 2012 | $783 | $ 24 | $54 | $72 | $ 859 | $ 634 | $ 88 | $318 | $39 | $2,871 |
| Purchases | 18 | — | — | — | — | — | — | — | 18 | 36 |
| Acquisition of businesses | 53 | — | — | — | — | 6 | — | — | 10 | 69 |
| Usage | — | — | — | — | — | — | — | — | (13) | (13) |
| Sales | (4) | — | — | — | — | — | — | — | — | (4) |
| Write-off of fully amortized balances | (56) | — | — | — | — | — | — | — | — | (56) |
| Other | (1) | — | — | — | — | — | — | — | 14 | 13 |
| December 31, 2012 | 793 | 24 | 54 | 72 | 859 | 640 | 88 | 318 | 68 | 2,916 |
| Less accumulated amortization[(a)] | (329) | — | (30) | (59) | (794) | (415) | (4) | (72) | (3) | (1,706) |
| Net carrying amount | $464 | $ 24 | $24 | $13 | $ 65 | $ 225 | $ 84 | $246 | $65 | $1,210 |

(a) Adjusted for write-off of fully amortized emission allowances of $56 million

The following table presents NRG's amortization of intangible assets for each of the past three years:

| Amortization | Years Ended December 31, 2013 | 2012 | 2011 |
|---|---|---|---|
| | (In millions) | | |
| Emission allowances | $104 | $50 | $66 |
| Energy supply contracts | 6 | 5 | 4 |
| Fuel contracts | 2 | 2 | 2 |
| Customer contracts | 53 | 119 | 185 |
| Customer relationships | 72 | 98 | 109 |
| Marketing partnerships | 8 | 4 | — |
| Trade names | 29 | 30 | 22 |
| Other | 5 | 2 | — |
| Total amortization | $279 | $310 | $388 |

The following table presents estimated amortization of NRG's intangible assets for each of the next five years:

| Year Ended December 31, | Emission Allowances | Development Rights | Contracts Energy Supply | Fuel | Customer | Customer Relationships | Marketing Partnerships | Trade Names | Total |
|---|---|---|---|---|---|---|---|---|---|
| | (In millions) | | | | | | | | |
| 2014 | $77 | $ 1 | $6 | $2 | $1 | $61 | $15 | $21 | $184 |
| 2015 | 65 | 1 | 6 | 2 | 1 | 45 | 14 | 21 | 155 |
| 2016 | 64 | 1 | 6 | 2 | 1 | 31 | 9 | 21 | 135 |
| 2017 | 65 | 1 | — | — | 1 | 21 | 5 | 21 | 114 |
| 2018 | 68 | 1 | — | — | 1 | 10 | 5 | 21 | 106 |

The following table presents the weighted average remaining amortization period related to NRG's intangible assets purchased in 2013 business acquisitions:

| As of December 31, 2013 | Customer Relationships |
|---|---|
| | (In years) |
| Weighted average remaining amortization period | 28 |

Intangible assets held for sale — From time to time, management may authorize the transfer from the Company's emission bank of emission allowances held-for-use to intangible assets held-for-sale. Emission allowances held-for-sale are included in other non current assets on the Company's consolidated balance sheet and are not amortized, but rather expensed as sold. As of December 31, 2013, the value of emission allowances held-for-sale is $24 million and is managed within the Corporate segment. Once transferred to held-for-sale, these emission allowances are prohibited from moving back to held-for-use.

Out-of-market contracts — Due primarily to business acquisitions, NRG acquired certain out-of-market contracts, which are classified as non-current liabilities on NRG's consolidated balance sheet. These include out-of-market lease contracts of $790 million and out-of-market gas transportation and storage contracts of $327 million acquired in the acquisition of GenOn. These out-of-market contracts are amortized to cost of operations. In addition, the power and customer contracts are amortized to revenues, while the energy supply contracts are amortized to cost of operations.

The following table summarizes the estimated amortization related to NRG's out-of-market contracts:

| Year Ended December 31, | Power Contracts | Leases | Gas Transportation | Total |
|---|---|---|---|---|
| | (In millions) | | | |
| 2014 | $17 | 39 | $ 36 | $92 |
| 2015 | 17 | 39 | 37 | 93 |
| 2016 | 18 | 39 | 42 | 99 |
| 2017 | 18 | 39 | 37 | 94 |
| 2018 | 19 | 39 | 32 | 90 |

Note 12 — Debt and Capital Leases

Long-term debt and capital leases consisted of the following:

| | As of December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | Interest Rate % [(a)] |
| | (In millions except rates) | | |
| NRG Recourse Debt: | | | |
| Senior notes, due 2018 | $1,130 | $1,200 | 7.625 |
| Senior notes, due 2019 | 800 | 800 | 7.625 |
| Senior notes, due 2019 | 602 | 693 | 8.500 |
| Senior notes, due 2020 | 1,062 | 1,100 | 8.250 |
| Senior notes, due 2021 | 1,128 | 1,128 | 7.875 |
| Senior notes, due 2023 | 990 | 990 | 6.625 |
| Term loan facility, due 2018 | 2,002 | 1,573 | L+3.00/L+2.00 |
| Indian River Power LLC, tax exempt bonds, due 2040 and 2045 | 247 | 247 | 5.375 - 6.00 |
| Dunkirk Power LLC, tax exempt bonds, due 2042 | 59 | 59 | 5.875 |
| Fort Bend County, tax-exempt bonds, due 2038 and 2042 | 67 | 28 | 4.750 |
| Subtotal NRG Recourse Debt | 8,087 | 7,818 | |
| NRG Non-Recourse Debt: | | | |
| GenOn senior notes, due 2014 | — | 617 | 7.625 |
| GenOn senior notes, due 2017 | 782 | 800 | 7.875 |
| GenOn senior notes, due 2018 | 780 | 801 | 9.500 |
| GenOn senior notes, due 2020 | 621 | 631 | 9.875 |
| GenOn Americas Generation senior notes, due 2021 | 503 | 509 | 8.500 |
| GenOn Americas Generation senior notes, due 2031 | 435 | 437 | 9.125 |
| NRG Marsh Landing term loan, due 2017 and 2023[(b)] | 473 | 390 | L+2.75 - 3.00 |
| CVSR - High Plains Ranch II LLC, due 2014 and 2037[(b)] | 1,104 | 786 | 0.611 - 3.579 |
| NRG West Holdings LLC, term loan, due 2023 | 512 | 350 | L+2.25 - 2.75 |
| Agua Caliente Solar, LLC, due 2037 | 878 | 640 | 2.395 - 3.633 |
| Ivanpah Financing, due 2014 and 2038 | 1,575 | 1,437 | 1.116 - 4.256 |
| South Trent Wind LLC, due 2020 | 69 | 72 | L+ 2.625 |
| NRG Peaker Finance Co. LLC, bonds, due 2019 | 154 | 173 | L+1.07 |
| NRG Energy Center Minneapolis LLC, senior secured notes, due 2013, 2017, and 2025[(b)] | 127 | 137 | 5.95 - 7.31 |
| NRG Solar Alpine LLC, due 2014 and 2022[(b)] | 221 | 2 | L+2.25 - 2.50 |
| NRG Solar Borrego I LLC, due 2024 and 2038[(b)] | 78 | — | L+2.50/5.65 |
| NRG Solar Avra Valley LLC[(b)] | 63 | 66 | L+2.25 |
| TA - High Desert LLC, due 2014, 2023 and 2033 | 80 | — | L+2.50/5.15 |
| NRG Solar Kansas South LLC, due 2014 and 2031 | 58 | — | L+2.00 - 2.625 |
| Other | 204 | 200 | various |
| Subtotal NRG Non-Recourse Debt | 8,717 | 8,048 | |
| Subtotal Long Term Debt | 16,804 | 15,866 | |
| Capital leases: | | | |
| Chalk Point capital lease, due 2015 | 10 | 14 | 8.190 |
| Other | 3 | 3 | various |
| Subtotal Capital Leases | 13 | 17 | |
| Subtotal | 16,817 | 15,883 | |
| Less current maturities | 1,050 | 147 | |
| Total long-term debt and capital leases | $15,767 | $15,736 | |

As of December 31, 2013, L+ equals 3 month LIBOR plus x%, with the exception of NRG Solar Alpine LLC cash
(a) grant loan and NRG Solar Kansas South LLC and TA - High Desert LLC cash grant bridge loan which are 1 month LIBOR plus x% and NRG Solar Kansas South LLC term loan which is 3 month LIBOR plus x%
(b) Debt related to projects in NRG Yield

Long-term debt includes the following premiums/(discounts):

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (in millions) | |
| Senior notes, due 2019 | $(5) | $(7) |
| Term loan facility, due 2018 [a] | (5) | (3) |
| NRG Peaker Finance Co. LLC, bonds, due 2019 [b] | (11) | (15) |
| GenOn senior notes, due 2014 [c] | — | 42 |
| GenOn senior notes, due 2017 [c] | 58 | 75 |
| GenOn senior notes, due 2018 [c] | 104 | 126 |
| GenOn senior notes, due 2020 [c] | 71 | 81 |
| GenOn Americas Generation senior notes, due 2021 [c] | 53 | 59 |
| GenOn Americas Generation senior notes, due 2031 [c] | 35 | 37 |
| Total premium/(discount) | $300 | $395 |

(a) Discount of $1 million is related to current maturities in 2013 and 2012.

(b) Discounts of $4 million and $5 million are related to current maturities in 2013 and 2012, respectively.

(c) Premiums for long-term debt acquired in the GenOn acquisition represent adjustments to record the debt at fair value in connection with the acquisition, as described further in Note 3, Business Acquisitions and Dispositions.

NRG Recourse Debt

Senior Notes

Issuance of 2022 Senior Notes

On January 27, 2014, NRG issued $1.1 billion in aggregate principal amount at par of 6.25% senior notes due 2022. The notes are senior unsecured obligations of NRG and are guaranteed by certain of its subsidiaries. Interest is payable semi-annually beginning on July 15, 2014, until the maturity date of July 15, 2022. The proceeds were utilized to redeem the 8.5% and 7.625% 2019 Senior Notes, as described below, and are also expected to be utilized to fund the acquisition of EME.

In connection with the 2022 Senior Notes, NRG entered into a registration payment arrangement. For the first 90-day period immediately following a registration default, additional interest will be paid in an amount equal to 0.25% per annum of the principal amount of 2022 Senior Notes outstanding, as applicable. The amount of interest paid will increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all registration defaults are cured, up to a maximum amount of interest of 1.0% per annum of the principal amount of the 2022 Senior Notes outstanding, as applicable. The additional interest is paid on the next scheduled interest payment date and following the cure of the registration default, the additional interest payment will cease.

Redemption of 8.5% and 7.625% 2019 Senior Notes

On February 10, 2014, the Company redeemed $308 million of its 8.5% 2019 Senior Notes and $91 million of its 7.625% 2019 Senior Notes through a tender offer and call, at an average early redemption percentage of 106.992% and 105.500%, respectively. A $33 million loss on debt extinguishment of the 8.5% and 7.625% Senior Notes was recorded in the first quarter of 2014, primarily consisting of the premiums paid on the redemption and the write-off of previously deferred financing costs.

Redemption of Senior Notes

In 2012, the Company redeemed its $1.1 billion 2017 Senior Notes through a tender offer and call, at an average early redemption percentage of 104.016%. A $51 million loss on debt extinguishment of the 2017 Senior Notes was recorded, primarily consisting of the premiums paid on the redemption and the write-off of previously deferred financing costs.

In 2011, the Company redeemed its $1.2 billion Senior Notes due 2014 and its $2.4 billion Senior Notes due 2016 at an average redemption percentage of 102.007% and 103.868%, respectively, and recorded a loss on debt extinguishment of $28 million and $115 million, respectively, primarily consisting of the premiums paid on the redemption and the write-off of previously deferred financing costs.

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Senior Notes Outstanding

As of December 31, 2013, NRG had six outstanding issuances of senior notes, or Senior Notes, under an Indenture, dated February 2, 2006, or the Indenture, between NRG and Law Debenture Trust Company of New York, as trustee:

(i.)8.500% senior notes, issued June 5, 2009 and due June 15, 2019, or the 2019 Senior Notes;

(ii.)8.250% senior notes, issued August 20, 2010 and due September 1, 2020, or the 2020 Senior Notes;

(iii.)7.625% senior notes, issued January 26, 2011 and due January 15, 2018, or the 2018 Senior Notes;

(iv.)7.625% senior notes, issued May 24, 2011 and due May 15, 2019, or the 7.625% 2019 Senior Notes;

(v.)7.875% senior notes, issued May 24, 2011 and due May 15, 2021, or the 2021 Senior Notes; and

(vi.)6.625% senior notes, issued September 24, 2012 and due March 15, 2023, or the 2023 Senior Notes.

The Company periodically enters into supplemental indentures for the purpose of adding entities under the Senior Notes as guarantors.

The Indentures and the form of notes provide, among other things, that the Senior Notes will be senior unsecured obligations of NRG. The Indentures also provide for customary events of default, which include, among others: nonpayment of principal or interest; breach of other agreements in the Indentures; defaults in failure to pay certain other indebtedness; the rendering of judgments to pay certain amounts of money against NRG and its subsidiaries; the failure of certain guarantees to be enforceable; and certain events of bankruptcy or insolvency. Generally, if an event of default occurs, the Trustee or the Holders of at least 25% in principal amount of the then outstanding series of Senior Notes may declare all of the Senior Notes of such series to be due and payable immediately. The terms of the Indentures, among other things, limit NRG's ability and certain of its subsidiaries' ability to return capital to stockholders, grant liens on assets to lenders and incur additional debt. Interest is payable semi-annually on the Senior Notes until their maturity dates.

Senior Notes Repurchases

On December 17, 2012, NRG entered into an agreement with a financial institution to repurchase up to $200 million of the Senior Notes in the open market by February 27, 2013. In the first quarter of 2013, the Company paid $80 million, $104 million, and $42 million, at an average price of 114.179%, 111.700%, and 113.082% of face value, for repurchases of the Company's 2018 Senior Notes, 2019 Senior Notes and 2020 Senior Notes, respectively. A $28 million loss on the debt extinguishment of the 2018 Senior Notes, 2019 Senior Notes and 2020 Senior Notes was recorded during the three months ended March 31, 2013 which primarily consisted of the premiums paid on the repurchases and the write-off of previously deferred financing costs.

2019 Senior Notes

Prior to June 15, 2014, NRG may redeem all or a portion of the 2019 Senior Notes at a price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the principal amount of the note over the following: the present value of 104.25% of the note, plus interest payments due on the note from the date of redemption through June 15, 2014, discounted at a Treasury rate plus 0.50%. In addition, on or after June 15, 2014, NRG may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption date:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| June 15, 2014 to June 14, 2015 | 104.250 | % |
| June 15, 2015 to June 14, 2016 | 102.830 | % |
| June 15, 2016 to June 14, 2017 | 101.420 | % |
| June 15, 2017 and thereafter | 100.000 | % |

2020 Senior Notes

Prior to September 1, 2015, NRG may redeem all or a portion of the 2020 Senior Notes at a price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of (i) 1% of the principal amount of the note; or (ii) the excess of the principal amount of the note over the following: the present value of 104.125% of the note, plus interest payments due on the note from the date of redemption through September 1, 2015, discounted at a Treasury rate plus 0.50%. In addition, on or after September 1, 2015, NRG may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption date:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| On or after September 1, 2015 | 104.125 | % |
| On or after September 1, 2016 | 102.750 | % |
| On or after September 1, 2017 | 101.375 | % |
| September 1, 2018 and thereafter | 100.000 | % |

2018 Senior Notes

Prior to maturity, NRG may redeem all or a portion of the 2018 Senior Notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium and accrued and unpaid interest. The premium is the greater of (i) 1% of the principal amount of the note or (ii) the excess of the present value of the principal amount at maturity plus all required interest payments due on the note through the maturity date discounted at a Treasury rate plus 0.50%.

7.625% 2019 Senior Notes

Prior to May 15, 2014, NRG may redeem up to 35% of the aggregate principal amount of the 7.625% 2019 Senior Notes with the net proceeds of certain equity offerings, at a redemption price of 107.625% of the principal amount. Prior to May 15, 2014, NRG may redeem all or a portion of the 7.625% 2019 Senior Notes at a price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the principal amount of the note over the following: the present value of 103.813% of the note, plus interest payments due on the note from the date of redemption through May 15, 2014, discounted at a Treasury rate plus 0.50%. In addition, on or after May 15, 2014, NRG may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption date:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| May 15, 2014 to May 14, 2015 | 103.813 | % |
| May 15, 2015 to May 14, 2016 | 101.906 | % |
| May 15, 2016 and thereafter | 100.000 | % |

2021 Senior Notes

Prior to May 15, 2016, NRG may redeem up to 35% of the aggregate principal amount of the 2021 Senior Notes with the net proceeds of certain equity offerings, at a redemption price of 107.875% of the principal amount. Prior to May 15, 2016, NRG may redeem all or a portion of the 2021 Senior Notes at a price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the principal amount of the note over the following: the present value of 103.938% of the note, plus interest payments due on the note from the date of redemption through May 15, 2016, discounted at a Treasury rate plus 0.50%. In addition, on or after May 15, 2016, NRG may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption date:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| May 15, 2016 to May 14, 2017 | 103.938 | % |
| May 15, 2017 to May 14, 2018 | 102.625 | % |

| | | |
|---|---|---|
| May 15, 2018 to May 14, 2019 | 101.313 | % |
| May 15, 2019 and thereafter | 100.000 | % |

2023 Senior Notes

On September 24, 2012, NRG issued $990 million aggregate principal amount at par of 6.625% Senior Notes due 2023, or the 2023 Senior Notes. The 2023 Senior Notes were issued under the Indenture. The Indenture and the form of the notes provide, among other things, that the 2023 Senior Notes will be senior unsecured obligations of NRG. The proceeds, net of issuance costs, of $978 million for the 2023 Senior Notes were used to complete the tender offer of the 2017 Senior Notes.

Prior to September 15, 2015, NRG may redeem up to 35% of the aggregate principal amount of the 2023 Senior Notes with the net proceeds of certain equity offerings, at a redemption price of 106.625% of the principal amount. Prior to September 15, 2017, NRG may redeem all or a portion of the 2023 Senior Notes at a price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the principal amount of the note over the following: the present value of 103.313% of the note, plus interest payments due on the note from the date of redemption through September 15, 2017, discounted at a Treasury rate plus 0.50%. In addition, on or after September 15, 2017, NRG may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption date:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| September 15, 2017 to September 14, 2018 | 103.313 | % |
| September 15, 2018 to September 14, 2019 | 102.208 | % |
| September 15, 2019 to September 14, 2020 | 101.104 | % |
| September 15, 2020 and thereafter | 100.000 | % |

In connection with the 2023 Senior Notes, NRG entered into a registration payment arrangement. For the first 90-day period immediately following a registration default, additional interest will be paid in an amount equal to 0.25% per annum of the principal amount of 2023 Senior Notes outstanding, as applicable. The amount of interest paid will increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all registration defaults are cured, up to a maximum amount of interest of 1.0% per annum of the principal amount of the 2023 Senior Notes outstanding, as applicable. The additional interest is paid on the next scheduled interest payment date and following the cure of the registration default, the additional interest payment will cease.

Senior Credit Facility

On June 4, 2013, NRG amended the Term Loan Facility to (i) obtain additional financing of $450 million, which was issued at a discount of 99.5%; and (ii) adjust the interest rate from LIBOR plus 2.50% to LIBOR plus 2.00%. In addition, the Company redeemed and re-issued $407 million of the Term Loan Facility to new lenders resulting in a $7 million loss on debt extinguishment, recorded during the second quarter 2013, which primarily consisted of the write-off of previously deferred financing costs and unamortized discount. The proceeds from the additional $450 million borrowed were used for general corporate purposes. Debt issuance costs of $23 million and a discount on debt issuance of $4 million will be amortized to interest expense through the maturity date of the Term Loan Facility. Repayments under the Term Loan Facility will consist of 0.25% per quarter, with the remainder due at maturity.

The Company also amended the Revolving Credit Facility to (i) increase the capacity by $211 million to a total of $2.5 billion; (ii) adjust the interest rate to LIBOR plus 2.25%; and (iii) extend the maturity date to July 1, 2018 to coincide with the maturity date of the Term Loan Facility. As a result of the amended Revolving Credit Facility, the Company capitalized debt issuance costs of $4 million, which will be amortized to interest expense through the maturity date of the Revolving Credit Facility. A $3 million loss on debt extinguishment was recorded during the three months ended June 30, 2013 related to the write-off of previously deferred financing costs. As of December 31, 2013, a total of $1.3 billion letters of credit were issued under the Revolving Credit Facility, with $1.2 billion remaining available to be issued. Commitment fees of 0.50% are charged on the unused portion of the Revolving Credit Facility.

The Senior Credit Facility replaced an existing senior credit facility in 2011, and NRG recorded a $32 million loss on extinguishment, which consisted of the write-off of previously deferred financing costs.

The Senior Credit Facility is guaranteed by substantially all of NRG's existing and future direct and indirect subsidiaries, with certain customary or agreed-upon exceptions for unrestricted foreign subsidiaries, project

subsidiaries, and certain other subsidiaries, including GenOn and its subsidiaries. The capital stock of these guarantor subsidiaries has been pledged for the benefit of the Senior Credit Facility's lenders.

The Senior Credit Facility is also secured by first-priority perfected security interests in substantially all of the property and assets owned or acquired by NRG and its subsidiaries, other than certain limited exceptions. These exceptions include assets of certain unrestricted subsidiaries, equity interests in certain of NRG's affiliates that have non-recourse debt financing, including GenOn and its subsidiaries, and voting equity interests in excess of 66% of the total outstanding voting equity interest of certain of NRG's foreign subsidiaries.

The Senior Credit Facility contains customary covenants, which, among other things, require NRG to meet certain financial tests, including minimum interest coverage ratio and a maximum leverage ratio on a consolidated basis, and limit NRG's ability to:

- incur indebtedness and liens and enter into sale and lease-back transactions;
- make investments, loans and advances; and
- return capital to stockholders.

Interest Rate Swaps — NRG entered into interest rate swaps, which became effective on April 1, 2011, and are intended to hedge the risks associated with floating interest rates. The Company pays its counterparty the equivalent of a fixed interest payment on a predetermined notional value, and NRG receives the monthly equivalent of a floating interest payment based on a 1 month LIBOR calculated on the same notional value. All interest rate swap payments by NRG and its counterparty are made monthly and the LIBOR is determined in advance of each interest period. The total notional amount of the swaps, which matured on February 1, 2013, was $900 million with changes in the fair value through June 30, 2011 recorded in OCI and subsequent changes in the fair value reported in interest expense.

Fort Bend County Tax Exempt Bonds

On May 3, 2012, NRG executed a $54 million tax-exempt bond financing with a maturity date of May 1, 2038, issued by the Fort Bend County Industrial Development Corporation, or the Fort Bend County Tranche A Bonds. The Fort Bend County Tranche A Bonds will be used for the construction of a peaking unit with one or more components of a carbon capture system at the W.A. Parish Generating Station in Thompsons, TX, or W.A. Parish. The bonds initially bore weekly interest based on the SIFMA rate, and were enhanced by a letter of credit under the Company's Revolving Credit Facility covering amounts drawn. On October 18, 2012, NRG fixed the rate on the Fort Bend County Tranche A Bonds at 4.75% payable semiannually, and the letter of credit was canceled and replaced with an NRG guarantee. As of December 31, 2013 the full $54 million was drawn.

On October 18, 2012, NRG executed an additional $73 million tax-exempt bond financing, with a maturity date of November 1, 2042, also issued by the Fort Bend County Industrial Development Corporation, or the Fort Bend County Tranche B Bonds. The Fort Bend County Tranche B Bonds will be used for environmental and maintenance upgrades at W.A. Parish. The bonds were issued at a fixed rate of 4.75% payable semiannually, and are supported by an NRG guarantee. The proceeds drawn through December 31, 2013 were $12 million and the remaining balance will be drawn over time as qualifying expenditures are paid.

NRG Non-Recourse Debt

The following are descriptions of certain indebtedness of NRG's subsidiaries that are outstanding as of December 31, 2013. All of NRG's non-recourse debt is secured by the assets in the respective GenOn subsidiaries and project subsidiaries as further described below. The net assets in the GenOn and project subsidiaries are subject to restrictions, including the ability to transfer assets out of the subsidiaries. As of December 31, 2013, NRG had net assets of $3.2 billion that were deemed restricted for purposes of Rule 4-08(e)(3)(iii) of Regulation S-X.

The indebtedness described below is non-recourse to NRG, unless otherwise noted.

GenOn Senior Notes

Under the GenOn Senior Notes and the related indentures, the GenOn Senior Notes are the sole obligation of GenOn and are not guaranteed by any subsidiary or affiliate of GenOn. The GenOn Senior Notes are senior unsecured obligations of GenOn having no recourse to any subsidiary or affiliate of GenOn. The GenOn Senior Notes restrict the ability of GenOn and its subsidiaries to encumber their assets. The GenOn Senior Notes are subject to acceleration of GenOn's obligations thereunder upon the occurrence of certain events of default, including: (a) default in interest payment for 30 days, (b) default in the payment of principal or premium, if any, (c) failure after 90 days of specified notice to comply with any other agreements in the indenture, (d) certain cross-acceleration events, (e) failure by GenOn or its significant subsidiaries to pay certain final and non-appealable judgments after 90 days and (f) certain

events of bankruptcy and insolvency.

Redemption of 2014 GenOn Senior Notes

In June 2013, the Company redeemed all of the 2014 GenOn Senior Notes with an aggregate outstanding principal amount of $575 million at a redemption price of 106.778% of face value as well as any accrued and unpaid interest as of the redemption date. In connection with the redemption, an $11 million loss on the debt extinguishment of the 2014 GenOn Senior Notes was recorded during the three months ended June 30, 2013 which primarily consisted of a make whole premium payment offset by the write-off of unamortized premium.

The GenOn Senior Notes due 2014, which had a face value of $575 million, were recorded at their fair value of $618 million on the GenOn acquisition date. The related $43 million premium was being amortized to interest expense until the notes were redeemed in June 2013, as previously discussed.

2018 and 2020 GenOn Senior Notes

The GenOn Senior Notes due 2018 and 2020 and the related indentures restrict the ability of GenOn to incur additional liens and make certain restricted payments, including dividends. In the event of a default or if restricted payment tests are not satisfied, GenOn would not be able to distribute cash to its parent, NRG. At December 31, 2013, GenOn did not meet the consolidated debt ratio component of the restricted payments test and, therefore, the ability of GenOn to make restricted payments, including dividends, loans and advances to NRG, is limited to specified exclusions, including up to $250 million of such restricted payments. As of December 31, 2013, GenOn net assets of $0 billion were deemed restricted for purposes of Rule 4-08(e)(3)(iii) of Regulation S-X.

Prior to maturity, GenOn may redeem the senior notes due 2018, in whole or in part, at a redemption price equal to 100% of the principal amount plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the following: the present value of 100% of the note, plus interest payments due on the note through maturity, discounted at a Treasury rate plus 0.50% over the principal amount of the note.

Prior to October 15, 2015, GenOn may redeem the senior notes due 2020, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the following: the present value of 100% of the note, plus interest payments due on the note through maturity, discounted at a Treasury rate plus 0.50% over the principal amount of the note. In addition, on or after October 15, 2015, GenOn may redeem some or all of the notes at redemption prices expressed as percentages of principal amount as set forth in the following table, plus accrued and unpaid interest on the notes redeemed to the first applicable redemption rate:

| Redemption Period | Redemption Percentage | |
|---|---|---|
| October 15, 2015 to October 14, 2016 | 104.938 | % |
| October 15, 2016 to October 14, 2017 | 103.292 | % |
| October 15, 2017 to October 14, 2018 | 101.646 | % |
| October 15, 2018 and thereafter | 100.000 | % |

The GenOn Senior Notes due 2018 and 2020, which have a face value of $675 million and $550 million, respectively, were recorded at their fair values of $802 million and $632 million, respectively, on the GenOn acquisition date. The $127 million and $82 million premiums are being amortized to interest expense over the life of the related notes.

2017 GenOn Senior Notes

Prior to maturity, GenOn may redeem all or a part of the GenOn Senior Notes due 2017 at a redemption price equal to 100% of the notes plus a premium and accrued and unpaid interest. The premium is the greater of: (i) 1% of the principal amount of the notes; or (ii) the excess of the following: the present value of 100% of the note, plus interest payments due on the note through maturity, discounted at a Treasury rate plus 0.50% over the principal amount of the note.

The GenOn Senior Notes due 2017, which have a face value of $725 million, were recorded at their fair value of $800 million, on the GenOn acquisition date. The $75 million premium is being amortized to interest expense over the life of the notes.

GenOn Americas Generation Senior Notes

The GenOn Americas Generation Senior Notes due 2021 and 2031 are senior unsecured obligations of GenOn Americas Generation, a wholly owned subsidiary of NRG, having no recourse to any subsidiary or affiliate of GenOn Americas Generation.

Prior to maturity, GenOn Americas Generation may redeem all or a part of the senior notes due 2021 and 2031 at a redemption price equal to 100% of the notes plus a premium and accrued and unpaid interest. The premium is the greater of: (i) the discounted present value of the then-remaining scheduled payments of principal and interest on the outstanding notes, discounted at a Treasury rate plus 0.375%, less the unpaid principal amount; and (ii) zero.

The GenOn Americas Generation Senior Notes, which have a face value of $450 million and $400 million, respectively, were recorded at their fair values of $510 million and $437 million, respectively, on the GenOn acquisition date. The $60 million and $37 million premiums are being amortized to interest expense over the life of the related notes.

NRG Yield, Inc. Convertible Notes

On February 11, 2014, NRG Yield, Inc. closed on its offering of $300 million aggregate principal amount of 3.50% Convertible Senior Notes due 2019, or the NRG Yield Senior Notes. The initial purchasers exercised their option to purchase up to an additional $45 million in aggregate principal amount of the NRG Yield Senior Notes. NRG Yield, Inc. expects to receive the proceeds in early March. The NRG Yield Senior Notes are convertible, under certain circumstances, into NRG Yield, Inc. common stock, cash or a combination thereof at an initial conversion price of $46.55 per Class A common share, which is equivalent to an initial conversion rate of approximately 21.4822 shares of Class A common stock per $1,000 principal amount of NRG Yield Senior Notes. Interest on the NRG Yield Senior Notes is payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2014. The NRG Yield Senior Notes will mature on February 1, 2019, unless earlier repurchased or converted in accordance with their terms. Prior to the close of business on the business day immediately preceding August 1, 2018, the NRG Yield Senior Notes will be convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date.

Project Financings

The following are descriptions of certain indebtedness of NRG's project subsidiaries that are outstanding as of December 31, 2013.

Dandan Financing

In December 2013, with respect to the Guam solar project, NRG, through its wholly-owned subsidiary, NRG Solar Dandan LLC, or Dandan, entered into a credit agreement with a bank, or the Dandan Financing Agreement, for a $81 million construction loan that converts to a term loan in September 2014 and a $23 million cash grant loan. The construction loans have interest rates of LIBOR plus an applicable margin of 2.25% or base rate plus 1.25% and the cash grant loans have an interest rate of LIBOR plus an applicable margin of 1.75%. The term loan has an interest rate of LIBOR plus an applicable margin of 2.25%, which escalates 0.25% on the fifth, tenth, and fifteenth anniversary of the term conversion. The term loan, which is secured by all the assets of Dandan, matures on the 18th anniversary of the term conversion and amortizes based upon a predetermined schedule. The Dandan Financing Agreement also includes a letter of credit facility on behalf of Dandan of up to $5 million. Dandan pays an availability fee of 2.25% from the closing date until the 5th anniversary of the term conversion date and 2.50% from the 5th anniversary of the term conversion date on issued letters of credit. As of December 31, 2013, $19 million was outstanding under the term loan, and $5 million in letters of credit in support of the project were issued.

Kansas South Facility

In the second quarter of 2013, the Company, through its wholly owned subsidiary, NRG Solar PV LLC, acquired Kansas South, a 20 MW utility-scale photovoltaic solar facility located in Kings County, California, shortly before commercial operation. In June 2013, NRG recorded $59 million of non-recourse project level debt under the Kansas South Facility which includes a $38 million term loan due 2031 and a $21 million cash grant bridge loan due the earlier of 10 days after receipt of the cash grant or March 2014. The term loan has an interest rate of 3 month LIBOR plus an applicable margin of 2.625% and increases by 0.25% every four years. The cash grant bridge loan has an

interest rate of 1 month LIBOR plus an applicable margin of 2.00%. The term loan amortizes on a predetermined schedule and is secured by all of the assets of Kansas South. As of December 31, 2013, $4 million of letters of credit were issued under the Kansas South Facility.

NRG Repowering Holdings LLC Facility

In June 2013, $82 million of letters of credit issued under the NRG Repowering Holdings LLC Facility were returned to the Company. In July 2013, the NRG Repowering Holding LLC Facility was terminated and the Company issued replacement letters of credit under its Revolving Credit Facility.

Marsh Landing Credit Agreement

In October 2010, Marsh Landing entered into a credit agreement for up to approximately $650 million of commitments to provide construction and permanent financing for the Marsh Landing generating facility. The credit facility consisted of a $155 million tranche A senior secured term loan facility, due 2017, a $345 million tranche B senior secured term loan facility, due 2023, a $50 million senior secured letter of credit facility to support debt service reserve requirements and a $100 million senior secured letter of credit facility to support collateral requirements under its PPA with PG&E. In May 2013, Marsh Landing met the conditions under the credit agreement to convert the construction loan for the facility to a term loan, which will amortize on a predetermined basis. Prior to term conversion, the Company drew the remaining funds available under the facility in order to pay costs due for construction. The Company issued a $24 million letter of credit under the facility in support of its debt service requirements. As of December 31, 2013, Marsh Landing had $473 million outstanding.

Avra Valley Financing

On August 30, 2012, NRG, through its subsidiary, NRG Solar Avra Valley LLC, or Avra Valley, entered into a credit agreement with a bank, or the Avra Valley Financing Agreement, for a $66 million construction loan that converted to a term loan in January 2013 and an $8 million cash grant loan. Both the construction and cash grant loans have interest rates of LIBOR plus an applicable margin of 2.25%. The term loan has an interest rate of LIBOR plus an applicable margin of 2.25%, which escalates 0.25% on the fifth, tenth, and fifteenth anniversary of the term conversion. The term loan, which is secured by all the assets of Avra Valley, matures on the 18th anniversary of the term conversion and amortizes based upon a predetermined schedule. The cash grant was received and the cash grant loan was repaid in June 2013. The Avra Valley Financing Agreement also includes a letter of credit facility on behalf of Avra Valley of up to $4 million. Avra Valley pays an availability fee of 100% of the applicable margin on issued letters of credit. As of December 31, 2013, $63 million was outstanding under the term loan, and $4 million in letters of credit in support of the project were issued.

Alpine Financing

On March 16, 2012, NRG, through its wholly-owned subsidiary, NRG Solar Alpine LLC, or Alpine, entered into a credit agreement with a group of lenders, or the Alpine Financing Agreement, for a $166 million construction loan, which converted to a term loan in March 2013, and a $68 million cash grant loan. On January 15, 2013 the credit agreement was amended reducing the cash grant loan to $63 million. The construction loan had an interest rate of LIBOR plus an applicable margin of 2.50% and the cash grant loan has an interest rate of 1 month LIBOR plus an applicable margin of 2.25%. The term loan has an interest rate of LIBOR plus an applicable margin of 2.50%, which escalates 0.25% on the fifth anniversary of the term conversion. The term loan, which is secured by all the assets of Alpine, amortizes based upon a predetermined schedule with final maturity in November 2022. The Alpine Financing Agreement also includes a letter of credit facility on behalf of Alpine of up to $37 million. Alpine pays an availability fee of 100% of the applicable margin on issued letters of credit. As of December 31, 2013, $159 million was outstanding under the term loans, and $37 million in letters of credit in support of the project were issued. In January, 2014, the Company was awarded the full cash grant of $72 million as applied for, relating to the Alpine project, and has received the post-sequestration funds of $66 million, and subsequently repaid the balance of the cash grant loan.

High Desert Facility

In the first quarter of 2013, the Company, through its wholly owned subsidiary, NRG Solar PV LLC, acquired High Desert, a 20 MW utility-scale photovoltaic solar facility located in Lancaster, California, shortly before commercial operation. As part of the acquisition of High Desert, NRG recorded $82 million of non-recourse project level debt in March 2013 issued under the High Desert Facility which is comprised of $53 million of fixed rate notes due 2033 at an interest rate of 5.15%, $7 million of floating rate notes due 2023, $22 million of bridge notes due the earlier of 10 days after receipt of the cash grant or May 2014 and a revolving facility of $12 million. The floating rate notes have an interest rate of 3 month LIBOR while the bridge notes have an interest rate of 1 month LIBOR plus 2.50%. The

revolving facility can be used for cash or for the issuance of up to $9 million in letters of credit. As of December 31, 2013, $9 million of letters of credit were issued under the revolving facility. The notes amortize on predetermined schedules and are secured by all of the assets of High Desert.

NRG Yield Revolving Credit Facility

In connection with the initial public offering of Class A common stock of NRG Yield, Inc. in July 2013, as further described in Note 1, Nature of Business, NRG Yield LLC and its direct wholly owned subsidiary, NRG Yield Operating LLC, entered into a senior secured revolving credit facility, which provides a revolving line of credit of $60 million. The NRG Yield revolving credit facility can be used for cash or for the issuance of letters of credit. There was no cash drawn or letters of credit issued under the NRG Yield revolving credit facility as of December 31, 2013.

CVSR Financing

On September 30, 2011, NRG acquired CVSR, as discussed in Note 3, Business Acquisitions and Dispositions. In connection with the acquisition, High Plains Ranch II LLC, a wholly-owned subsidiary of NRG, entered into the CVSR Financing Agreement with the FFB, to borrow up to $1.2 billion to finance the costs of constructing this solar facility. The CVSR Financing Agreement, which matures in 2037, is non-recourse to NRG. Funding requests will be submitted to the FFB on a monthly basis and the loans provided by the FFB are guaranteed by the U.S. DOE. Amounts borrowed under the CVSR Financing Agreement accrue interest at a fixed rate based on U.S. Treasury rates plus a spread of 0.375%, and are secured by the assets of CVSR. As of December 31, 2013, $1,104 million was outstanding under the loan.

In January 2014, the U.S. Treasury Department awarded the Company cash grants for the CVSR project of $307 million, or $285 million net of sequestration, which was approximately 75% of the cash grant for which the Company had applied. NRG is evaluating the basis for the award and all of its options with respect to recovering the full amount of the award. Proceeds received in January 2014 were utilized to repay the borrowings due on February 5, 2014.

Under the terms of the CVSR Financing Agreement, on November 17, 2011, CVSR entered into a series of swaptions with a notional value of $686 million, or 80% of the guaranteed term loan amount, in order to hedge the project interest rate risk. These swaptions matured over a series of seven scheduled settlement dates to correspond with the completion dates of the project. As of December 31, 2013, all of the swaptions have expired.

NRG West Holdings Credit Agreement

On August 23, 2011, NRG, through its wholly-owned subsidiary, NRG West Holdings LLC, or West Holdings, entered into a credit agreement with a group of lenders in respect to the El Segundo Energy Center, or the West Holdings Credit Agreement. The West Holdings Credit Agreement, which establishes a $540 million, two tranche construction loan facility with additional facilities for the issuance of letters of credit or working capital loans, is secured by the assets of West Holdings.

The two tranche construction loan facility consists of the $480 million Tranche A Construction Facility, or the Tranche A Facility, and the $60 million Tranche B Construction Facility, or the Tranche B Facility. The Tranche A and Tranche B Facilities, which mature in August 2023, convert to a term loan and have an interest rate of LIBOR, plus an applicable margin which increases by 0.125% periodically from conversion through year eight for the Tranche A Facility and increases by 0.125% upon term conversion and on the third and sixth anniversary of the term conversion and by 0.250% on the eighth anniversary of the term conversion for the Tranche B Facility. The Tranche A and Tranche B Facilities amortize based upon a predetermined schedule over the term of the loan with the balance payable at maturity.

The West Holdings Credit Agreement also provides for the issuance of letters of credit and working capital loans to support the El Segundo Energy Center collateral needs. This includes letter of credit facilities on behalf of West Holdings of up to $90 million in support of the PPA, up to $48 million in support of the collateral agent, and a working capital facility which permits loans or the issuance of letters of credit of up to $10 million.

As of December 31, 2013, under the West Holdings Credit Agreement, West Holdings borrowed $480 million under the Tranche A Facility, $32 million under the Tranche B Facility, issued a $33 million letter of credit in support of the PPA, and issued a $1 million letter of credit under the working capital facility.

Agua Caliente Financing

On August 5, 2011, NRG acquired Agua Caliente, as discussed in Note 3, Business Acquisitions and Dispositions. In connection with the acquisition, Agua Caliente Solar LLC, a wholly-owned subsidiary of NRG, entered into the Agua Caliente Financing Agreement with the FFB, to borrow up to $967 million to finance the costs of constructing this solar facility. The Agua Caliente Financing Agreement, which matures in 2037, is non-recourse to NRG. Funding

requests will be submitted to the FFB on a monthly basis and the loans provided by the FFB are guaranteed by the U.S. DOE. Amounts borrowed under the Agua Caliente Financing Agreement accrue interest at a fixed rate based on U.S. Treasury rates plus a spread of 0.375%, and are secured by the assets of Agua Caliente. As of December 31, 2013, $878 million had been drawn under this agreement.

Ivanpah Financing

On April 5, 2011, NRG acquired a majority interest in Ivanpah, as discussed in Note 3, Business Acquisitions and Dispositions. On April 5, 2011, Ivanpah entered into the Ivanpah Credit Agreement with the FFB to borrow up to $1.6 billion to finance the costs of constructing the Ivanpah solar facilities. Each phase of the project is governed by a separate financing agreement and is non-recourse to both the other projects and to NRG. Funding requests are submitted to the FFB on a monthly basis and the loans provided by the FFB are guaranteed by the U.S. DOE. Amounts borrowed under the Ivanpah Credit Agreement accrue interest at a fixed rate based on U.S. Treasury rates plus a spread of 0.375% and are secured by all the assets of Ivanpah. On February 27, 2014, Solar Partners II received an extension with respect to its borrowings previously due in 2014, which are subsequently due in 2015. Solar Partners II intends to submit an application to the U.S. Department of Treasury for a cash grant; any proceeds received will be utilized to repay the borrowings that mature in 2015.

The following table reflects the borrowings under the Ivanpah Credit Agreement as of December 31, 2013:

| | Maximum borrowings available under Ivanpah Credit Agreement | Amounts borrowed | Weighted average interest rate on amounts borrowed | |
|---|---|---|---|---|
| | (In millions, except rates) | | | |
| Solar Partners I, due June 27, 2014 [(a)] | $159 | $159 | 1.680 | % |
| Solar Partners I, due June 27, 2033 | 392 | 371 | 2.808 | % |
| Solar Partners II, due February 27, 2014 [(a)] | 132 | 132 | 1.611 | % |
| Solar Partners II, due February 27, 2038 | 387 | 377 | 3.132 | % |
| Solar Partners VIII, due October 27, 2014 [(a)] | 117 | 116 | 1.998 | % |
| Solar Partners VIII, due October 27, 2038 | 440 | 420 | 3.097 | % |
| | $1,627 | $1,575 | | |

(a) The cash portion of the loan is fully drawn; additional amounts will be utilized for capitalized interest.

Peakers

In June 2002, NRG Peaker Finance Company LLC, or Peakers, an indirect wholly-owned subsidiary of NRG, issued $325 million in floating rate bonds due June 2019. Peakers subsequently swapped such floating rate debt for fixed rate debt at an all-in cost of 6.67% per annum. Principal, interest, and swap payments were originally guaranteed by Syncora Guarantee Inc., successor in interest to XL Capital Assurance, through a financial guaranty insurance policy. In 2009, Assured Guaranty Mutual Corp assumed the responsibility as the bond insurer and controlling party. Syncora Guarantee Inc. continues to be the swap insurer. These notes are also secured by, among other things, substantially all of the assets of and membership interests in Bayou Cove Peaking Power LLC, Big Cajun I Peaking Power LLC, NRG Sterlington Power LLC, NRG Rockford LLC, NRG Rockford II LLC, and NRG Rockford Equipment LLC. As of December 31, 2013, $165 million in principal remained outstanding on these bonds. Upon emergence from bankruptcy, NRG issued a $36 million letter of credit to Peakers' collateral agent. The letter of credit may be drawn if the project is unable to meet principal or interest payments. There are no provisions requiring NRG to replenish the letter of credit if it is drawn. On December 10, 2012, the collateral agent drew the remaining $4 million on the letter of credit, and NRG contributed $19 million in equity to Peakers to meet its debt service requirements. On December 10, 2013, NRG contributed an additional $32 million in equity to Peakers to meet its debt service requirements. As of December 31, 2013, nothing remains available for additional letters of credit issuances.

On February 21, 2014, NRG Peaker Finance Company LLC elected to redeem approximately $30 million of the outstanding bonds at a redemption price equal to the principal amount plus a redemption premium, accrued and unpaid interest, and other fees, totaling approximately $35 million in connection with the removal of Bayou Cove Peaking Power LLC from the peaker financing collateral package, which also involved limited commitments for certain repairs on other assets that were funded concurrently with the making of the December 10, 2013 debt service payment. The removal of Bayou Cove Peaking Power LLC from the collateral package provides the Company flexibility on future transactions with respect to this asset.

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Interest Rate Swaps — Project Financings

Many of NRG's project subsidiaries entered into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. These swaps amortize in proportion to their respective loans and are floating for fixed where the project subsidiary pays its counterparty the equivalent of a fixed interest payment on a predetermined notional value and will receive quarterly the equivalent of a floating interest payment based on the same notional value. All interest rate swap payments by the project subsidiary and its counterparty are made quarterly and the LIBOR is determined in advance of each interest period. The following table summarizes the swaps, some of which are forward starting as indicated, related to NRG's project level debt as of December 31, 2013.

| Non-Recourse Debt | % of Principal | Fixed Interest Rate | Floating Interest Rate | Notional Amount at December 31, 2013 (In millions) | Effective Date | Maturity Date |
|---|---|---|---|---|---|---|
| NRG Peaker Finance Co. LLC | 100 % | 6.673 % | 3-mo. LIBOR + 1.07% | $165 | June 18, 2002 | June 10, 2019 |
| NRG West Holdings LLC | 75 % | 2.417 % | 3-mo. LIBOR | 405 | November 30, 2011 | August 31, 2023 |
| South Trent Wind LLC | 75 % | 3.265 % | 3-mo. LIBOR | 51 | June 15, 2010 | June 14, 2020 |
| South Trent Wind LLC | 75 % | 4.95 % | 3-mo. LIBOR | 21 | June 30, 2020 | June 14, 2028 |
| NRG Solar Roadrunner LLC | 75 % | 4.313 % | 3-mo. LIBOR | 33 | September 30, 2011 | December 31, 2029 |
| NRG Solar Alpine LLC | 85 % | 2.744 % | 3-mo. LIBOR | 135 | December 31, 2012 | December 31, 2029 |
| NRG Solar Avra Valley LLC | 90 % | 2.333 % | 3-mo. LIBOR | 56 | November 30, 2012 | November 30, 2030 |
| NRG Marsh Landing | 75 % | 3.244 % | 3-mo. LIBOR | 472 | June 28, 2013 | June 30, 2023 |
| Other | 75 % | various | various | 104 | various | various |

Consolidated Annual Maturities

Annual payments based on the maturities of NRG's debt, for the years ending after December 31, 2013, are as follows:

| | (In millions) |
|---|---|
| 2014 | $1,045 |
| 2015 | 254 |
| 2016 | 270 |
| 2017 | 1,034 |
| 2018 | 4,035 |
| Thereafter | 10,166 |
| Total | $16,804 |

Note 13 — Asset Retirement Obligations

NRG's AROs are primarily related to the future dismantlement of equipment on leased property and environmental obligations related to nuclear decommissioning, ash disposal, site closures, and fuel storage facilities. In addition, NRG has also identified conditional AROs for asbestos removal and disposal, which are specific to certain power generation operations.

See Note 6, Nuclear Decommissioning Trust Fund, for a further discussion of NRG's nuclear decommissioning obligations. Accretion for the nuclear decommissioning ARO and amortization of the related ARO asset are recorded to the Nuclear Decommissioning Trust Liability to the ratepayers and are not included in net income, consistent with regulatory treatment.

The following table represents the balance of ARO obligations as of December 31, 2013, and 2012, along with the additions, reductions and accretion related to the Company's ARO obligations for the year ended December 31, 2013:

(In millions)

| | |
|---|---|
| Balance as of December 31, 2012 | $646 |
| Revisions in estimates for current obligations | (77) |
| Additions | 29 |
| Spending for current obligations | (5) |
| Accretion — Expense | 19 |
| Accretion — Nuclear decommissioning | 17 |
| Balance as of December 31, 2013 | $629 |

Note 14 — Benefit Plans and Other Postretirement Benefits

NRG sponsors and operates defined benefit pension and other postretirement plans. As part of the GenOn acquisition, discussed in Note 3, Business Acquisitions and Dispositions, NRG assumed GenOn's defined benefit pension plans and other postretirement benefit plans, and GenOn's benefit plan obligations were recorded at fair value at the time of the acquisition. NRG expects to contribute $78 million to the Company's pension plans in 2014.

NRG pension benefits are available to eligible non-union and union employees through various defined benefit pension plans. These benefits are based on pay, service history and age at retirement. Most pension benefits are provided through tax-qualified plans. Certain executive pension benefits that cannot be provided by the tax-qualified plans are provided through unfunded non-tax-qualified plans. NRG also provides postretirement health and welfare benefits for certain groups of employees. Cost sharing provisions vary by the terms of any applicable collective bargaining agreements.

As part of the change in control associated with the GenOn acquisition, NRG has decided to terminate/settle the nonqualified legacy GenOn Benefit Restoration Plan and Supplemental Executive Retirement Plan. Final settlement payments totaling $12 million will be paid to remaining participants in the first quarter of 2014.

NRG Defined Benefit Plans

The annual net periodic benefit cost related to NRG's pension and other postretirement benefit plans include the following components:

| | Year Ended December 31, Pension Benefits | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Service cost benefits earned | $30 | $14 | $14 |
| Interest cost on benefit obligation | 47 | 23 | 21 |
| Expected return on plan assets | (55) | (23) | (21) |
| Amortization of unrecognized net loss | 9 | 4 | — |
| Curtailment | (1) | — | — |
| Net periodic benefit cost | $30 | $18 | $14 |

| | Year Ended December 31, Other Postretirement Benefits | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Service cost benefits earned | $4 | $2 | $2 |
| Interest cost on benefit obligation | 9 | 6 | 6 |
| Amortization of unrecognized net loss | — | 1 | — |
| Net periodic benefit cost | $13 | $9 | $8 |

A comparison of the pension benefit obligation, other postretirement benefit obligations and related plan assets for NRG's plans on a combined basis is as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| | 2013 | 2012 | 2013 | 2012 |
| | (In millions) | | | |
| Benefit obligation at January 1 | $1,147 | $456 | $220 | $122 |
| Obligations assumed in the GenOn acquisition | — | 596 | — | 87 |
| Service cost | 30 | 14 | 4 | 2 |
| Interest cost | 47 | 23 | 9 | 6 |
| Plan amendments | 5 | — | (4) | (1) |
| Actuarial (gain)/loss | (125) | 75 | (29) | 6 |
| Employee and retiree contributions | — | — | 2 | 1 |
| Benefit payments | (43) | (17) | (11) | (3) |
| Curtailment | (1) | — | — | — |
| Benefit obligation at December 31 | 1,060 | 1,147 | 191 | 220 |
| Fair value of plan assets at January 1 | 757 | 308 | — | — |
| Assets acquired in the GenOn acquisition | — | 402 | — | — |
| Actual return on plan assets | 116 | 41 | — | — |
| Employee contributions | — | — | 2 | 1 |
| Employer contributions | 50 | 23 | 9 | 2 |
| Benefit payments | (43) | (17) | (11) | (3) |
| Fair value of plan assets at December 31 | 880 | 757 | — | — |
| Funded status at December 31 — excess of obligation over assets | $(180) | $(390) | $(191) | $(220) |

Amounts recognized in NRG's balance sheets were as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| | 2013 | 2012 | 2013 | 2012 |
| | (In millions) | | | |
| Current liabilities | $12 | $1 | $9 | $9 |
| Non-current liabilities | 166 | 389 | 182 | 211 |

Amounts recognized in NRG's accumulated OCI that have not yet been recognized as components of net periodic benefit cost were as follows:

| | As of December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| | 2013 | 2012 | 2013 | 2012 |
| | (In millions) | | | |
| Unrecognized (gain)/loss | $(57) | $140 | $(12) | $17 |
| Prior service cost/(credit) | 4 | (2) | (6) | (2) |

Other changes in plan assets and benefit obligations recognized in OCI were as follows:

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| | 2013 | 2012 | 2013 | 2012 |
| | (In millions) | | | |
| Unrecognized (gain)/loss | $(188) | $56 | $(29) | $7 |
| Amortization of net actuarial gain | (9) | (4) | — | (1) |
| Prior service credit | 5 | — | (4) | (1) |
| Curtailment | 1 | — | — | — |
| Total recognized in other comprehensive loss | $(191) | $52 | $(33) | $5 |
| Total recognized in net periodic pension cost and other comprehensive income | $(161) | $71 | $(20) | $13 |

The Company's estimated unrecognized gain and unrecognized prior service cost for NRG's pension plan that will be amortized from accumulated OCI to net periodic cost over the next fiscal year is approximately $5 million. The Company's estimated unrecognized gain and unrecognized prior service cost for NRG's postretirement plan that will be amortized from accumulated OCI to net periodic cost over the next fiscal year is $2 million.

The following table presents the balances of significant components of NRG's pension plan:

| | As of December 31, | |
|---|---|---|
| | Pension Benefits | |
| | 2013 | 2012 |
| | (In millions) | |
| Projected benefit obligation | $1,060 | $1,147 |
| Accumulated benefit obligation | 967 | 1,024 |
| Fair value of plan assets | 880 | 757 |

NRG's market-related value of its plan assets is the fair value of the assets. The fair values of the Company's pension plan assets by asset category and their level within the fair value hierarchy are as follows:

| | Fair Value Measurements as of December 31, 2013 | | |
|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Total |
| | (In millions) | | |
| Common/collective trust investment — U.S. equity | — | 370 | 370 |
| Common/collective trust investment — non-U.S. equity | — | 212 | 212 |
| Common/collective trust investment — fixed income | — | 296 | 296 |
| Short-term investment fund | 2 | — | 2 |
| Total | $2 | $ 878 | $880 |

| | Fair Value Measurements as of December 31, 2012 | | |
|---|---|---|---|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Total |
| | (In millions) | | |
| U.S. equity investment | $— | $ 26 | $26 |
| Non-U.S. equity investment | 24 | 44 | 68 |
| Corporate bond investment — fixed income | — | 32 | 32 |

| | | | |
|---|---|---|---|
| Common/collective trust investment — U.S. equity | — | 290 | 290 |
| Common/collective trust investment — non-U.S. equity | — | 111 | 111 |
| Common/collective trust investment — fixed income | — | 228 | 228 |
| Short-term investment fund | — | 2 | 2 |
| Total | $24 | $ 733 | $757 |

In accordance with ASC 820, the Company determines the level in the fair value hierarchy within which each fair value measurement in its entirety falls, based on the lowest level input that is significant to the fair value measurement in its entirety. The fair value of the U.S. and non-U.S. equity investments and the corporate bond investment is based on quoted prices in active markets, and is categorized as Level 1. All equity investments are valued at the net asset value of shares held at year end. The fair value of the corporate bond investment is based on the closing price reported on the active market on which the individual securities are traded. The fair value of the common/collective trusts is valued at fair value which is equal to the sum of the market value of all of the fund's underlying investments, and is categorized as Level 2. There are no investments categorized as Level 3.

The following table presents the significant assumptions used to calculate NRG's benefit obligations:

| | As of December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| Weighted-Average Assumptions | 2013 | 2012 | 2013 | 2012 |
| Discount rate | 4.99 % | 4.16 % | 5.06 % | 4.31 % |
| Rate of compensation increase | 3.65 % | 3.57 % | N/A | N/A |
| Health care trend rate | — | — | 8.5% grading to 5.5% in 2019 | 8.0% grading to 5.0% in 2019 |

The following table presents the significant assumptions used to calculate NRG's benefit expense:

| | As of December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Pension Benefits | | | Other Postretirement Benefits | | | | | |
| Weighted-Average Assumptions | 2013 | 2012 | 2011 | 2013 | 2012 | 2011 | | | |
| Discount rate | 4.16 % | 4.95 % | 5.47 % | 4.31 % | 5.15 % | 5.77 % | | | |
| Expected return on plan assets | 7.12 % | 6.96 % | 7.34 % | — | — | — | | | |
| Rate of compensation increase | 3.57 % | 4.34 % | 4.4 % | — | — | — | | | |
| Health care trend rate | — | — | — | 8.3% grading to 5.3% in 2019 | 8.0% grading to 5.0% in 2019 | 8.0% grading to 5.0% in 2019 | | | |

NRG uses December 31 of each respective year as the measurement date for the Company's pension and other postretirement benefit plans. The Company sets the discount rate assumptions on an annual basis for each of NRG's retirement related benefit plans at their respective measurement date. This rate is determined by NRG's Investment Committee based on information provided by the Company's actuary. The discount rate assumptions reflect the current rate at which the associated liabilities could be effectively settled at the end of the year. The discount rate assumptions used to determine the future pension obligation as of December 31, 2013, 2012 and 2011 were based on the Aon Hewitt AA Above Median, or AAM, yield curve, which was designed by Aon Hewitt to provide a means for corporate plan sponsors to value the liabilities of defined pension benefit and other post retirement benefit plans. The AAM is a hypothetical Aa yield curve represented by a series of annualized individual discount rates from 0.5 to 99 years. Each bond issue is required to have an average rating of AA, when averaging all available ratings by Moody's Investor Services, Standard & Poor's and Fitch.

NRG employs a total return investment approach, whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The Investment Committee reviews the asset mix periodically and as the plan assets increase in future years, the Investment Committee may examine other asset classes such as real estate or private equity. NRG employs a building block approach to determining the long-term rate of return for plan assets, with proper consideration given to diversification and rebalancing. Historical markets are studied and long-term historical relationships between equities and fixed income are preserved, consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current factors such as inflation and interest rates are evaluated before long-term

capital market assumptions are determined. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

The target allocations of NRG's pension plan assets were as follows for the years ended December 31, 2013 and 2012:

| | |
|---|---|
| U.S. equity | 38.5 - 45.5% |
| Non-U.S. equity | 16.5 - 28% |
| U.S. fixed income | 30 - 45% |

Plan assets are currently invested in a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. equities, as well as among growth, value, small and large capitalization stocks.

NRG's expected future benefit payments for each of the next five years, and in the aggregate for the five years thereafter, are as follows:

| | | Other Postretirement Benefit | |
|---|---|---|---|
| | Pension Benefit Payments | Benefit Payments | Medicare Prescription Drug Reimbursements |
| | (In millions) | | |
| 2014 | $60 | $9 | $— |
| 2015 | 53 | 10 | — |
| 2016 | 58 | 10 | — |
| 2017 | 59 | 10 | — |
| 2018 | 63 | 11 | — |
| 2019-2023 | 362 | 62 | 2 |

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effect:

| | 1-Percentage-Point Increase | 1-Percentage-Point Decrease |
|---|---|---|
| | (In millions) | |
| Effect on total service and interest cost components | $1 | $(1) |
| Effect on postretirement benefit obligation | 14 | (11) |

STP Defined Benefit Plans

NRG has a 44% undivided ownership interest in STP, as discussed further in Note 27, Jointly Owned Plants. STPNOC, which operates and maintains STP, provides its employees a defined benefit pension plan as well as postretirement health and welfare benefits. Although NRG does not sponsor the STP plan, it reimburses STPNOC for 44% of the contributions made towards its retirement plan obligations. For the years ending December 31, 2013 and 2012, NRG reimbursed STPNOC $14 million and $15 million, respectively, towards its defined benefit plans. In 2014, NRG expects to reimburse STPNOC $18 million for its contributions towards the plans.

The Company has recognized the following in its statement of financial position, statement of operations and accumulated OCI related to its 44% interest in STP:

| | As of December 31, | | | |
|---|---|---|---|---|
| | Pension Benefits | | Other Postretirement Benefits | |
| | 2013 | 2012 | 2013 | 2012 |
| | (In millions) | | | |
| Funded status — STPNOC benefit plans | $(42) | $(76) | $(52) | $(56) |
| Net periodic benefit costs | 11 | 10 | 8 | 8 |
| Other changes in plan assets and benefit obligations recognized in other comprehensive income | (31) | 14 | (10) | 1 |

Defined Contribution Plans

NRG's employees are also eligible to participate in defined contribution 401(k) plans. Upon completion of the GenOn acquisition, NRG assumed GenOn's defined contribution 401(k) plans and amended the plan covering the majority of employees with NRG 401(k) plan features, effective January 1, 2013. On July 5, 2013, the GenOn defined contribution 401(k) plans were merged into the NRG 401(k) plan.

The Company's contributions to these plans were as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 [(a)] | 2011 |

| | (In millions) | | |
|---|---|---|---|
| Company contributions to defined contribution plans | $34 | $24 | $24 |

(a) Includes contributions to former GenOn plans for the period of December 15, 2012 to December 31, 2012.

Note 15 — Capital Structure

For the period from December 31, 2010 to December 31, 2013, the Company had 10,000,000 shares of preferred stock authorized, 500,000,000 shares of common stock authorized and 250,000 shares of preferred stock issued and outstanding. The following table reflects the changes in NRG's common shares issued and outstanding for each period presented:

| | Common Issued | Treasury | Outstanding |
|---|---|---|---|
| Balance as of December 31, 2010 | 304,006,027 | (56,808,672) | 247,197,355 |
| Shares issued under ESPP | — | 120,127 | 120,127 |
| Shares issued from LTIP | 177,693 | — | 177,693 |
| Share repurchases | — | (19,975,654) | (19,975,654) |
| Balance as of December 31, 2011 | 304,183,720 | (76,664,199) | 227,519,521 |
| Shares issued under ESPP | — | 158,481 | 158,481 |
| Shares issued under LTIPs | 996,262 | — | 996,262 |
| Shares issued through GenOn acquisition | 93,932,634 | — | 93,932,634 |
| Balance as of December 31, 2012 | 399,112,616 | (76,505,718) | 322,606,898 |
| Shares issued under ESPP | — | 130,482 | 130,482 |
| Shares issued under LTIPs | 2,014,164 | — | 2,014,164 |
| Share repurchases | — | (972,292) | (972,292) |
| Balance as of December 31, 2013 | 401,126,780 | (77,347,528) | 323,779,252 |

Common Stock

The following table summarizes NRG's common stock reserved for the maximum number of shares potentially issuable based on the conversion and redemption features of outstanding equity instruments and the long-term incentive plans as of December 31, 2013:

| Equity Instrument | Common Stock Reserve Balance |
|---|---|
| 3.625% Convertible perpetual preferred | 16,000,000 |
| Long-term incentive plans | 21,121,160 |
| Total | 37,121,160 |

Common stock dividends — NRG paid its first quarterly dividend on the Company's common stock of $0.09 per share, or $0.36 per share on an annualized basis, on August 15, 2012. In 2013, the Company increased its annual common stock dividend by 33% to $0.48 per share. The following table lists the dividends paid per common share during 2013 and 2012:

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|
| 2013 | $0.09 | $0.12 | $0.12 | $0.12 |
| 2012 | $— | $— | $0.09 | $0.09 |

On February 17, 2014, NRG paid a quarterly dividend on the Company's common stock of $0.12 per share.

Employee Stock Purchase Plan — Under the ESPP eligible employees may elect to withhold up to 10% of their eligible compensation to purchase shares of NRG common stock at 85% of its fair market value on the exercise date. An exercise date occurs each June 30 and December 31. As of December 31, 2013, there remained 888,388 shares of treasury stock reserved for issuance under the ESPP, and in the first quarter of 2014, 71,478 shares of common stock were issued to employee accounts from treasury stock.

2013 Capital Allocation Program — The Company was authorized to repurchase $200 million of its common stock in 2013 under the 2013 Capital Allocation Program. During the first quarter, the Company purchased 972,292 shares of NRG common stock for approximately $25 million at an average cost of $25.88 per share. As a result of the proposed acquisition of EME, the Company did not complete the remaining $175 million of share repurchases under the 2013 Capital Allocation Program.

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Preferred Stock

3.625% Redeemable Preferred Stock

On August 11, 2005, NRG issued 250,000 shares of 3.625% Convertible Perpetual Preferred Stock, or 3.625% Preferred Stock, which is treated as Redeemable Preferred Stock, to the Credit Suisse Group in a private placement. The 3.625% Preferred Stock amount is located after the liabilities but before the stockholders' equity section on the balance sheet, due to the fact that the preferred shares can be redeemed in cash by the stockholder. The 3.625% Preferred Stock has a liquidation preference of $1,000 per share. Holders of the 3.625% Preferred Stock are entitled to receive, out of legally available funds, cash dividends at the rate of 3.625% per annum, or $36.25 per share per year, payable in cash quarterly in arrears commencing on December 15, 2005.

Each share of the 3.625% Preferred Stock is convertible during the 90-day period beginning August 11, 2015, at the option of NRG or the holder. Holders tendering the 3.625% Preferred Stock for conversion shall be entitled to receive, for each share of 3.625% Preferred Stock converted, $1,000 in cash and a number of shares of NRG common stock equal in value to the product of (a) the greater of (i) the difference between the average closing share price of NRG common stock on each of the twenty consecutive scheduled trading days starting on the date thirty exchange business days immediately prior to the conversion date, or the Market Price, and $29.54 and (ii) zero, times (b) 50.77. The number of shares of NRG common stock to be delivered under the conversion feature is limited to 16,000,000 shares. If upon conversion, the Market Price is less than $19.69, then the Holder will deliver to NRG cash or a number of shares of NRG common stock equal in value to the product of (i) $19.69 minus the Market Price, times (ii) 50.77. NRG may elect to make a cash payment in lieu of delivering shares of NRG common stock in connection with such conversion, and NRG may elect to receive cash in lieu of shares of common stock, if any, from the Holder in connection with such conversion. The conversion feature is considered an embedded derivative per ASC 815 that is exempt from derivative accounting as it is excluded from the scope pursuant to ASC 815.

If a fundamental change occurs, the holders will have the right to require NRG to repurchase all or a portion of the 3.625% Preferred Stock for a period of time after the fundamental change at a purchase price equal to 100% of the liquidation preference, plus accumulated and unpaid dividends. The 3.625% Preferred Stock is senior to all classes of common stock, and junior to all of the Company's existing and future debt obligations and all of NRG subsidiaries' existing and future liabilities and capital stock held by persons other than NRG or its subsidiaries.

Note 16 — Investments Accounted for by the Equity Method and Variable Interest Entities

NRG accounts for the Company's significant investments using the equity method of accounting. NRG's carrying value of equity investments can be impacted by impairments, unrealized gains and losses on derivatives and movements in foreign currency exchange rates, as well as other adjustments.

The following table summarizes NRG's equity method investments as of December 31, 2013:

| Name | Geographic Area | Economic Interest | |
|---|---|---|---|
| Avenal Solar Holdings LLC | United States | 50.0 | % |
| GenConn Energy LLC | United States | 50.0 | % |
| Saguaro Power Company | United States | 50.0 | % |
| Sherbino I Wind Farm LLC | United States | 50.0 | % |
| Texas Coastal Ventures, LLC | United States | 50.0 | % |
| Sabine CoGen, LP | United States | 50.0 | % |
| Sunora Energy Solutions I LLC | United States | 50.0 | % |
| Gladstone Power Station | Australia | 37.5 | % |

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Undistributed earnings from equity investments | $94 | $149 |

Variable Interest Entities

NRG accounts for its interests in certain entities that are considered VIEs under ASC 810, but NRG is not the primary beneficiary, under the equity method.

GenConn Energy LLC — NRG owns a 50% interest in GenConn, a limited liability company formed to construct, own and operate two 190MW peaking generation facilities in Connecticut at NRG's Devon and Middletown sites. Each of these facilities was constructed pursuant to 30-year cost of service type contracts with the Connecticut Light & Power Company. All four units at the GenConn Devon facility reached commercial operation in 2010 and were released to the ISO-NE by July 2010. In June 2011, the GenConn Middletown facility reached commercial operation and was released to the ISO-NE. The project was funded through equity contributions from the owners and non-recourse, project level debt. As of December 31, 2013, NRG had a $118 million equity investment in GenConn. NRG's maximum exposure to loss is limited to its equity investment.

In April 2009, GenConn secured financing for 50% of the Devon and Middletown project construction costs through a seven-year term loan facility, and also entered into a five-year revolving working capital loan and letter of credit facility, which collectively with the term loan is referred to as the GenConn Facility. The aggregate credit amount secured under the GenConn Facility, which is non-recourse to NRG, is $291 million, including $48 million for the working capital facility. In March 2012, the working capital facility was amended to $35 million. On September 17, 2013, GenConn refinanced its existing project financing facility. The refinanced facility is comprised of a $237 million note with an interest rate of 4.73% and a maturity date of July 2041 and a 5-year, $35 million working capital facility which can be used to issue letters of credit at an interest rate of 1.875%. The refinancing is secured by all of the GenConn assets.

As discussed in Note 21, Related Party Transactions, in 2010 and 2011, NRG earned revenues from construction management agreements with Devon and Middletown and interest income from a note receivable with GenConn.

Sherbino I Wind Farm LLC — NRG owns a 50% interest in Sherbino, a joint venture with BP Wind Energy North America Inc. Sherbino is a 150 MW wind farm, which commenced commercial operations in October 2008. In December 2008, Sherbino entered into a 15-year term loan facility which is non-recourse to NRG. As of December 31, 2013, the outstanding principal balance of the term loan facility was $114 million, and is secured by substantially all of Sherbino's assets and membership interests. NRG's maximum exposure to loss is limited to its equity investment, which was $87 million as of December 31, 2013.

Texas Coastal Ventures, LLC — NRG owns a 50% interest in Texas Coastal Ventures, LLC, or TCV, a joint venture with Hilcorp Energy I, L.P., through its subsidiary Petra Nova LLC. Texas Coastal Ventures was formed by Petra

Nova and Hilcorp for the purpose of using carbon dioxide captured from flue gas from certain of NRG's coal-generating power plants in the United States Gulf Coast in an enhanced oil recovery process. TCV is managed by the joint venture participants and operated by Hilcorp. TCV entered into service agreements with Petra Nova LLC, which include a management services agreement for the operation and management of the joint venture's pipeline assets, as well as a $CO_2$ supply agreement having an initial term of twenty years. NRG's maximum exposure to loss is limited to its equity investment, which was $63 million as of December 31, 2013.

Other Equity Investments

Gladstone — Through a joint venture, NRG owns a 37.5% interest in Gladstone, a 1,613 megawatt coal-fueled power generation facility in Queensland, Australia. The power generation facility is managed by the joint venture participants and the facility is operated by NRG. Operating expenses incurred in connection with the operation of the facility are funded by each of the participants in proportion to their ownership interests. Coal is sourced from local mines in Queensland. NRG and the joint venture participants receive their respective share of revenues directly from the off takers in proportion to the ownership interests in the joint venture. Power generated by the facility is primarily sold to an adjacent aluminum smelter, with excess power sold to the Queensland Government owned utility under long term supply contracts. The Company recorded an impairment loss for Gladstone in the fourth quarter of 2013 of $92 million, as described in Note 10, Asset Impairments. NRG's investment in Gladstone was $188 million as of December 31, 2013.

Note 17 — (Loss)/Earnings Per Share

Basic (loss)/earnings per common share is computed by dividing net (loss)/income less accumulated preferred stock dividends by the weighted average number of common shares outstanding. Shares issued and treasury shares repurchased during the year are weighted for the portion of the year that they were outstanding. Diluted (loss)/earnings per share is computed in a manner consistent with that of basic (loss)/earnings per share while giving effect to all potentially dilutive common shares that were outstanding during the period.

Dilutive effect for equity compensation and other equity instruments — The outstanding non-qualified stock options, non-vested restricted stock units, deferred stock units, market stock units and performance units are not considered outstanding for purposes of computing basic (loss)/earnings per share. However, these instruments are included in the denominator for purposes of computing diluted (loss)/earnings per share under the treasury stock method. The if-converted method is used to determine the dilutive effect of embedded derivatives in the Company's 3.625% Preferred Stock.

The reconciliation of NRG's basic (loss)/earnings per share to diluted (loss)/earnings per share is shown in the following table:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except per share amounts) | | |
| Basic (loss)/earnings per share attributable to NRG common stockholders | | | |
| Net (loss)/income attributable to NRG Energy, Inc. | $(386) | $295 | $197 |
| Dividends for preferred shares | 9 | 9 | 9 |
| (Loss)/Income Available to Common Stockholders | $(395) | $286 | $188 |
| Weighted average number of common shares outstanding | 323 | 232 | 240 |
| (Loss)/Earnings per weighted average common share — basic | $(1.22) | $1.23 | $0.78 |
| Diluted (loss)/earnings per share attributable to NRG common stockholders | | | |
| Weighted average number of common shares outstanding | 323 | 232 | 240 |
| Incremental shares attributable to the issuance of equity compensation (treasury stock method) | — | 2 | 1 |
| Total dilutive shares | 323 | 234 | 241 |
| (Loss)/Earnings per weighted average common share — diluted | $(1.22) | $1.22 | $0.78 |

The following table summarizes NRG's outstanding equity instruments that are anti-dilutive and were not included in the computation of the Company's diluted (loss)/earnings per share:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions of shares) | | |
| Equity compensation | 9 | 8 | 7 |
| Embedded derivative of 3.625% redeemable perpetual preferred stock | 16 | 16 | 16 |
| Total | 25 | 24 | 23 |

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Note 18 — Segment Reporting

Effective June 2013, the Company's segment structure and its allocation of corporate expenses were updated to reflect how management currently makes financial decisions and allocates resources. The Company has recast data from prior periods to reflect this change in reportable segments to conform to the current year presentation. The Company's businesses are primarily segregated based on the Retail Business, conventional power generation, alternative energy businesses, NRG Yield, and corporate activities. Within NRG's conventional power generation, there are distinct components with separate operating results and management structures for the following geographical regions: Texas, East, South Central, West and Other, which includes international businesses and maintenance services. The Company's alternative energy segment includes solar and wind assets (excluding those in the NRG Yield segment), electric vehicle services and the carbon capture business. NRG Yield includes certain of the Company's contracted generation assets including three natural gas or dual-fired facilities, eight utility-scale solar and wind generation facilities, two portfolios of distributed solar facilities and thermal infrastructure assets. Intersegment sales are accounted for at market.

For the years ended December 31, 2013, 2012, and 2011, there were no customers from whom the Company derived more than 10% of the Company's consolidated revenues.

| | Year Ended December 31, 2013 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Conventional Power Generation | | | | | | | | | |
| | Retail | Texas | East | South Central | West | Other | Alternative Energy | NRG Yield | Corporate | Eliminations | Total |
| | (In millions) | | | | | | | | | | |
| Operating revenues[(a)] | $6,241 | $2,106 | $3,209 | $874 | $475 | $153 | $233 | $313 | $7 | $(2,316) | $11,295 |
| Operating expenses | 5,535 | 1,826 | 2,512 | 750 | 318 | 144 | 147 | 134 | 50 | (2,307) | 9,109 |
| Depreciation and amortization | 142 | 457 | 320 | 98 | 55 | 4 | 108 | 51 | 21 | — | 1,256 |
| Impairment charges | — | — | 459 | — | — | — | — | — | | — | 459 |
| Acquisition-related transaction and integration costs | — | — | — | — | — | — | — | — | 128 | — | 128 |
| Operating income/(loss) | 564 | (177) | (82) | 26 | 102 | 5 | (22) | 128 | (192) | (9) | 343 |
| Equity in earnings/(loss) of unconsolidated affiliates | — | — | — | 4 | (11) | 6 | (4) | 22 | — | (10) | 7 |
| Impairment losses on investments | — | — | — | — | — | (99) | — | — | — | — | (99) |
| Other income, net | — | 1 | 28 | 1 | 1 | 3 | 2 | 2 | 74 | (99) | 13 |
| Loss on debt extinguishment | — | — | — | — | — | — | — | — | (50) | — | (50) |
| Interest expense | (2) | (1) | (85) | (18) | (14) | — | (57) | (35) | (735) | 99 | (848) |
| Income/(loss) before income taxes | 562 | (177) | (139) | 13 | 78 | (85) | (81) | 117 | (903) | (19) | (634) |
| Income tax (benefit)/expense | — | — | — | — | — | (29) | — | 8 | (261) | — | (282) |
| Net income/(loss) | $562 | $(177) | $(139) | $13 | $78 | $(56) | $(81) | $109 | $(642) | $(19) | $(352) |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Less: Net income attributable to noncontrolling interest | $— | $— | $— | $— | $— | $— | $27 | $13 | $— | $(6) | $34 |
| Net income/(loss) attributable to NRG Energy, Inc. | $562 | $(177) | $(139) | $13 | $78 | $(56) | $(108) | $96 | $(642) | $(13) | $(386) |
| | | | | | | | | | | | |
| Balance sheet | | | | | | | | | | | |
| Equity investments in affiliates | — | — | 5 | 17 | (35) | 188 | 150 | 227 | — | (99) | 453 |
| Capital expenditures[(a)] | 30 | 119 | 181 | 88 | 136 | 15 | 818 | 116 | 73 | | 1,576 |
| Goodwill | 260 | 1,713 | — | — | — | — | 12 | — | — | — | 1,985 |
| Total assets | 4,717 | 11,656 | 8,437 | 2,431 | 1,638 | 468 | 6,213 | 2,313 | 25,290 | (29,261) | 33,902 |
| (b) Operating revenues include inter-segment sales and net derivative gains and losses of: | $9 | $2,058 | $87 | $16 | $4 | $64 | $23 | $— | $7 | | |

(a) Includes accruals.

| | Year Ended December 31, 2012 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Conventional Power Generation | | | | | | | | | | |
| | Retail | Texas | East[d] | South[d] | Central[d] | West[d] | Other | Alternative Energy | NRG Yield | Corporate[b] | Elimination | Total |
| | (In millions) | | | | | | | | | | |
| Operating revenues[c] | $5,772 | $2,074 | $854 | $807 | $259 | $173 | $125 | $175 | $17 | $(1,834) | | $8,422 |
| Operating expenses | 5,065 | 1,712 | 754 | 695 | 194 | 161 | 87 | 119 | 47 | (1,819) | | 7,015 |
| Depreciation and amortization | 162 | 458 | 137 | 93 | 12 | 2 | 49 | 25 | 12 | — | | 950 |
| Acquisition-related transaction and integration costs | — | — | — | — | — | — | — | — | 107 | — | | 107 |
| Operating income/(loss) | 545 | (96) | (37) | 19 | 53 | 10 | (11) | 31 | (149) | (15) | | 350 |
| Equity in earnings/(loss) of unconsolidated affiliates | — | — | — | — | 7 | 13 | — | 19 | (2) | — | | 37 |
| Impairment losses on investments | — | — | — | — | — | — | — | — | (2) | — | | (2) |
| Bargain purchase gain related to GenOn acquisition | — | — | — | — | — | — | — | — | 296 | — | | 296 |
| Other income, net | — | 2 | 2 | 1 | 1 | 4 | — | 1 | 26 | (18) | | 19 |
| Loss on debt extinguishment | — | — | — | — | — | — | — | — | (51) | — | | (51) |
| Interest expense | (4) | — | (20) | (18) | (2) | (3) | (26) | (28) | (578) | 18 | | (661) |
| Income/(loss) before income taxes | 541 | (94) | (55) | 2 | 59 | 24 | (37) | 23 | (460) | (15) | | (12) |
| Income tax expense/(benefit) | — | — | — | — | — | 3 | — | 10 | (340) | — | | (327) |
| Net income/(loss) | 541 | (94) | (55) | 2 | 59 | 21 | (37) | 13 | (120) | (15) | | 315 |
| Less: Net income attributable to noncontrolling interest | — | — | — | — | — | — | 20 | | — | — | | 20 |
| Net income/(loss) attributable to NRG Energy, Inc. | $541 | $(94) | $(55) | $2 | $59 | $21 | $(57) | $13 | $(120) | $(15) | | $295 |
| | | | | | | | | | | | | |
| Balance sheet | | | | | | | | | | | | |
| Equity investments in affiliates | $— | $— | $7 | $19 | $27 | $322 | $163 | $220 | $10 | $(92) | | $676 |
| Capital expenditures [e] | 19 | 117 | 71 | 36 | 244 | 16 | 2,700 | 478 | 12 | — | | 3,693 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Goodwill | 231 | 1,713 | — | — | — | — | 12 | — | — | — | 1,956 |
| Total assets | $3,122 | $10,988 | $6,972 | $1,935 | $1,313 | $442 | $5,367 | $1,964 | $28,330 | $(25,450) | $34,983 |
| (c) Operating revenues include inter-segment sales and net derivative gains and losses of: | $5 | $1,657 | $73 | $— | $— | $69 | $20 | $— | $10 | | |

(d) Includes GenOn results for the period December 15, 2012 to December 31, 2012.
(e) Includes accruals.

| | Year Ended December 31, 2011 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Conventional Power Generation | | | | | | | | | |
| | Retail[f][g] | Texas[f] | East[f] | South Central[f] | West[f] | Other[f] | Alternative Energy[f] | NRG Yield[f] | Corporate[f] | Eliminations | Total |
| | (In millions) | | | | | | | | | | |
| Operating revenues | $5,642 | $2,832 | $924 | $817 | $149 | $183 | $22 | $164 | $11 | $(1,665) | $9,079 |
| Operating expenses | 5,113 | 1,910 | 859 | 703 | 92 | 178 | 62 | 114 | 30 | (1,673) | 7,388 |
| Depreciation and amortization | 159 | 463 | 118 | 89 | 10 | — | 23 | 22 | 12 | — | 896 |
| Impairment losses | — | 160 | — | — | — | — | — | | — | — | 160 |
| Operating income/(loss) | 370 | 299 | (53) | 25 | 47 | 5 | (63) | 28 | (31) | 8 | 635 |
| Equity in earnings of unconsolidated affiliates | — | — | — | — | 9 | 9 | 4 | 13 | — | — | 35 |
| Impairment losses on investments | — | — | — | — | — | — | — | — | (495) | — | (495) |
| Other income, net | — | 1 | 2 | 2 | — | 5 | 3 | 2 | 21 | (17) | 19 |
| Loss on debt extinguishment | — | — | — | — | — | — | — | — | (175) | — | (175) |
| Interest (expense)/income | (4) | 16 | (47) | (41) | (2) | (6) | (7) | (19) | (571) | 16 | (665) |
| Income/(loss) before income taxes | 366 | 316 | (98) | (14) | 54 | 13 | (63) | 24 | (1,251) | 7 | (646) |
| Income tax (benefit)/expense | (3) | — | — | — | — | — | — | 9 | (847) | (2) | (843) |
| Net income/(loss) | 369 | 316 | (98) | (14) | 54 | 13 | (63) | 15 | (404) | 9 | 197 |
| (f) Operating revenues include inter-segment sales and net derivative gains and losses of: | $5 | $1,586 | $43 | $— | $— | $25 | $23 | $— | $— | | |

(g) Includes Green Mountain Energy results and Energy Plus results for the period October 1, 2011 to December 31, 2011.

Note 19 — Income Taxes

The income tax provision from continuing operations consisted of the following amounts:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except percentages) | | |
| Current | | | |
| U.S. Federal | $— | $— | $(538) |
| State | 11 | 20 | 10 |
| Foreign | — | 13 | 16 |
| Total — current | 11 | 33 | (512) |
| Deferred | | | |
| U.S. Federal | (207) | (326) | (317) |

| | | | |
|---|---|---|---|
| State | (57) | (24) | (5) |
| Foreign | (29) | (10) | (9) |
| Total — deferred | (293) | (360) | (331) |
| Total income tax benefit | $(282) | $(327) | $(843) |
| Effective tax rate | 44.5% | 2,725.0% | 130.5% |

The following represents the domestic and foreign components of loss before income tax benefit:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| U.S. | $(549) | $(41) | $(680) |
| Foreign | (85) | 29 | 34 |
| Total | $(634) | $(12) | $(646) |

A reconciliation of the U.S. federal statutory rate of 35% to NRG's effective rate is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except percentages) | | |
| Loss Before Income Taxes | $(634) | $(12) | $(646) |
| Tax at 35% | (222) | (4) | (226) |
| State taxes, including change in rate, net of federal benefit | 11 | 1 | 15 |
| Foreign operations | 5 | (24) | (3) |
| Federal and state tax credits | (36) | (158) | (1) |
| Valuation allowance | (5) | 5 | (63) |
| Expiration/utilization of capital losses | 10 | — | 45 |
| Reversal of valuation allowance on expired/utilized capital losses | (10) | — | (45) |
| Impact of non-taxable equity earnings | (14) | (7) | — |
| Bargain purchase gain related to GenOn acquisition | — | (104) | — |
| Foreign earnings | — | — | 4 |
| Interest accrued on uncertain tax positions | (3) | 2 | 2 |
| Production tax credit | (14) | (14) | (14) |
| Reversal of uncertain tax position reserves | (11) | (13) | (561) |
| Tax expense attributable to consolidated partnerships | 8 | — | — |
| Other | (1) | (11) | 4 |
| Income tax benefit | $(282) | $(327) | $(843) |
| Effective income tax rate | 44.5% | 2,725.0% | 130.5% |

For the year ended December 31, 2013, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due to generation of ITCs from the Company's Agua Caliente solar project in Arizona of $36 million and production tax credits, or PTCs, generated from certain Texas wind facilities of $14 million.

For the year ended December 31, 2012, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due to the generation of ITCs from the Company's Agua Caliente solar project in Arizona of $158 million, a benefit of $104 million resulting from the gain on bargain purchase of GenOn, and PTCs generated from certain Texas wind facilities of $14 million.

The effective tax rate for the year ended December 31, 2011, differs from the statutory rate of 35% primarily due to a benefit of $633 million resulting from the resolution of the federal tax audit. The benefit is predominantly due to the recognition of previously uncertain tax benefits that were settled upon audit in 2011 and that were mainly composed of net operating losses of $536 million which had been classified as capital loss carryforwards for financial statement purposes.

The temporary differences, which gave rise to the Company's deferred tax assets and liabilities consisted of the following:

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Deferred tax liabilities: | | |
| Emissions allowances | $15 | $15 |
| Difference between book and tax basis of property | 22 | 123 |
| Derivatives, net | 334 | 323 |
| Goodwill | 191 | 165 |
| Cumulative translation adjustments | 9 | 19 |
| Intangibles amortization (excluding goodwill) | — | 85 |
| Investment in projects | 540 | 52 |
| Other | — | — |
| Total deferred tax liabilities | 1,111 | 782 |
| Deferred tax assets: | | |
| Deferred compensation, pension, accrued vacation and other reserves | 203 | 232 |
| Discount/premium on notes | 111 | 156 |
| Differences between book and tax basis of contracts | 285 | 343 |
| Pension and other postretirement benefits | 168 | 274 |
| Equity compensation | 57 | 57 |
| Bad debt reserve | 18 | 14 |
| U.S. capital loss carryforwards | 1 | 1 |
| U.S. Federal net operating loss carryforwards | 1,381 | 605 |
| Foreign net operating loss carryforwards | 77 | 89 |
| State net operating loss carryforwards | 161 | 89 |
| Foreign capital loss carryforwards | 1 | 1 |
| Deferred financing costs | 3 | 33 |
| Federal and state tax credits | 308 | 258 |
| Federal benefit on state uncertain tax positions | 23 | 18 |
| Intangibles amortization (excluding goodwill) | 20 | — |
| Other | 23 | 7 |
| Total deferred tax assets | 2,840 | 2,177 |
| Valuation allowance | (291) | (191) |
| Total deferred tax assets, net of valuation allowance | 2,549 | 1,986 |
| Net deferred tax asset | $1,438 | $1,204 |

The following table summarizes NRG's net deferred tax position:

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Net deferred tax asset — current | $258 | $56 |
| Net deferred tax asset — noncurrent | 1,202 | 1,203 |
| Net deferred tax liability — noncurrent | $(22) | $(55) |
| Net deferred tax asset | $1,438 | $1,204 |

Deferred tax assets and valuation allowance

Net deferred tax balance — As of December 31, 2013, and 2012, NRG recorded a net deferred tax asset of $1.4 billion and $1.2 billion, respectively. The Company believes it is more likely than not that the results of future operations will generate sufficient taxable income which includes the future reversal of existing taxable temporary differences to realize deferred tax assets, net of valuation allowances. In arriving at this conclusion to utilize projections of future profit before tax in our estimate of future taxable income, we considered the profit before tax generated in recent years. Based on our assessment of positive and negative evidence, including available tax planning strategies, NRG believes that it is more likely than not that a benefit will not be realized on $291 million and $191 million of tax assets as of December 31, 2013 and 2012, respectively, thus a valuation allowance has been recorded. The Company estimates it will need to generate future taxable income of approximately $3.1 billion, to fully realize the net federal deferred tax asset before expiration commencing in 2026.

In connection with the accounting for the GenOn acquisition, the Company recorded the realizable deferred tax assets and liabilities acquired, primarily consisting of net operating losses and other temporary differences. In addition, the excess of GenOn's historical tax basis of assets and liabilities over the amount assigned to the fair value of the assets acquired and liabilities assumed generated deferred tax assets and liabilities that were recorded on the acquisition date.

NOL carryforwards — At December 31, 2013, the Company had tax effected cumulative domestic NOLs consisting of carryforwards for federal income tax purposes of $1.4 billion and state of $161 million. In addition, NRG has cumulative foreign NOL carryforwards of $77 million of which $4 million will expire through 2016 and of which $73 million do not have an expiration date.

Valuation allowance — As of December 31, 2013, the Company's tax effected valuation allowance was $291 million, consisting of $216 million for state deferred tax assets, primarily operating loss carryovers, and $75 million for foreign deferred tax assets, primarily operating loss carryovers for which there is insufficient earnings to support future realization.

Taxes Receivable and Payable

As of December 31, 2013, NRG recorded a current tax payable of $12 million that represents a tax liability due for domestic state taxes of $11 million, as well as foreign taxes payable of $1 million. NRG has a domestic tax receivable of $551 million, of which $539 million relates to federal cash grants applied for eligible solar energy projects net of sequestration of $42 million; the balance of $12 million is related to federal refunds anticipated from multiple income tax carry-back claims to prior tax years. In addition, a $65 million non-current receivable has been established relating to property tax refunds due to the New York State Empire Zone program generated in years 2010 through 2013.

Uncertain tax benefits

NRG has identified uncertain tax benefits whose after-tax value was $115 million that if recognized, would impact the Company's income tax expense.

As of December 31, 2013, and 2012, NRG has recorded a non-current tax liability of $61 million and $72 million, respectively. As of December 31, 2012 and 2011, the balance primarily related to positions taken on various state returns, including accrued interest.

The Company recognizes interest and penalties related to uncertain tax benefits in income tax expense. During the year ended December 31, 2013, the Company recognized a benefit of $5 million in interest and penalties and accrued interest of $2 million. For the year ended December 31, 2012, the Company accrued interest of $3 million. As of December 31, 2013, and 2012, NRG had cumulative interest and penalties related to these uncertain tax benefits of $14 million and $15 million, respectively.

Tax jurisdictions — NRG is subject to examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and various state and foreign jurisdictions including operations located in Australia.

Prior to the GenOn acquisition in December 2012, the Company was not subject to U.S. federal income tax examinations for years prior to 2007. GenOn is no longer subject to U.S. federal income tax examinations for years prior to 2010. With few exceptions, state and local income tax examinations are no longer open for years before 2007. The Company's significant foreign operations are also no longer subject to examination by local jurisdictions for years

prior to 2008.

During 2011, the Company settled the Internal Revenue Service's audit examination for the years 2004 through 2006 and recognized a benefit of $633 million. The benefit is predominantly due to the recognition of previously uncertain tax benefits mainly composed of net operating losses of $536 million which had been classified as capital loss carryforwards for financial statement purposes. The Company continues to be under examination for various state jurisdictions for multiple years.

The following table reconciles the total amounts of uncertain tax benefits:

| | As of December 31, | |
|---|---|---|
| | 2013 | 2012 |
| | (In millions) | |
| Balance as of January 1 | $193 | $178 |
| Increase due to current year positions | 2 | 21 |
| Decrease due to current year positions | — | (3) |
| Increase due to prior year positions | 4 | 13 |
| Decrease due to prior year positions | (40) | (21) |
| Increase due to acquisitions | — | 5 |
| Decrease due to settlements and payments | (44) | — |
| Uncertain tax benefits as of December 31 | $115 | $193 |

Note 20 — Stock-Based Compensation

NRG Energy, Inc. Long-Term Incentive Plan

As of December 31, 2013, and 2012, a total of 22,000,000 shares of NRG common stock were authorized for issuance under the NRG LTIP, subject to adjustments in the event of reorganization, recapitalization, stock split, reverse stock split, stock dividend, and a combination of shares, merger or similar change in NRG's structure or outstanding shares of common stock. There were 7,238,065 and 7,580,318 shares of common stock remaining available for grants under the NRG LTIP as of December 31, 2013, and 2012, respectively.

GenOn Acquisition

Effective December 14, 2012, in connection with the GenOn acquisition, as discussed in Note 3, Business Acquisitions and Dispositions, NRG assumed the GenOn Energy, Inc. 2010 Omnibus Incentive Plan, and the name was changed to the NRG 2010 Stock Plan for GenOn Employees, or the NRG GenOn LTIP. As of December 31, 2013, 5,558,390 shares of NRG common stock were authorized for issuance under the NRG GenOn LTIP, and there were 1,053,485 shares of common stock remaining available for grants under the NRG GenOn LTIP. In addition, NRG assumed certain other terminated GenOn plans, under which NRG will not grant any further awards. All outstanding awards under the NRG GenOn LTIP and the terminated plans were appropriately adjusted based on the Exchange Ratio, and remain subject to the terms and conditions of the applicable plans prior to the acquisition.

In addition, upon completion of the GenOn acquisition, the following occurred to GenOn's outstanding stock-based incentive awards: (i) each outstanding and unvested RSU that was granted under the GenOn plans before 2012 vested in full and was exchanged for shares of NRG common stock in the acquisition based on the Exchange Ratio; (ii) each outstanding and unvested GenOn NQSO that was granted under the GenOn plans before 2012 vested in full and converted into an option to purchase NRG common stock; (iii) each outstanding and unvested RSU that was granted under the GenOn plans in 2012, was converted into an unvested RSU of NRG, and (iv) each outstanding and unvested GenOn NQSO that was granted under the GenOn plans during 2012 was converted into an NQSO to purchase NRG common stock on the same vesting schedule.

Under the acquisition method of accounting, GenOn employee NQSOs and RSUs which vested upon close of the acquisition were measured and recorded at acquisition-date fair value, resulting in additional purchase price consideration of $28 million. As of December 14, 2012, unvested NQSOs that were converted to options to purchase NRG common stock and RSUs that were converted to NRG RSUs were recorded in NRG's consolidated balance sheet.

Non-Qualified Stock Options

NQSOs granted under the NRG LTIP and the NRG GenOn LTIP typically have three-year graded vesting schedules beginning on the grant date and become exercisable at the end of the requisite service period. NRG recognizes compensation costs for NQSOs over the requisite service period for the entire award. The maximum contractual term is ten years for 2.8 million of NRG's outstanding NQSOs, and six years for the remaining 1.2 million NQSOs. No NQSOs were granted in 2013.

The following table summarizes the Company's NQSO activity and changes during the year:

| | Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (In years) | Aggregate Intrinsic Value (In millions) |
|---|---|---|---|---|
| | (In whole) | | | |
| Outstanding at December 31, 2012 | 6,677,885 | $28.85 | 4 | $17 |
| Forfeited | (1,044,902) | 27.75 | | |
| Exercised | (1,656,002) | 14.28 | | |
| Outstanding at December 31, 2013 | 3,976,981 | 35.20 | 2 | 17 |
| Exercisable at December 31, 2013 | 3,592,810 | 31.80 | 2 | 13 |

The following table summarizes the weighted average grant date fair value of options granted, the total intrinsic value of options exercised, and the cash received from the exercises of options:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions, except for weighted average) | | |
| Weighted average grant date fair value per option granted | $— | $— | $8.73 |
| Total intrinsic value of options exercised | 19 | 0.3 | 0.2 |
| Cash received from options exercised | 33 | 1 | 2 |

Restricted Stock Units

As of December 31, 2013, RSUs granted under the Company's LTIPs fully vest three years from the date of issuance. Fair value of the RSUs is based on the closing price of NRG common stock on the date of grant. The following table summarizes the Company's non-vested RSU awards and changes during the year:

| | Units | Weighted Average Grant-Date Fair Value per Unit |
|---|---|---|
| | (In whole) | |
| Non-vested at December 31, 2012 | 2,608,551 | $21.28 |
| Granted | 617,009 | 23.37 |
| Forfeited | (322,448) | 21.34 |
| Vested | (879,933) | 22.64 |
| Non-vested at December 31, 2013 | 2,023,179 | 21.22 |

The total fair value of RSUs vested during the years ended December 31, 2013, 2012, and 2011, was $22 million, $18 million and $2 million, respectively. The weighted average grant date fair value of RSUs granted during the years ended December 31, 2013, 2012, and 2011 was $23.37, $17.90, and $22.78, respectively.

Deferred Stock Units

DSUs represent the right of a participant to be paid one share of NRG common stock at the end of a deferral period established under the terms of the award. DSUs granted under the Company's LTIPs are fully vested at the date of issuance. Fair value of the DSUs, which is based on the closing price of NRG common stock on the date of grant, is recorded as compensation expense in the period of grant.

The following table summarizes the Company's outstanding DSU awards and changes during the year:

| | Units | Weighted Average Grant-Date Fair Value per Unit |
|---|---|---|
| | (In whole) | |
| Outstanding at December 31, 2012 | 697,515 | $20.91 |
| Granted | 205,667 | 23.18 |
| Conversions [(a)] | (524,636) | 22.55 |
| Outstanding at December 31, 2013 | 378,546 | 19.78 |

(a) 52,864 Deferred Stock Units were converted to cash for the year ended December 31, 2013.

The aggregate intrinsic values for DSUs outstanding as of December 31, 2013, 2012, and 2011 were approximately $7 million, $15 million, and $8 million respectively. The aggregate intrinsic values for DSUs converted to common stock for the years ended December 31, 2013, 2012, and 2011 were $12 million, $1.4 million and $0.4 million, respectively. The weighted average grant date fair value of DSUs granted during the years ended December 31, 2013, 2012, and 2011 was $23.18, $16.33 and $24.31, respectively.

Market Stock Units

MSUs are restricted grants where the quantity of shares increases and decreases alongside the Company's Total Shareholder Return, or TSR. Each MSU represents the potential to receive NRG common stock after the completion of three years of service from the date of grant. The number of shares of NRG common stock to be paid (if any) as of the vesting date for each MSU will depend on the TSR. The number of shares of common stock to be paid as of the vesting date for each MSU is equal to: (i) one half of one share of common stock if the TSR has decreased by no more than 50% of the value of the common stock on the date of grant; (ii) one share of common stock, if the TSR equals the value of the common stock on the date of grant; and (iii) two shares of common stock if the TSR is 200% or greater of the value of the common stock on the date of grant. If the TSR is less than 50% of the value of the common stock on the date of grant, no common stock will be paid. If the TSR is between 50% and 200%, shares awarded are interpolated. The value of the common stock on the date of grant is based on the 20-day average of the common stock closing price.

The following table summarizes the Company's non-vested MSU awards and changes during the year:

| | Units | Weighted Average Grant-Date Fair Value per Unit |
|---|---|---|
| | (in whole) | |
| Non-vested at December 31, 2012 | 1,003,920 | $22.43 |
| Granted | 1,066,626 | 27.46 |
| Vested | (20,000) | 26.64 |
| Forfeited | (214,040) | 24.16 |
| Non-vested at December 31, 2013 | 1,836,506 | 24.72 |

The weighted average grant date fair value of MSUs granted during the years ended December 31, 2013, 2012 and 2011, was $27.46, $22.11 and $27.59, respectively.

The fair value of MSUs is estimated on the date of grant using a Monte Carlo simulation model and expensed over the service period, which equals the vesting period. Significant assumptions used in the fair value model with respect to the Company's MSUs are summarized below:

| | 2013 | 2012 |
|---|---|---|
| Expected volatility | 27.12%-29.11% | 29.60%-35.98% |
| Expected term (in years) | 3 | 3 |
| Risk free rate | 0.37%-0.59% | 0.29%-0.40% |

For the years ended December 31, 2013 and 2012, expected volatility is calculated based on NRG's historical stock price volatility data over the period commensurate with the expected term of the MSU, which equals the vesting period.

Performance Units

PUs granted under the Company's LTIP fully vest three years from the date of issuance. PUs are paid out upon vesting if the Measurement Price is equal to or greater than Threshold Price. The Threshold Price, Target Price and Maximum Price are determined on the date of issuance. The payout for each PU will be equal to: (i) a pro-rata amount between 0.5 and 1 share of common stock, if the Measurement Price is equal to or greater than the target Threshold Price but less than the Target Price; (ii) one share of common stock, if the Measurement Price equals the Target Price; (iii) a pro-rata amount between one and two shares of common stock, if the Measurement Price is greater than the Target Price but less than the Maximum Price; and (iv) two shares of common stock, if the Measurement Price is equal to, or greater than, the Maximum Price.

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The following table summarizes the Company's non-vested PU awards and changes during the year:

| | Outstanding Units | Weighted Average Grant-Date Fair Value per Unit |
|---|---|---|
| | (In whole) | |
| Non-vested at December 31, 2012 | 647,200 | $21.88 |
| Vested | (36,700) | 19.89 |
| Forfeited | (296,200) | 23.28 |
| Non-vested at December 31, 2013 | 314,300 | 20.80 |

The weighted average grant date fair value of PUs granted during the year ended December 31, 2011 was $20.80. No PUs were granted in 2013 or 2012.

The fair value of PUs is estimated on the date of grant using a Monte Carlo simulation model and expensed over the service period, which equals the vesting period.

Supplemental Information

The following table summarizes NRG's total compensation expense recognized for the years presented as well as total non-vested compensation costs not yet recognized and the period over which this expense is expected to be recognized as of December 31, 2013, for each of the five types of awards issued under the LTIPs. Minimum tax withholdings of $13 million, $6 million, and $1 million for the years ended December 31, 2013, 2012, and 2011, respectively, are reflected as a reduction to Additional Paid-in Capital on the Company's Consolidated Balance Sheet, and are reflected as operating activities on the Company's Consolidated Statement of Cash Flows.

| | Compensation Expense | | | Non-vested Compensation Cost | |
|---|---|---|---|---|---|
| | | | | Unrecognized Total Cost | Weighted Average Recognition Period Remaining (In years) |
| | Year Ended December 31 | | | As of December 31 | |
| Award | 2013 | 2012 | 2011 | 2013 | 2013 |
| | (In millions, except weighted average data) | | | | |
| NQSOs | $4 | $6 | $8 | $1 | 1.1 |
| RSUs | 18 | 21 | 12 | 18 | 1.4 |
| DSUs | 2 | 2 | 2 | — | 0 |
| MSUs | 14 | 7 | — | 28 | 1.7 |
| PUs | 2 | 4 | 5 | — | 0 |
| Total | $40 | $40 | $27 | $47 | |
| Tax detriment recognized | $(12) | $8 | $1 | | |

Note 21 — Related Party Transactions

The following table summarizes NRG's material related party transactions with affiliates that are included in the Company's operating revenues, operating costs and other income and expense:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Revenues from Related Parties Included in Operating Revenues | | | |
| Gladstone | $6 | $7 | $7 |
| GenConn [(a)] | 5 | 6 | 3 |
| Total | $11 | $13 | $10 |
| Interest income from Related Parties Included in Other Income and Expense | | | |
| GenConn [(a)] | $— | $— | $1 |
| Kraftwerke Schkopau GBR [(b)] | — | 2 | 4 |
| Total | $— | $2 | $5 |

(a) The period in 2011 is from January 1, 2011 to June 30, 2011.

(b) The period in 2012 is from January 1, 2012 to July 17, 2012.

Gladstone — NRG provides services to Gladstone, an equity method investment, under an operations and maintenance agreement. Fees for services under this contract primarily include recovery of NRG's costs of operating the plant as approved in the annual budget, as well as, a base monthly fee.

GenConn — NRG has O&M agreements with GenConn Devon and GenConn Middletown that began in June 2011. Under a construction management agreement with GenConn, NRG had received fees for management, design and construction services. The construction at GenConn was completed in June 2011. In addition, NRG entered into a loan agreement with GenConn during 2009, pursuant to which it received interest income, which was converted into equity during 2011. See further discussion in Note 16, Investments Accounted for by the Equity Method and Variable Interest Entities.

Kraftwerke Schkopau GBR — SEG had a loan agreement with Kraftwerke Schkopau GBR, a partnership between Saale Energie GmbH and E.ON Kraftwerke GmbH, pursuant to which NRG received interest income. On July 17, 2012, the Company completed the sale of its 100% interest in Saale Energie GmbH, as discussed in Note 3, Business Acquisitions and Dispositions.

Conemaugh and Keystone facilities — The Company operates the Conemaugh and Keystone facilities under five-year agreements that expire in December 2015 that, subject to certain provisions and notifications, could be terminated annually with one year's notice. The Company is reimbursed by the other owners for the cost of direct services provided to the Conemaugh and Keystone facilities. Additionally, the Company received fees of $10 million during 2013 and $1 million in 2012 subsequent to the GenOn acquisition. These fees, which are recorded in O&M expense in the consolidated statements of operations, are primarily to cover NRG REMA LLC's administrative support costs of providing these services.

Note 22 — Commitments and Contingencies

Operating Lease Commitments

GenOn Mid-Atlantic Leases

The Company leases a 100% interest in the Dickerson and Morgantown coal generation units and associated property through 2029 and 2034, respectively, through its indirect subsidiary, GenOn MidAtlantic, LLC. The Company accounts for these leases as operating leases and records lease expense on a straight-line basis over the lease term. As further described in Note 3, Business Acquisitions and Dispositions, in connection with the acquisition of GenOn, the Company recorded the out-of-market value as a liability in out-of-market contracts of $604 million. The liability will be amortized through rent expense on a straight-line basis over the term of the lease. The Company expects to record lease expense, net of amortization of the out-of-market liability, of approximately $44 million per year through the term of the lease.

Future minimum lease commitments under the GenOn Mid-Atlantic operating leases for the years ending after December 31, 2013, are as follows:

| Period | (In millions) |
|---|---|
| 2014 | $131 |
| 2015 | 110 |
| 2016 | 150 |
| 2017 | 144 |
| 2018 | 105 |
| Thereafter | 686 |
| Total | $1,326 |

REMA Leases

The Company, through its indirect subsidiary, NRG REMA, LLC, leases a 100% interest in the Shawville coal generation facility through 2026 and leases 16.5% and 16.7% interest in the Keystone and Conemaugh coal generation facilities through 2034, and expects to make payments under the lease through 2029. The Company accounts for these leases as operating leases and records lease expense on a straight-line basis over the lease term. As further described in Note 3, Business Acquisitions and Dispositions, in connection with the acquisition of GenOn, the Company recorded the out-of-market value as a liability in out-of-market contracts of $186 million. The liability will be amortized through rent expense on a straight-line basis over the term of the lease. The Company expects to record lease expense, net of amortization of the out-of-market liability, of approximately $33 million per year through the term of the lease.

During 2011, GenOn completed an analysis of the cost of environmental controls required for the Shawville generating facility, including the installation of cooling towers. After evaluation of the forecasted energy and capacity prices, expected capital expenditures, operating costs, property taxes and other factors, GenOn concluded that the forecasted returns on investments necessary to comply with the environmental regulations are insufficient. Accordingly, NRG plans to place the coal-fired units at the Shawville generating facility in a long-term protective layup in April 2015. Under the lease agreement for Shawville, NRG's obligations generally are to pay the required rent and to maintain the leased assets in accordance with the lease documentation, including in compliance with prudent competitive electric generating industry practice and applicable laws. NRG will continue to evaluate options under the lease, including termination of the lease for economic obsolescence and/or keeping the facility in long-term protective layup during the term of the lease, or continuing operations with a different fuel.

Future minimum lease commitments under the REMA operating leases for the years ending after December 31, 2013, are as follows:

| Period | (In millions) |
|---|---|
| 2014 | $63 |
| 2015 | 56 |
| 2016 | 61 |
| 2017 | 63 |
| 2018 | 55 |
| Thereafter | 400 |

| | |
|---|---|
| Total | $698 |

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Other Operating Leases

NRG leases certain Company facilities and equipment under operating leases, some of which include escalation clauses, expiring on various dates through 2041. NRG also has certain tolling arrangements to purchase power which qualifies as operating leases. Certain operating lease agreements over their lease term include provisions such as scheduled rent increases, leasehold incentives, and rent concessions. The Company recognizes the effects of these scheduled rent increases, leasehold incentives, and rent concessions on a straight-line basis over the lease term unless another systematic and rational allocation basis is more representative of the time pattern in which the leased property is physically employed. Lease expense under operating leases was$88 million, $67 million, and $81 million for the years ended December 31, 2013, 2012, and 2011, respectively.

Future minimum lease commitments under operating leases for the years ending after December 31, 2013, are as follows:

| Period | (In millions) |
|---|---|
| 2014 | $79 |
| 2015 | 78 |
| 2016 | 63 |
| 2017 | 41 |
| 2018 | 38 |
| Thereafter | 138 |
| Total [(a)] | $437 |

(a) Amounts in the table exclude future sublease income of $20 million associated with GenOn's long-term lease for its corporate headquarters in Houston, Texas.

Coal, Gas and Transportation Commitments

NRG has entered into long-term contractual arrangements to procure fuel and transportation services for the Company's generation assets and for the years ended December 31, 2013, 2012, and 2011, the Company purchased $2.8 billion, $1.4 billion, and $1.6 billion, respectively, under such arrangements.

As of December 31, 2013, the Company's commitments under such outstanding agreements are estimated as follows:

| Period | (In millions) |
|---|---|
| 2014 | $963 |
| 2015 | 272 |
| 2016 | 254 |
| 2017 | 220 |
| 2018 | 136 |
| Thereafter | 719 |
| Total | $2,564 |

Purchased Power Commitments

NRG has purchased power contracts of various quantities and durations that are not classified as derivative assets and liabilities and do not qualify as operating leases. These contracts are not included in the consolidated balance sheet as of December 31, 2013. Minimum purchase commitment obligations are as follows as of December 31, 2013:

| Period | (In millions) |
|---|---|
| 2014 | $24 |
| 2015 | 18 |
| 2016 | 12 |
| 2017 | 10 |
| 2018 | 1 |
| Thereafter | — |
| Total [(a)] | $65 |

(a) As of December 31, 2013, the maximum remaining term under any individual purchased power contract is five years.

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Lignite Contract with Texas Westmoreland Coal Co.

The lignite used to fuel the Texas region's Limestone facility is obtained from the Jewett mine, a surface mine adjacent to the Limestone facility, under a long-term contract with Texas Westmoreland Coal Co., or TWCC. The contract is based on a cost-plus arrangement with incentives and penalties to ensure proper management of the mine. NRG has the flexibility to increase or decrease lignite purchases from the mine within certain ranges, including the ability to suspend or terminate lignite purchases with adequate notice. The mining period extends through 2018 with an option to further extend the mining period by two five-year intervals.

TWCC is responsible for performing ongoing reclamation activities at the mine until all lignite reserves have been produced. When production is completed at the mine, NRG will be responsible for final mine reclamation obligations. The Railroad Commission of Texas has imposed a bond obligation of $107.5 million on TWCC for the reclamation of this lignite mine. Pursuant to the contract with TWCC, NRG supports this obligation as follows: $76 million is guaranteed by NRG Energy, Inc., and $31.5 million is supported by surety bonds posted by NRG. Additionally, NRG is required to provide additional performance assurance over TWCC's current bond obligations if required by the Railroad Commission of Texas.

First Lien Structure

NRG has granted first liens to certain counterparties on substantially all of the Company's assets, excluding assets acquired in the GenOn acquisition, to reduce the amount of cash collateral and letters of credit that it would otherwise be required to post from time to time to support its obligations under out-of-the-money hedge agreements for forward sales of power or MWh equivalents. The Company's lien counterparties may have a claim on NRG's assets to the extent market prices exceed the hedged price. As of December 31, 2013, the first lien exposure of net out-of-the-money positions to counterparties on hedges was $61 million.

Nuclear Insurance

STP maintains required insurance coverage for liability claims arising from nuclear incidents pursuant to the Price-Anderson Amendment to the Energy Policy Act of 2005, referred to as the Price-Anderson Act. Effective September 30, 2013, the current liability limit per incident was $13.6 billion, subject to change to account for the effects of inflation and the number of licensed reactors. An inflation adjustment must be made at least once every five years with the most recent adjustment effective September 2013. Under the Price-Anderson Act, owners of nuclear power plants in the U.S. are required to purchase primary insurance limits of $375 million for each operating site. In addition, the Price-Anderson Act requires an additional layer of protection through mandatory participation in a retrospective rating plan for power reactors resulting in an additional $13.2 billion in funds available for public liability claims. The current maximum assessment per incident, per reactor, is approximately $127 million, taking into account a 5% adjustment for administrative fees, payable at no more than $19 million per year, per reactor. NRG would be responsible for 44% of the maximum assessment, or $8 million per year, per reactor, and a maximum of $112 million per incident. In addition, the U.S. Congress retains the ability to impose additional financial requirements on the nuclear industry to pay liability claims that exceed $13.6 billion for a single incident. The liabilities of the co-owners of STP with respect to the retrospective premium assessments for nuclear liability insurance are joint and several.

STP purchases insurance for property damage and site decontamination cleanup costs from Nuclear Electric Insurance Limited, or NEIL, an industry mutual insurance company, of which STP is a member. STP has purchased $2.75 billion in limits for nuclear events and $1.5 billion in limits for non-nuclear events, the maximum available from NEIL. The upper $1 billion in limits (excess of the first $1.75 billion in limits) is a single limit blanket policy shared with two Diablo Canyon nuclear reactors, which have no affiliation with the Company. This shared limit is not subject to automatic reinstatement in the event of a loss. The NEIL policy covers both nuclear and non-nuclear property damage events, and includes coverage for six weeks of lost revenue following a property damage event, at a weekly indemnity limit of $4 million, subject to a seventeen week waiting period. NRG also purchased an Accidental Outage policy from NEIL, which provides protection for lost revenue due to an insurable event. This coverage allows for reimbursement up to $1.98 million per week per unit up to a maximum of $215.6 million nuclear and $144 million non-nuclear, and is subject to an eight week waiting period. Under the terms of the NEIL policies, member companies may be assessed up to ten times their annual premium if the NEIL Board of Directors determines their surplus has

been depleted due to the payment of property losses at any of the licensed reactors in a single policy year. NEIL requires that its members maintain an investment grade credit rating or insure their annual retrospective obligation by providing a financial guarantee, letter of credit, deposit premium, or an insurance policy. NRG has purchased an insurance policy from NEIL to guarantee the Company's obligation; however this insurance will only respond to retrospective premium adjustments assessed within twenty-four months after the policy term, whereas NEIL's Board of Directors can make such an adjustment up to six years after the policy expires.

Contingencies

The Company's material legal proceedings are described below. The Company believes that it has valid defenses to these legal proceedings and intends to defend them vigorously. NRG records reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. In addition, legal costs are expensed as incurred. Management has assessed each of the following matters based on current information and made a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought, and the probability of success. Unless specified below, the Company is unable to predict the outcome of these legal proceedings or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Company's liabilities and contingencies could be at amounts that are different from its currently recorded reserves and that such difference could be material.

In addition to the legal proceedings noted below, NRG and its subsidiaries are party to other litigation or legal proceedings arising in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect NRG's consolidated financial position, results of operations, or cash flows.

California Department of Water Resources

This matter concerned, among other contracts and other defendants, CDWR and its wholesale power contract with subsidiaries of WCP (Generation) Holdings, Inc., or WCP. The case originated with a 2002 complaint filed by the State of California alleging that many parties, including WCP subsidiaries, overcharged the State of California. For WCP, the alleged overcharges totaled approximately $940 million for 2001 and 2002. The complaint demanded that FERC abrogate the CDWR contract and sought refunds associated with revenues collected under the contract. In 2003, FERC rejected this complaint, denied rehearing, and the case was appealed to the U.S. Court of Appeals for the Ninth Circuit.

On December 19, 2006, the Ninth Circuit decided that in FERC's review of the contracts at issue, FERC could not rely on the Mobile-Sierra standard presumption of just and reasonable rates, where such contracts were not reviewed by FERC with full knowledge of the then existing market conditions. WCP and others sought review by the U.S. Supreme Court. WCP's appeal was not selected, but instead held by the Supreme Court. In the appeal that was selected by the Supreme Court, on June 26, 2008, the Supreme Court ruled: (i) that the Mobile-Sierra public interest standard of review applied to contracts made under a seller's market-based rate authority; (ii) that the public interest “bar” required to set aside a contract remains a very high one to overcome; and (iii) that the Mobile-Sierra presumption of contract reasonableness applies when a contract is formed during a period of market dysfunction unless (a) such market conditions were caused by the illegal actions of one of the parties or (b) the contract negotiations were tainted by fraud or duress.

This matter was extensively litigated and on March 22, 2012, NRG reached an agreement in principle with the CPUC to settle and resolve this matter, including all related claims, on behalf of NRG and on behalf of Dynegy. The settlement agreement contains three material elements to be fulfilled over a four to six year period, depending upon several factors. First, the settlement agreement includes a $20 million cash payment due 30 days after FERC approval. Second, it includes the construction and operation of a fee-based charging network, to be owned and operated by NRG subsidiary, eVgo, which will consist of at least 200 publicly available fast-charging electric vehicle stations installed at locations across California. Last, it calls for the wiring and associated work required to improve at least 10,000 individual parking spaces to allow for the charging of electric vehicles in at least 1,000 multi-family complexes, worksites, and public interest locations such as community colleges, public universities, and public or non-profit hospitals. Although these improved newly wired parking spaces will continue to be owned by the local property owner, eVgo will have an 18-month exclusive right to obtain customers from these locations starting from the date of each completed installation. The expected $20 million cash payment was accrued and expensed in the statement of operations for the three months ended March 31, 2012. In addition, the Company expects to spend approximately $100 million over the ensuing four to six year period, during which the Company will fulfill the other elements of the

settlement, and will capitalize a substantial majority of the costs as property, plant and equipment, representing the costs to construct the charging network and the wiring, which will be productive assets. The Company will expense the costs to operate the assets as incurred. The documented agreement was executed and submitted to FERC on April 27, 2012 for its approval. The settlement agreement was approved by FERC on November 2, 2012. Final settlement payment of $20 million was made on January 16, 2013. Given that there was no challenge to the FERC order approving the settlement in the statutory period, the order became final and non-appealable.

Louisiana Generating, LLC

In 2009, the U.S. DOJ, on behalf of the EPA, and later the Louisiana Department of Environmental Quality, or LDEQ, on behalf of the State of Louisiana, sued Louisiana Generating, LLC, or LaGen, a wholly owned subsidiary of NRG, in federal district court in the Middle District of Louisiana alleging violations of the CAA at the Big Cajun II power plant. On March 6, 2013, the court entered a Consent Decree resolving the matter. In addition to imposing a fine of $3.5 million and requiring LaGen to carry out mitigation projects totaling $10.5 million, the Consent Decree requires: (i) specified annual emission caps for $NO_x$ and $SO_2$; (ii) installation of selective non-catalytic reduction on Units 1, 2 and 3 by May 1, 2014; (iii) installation of dry sorbent injection on Unit 1 by April 15, 2015 followed by a further reduction in $SO_2$ in March 2025; (iv) conversion of Unit 2 to natural gas; and (v) surrender of any excess allowances associated with the NRG owned portion of the plant. Further discussion of this matter can be found in Note 24, Environmental Matters - South Central Region.

In a related matter, soon after the filing of the above referenced U.S. DOJ lawsuit, LaGen sought insurance coverage from its insurance carrier, Illinois Union Insurance Company, or ILU. ILU denied coverage and refused to provide a defense for LaGen, and thereafter LaGen filed a lawsuit in federal district court in the Middle District of Louisiana (which was consolidated with a prior suit filed by ILU) seeking a declaration that ILU must provide coverage to LaGen for the defense costs incurred in defending the U.S. DOJ lawsuit as well as indemnity costs. LaGen and ILU both filed motions for summary judgment and on January 30, 2012, the district court issued an order granting LaGen's motion finding that ILU had a duty to defend LaGen. On May 25, 2012, ILU filed a petition with the U.S. Court of Appeals for the Fifth Circuit seeking to appeal the trial court's summary judgment ruling. The Fifth Circuit heard oral argument on March 6, 2013. On May 15, 2013, the Fifth Circuit affirmed the district court's ruling that ILU had a duty to defend LaGen against the U.S. DOJ lawsuit and subsequently denied ILU's petition for rehearing. On October 2, 2013, LaGen filed a motion for summary judgment in the U.S. District Court for the Middle District of Louisiana for recovery of LaGen's fees and costs related to the U.S. DOJ lawsuit, as well as its fees and costs related to the insurance coverage action.

Big Cajun II Alleged Opacity Violations — On September 7, 2012, LaGen received a Consolidated Compliance Order & Notice of Potential Penalty, or CCO&NPP, from the LDEQ. The CCO&NPP alleges there were opacity exceedance events from the Big Cajun II Power Plant on certain dates during the years 2007-2012. On October 8, 2012, LaGen filed a Request for Administrative Adjudicatory hearing. LaGen and LDEQ have since reached an agreement to resolve the matter for approximately $47,000. The settlement has been published for public comment, and is subject to approval by the Louisiana Attorney General within 90 days of the notice.

Global Warming

In February 2008, the Native Village of Kivalina and the City of Kivalina, Alaska filed a suit in the U.S. District Court for the Northern District of California against GenOn and 23 other electric generating and oil and gas companies. The lawsuit sought damages of up to $400 million for the cost of relocating the village allegedly because of global warming caused by the GHG emissions of the defendants. In late 2009, the District Court ordered that the case be dismissed and the plaintiffs appealed. In September 2012, the U.S. Court of Appeals for the Ninth Circuit dismissed plaintiffs' appeal. In October 2012, the plaintiffs petitioned for en banc rehearing of the case, which petition was denied in November 2012. In February 2013, plaintiffs filed a petition for certiorari with the U.S. Supreme Court seeking review of the decision of the U.S. Court of Appeals. In May 2013, the U.S. Supreme Court denied plaintiffs' petition, thereby ending the case.

Actions Pursued by MC Asset Recovery

With Mirant Corporation's emergence from bankruptcy protection in 2006, certain actions filed by GenOn Energy Holdings and some of its subsidiaries against third parties were transferred to MC Asset Recovery, a wholly owned subsidiary of GenOn Energy Holdings. MC Asset Recovery is governed by a manager who is independent of NRG and GenOn. MC Asset Recovery is a disregarded entity for income tax purposes.

Under the remaining action transferred to MC Asset Recovery, MC Asset Recovery seeks to recover damages from Commerzbank AG and various other banks, or the Commerzbank Defendants, for alleged fraudulent transfers that occurred prior to GenOn Energy Holdings' bankruptcy proceedings. In December 2010, the U.S. District Court for the Northern District of Texas dismissed MC Asset Recovery's complaint against the Commerzbank Defendants. In

January 2011, MC Asset Recovery appealed the District Court's dismissal of its complaint against the Commerzbank Defendants to the U.S. Court of Appeals for the Fifth Circuit. In March 2012, the Court of Appeals reversed the District Court's dismissal and reinstated MC Asset Recovery's amended complaint against the Commerzbank Defendants. If MC Asset Recovery succeeds in obtaining any recoveries from the Commerzbank Defendants, the Commerzbank Defendants have asserted that they will seek to file claims in GenOn Energy Holdings' bankruptcy proceedings for the amount of those recoveries. GenOn Energy Holdings would vigorously contest the allowance of any such claims. If the Commerzbank Defendants were to receive an allowed claim as a result of a recovery by MC Asset Recovery on its claims against them, GenOn Energy Holdings would retain from the net amount recovered by MC Asset Recovery an amount equal to the dollar amount of the resulting allowed claim.

Pending Natural Gas Litigation

GenOn is party to several lawsuits, certain of which are class action lawsuits, in state and federal courts in Kansas, Missouri, Nevada and Wisconsin. These lawsuits were filed in the aftermath of the California energy crisis in 2000 and 2001 and the resulting FERC investigations and relate to alleged conduct to increase natural gas prices in violation of antitrust and similar laws. The lawsuits seek treble or punitive damages, restitution and/or expenses. The lawsuits also name as parties a number of energy companies unaffiliated with NRG. In July 2011, the U.S. District Court for the District of Nevada, which is handling four of the five cases, granted the defendants' motion for summary judgment and dismissed all claims against GenOn in those cases. The plaintiffs appealed to the U.S. Court of Appeals for the Ninth Circuit. The Ninth Circuit reversed the decision of the U.S. District Court for the District of Nevada. On August 26, 2013, GenOn along with the other defendants in the lawsuit filed a petition for certiorari to the U.S. Supreme Court challenging the Ninth Circuit’s decision. On December 2, 2013, the United States Supreme Court requested the views of the U.S. Solicitor General on the petition for certiorari. In September 2012, the State of Nevada Supreme Court, which is handling the remaining case, affirmed dismissal by the Eighth Judicial District Court for Clark County, Nevada of all plaintiffs' claims against GenOn. In February 2013, the plaintiffs in the Nevada case filed a petition for certiorari to the U.S. Supreme Court. In June 2013, the U.S. Supreme Court denied the petition for certiorari, thereby ending one of the five lawsuits. GenOn has agreed to indemnify CenterPoint against certain losses relating to these lawsuits.

New Source Review Matters

The EPA and various states are investigating compliance of electric generating facilities with the pre-construction permitting requirements of the CAA known as “new source review.” Since 2000, the EPA has made information requests concerning several of the Company's subsidiaries' plants. The Company continues to correspond with the EPA regarding some of these requests. The EPA agreed to share information relating to its investigations with state environmental agencies. In 2005 and 2006, the Company received an NOV from the EPA alleging that past work at Big Cajun II violated regulations regarding new source review. Further discussion of this matter can be found in Note 24, Environmental Matters - South Central Region. In January 2009, the EPA issued an NOV alleging that past work at the Shawville, Portland and Keystone generating facilities violated regulations regarding new source review. In June 2011, the EPA issued an NOV alleging that past work at the Niles and Avon Lake generating facilities violated regulations regarding new source review. In April 2013, the Connecticut Department of Energy and Environmental Protection issued four NOVs alleging that past work at combustion turbines at three of the Company's Connecticut Jet Power facilities and Middletown facility violated regulations regarding new source review.

In December 2007, the NJDEP sued GenOn in the U.S. District Court for the Eastern District of Pennsylvania, alleging that new source review violations occurred at the Portland generating facility. The suit sought installation of BACT for each pollutant, to enjoin GenOn from operating the generating facility if it is not in compliance with the CAA and civil penalties. The suit also named past owners of the plant as defendants, but the claims against the past owners were dismissed. In March 2009, the Connecticut Department of Energy and Environmental Protection became an intervening party to the suit. In July 2013, the court entered a Consent Decree which generally requires the cessation of coal combustion at Portland Units 1 and 2 and the payment of $1 million to benefit the environment in New Jersey and Connecticut. The entry of the Consent Decree resolved this matter.

Cheswick Class Action Complaint

In April 2012, a putative class action lawsuit was filed against GenOn in the Court of Common Pleas of Allegheny County, Pennsylvania alleging that emissions from the Cheswick generating facility have damaged the property of neighboring residents. The Company disputes these allegations. Plaintiffs have brought nuisance, negligence, trespass and strict liability claims seeking both damages and injunctive relief. Plaintiffs seek to certify a class that consists of people who own property or live within one mile of the Company's plant. In July 2012, the Company removed the lawsuit to the U.S. District Court for the Western District of Pennsylvania. In October 2012, the court granted the Company's motion to dismiss, which Plaintiffs appealed to the U.S. Court of Appeals for the Third Circuit. On August 20, 2013, the Third Circuit reversed the decision of the District Court. On September 3, 2013, the Company filed a petition for rehearing with the Third Circuit which was subsequently denied. In February 2014, the Company filed a petition for a writ of certiorari to the U.S. Supreme Court seeking review and reversal of the Third Circuit Decision.

The District Court has stayed further proceedings in the case pending a decision on the petition for writ of certiorari.

Cheswick Monarch Mine NOV

In 2008, the PADEP issued an NOV related to the Monarch mine located near the Cheswick generating facility. This mine has not been mined for many years. The Company uses it for disposal of low-volume wastewater from the Cheswick generating facility and for disposal of leachate collected from ash disposal facilities. The NOV addresses the alleged requirement to maintain a minimum pumping volume from the mine. The PADEP indicated it will seek a civil penalty of approximately $200,000. The Company contests the allegations in the NOV and has not agreed to such penalty. The Company is currently planning capital expenditures in connection with wastewater from Cheswick and leachate from ash disposal facilities.

Ormond Beach Alleged Federal Clean Water Act Violations

In October 2012, the Wishtoyo Foundation, a California-based cultural and environmental advocacy organization, through its Ventura Coastkeeper Program, filed suit in the U.S. District Court for the Central District of California regarding alleged violations of the CWA associated with discharges of stormwater from the Ormond Beach generating facility. The Wishtoyo Foundation alleged that elevated concentrations of pollutants in stormwater discharged from the Ormond Beach generating facility were affecting adjacent aquatic resources in violation of (i) the Statewide General Industrial Stormwater permit (a general National Pollution Discharge Elimination System permit issued by the California State Water Resources Control Board that authorizes stormwater discharges from industrial facilities in California) and (ii) the state's Porter-Cologne Water Quality Control Act. The Wishtoyo Foundation further alleged that the Company had not implemented effective stormwater control and treatment measures and that the Company had not complied with the sampling and reporting requirements of the General Industrial Stormwater permit. The Company settled this matter in May 2013 and agreed to make operational changes and pay $79,000 in legal fees, $65,000 for supplemental environmental projects, and $15,000 for monitoring costs.

Maryland Fly Ash Facilities

The Company has three fly ash facilities in Maryland: Faulkner, Westland and Brandywine. Fly ash from the Morgantown and Chalk Point generating facilities is disposed of at Brandywine. Fly ash from the Dickerson generating facility is disposed of at Westland. Fly ash is no longer disposed of at the Faulkner facility. As described below, the MDE had sued NRG MD Ash Management and GenOn Mid-Atlantic regarding Faulkner, Brandywine and Westland. The MDE also had threatened not to renew the water discharge permits for all three facilities.

Faulkner Litigation — In May 2008, the MDE sued GenOn MidAtlantic and NRG MD Ash Management in the Circuit Court for Charles County, Maryland alleging violations of Maryland's water pollution laws at Faulkner. The MDE contended that the operation of Faulkner had resulted in the discharge of pollutants that exceeded Maryland's water quality criteria and without the appropriate NPDES permit. The MDE also alleged that GenOn failed to perform certain sampling and reporting required under an applicable NPDES permit. The MDE complaint requested that the court (i) prohibit continuation of the alleged unpermitted discharges, (ii) require GenOn to cease from further disposal of any coal combustion byproducts at Faulkner and close and cap the existing disposal cells and (iii) assess civil penalties. In July 2008, GenOn filed a motion to dismiss the complaint, arguing that the discharges are permitted by a December 2000 Consent Order. In January 2011, the MDE dismissed without prejudice its complaint and informed GenOn that it intended to file a similar lawsuit in federal court. In May 2011, the MDE filed a complaint against GenOn Mid-Atlantic and NRG MD Ash Management in the U.S. District Court for the District of Maryland alleging violations at Faulkner of the Clean Water Act and Maryland's Water Pollution Control Law. The MDE contends that (i) certain of GenOn's water discharges are not authorized by the existing permit and (ii) operation of the Faulkner facility has resulted in discharges of pollutants that violate water quality criteria. The complaint asked the court to, among other things, (i) enjoin further disposal of coal ash; (ii) enjoin discharges that are not authorized by the existing permit; (iii) require numerous technical studies; (iv) impose civil penalties and (v) award MDE attorneys' fees. The Company disputed these allegations.

Brandywine Litigation — In April 2010, the MDE filed a complaint against GenOn MidAtlantic and NRG MD Ash Management in the U.S. District Court for the District of Maryland asserting violations at Brandywine of the CWA and Maryland's Water Pollution Control Law. The MDE contended that the operation of Brandywine has resulted in discharges of pollutants that violate Maryland's water quality criteria. The complaint requested that the court, among other things, (i) enjoin further disposal of coal combustion waste at Brandywine, (ii) require the existing open disposal cells to be closed and capped within one year, (iii) impose civil penalties, and (iv) award MDE attorneys' fees. In September 2010, four environmental advocacy groups became intervening parties in the proceeding.

Westland Litigation — In January 2011, the MDE informed GenOn that it intended to sue for alleged violations at Westland of Maryland's water pollution laws, which suit was filed in U.S. District Court for the District of Maryland in December 2012.

Permit Renewals — In March 2011, the MDE tentatively decided to deny NRG MD Ash Management's application for renewal of the water discharge permit for Brandywine, which could have resulted in a significant increase in operating expenses for GenOn Mid Atlantic's Chalk Point and Morgantown generating facilities. The MDE also had indicated

that it was planning to deny the Company's applications for renewal of the water discharge permits for Faulkner and Westland. Denial of the renewal of the water discharge permit for the latter facility could have resulted in a significant increase in operating expenses for the Dickerson generating facility.

Settlement — In April 2013, NRG MD Ash Management and MDE signed a Consent Decree settling the disputes at each of the three ash facilities. GenOn agreed to pay a civil penalty of $1.9 million for alleged past violations and an additional $0.6 million (for agreed prospective penalties while the settlement is implemented). GenOn agreed to develop a technical solution, which includes installing synthetic caps on the closed cells of each of the three ash facilities, for which $47 million has been reserved, and to remediate the site. At this time, the Company cannot reasonably estimate the upper range of its obligation for remediating the sites because the Company has not: (i) finished assessing each site including identifying the full impacts to both ground and surface water and the impacts to the surrounding habitat; (ii) finalized with the MDE the standards to which it must remediate; and (iii) identified the technologies required, if any, to meet the yet to be determined remediation standards at each site nor the timing of the design and installation of such technologies.

Energy Plus Holdings Purported Class Actions

Energy Plus Holdings was sued in six purported class action lawsuits, two in New York, two in New Jersey, and two in Pennsylvania. On February 28, 2013, Energy Plus Holdings entered into a settlement agreement with plaintiffs to resolve all of the claims in the six pending suits, subject to court approval. On September 17, 2013, the U.S. District Court for the Southern District of New York entered an order approving the settlement. This settlement became final and nonappealable on October 27, 2013. Energy Plus Holdings continues to cooperate with the Connecticut Office of Attorney General and Office of Consumer Counsel and the State of New York Office of Attorney General to resolve certain issues related to Energy Plus Holdings sales, marketing and business practices. Energy Plus Holdings and the Connecticut Office of Attorney General and Office of Consumer Counsel have been involved in settlement discussions and their efforts to reach a resolution continue.

Purported Class Actions related to July 22, 2012 Announcement of NRG/GenOn Merger Agreement

NRG was named as a defendant in eight purported class actions in Texas and Delaware related to its announcement of its agreement to acquire all outstanding shares of GenOn. These cases were consolidated into one state court case in each of Delaware and Texas and a federal court case in Texas. The plaintiffs generally alleged breach of fiduciary duties, as well as conspiracy, aiding and abetting breaches of fiduciary duties. Plaintiffs generally sought to: be certified as a class; enjoin the merger; direct the defendants to exercise their fiduciary duties; rescind the acquisition; and be awarded attorneys' fees costs and other relief that the court deems appropriate. Plaintiffs also demanded that there be additional disclosures regarding the merger terms. On October 24, 2012, the parties to the Delaware state court case executed a Memorandum of Understanding to resolve the Delaware purported class action lawsuit. In March 2013, the parties finalized the settlement of the Delaware action. On June 3, 2013, the court approved the Delaware class action settlement thereby ending the Delaware lawsuit. The remaining Texas state and federal court cases were dismissed in July 2013 and August 2013, respectively, thereby ending these matters.

Maryland Department of the Environment v. GenOn Chalk Point and GenOn Mid-Atlantic

On January 25, 2013, Food & Water Watch, the Patuxent Riverkeeper and the Potomac Riverkeeper (together, the Citizens Group) sent NRG a letter alleging that the Chalk Point, Dickerson and Morgantown generating facilities were violating the terms of the three National Pollution Discharge Elimination System permits by discharging nitrogen and phosphorous in excess of the limits in each permit. On March 21, 2013, the MDE sent the Company a similar letter with respect to the Chalk Point and Dickerson facilities, threatening to sue within 60 days if the Company did not bring itself into compliance. On June 11, 2013, the Maryland Attorney General on behalf of the MDE filed a complaint in the U.S. District Court for the District of Maryland alleging violations of the Clean Water Act and Maryland environmental laws related to water. The lawsuit seeks injunctive relief and civil penalties in excess of $100,000.

Huntley Power LLC Subpoena

Huntley Power LLC was served with a subpoena on May 13, 2013 from the U.S. Department of Justice requesting information regarding the plant's use and handling of diesel fuel. The Company cooperated with the U.S Department of Justice inquiry into the issues related to the use and handling of diesel fuel. The U.S. Department of Justice has advised that it is not pursuing information related to this subpoena and has closed its file, thereby ending the matter.

Texas Franchise Audit

During the second quarter of 2013, the Company settled the Texas Franchise tax dispute with the state relating to years 2001 through 2007. Prior to the GenOn acquisition, the State of Texas issued franchise tax assessments against GenOn as a result of its audit indicating an underpayment of franchise tax of $72 million (including interest and penalties through June 30, 2013 of $29 million). These assessments relate primarily to a claim by Texas that would change the sourcing of intercompany receipts thereby increasing the amount of tax due. GenOn disagreed with most of the State's assessment and its determination and had accordingly accrued a portion of the liability but had protested the entire assessment. In June 2013, the Company settled the matter with the State by agreeing to pay $11 million on issues arising from the audit, and reversed the remainder of the accrual. The reversal was recorded as a measurement period adjustment to the amounts recognized on the acquisition date.

Note 23 — Regulatory Matters

NRG operates in a highly regulated industry and is subject to regulation by various federal and state agencies. As such, NRG is affected by regulatory developments at both the federal and state levels and in the regions in which NRG operates. In addition, NRG is subject to the market rules, procedures, and protocols of the various ISO and RTO markets in which NRG participates. These power markets are subject to ongoing legislative and regulatory changes that may impact NRG's wholesale and retail businesses.

In addition to the regulatory proceedings noted below, NRG and its subsidiaries are a party to other regulatory proceedings arising in the ordinary course of business or have other regulatory exposure. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect NRG's consolidated financial position, results of operations, or cash flows.

East Region

Reliability Must Run Agreements for Elrama and Niles — In May 2012, GenOn filed with FERC an RMR rate schedule governing operation of unit 4 of the Elrama generating facility and unit 1 of the Niles generating facility. PJM determined that each of these units was needed past its planned deactivation date of June 1, 2012 to maintain transmission system reliability on the PJM system pending the completion of transmission upgrades. The RMR rate schedule sets forth the terms, conditions and cost-based rates under which GenOn operated the units for reliability purposes through September 30, 2012, the date PJM indicated the units would no longer be needed for reliability. In July 2012, FERC accepted GenOn's RMR rate schedule subject to hearing and settlement procedures. In the settlement discussions ordered by FERC, or in any subsequent hearing, the Company's RMR rate schedule may be modified from that which was filed. The rates GenOn charged are subject to refund pending a ruling or settlement. The Company filed a settlement of all outstanding issues in May 2013, which several parties are contesting. The matter is pending before FERC.

Montgomery County Station Power Tax — On December 20, 2013, the Company received a letter from Montgomery County, Maryland requesting payment of an energy tax for the consumption of station power at the Dickerson Facility over the last three years. The letter seeks payment in the amount of $14.6 million, which includes tax, interest and penalty. The Company is disputing the applicability of the tax and GenOn Mid-Atlantic, LLC filed suit against the County in Maryland Tax Court and the Circuit Court for Montgomery County on January 21, 2014. The parties jointly filed on February 25, 2014, to stay the Circuit Court proceeding pending resolution of the Tax Court proceeding. The Tax Court proceeding is still pending.

Retail

MISO SECA — Green Mountain Energy previously provided competitive retail energy supply in the MISO region during the relevant period of January 1, 2002, to December 31, 2005. By order dated November 18, 2004, FERC eliminated certain regional through-and-out transmission rates charged by transmission owners in MISO and PJM. In order to temporarily compensate the transmission owners for lost revenues, FERC ordered MISO, PJM and their respective transmission owners to revamp the way that ISOs manage certain cross-system congestion costs, known as Seams Elimination Charge/Cost Adjustments/Assignments, or SECA, charges effective December 1, 2004, through March 31, 2006. The tariff amendments filed by MISO and the MISO transmission owners allocated certain SECA charges to various zones and sub-zones within MISO, including a sub-zone called the Green Mountain Energy Company Sub-zone. During several years of extensive litigation before FERC, several transmission owners sought to recover SECA charges from Green Mountain Energy. Green Mountain Energy denied responsibility for any SECA charges and did not pay any asserted SECA charges.

On May 21, 2010, FERC issued two orders, including its Order on Initial Decision, in which FERC determined that approximately $22 million plus interest of SECA charges were owed not by Green Mountain Energy but rather by BP Energy - one of Green Mountain Energy's suppliers during the period at issue. On August 19, 2010, the transmission owners and MISO made compliance filings in accordance with FERC's Orders allocating SECA charges to a BP Energy Sub-zone, and making no allocation to a Green Mountain Energy sub-zone. FERC has not yet ruled on those compliance filings.

On September 30, 2011, FERC issued orders denying all requests for rehearing and again determined that SECA charges were not owed by Green Mountain Energy. Numerous parties, including BP Energy, sought judicial review

of FERC's orders, and Green Mountain Energy was granted intervenor status in the consolidated appeals. Most appellants subsequently settled with the transmission owners and withdrew their appeals, including BP Energy, which agreed to pay approximately $24 million to the three transmission owners signing the agreement, with another $1 million offered to the remaining PJM transmission owners, should they choose to join the settlement; all chose to do so. FERC approved the settlement, and BP Energy moved to dismiss its appeals; its motions to dismiss were granted by the Court.

West Region

California Station Power — On December 18, 2012, in Calpine Corporation v. FERC, the U.S. Court of Appeals for the D.C. Circuit upheld a decision by FERC disclaiming jurisdiction over how the states impose retail station power charges. The CPUC may now establish retail charges for future station power consumption. Due to reservation-of-rights language in the California utilities' state-jurisdictional station power tariffs, the court's ruling arguably requires California generators to pay state-imposed retail charges back to the date of enrollment by the facilities in the CAISO's station power program (February 1, 2009, for the Company's Encina and El Segundo facilities; March 1, 2009, for the Company's Long Beach facility).

On November 18, 2011, Southern California Edison Company filed with the CPUC, seeking authorization to begin charging generators station power charges, and to assess such charges retroactively, which the Company and other generators have challenged. On August 13, 2012, the CPUC Energy Division issued a draft resolution in which it rejected the Company's arguments and approved Southern California Edison's proposed station power charges, including retroactive implementation, but proposing a credit to generators for some portion of their retail station power bill. However, the CPUC withdrew the draft resolution from the calendar and consideration of the measure has not yet been rescheduled. The Company believes it has established an appropriate reserve.

Note 24 — Environmental Matters

NRG is subject to a wide range of environmental regulations in the development, ownership, construction and operation of projects in the United States and Australia. These laws and regulations generally require that governmental permits and approvals be obtained before construction and during operation of power plants. Environmental regulations have become increasingly stringent and NRG expects this trend to continue. The electric generation industry is likely to face new requirements to address various emissions, including greenhouse gases, as well as combustion byproducts, water discharge and use, and threatened and endangered species. In general, future laws and regulations are expected to require the addition of emissions controls or other environmental controls or to impose certain restrictions on the operations of the Company's facilities, which could have a material effect on the Company's operations.

The EPA released CSAPR on July 7, 2011, which was scheduled to replace CAIR on January 1, 2012. On August 21, 2012, the U.S. Court of Appeals for the D.C. Circuit issued an opinion vacating CSAPR and keeping CAIR in place until the EPA can replace it. The EPA petitioned the U.S. Supreme Court seeking review of this decision, which petition was granted. The Supreme Court heard oral argument in the case on December 10, 2013. The Court of Appeals decision was beneficial to the Company as it eliminated an $SO_2$ allowance reduction which was to have occurred before the MATS compliance date. While NRG is unable to predict the final outcome of the ongoing litigation, the Company's investment in pollution controls and cleaner technologies coupled with planned strategic plant retirements leaves the fleet well positioned for compliance.

Under CSAPR, use of discounted Acid Rain $SO_2$ and CAIR $NO_x$ allowances would have been discontinued and replaced with completely distinct allowance programs. Acid Rain allowances would still be required on a 1:1 basis under the Acid Rain Program. Consequently, in the third quarter 2011, the Company recorded an impairment charge of $160 million on the Company's Acid Rain Program $SO_2$ emission allowances, which were recorded as an intangible asset on the Company's balance sheet. The impairment charge reflects the write-off of the value of emission allowances in excess of those required for compliance with the Acid Rain Program.

In January 2014, EPA re-proposed the NSPS for $CO_2$ emissions from new fossil-fuel-fired electric generating units that had been previously proposed in April 2012. The re-proposed standards are 1,000 pounds of $CO_2$ per MWh for large gas units and 1,100 pounds of $CO_2$ per MWh for coal units and small gas units. Proposed standards are in effect until a final rule is published or another rule is re-proposed. In 2014, EPA intends to propose another rule that would require states to develop $CO_2$ standards that would apply to existing fossil-fueled generating facilities.

Environmental Capital Expenditures

Based on current (and in some cases proposed) rules, technology and preliminary plans based on some proposed rules, NRG estimates that environmental capital expenditures from 2014 through 2018 required to comply with environmental laws will be approximately $332 million, which includes $120 million for GenOn. These costs are primarily associated with (i) controls to satisfy MATS and the recent NSR settlement at Big Cajun II; (ii) controls to

satisfy MATS at W.A. Parish, Limestone and Conemaugh; and (iii) $NO_x$ controls for Sayreville and Gilbert. NRG continues to explore cost-effective compliance alternatives to further reduce costs.

NRG's contracts with its rural electric cooperative customers in the South Central region allow for recovery of a portion of the region's environmental capital costs incurred as the result of complying with any change in environmental law. Cost recoveries begin once the environmental equipment becomes operational and include a return on capital. The actual recoveries will depend, among other things, on the timing of the completion of the capital projects and the remaining duration of the contracts.

East Region

The EPA and various states are investigating compliance of electric generating facilities with the pre-construction permitting requirements of the CAA known as “new source review,” or NSR. In January 2009, GenOn received an NOV from the EPA alleging that past work at Keystone, Portland and Shawville generating facilities violated regulations regarding NSR. In June 2011, GenOn received an NOV from the EPA alleging that past work at Avon Lake and Niles generating stations violated NSR. In December 2007, the NJDEP filed suit alleging that NSR violations occurred at the Portland generating station, which suit was resolved pursuant to a July 2013 Consent Decree. The Shawville and Portland generating units that are the subject of the NOVs are scheduled for retirement soon. The Niles coal generating unit, also subject to the NOV, was retired in 2012. Additionally, in April 2013, the Connecticut Department of Energy and Environmental Protection issued four NOVs alleging that past work at oil-fired combustion turbines at the Torrington Terminal, Franklin, Branford and Middletown violated regulations regarding NSR.

In 2008, the PADEP issued an NOV related to the inactive Monarch mine where low-volume wastewater from the Cheswick Generating Station and ash leachate was historically disposed. Resolution of the NOV could result in operational requirements such as pumping a minimum volume of water from the mine and a penalty of approximately $200,000.

In January 2006, NRG's Indian River Operations, Inc. was notified that it may be a potentially responsible party with respect to Burton Island Old Ash Landfill, a historic captive landfill located at the Indian River facility. On October 1, 2007, NRG signed an agreement with DNREC to investigate the site through the Voluntary Clean-up Program. On February 4, 2008, DNREC issued findings that no further action is required in relation to surface water and that a previously planned shoreline stabilization project would satisfactorily address shoreline erosion. The landfill itself required a Remedial Investigation and Feasibility Study to determine the type and scope of any additional required work. The DNREC approved the Feasibility Study in December 2012. In January 2013, DNREC proposed a remediation plan based on the Feasibility Study. The remediation plan was approved in October 2013. The cost of completing the work required by the approved remediation plan is consistent with amounts previously budgeted. On May 29, 2008, DNREC requested that NRG's Indian River Operations, Inc. participate in the development and performance of a Natural Resource Damage Assessment at the Burton Island Old Ash Landfill. NRG is currently working with DNREC and other trustees to close out the assessment process.

The MDE sued GenOn for alleged violations of water pollution laws at three fly ash disposal sites in Maryland: Faulkner (2008/2011), Brandywine (2010) and Westland (2012). On April 30, 2013, the court approved the consent decree resolving these issues. GenOn has discontinued use of the Faulkner disposal site and opened a new, state of the art carbon burnout facility at its Morgantown plant that allows greater beneficial reuse (as a cement substitute).

In addition, the MDE has announced that it intends to promulgate more stringent regulations regarding $NO_x$ emissions, which could negatively affect certain of the Company's coal facilities located in Maryland.

In 2013, each of the RGGI member states finalized a rule that collectively reduced the $CO_2$ emissions cap from 165 million tons to 91 million tons in 2014 with a 2.5% reduction each year from 2015 to 2020. The Company expects earnings at its plants in Massachusetts, New York, and particularly those in Maryland, to be negatively affected. The extent to which the Company would be negatively affected depends on the price of the $CO_2$ emissions allowances, which in turn will be significantly influenced by future natural gas prices, power prices, generation resource mix, dispatch order, and any nuclear plant retirements.

For further discussion of these matters, refer to Note 22, Commitments and Contingencies.

South Central Region

In 2009, the U.S. DOJ, on behalf of the EPA, and later the Louisiana Department of Environmental Quality on behalf of the state of Louisiana, sued LaGen in federal district court in the Middle District of Louisiana alleging violations of the CAA at the Big Cajun II power plant. On March 6, 2013, the court entered a Consent Decree resolving the matter.

In addition to a fine of $3.5 million and mitigation projects totaling $10.5 million the Consent Decree includes: (i) annual emission caps for $NO_x$ and $SO_2$; (ii) installation of selective non-catalytic reduction on Units 1, 2 and 3 by May 1, 2014; (iii) installation of dry sorbent injection on Unit 1 by April 15, 2015 followed by a further reduction in $SO_2$ in March 2025; (iv) conversion of Unit 2 to natural gas; and (v) surrender of any excess allowances associated with the NRG owned portion of the plant. For further discussion of this matter, refer to Note 22, Commitments and Contingencies.

Note 25 — Cash Flow Information

Detail of supplemental disclosures of cash flow and non-cash investing and financing information was:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2013 | 2012 | 2011 |
| | (In millions) | | |
| Interest paid, net of amount capitalized | $836 | $579 | $642 |
| Income taxes (refunded)/paid [(a)] | (60) | 17 | 26 |
| Non-cash investing and financing activities: | | | |
| Additions to fixed assets for accrued capital expenditures | 405 | 563 | 292 |
| Decrease to fixed assets for accrued grants and related tax impact | (681) | (87) | (32) |
| Decrease to notes receivable for equity conversion | — | — | 63 |
| Issuance of shares for GenOn acquisition | — | (2,188) | — |

(a) In 2013, the net income taxes refunded are net of $28 million income taxes paid and $87 million income tax refunds. No tax refunds were received in 2012. In 2011, income taxes paid are net of $8 million of income tax refunds received.

Note 26 — Guarantees

NRG and its subsidiaries enter into various contracts that include indemnification and guarantee provisions as a routine part of the Company's business activities. Examples of these contracts include asset purchases and sale agreements, commodity sale and purchase agreements, retail contracts, joint venture agreements, EPC agreements, operation and maintenance agreements, service agreements, settlement agreements, and other types of contractual agreements with vendors and other third parties, as well as affiliates. These contracts generally indemnify the counterparty for tax, environmental liability, litigation and other matters, as well as breaches of representations, warranties and covenants set forth in these agreements. The Company is obligated with respect to customer deposits associated with the Retail Business. NRG has also assumed guarantees for some non-qualified benefits of existing retirees resulting from the acquisition of GenOn. In some cases, NRG's maximum potential liability cannot be estimated, since the underlying agreements contain no limits on potential liability.

In accordance with ASC 460, Guarantees, or ASC 460, NRG has estimated that the current fair value for issuing these guarantees was $5.4 million as of December 31, 2013, and the liability in this amount is included in the Company's non-current liabilities.

The following table summarizes the maximum potential exposures that can be estimated for NRG's guarantees, indemnities, and other contingent liabilities by maturity:

| | By Remaining Maturity at December 31, 2013 | | | | | |
|---|---|---|---|---|---|---|
| Guarantees | Under 1 Year | 1-3 Years | 3-5 Years | Over 5 Years | Total | 2012 Total |
| | (In millions) | | | | | |
| Letters of credit and surety bonds | $1,654 | $47 | $— | $— | $1,701 | $1,594 |
| Asset sales guarantee obligations | — | — | 275 | — | 275 | 275 |
| Commercial sales arrangements | 81 | 112 | 23 | 1,338 | 1,554 | 1,579 |
| Other guarantees | 78 | 4 | — | 469 | 551 | 356 |
| Total guarantees | $1,813 | $163 | $298 | $1,807 | $4,081 | $3,804 |

Letters of credit and surety bonds — As of December 31, 2013, NRG and its consolidated subsidiaries were contingently obligated for a total of $1.8 billion under letters of credit and surety bonds. Most of these letters of credit and surety bonds are issued in support of the Company's obligations to perform under commodity agreements and in support of equity contribution requirements for solar projects in construction, as well as for financing or other arrangements. A majority of these letters of credit and surety bonds expire within one year of issuance, and it is typical for the Company to renew them on similar terms.

The material indemnities, within the scope of ASC 460, are as follows:

Asset purchases and divestitures — The purchase and sale agreements which govern NRG's asset or share investments and divestitures customarily contain guarantees and indemnifications of the transaction to third parties. The contracts indemnify the parties for liabilities incurred as a result of a breach of a representation or warranty by the indemnifying party, or as a result of a change in tax laws. These obligations generally have a discrete term and are intended to protect the parties against risks that are difficult to predict or estimate at the time of the transaction. In several cases, the contract limits the liability of the indemnifier. NRG has no reason to believe that the Company currently has any material liability relating to such routine indemnification obligations.

Commercial sales arrangements — In connection with the purchase and sale of fuel, emission allowances and power generation products to and from third parties with respect to the operation of some of NRG's generation facilities in the United States, the Company may be required to guarantee a portion of the obligations of certain of its subsidiaries. These obligations may include liquidated damages payments or other unscheduled payments.

Other guarantees — NRG has issued guarantees of obligations that its subsidiaries may incur as a provision for environmental site remediation, payment of debt obligations, rail car leases, performance under purchase, EPC and operating and maintenance agreements. The Company does not believe that it will be required to perform under these guarantees.

Other indemnities — Other indemnifications NRG has provided cover operational, tax, litigation and breaches of representations, warranties and covenants. NRG has also indemnified, on a routine basis in the ordinary course of business, consultants or other vendors who have provided services to the Company. NRG's maximum potential exposure under these indemnifications can range from a specified dollar amount to an indeterminate amount, depending on the nature of the transaction. Total maximum potential exposure under these indemnifications is not estimable due to uncertainty as to whether claims will be made or how they will be resolved. NRG does not have any reason to believe that the Company will be required to make any material payments under these indemnity provisions. Because many of the guarantees and indemnities NRG issues to third parties and affiliates do not limit the amount or duration of its obligations to perform under them, there exists a risk that the Company may have obligations in excess of the amounts described above. For those guarantees and indemnities that do not limit the Company's liability exposure, it may not be able to estimate what the Company's liability would be, until a claim is made for payment or performance, due to the contingent nature of these contracts.

Note 27 — Jointly Owned Plants

Certain NRG subsidiaries own undivided interests in jointly-owned plants, as described below. These plants are maintained and operated pursuant to their joint ownership participation and operating agreements. NRG is responsible for its subsidiaries' share of operating costs and direct expenses and includes its proportionate share of the facilities and related revenues and direct expenses in these jointly-owned plants in the corresponding balance sheet and income statement captions of the Company's consolidated financial statements.

The following table summarizes NRG's proportionate ownership interest in the Company's jointly-owned facilities:

| As of December 31, 2013 | Ownership Interest | Property, Plant & Equipment | Accumulated Depreciation | Construction in Progress |
|---|---|---|---|---|
| | (In millions unless otherwise stated) | | | |
| South Texas Project Units 1 and 2, Bay City, TX | 44.00% | $2,679 | $(1,293) | $19 |
| Big Cajun II Unit 3, New Roads, LA | 58.00% | 178 | (95) | 18 |
| Cedar Bayou Unit 4, Baytown, TX | 50.00% | 215 | (49) | — |
| Keystone, Shelocta, PA | 3.70% | 92 | (35) | 1 |
| Conemaugh, New Florence, PA | 3.72% | 82 | (38) | 14 |

Note 28 — Unaudited Quarterly Financial Data

Refer to Note 3, Business Acquisitions and Dispositions, and Note 10, Asset Impairments, for a description of the effect of unusual or infrequently occurring events during the quarterly periods. Summarized unaudited quarterly financial data is as follows:

| | Quarter Ended 2013 | | | |
|---|---|---|---|---|
| | December 31 | September 30 | June 30 | March 31 |
| | (In millions, except per share data) | | | |
| Operating revenues | $2,795 | $3,490 | $2,930 | $2,081 |
| Operating (loss)/income | (205) | 527 | 287 | (266) |
| Net (loss)/income | (283) | $135 | 130 | (334) |
| Net (loss)/income attributable to NRG Energy, Inc. | $(290) | $116 | $122 | $(334) |
| Weighted average number of common shares outstanding — basic | 323 | 323 | 323 | 323 |
| Net (loss)/income per weighted average common share — basic | $(0.90) | $0.36 | $0.38 | $(1.03) |
| Weighted average number of common shares outstanding — diluted | 323 | 327 | 327 | 323 |
| Net (loss)/income per weighted average common share — diluted | $(0.90) | $0.35 | $0.37 | $(1.03) |

| | Quarter Ended 2012 | | | |
|---|---|---|---|---|
| | December 31 | September 30 | June 30 | March 31 |
| | (In millions, except per share data) | | | |
| Operating revenues | $2,063 | $2,331 | $2,166 | $1,862 |
| Operating income/(loss) | 37 | 86 | 397 | (170) |
| Net income/(loss) | 254 | 8 | 259 | (206) |
| Net income/(loss) attributable to NRG Energy, Inc. | $252 | $(1) | $251 | $(207) |
| Weighted average number of common shares outstanding — basic | 247 | 228 | 228 | 228 |
| Net income/(loss) per weighted average common share — basic | $1.02 | $(0.01) | $1.09 | $(0.92) |
| Weighted average number of common shares outstanding — diluted | 249 | 228 | 229 | 228 |
| Net income/(loss) per weighted average common share — diluted | $1.01 | $(0.01) | $1.08 | $(0.92) |

Note 29 — Condensed Consolidating Financial Information

As of December 31, 2013, the Company had outstanding $5.7 billion of Senior Notes due 2018 - 2023, as shown in Note 12, Debt and Capital Leases. These Senior Notes are guaranteed by certain of NRG's current and future 100% owned domestic subsidiaries, or guarantor subsidiaries. These guarantees are both joint and several. The non-guarantor subsidiaries include all of NRG's foreign subsidiaries and certain domestic subsidiaries, including GenOn and its subsidiaries.

Unless otherwise noted below, each of the following guarantor subsidiaries fully and unconditionally guaranteed the Senior Notes as of December 31, 2013:

| | | |
|---|---|---|
| Ace Energy, Inc. | Middletown Power LLC | NRG Oswego Harbor Power Operations Inc. |
| Allied Warranty LLC | Montville Power LLC | NRG PacGen Inc. |
| Allied Home Warranty GP LLC | NEO Corporation | NRG Power Marketing LLC |
| Arthur Kill Power LLC | NEO Freehold-Gen LLC | NRG Reliability Solutions LLC |
| Astoria Gas Turbine Power LLC | NEO Power Services Inc. | NRG Renter's Protection LLC |
| BidURenergy, Inc. | New Genco GP, LLC | NRG Retail LLC |
| Cabrillo Power I LLC | Norwalk Power LLC | NRG Retail Northeast LLC |
| Cabrillo Power II LLC | NRG Affiliate Services Inc. | NRG Rockford Acquisition LLC |
| Carbon Management Solutions LLC | NRG Artesian Energy LLC | NRG Saguaro Operations Inc. |
| Clean Edge Energy LLC | NRG Arthur Kill Operations Inc. | NRG Security LLC |
| Conemaugh Power LLC | NRG Astoria Gas Turbine Operations Inc. | NRG Services Corporation |
| Connecticut Jet Power LLC | NRG Bayou Cove LLC | NRG SimplySmart Solutions LLC |
| Cottonwood Development LLC | NRG Cabrillo Power Operations Inc. | NRG South Central Affiliate Services Inc. |
| Cottonwood Energy Company LP | NRG California Peaker Operations LLC | NRG South Central Generating LLC |
| Cottonwood Generating Partners I LLC | NRG Cedar Bayou Development Company, LLC | NRG South Central Operations Inc. |
| Cottonwood Generating Partners II LLC | NRG Connecticut Affiliate Services Inc. | NRG South Texas LP |
| Cottonwood Generating Partners III LLC | NRG Construction LLC | NRG Texas C&I Supply LLC |
| Cottonwood Technology Partners LP | NRG Curtailment Solutions LLC | NRG Texas Gregory LLC |
| Devon Power LLC | NRG Development Company Inc. | NRG Texas Holding Inc. |
| Dunkirk Power LLC | NRG Devon Operations Inc. | NRG Texas LLC |
| Eastern Sierra Energy Company LLC | NRG Dispatch Services LLC | NRG Texas Power LLC |
| El Segundo Power, LLC | NRG Dunkirk Operations Inc. | NRG Unemployment Protection LLC |
| El Segundo Power II LLC | NRG El Segundo Operations Inc. | NRG Warranty Services LLC |
| Elbow Creek Wind Project LLC | NRG Energy Labor Services LLC | NRG West Coast LLC |
| Energy Alternatives Wholesale, LLC | NRG Energy Services Group LLC | NRG Western Affiliate Services Inc. |
| Energy Curtailment Specialists, Inc. | NRG Energy Services International Inc. | O'Brien Cogeneration, Inc. II |
| Energy Plus Holdings LLC | NRG Energy Services LLC | ONSITE Energy, Inc. |
| Energy Plus Natural Gas LLC | NRG Generation Holdings, Inc. | Oswego Harbor Power LLC |
| Energy Protection Insurance Company | NRG Home & Business Solutions LLC | RE Retail Receivables, LLC |
| Everything Energy LLC | NRG Home Solutions LLC | Reliant Energy Northeast LLC |
| GCP Funding Company, LLC | NRG Home Solutions Product LLC | Reliant Energy Power Supply, LLC |

| | | |
|---|---|---|
| Green Mountain Energy Company | NRG Homer City Services LLC | Reliant Energy Retail Holdings, LLC |
| Green Mountain Energy Company (NY Com) LLC | NRG Huntley Operations Inc. | Reliant Energy Retail Services, LLC |
| | NRG Identity Protect LLC | RERH Holdings LLC |
| Green Mountain Energy Company (NY Res) LLC | NRG Ilion Limited Partnership | Saguaro Power LLC |
| | NRG Ilion LP LLC | Somerset Operations Inc. |
| Gregory Partners, LLC | NRG International LLC | Somerset Power LLC |
| Gregory Power Partners LLC | NRG Maintenance Services LLC | Texas Genco Financing Corp. |
| Huntley Power LLC | NRG Mextrans Inc. | Texas Genco GP, LLC |
| Independence Energy Alliance LLC | NRG MidAtlantic Affiliate Services Inc. | Texas Genco Holdings, Inc. |
| Independence Energy Group LLC | NRG Middletown Operations Inc. | Texas Genco LP, LLC |
| Independence Energy Natural Gas LLC | NRG Montville Operations Inc. | Texas Genco Operating Services, LLC |
| Indian River Operations Inc. | NRG New Jersey Energy Sales LLC | Texas Genco Services, LP |
| Indian River Power LLC | NRG New Roads Holdings LLC | US Retailers LLC |
| Keystone Power LLC | NRG North Central Operations Inc. | Vienna Operations Inc. |
| Langford Wind Power, LLC | NRG Northeast Affiliate Services Inc. | Vienna Power LLC |
| Lone Star A/C & Appliance Repairs, LLC | NRG Norwalk Harbor Operations Inc. | WCP (Generation) Holdings LLC |
| Louisiana Generating LLC | NRG Operating Services, Inc. | West Coast Power LLC |
| Meriden Gas Turbines LLC | | |

The non-guarantor subsidiaries include all of NRG's foreign subsidiaries and certain domestic subsidiaries, including GenOn and its subsidiaries. NRG conducts much of its business through and derives much of its income from its subsidiaries. Therefore, the Company's ability to make required payments with respect to its indebtedness and other obligations depends on the financial results and condition of its subsidiaries and NRG's ability to receive funds from its subsidiaries. Except for NRG Bayou Cove, LLC, which is subject to certain restrictions under the Company's Peaker financing agreements, there are no restrictions on the ability of any of the guarantor subsidiaries to transfer funds to NRG. In addition, there may be restrictions for certain non-guarantor subsidiaries.

The following condensed consolidating financial information presents the financial information of NRG Energy, Inc., the guarantor subsidiaries and the non-guarantor subsidiaries in accordance with Rule 3-10 under the Securities and Exchange Commission's Regulation S-X. The financial information may not necessarily be indicative of results of operations or financial position had the guarantor subsidiaries or non-guarantor subsidiaries operated as independent entities.

In this presentation, NRG Energy, Inc. consists of parent company operations. Guarantor subsidiaries and non-guarantor subsidiaries of NRG are reported on an equity basis. For companies acquired, the fair values of the assets and liabilities acquired have been presented on a push-down accounting basis.

In addition, the condensed parent company financial statements are provided in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets of NRG Energy, Inc.’s subsidiaries exceed 25 percent of the consolidated net assets of NRG Energy, Inc. These statements should be read in conjunction with the consolidated statements and notes thereto of NRG Energy, Inc. For a discussion of NRG Energy, Inc.'s long-term debt, see Note 12, Debt and Capital Leases to the consolidated financial statements. For a discussion of NRG Energy, Inc.'s contingencies, see Note 22, Commitments and Contingencies to the consolidated financial statements. For a discussion of NRG Energy, Inc.'s guarantees, see Note 26, Guarantees to the consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2013

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. (Note Issuer) | Eliminations [(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Operating Revenues | | | | | |
| Total operating revenues | $8,223 | $ 3,211 | $— | $ (139) | $ 11,295 |
| Operating Costs and Expenses | | | | | |
| Cost of operations | 6,150 | 2,104 | — | (133) | 8,121 |
| Depreciation and amortization | 837 | 407 | 12 | | 1,256 |
| Impairment losses | 459 | — | — | — | 459 |
| Selling, general and administrative | 446 | 230 | 234 | (6) | 904 |
| Acquisition-related transaction and integration costs | — | 70 | 58 | — | 128 |
| Development activity expenses | — | 34 | 50 | — | 84 |
| Total operating costs and expenses | 7,892 | 2,845 | 354 | (139) | 10,952 |
| Operating Income/(Loss) | 331 | 366 | (354) | — | 343 |
| Other Income/(Expense) | | | | | |
| Equity in earnings/(losses) of consolidated subsidiaries | (67) | (14) | 221 | (140) | — |
| Equity in earnings/(losses) of unconsolidated affiliates | (11) | 22 | — | (4) | 7 |
| Impairment charge on investment | — | (99) | | — | (99) |
| Other income, net | 6 | 11 | (2) | (2) | 13 |
| Loss on debt extinguishment | | (12) | (38) | — | (50) |
| Interest expense | (24) | (318) | (506) | — | (848) |
| Total other income/(expense) | (96) | (410) | (325) | (146) | (977) |
| Income/(Loss) Before Income Taxes | 235 | (44) | (679) | (146) | (634) |
| Income tax expense/(benefit) | 114 | (89) | (307) | — | (282) |
| Net Income | 121 | 45 | (372) | (146) | (352) |
| Less: Net income attributable to noncontrolling interest | — | 27 | 13 | (6) | 34 |
| Net Income attributable to NRG Energy, Inc | $121 | $ 18 | $(385) | $ (140) | $ (386) |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2013

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. (Note Issuer) | Eliminations[(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Net Income | $121 | $ 45 | $(372) | $ (146) | $ (352) |
| Other comprehensive (loss)/income, net of tax | | | | | |
| Unrealized loss on derivatives, net | (71) | 50 | 120 | (91) | 8 |
| Foreign currency translation adjustments, net | — | (20) | (4) | — | (24) |
| Available-for-sale securities, net | — | — | 3 | — | 3 |
| Defined benefit plan, net | 75 | 63 | 30 | — | 168 |
| Other comprehensive loss | 4 | 93 | 149 | (91) | 155 |
| Comprehensive income | 125 | 138 | (223) | (237) | (197) |
| Less: Comprehensive income attributable to noncontrolling interest | — | 27 | 13 | (6) | 34 |
| Comprehensive income attributable to NRG Energy, Inc. | 125 | 111 | (236) | (231) | (231) |
| Dividends for preferred shares | — | — | 9 | — | 9 |
| Comprehensive income available for common stockholders | $125 | $ 111 | $(245) | $ (231) | $ (240) |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
December 31, 2013

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Eliminations [a] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | $56 | $ 870 | $1,328 | $ — | $ 2,254 |
| Funds deposited by counterparties | 7 | 56 | — | — | 63 |
| Restricted cash | 12 | 252 | 4 | — | 268 |
| Accounts receivable - trade, net | 965 | 249 | — | — | 1,214 |
| Inventory | 436 | 462 | — | — | 898 |
| Derivative instruments | 866 | 470 | — | (8) | 1,328 |
| Deferred income taxes | — | 41 | 217 | — | 258 |
| Cash collateral paid in support of energy risk management activities | 214 | 62 | — | — | 276 |
| Renewable energy grant receivable | — | 539 | — | — | 539 |
| Prepayments and other current assets | 4,778 | 379 | (3,802) | (857) | 498 |
| Total current assets | 7,334 | 3,380 | (2,253) | (865) | 7,596 |
| Net Property, Plant and Equipment | 9,116 | 10,604 | 153 | (22) | 19,851 |
| Other Assets | | | | | |
| Investment in subsidiaries | 32 | 422 | 18,266 | (18,720) | — |
| Equity investments in affiliates | (30) | 583 | | (100) | 453 |
| Notes receivable, less current portion | — | 62 | 105 | (94) | 73 |
| Goodwill | 1,973 | 12 | — | — | 1,985 |
| Intangible assets, net | 925 | 232 | 4 | (21) | 1,140 |
| Nuclear decommissioning trust fund | 551 | | — | — | 551 |
| Deferred income taxes | — | 681 | 521 | — | 1,202 |
| Derivative instruments | 110 | 202 | — | (1) | 311 |
| Other non-current assets | 76 | 281 | 383 | — | 740 |
| Total other assets | 3,637 | 2,475 | 19,279 | (18,936) | 6,455 |
| Total Assets | $20,087 | $ 16,459 | $17,179 | $ (19,823) | $ 33,902 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Current Liabilities | | | | | |
| Current portion of long-term debt and capital leases | $1 | $ 1,029 | $20 | $ — | $ 1,050 |
| Accounts payable | 652 | 352 | 34 | — | 1,038 |
| Accounts payable - affiliate | 1,350 | 760 | (1,253) | (857) | — |
| Derivative instruments | 859 | 204 | — | (8) | 1,055 |
| Deferred income taxes | — | — | — | — | — |
| Cash collateral received in support of energy risk management activities | 6 | 57 | — | — | 63 |
| Accrued expenses and other current liabilities | 297 | 410 | 291 | — | 998 |
| Total current liabilities | 3,165 | 2,812 | (908) | (865) | 4,204 |
| Other Liabilities | | | | | |
| Long-term debt and capital leases | 317 | 7,837 | 7,707 | (94) | 15,767 |
| Nuclear decommissioning reserve | 294 | — | — | — | 294 |

| | | | | | |
|---|---|---|---|---|---|
| Nuclear decommissioning trust liability | 324 | — | — | — | 324 |
| Postretirement and other benefit obligations | 218 | 194 | 94 | — | 506 |
| Deferred income taxes | 1,024 | (1,002) | — | — | 22 |
| Derivative instruments | 147 | 49 | — | (1) | 195 |
| Out-of-market contracts | 127 | 1,050 | — | — | 1,177 |
| Other non-current liabilities | 194 | 421 | 80 | — | 695 |
| Total non-current liabilities | 2,645 | 8,549 | 7,881 | (95) | 18,980 |
| Total liabilities | 5,810 | 11,361 | 6,973 | (960) | 23,184 |
| 3.625% Preferred Stock | | | 249 | | 249 |
| Stockholders' Equity | 14,277 | 5,098 | 9,957 | (18,863) | 10,469 |
| Total Liabilities and Stockholders' Equity | $20,087 | $ 16,459 | $17,179 | $ (19,823) | $ 33,902 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2013

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Eliminations [a] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Net Cash Provided/(Used) by Operating Activities | $2,318 | $ (217) | $(2,546) | $ 1,715 | $ 1,270 |
| Cash Flows from Investing Activities | | | | | |
| Intercompany loans to subsidiaries | (1,722) | 7 | 1,715 | — | — |
| Acquisition of business, net of cash acquired | | (179) | (315) | — | (494) |
| Capital expenditures | (528) | (1,413) | (46) | — | (1,987) |
| Increase in restricted cash, net | (1) | (22) | 1 | — | (22) |
| Decrease in restricted cash - U.S. DOE projects | | (31) | 5 | — | (26) |
| Increase in notes receivable | 2 | (7) | (6) | — | (11) |
| Proceeds from renewable energy grants | | 55 | — | — | 55 |
| Purchases of emission allowances, net of proceeds | 5 | — | — | — | 5 |
| Investments in nuclear decommissioning trust fund securities | (514) | — | — | — | (514) |
| Proceeds from sales of nuclear decommissioning trust fund securities | 488 | — | — | — | 488 |
| Proceeds/(purchases) from sale of assets, net | 13 | — | — | — | 13 |
| Other | (4) | (11) | (20) | — | (35) |
| Net Cash Used by Investing Activities | (2,261) | (1,601) | 1,334 | — | (2,528) |
| Cash Flows from Financing Activities | | | | | |
| Proceeds/(payments) from intercompany loans | — | — | 1,715 | (1,715) | — |
| Payment of dividends to preferred stockholders | | | (154) | — | (154) |
| Payments of intercompany dividends | — | — | — | — | — |
| Payment for treasury stock | — | — | (25) | — | (25) |
| Payments for settlement of acquired derivatives that include financing elements | (79) | 346 | — | — | 267 |
| Proceeds from issuance of long-term debt | — | 1,292 | 485 | — | 1,777 |
| Sale proceeds and other contributions from noncontrolling interests in subsidiaries | — | 531 | — | — | 531 |
| Proceeds from issuance of common stock | — | — | 16 | — | 16 |
| Payment of debt issuance and hedging costs | — | (21) | (29) | — | (50) |
| Payments for short and long-term debt | — | (716) | (219) | — | (935) |
| Net Cash (Used)/Provided by Financing Activities | (79) | 1,432 | 1,789 | (1,715) | 1,427 |
| Effect of exchange rate changes on cash and cash equivalents | — | (2) | — | — | (2) |
| Net Increase/(decrease) in Cash and Cash Equivalents | (22) | (388) | 577 | — | 167 |
| | 78 | 1,258 | 751 | — | 2,087 |

| | | | | | |
|---|---|---|---|---|---|
| Cash and Cash Equivalents at Beginning of Period | | | | | |
| Cash and Cash Equivalents at End of Period | $56 | $ 870 | $1,328 | $ — | $ 2,254 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2012

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. (Note Issuer) | Eliminations [(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Operating Revenues | | | | | |
| Total operating revenues | $7,998 | $ 509 | $— | $ (85) | $ 8,422 |
| Operating Costs and Expenses | | | | | |
| Cost of operations | 5,916 | 300 | — | (76) | 6,140 |
| Depreciation and amortization | 860 | 79 | 11 | — | 950 |
| Selling, general and administrative | 466 | 45 | 307 | (11) | 807 |
| Acquisition-related transactions and integration costs | — | 53 | 54 | — | 107 |
| Development activity expense | — | 32 | 36 | — | 68 |
| Total operating costs and expenses | 7,242 | 509 | 408 | (87) | 8,072 |
| Operating Income/(Loss) | 756 | — | (408) | 2 | 350 |
| Other (Expense)/Income | | | | | |
| Equity in earnings/(losses) of consolidated subsidiaries | 30 | (15) | 620 | (635) | — |
| Equity in earnings/(losses) of unconsolidated affiliates | 8 | 31 | (2) | — | 37 |
| Bargain purchase gain related to GenOn acquisition | — | — | 296 | — | 296 |
| Impairment charge on investment | (2) | — | — | — | (2) |
| Other income, net | 6 | 6 | 9 | (2) | 19 |
| Loss on debt extinguishment | — | — | (51) | — | (51) |
| Interest expense | (26) | (90) | (545) | — | (661) |
| Total other income/(expense) | 16 | (68) | 327 | (637) | (362) |
| Income/(Loss) Before Income Taxes | 772 | (68) | (81) | (635) | (12) |
| Income tax expense/(benefit) | 237 | (188) | (376) | — | (327) |
| Net Income | $535 | $ 120 | $295 | $ (635) | $ 315 |
| Less: Net income attributable to noncontrolling interest | — | 20 | — | — | 20 |
| Net Income attributable to NRG Energy, Inc | $535 | $ 100 | $295 | $ (635) | $ 295 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2012

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. (Note Issuer) | Eliminations[(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Net Income | $535 | $ 120 | $295 | $ (635) | $ 315 |
| Other comprehensive income/(loss), net of tax | | | | | |
| Unrealized loss on derivatives, net | (160) | (30) | (214) | 241 | (163) |
| Foreign currency translation adjustments, net | — | (2) | 1 | — | (1) |
| Reclassification adjustment for translation loss realized upon sale of Schkopau, net | — | (11) | — | — | (11) |
| Available-for-sale securities, net | — | — | 3 | — | 3 |
| Defined benefit plan, net | (38) | — | (14) | — | (52) |
| Other comprehensive loss | (198) | (43) | (224) | 241 | (224) |
| Comprehensive income | 337 | 77 | 71 | (394) | 91 |
| Less: Comprehensive income attributable to noncontrolling interest | — | 20 | — | — | 20 |
| Comprehensive income attributable to NRG Energy, Inc. | 337 | 57 | 71 | (394) | 71 |
| Dividends for preferred shares | — | — | 9 | — | 9 |
| Comprehensive income available for common stockholders | $337 | $ 57 | $62 | $ (394) | $ 62 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
December 31, 2012

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Eliminations [(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | $78 | $ 1,258 | $751 | $ — | $ 2,087 |
| Funds deposited by counterparties | 131 | 140 | — | — | 271 |
| Restricted cash | 11 | 196 | 10 | — | 217 |
| Accounts receivable - trade, net | 807 | 254 | — | — | 1,061 |
| Inventory | 472 | 431 | — | — | 903 |
| Derivative instruments | 2,058 | 604 | — | (18) | 2,644 |
| Deferred income taxes | (153) | 10 | 199 | — | 56 |
| Cash collateral paid in support of energy risk management activities | 81 | 148 | — | — | 229 |
| Renewable energy grant receivable | — | 58 | — | — | 58 |
| Prepayments and other current assets | 2,966 | (12) | (2,518) | 10 | 446 |
| Total current assets | 6,451 | 3,087 | (1,558) | (8) | 7,972 |
| Net Property, Plant and Equipment | 9,905 | 10,147 | 121 | (20) | 20,153 |
| Other Assets | | | | | |
| Investment in subsidiaries | 244 | (102) | 17,565 | (17,707) | — |
| Equity investments in affiliates | 33 | 633 | 10 | — | 676 |
| Notes receivable, less current portion | 3 | 74 | 531 | (529) | 79 |
| Goodwill | 1,944 | 12 | — | — | 1,956 |
| Intangible assets, net | 1,042 | 187 | 33 | (52) | 1,210 |
| Nuclear decommissioning trust fund | 473 | — | — | — | 473 |
| Deferred income taxes | (915) | 1,886 | 232 | — | 1,203 |
| Derivative instruments | 149 | 515 | — | (2) | 662 |
| Other non-current assets | 85 | 304 | 210 | — | 599 |
| Total other assets | 3,058 | 3,509 | 18,581 | (18,290) | 6,858 |
| Total Assets | $19,414 | $ 16,743 | $17,144 | $ (18,318) | $ 34,983 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Current Liabilities | | | | | |
| Current portion of long-term debt and capital leases | $1 | $ 137 | $15 | $ (6) | $ 147 |
| Accounts payable | 541 | 585 | 46 | — | 1,172 |
| Accounts payable - affiliate | (55) | 1,421 | (1,366) | — | — |
| Derivative instruments | 1,726 | 271 | 2 | (18) | 1,981 |
| Cash collateral received in support of energy risk management activities | 131 | 140 | — | — | 271 |
| Accrued expenses and other current liabilities | 354 | 502 | 243 | — | 1,099 |
| Total current liabilities | 2,698 | 3,056 | (1,060) | (24) | 4,670 |
| Other Liabilities | | | | | |
| Long-term debt and capital leases | 310 | 8,459 | 7,496 | (529) | 15,736 |
| Nuclear decommissioning reserve | 354 | — | — | — | 354 |
| Nuclear decommissioning trust liability | 273 | — | — | — | 273 |

| | | | | | |
|---|---|---|---|---|---|
| Postretirement and other benefit obligations | 431 | 326 | 46 | — | 803 |
| Deferred income taxes | — | — | 55 | — | 55 |
| Derivative instruments | 312 | 190 | — | (2) | 500 |
| Out-of-market commodity contracts | 180 | 1,129 | — | (31) | 1,278 |
| Other non-current liabilities | 187 | 520 | 89 | — | 796 |
| Total non-current liabilities | 2,047 | 10,624 | 7,686 | (562) | 19,795 |
| Total liabilities | 4,745 | 13,680 | 6,626 | (586) | 24,465 |
| 3.625% Preferred Stock | — | — | 249 | — | 249 |
| Stockholders' Equity | 14,669 | 3,063 | 10,269 | (17,732) | 10,269 |
| Total Liabilities and Stockholders' Equity | $19,414 | $ 16,743 | $17,144 | $ (18,318) | $ 34,983 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2012

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Eliminations [a] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Cash Flows from Operating Activities | | | | | |
| Net Cash Provided/Used by Operating Activities | $2,163 | $ 66 | $ (902) | $ (178) | $ 1,149 |
| Cash Flows from Investing Activities | | | | | |
| Intercompany loans to subsidiaries | (1,792) | 792 | — | 1,000 | — |
| Acquisition of businesses, net of cash acquired | — | (17) | (64) | — | (81) |
| Cash acquired in GenOn acquisition | — | 983 | — | — | 983 |
| Capital expenditures | (241) | (3,091) | (64) | — | (3,396) |
| Increase in restricted cash, net | (3) | (63) | — | — | (66) |
| Decrease in restricted cash - U.S. DOE projects | — | 121 | 43 | — | 164 |
| Increase in notes receivable | (1) | (21) | (2) | — | (24) |
| Purchases of emission allowances, net of proceeds | (1) | — | — | — | (1) |
| Investments in nuclear decommissioning trust fund securities | (436) | — | — | — | (436) |
| Proceeds from sales of nuclear decommissioning trust fund securities | 399 | — | — | — | 399 |
| Proceeds from renewable energy grants | 3 | 59 | — | — | 62 |
| Proceeds from sale of assets, net | 133 | — | 4 | — | 137 |
| Equity investment in unconsolidated affiliate | (1) | (12) | (12) | — | (25) |
| Other | 24 | — | (2) | — | 22 |
| Net Cash Used by Investing Activities | (1,916) | (1,249) | (97) | 1,000 | (2,262) |
| Cash Flows from Financing Activities | | | | | |
| Proceeds from intercompany loans | — | — | 1,000 | (1,000) | — |
| Payment of dividends to preferred stockholders | — | — | (50) | — | (50) |
| Payment of intercompany dividends | (172) | (6) | — | 178 | — |
| Net (payments of)/receipts from acquired derivatives that include financing elements | (83) | 15 | — | — | (68) |
| Proceeds from issuance of long-term debt | 42 | 2,105 | 1,018 | — | 3,165 |
| Cash proceeds from sale of noncontrolling interest in subsidiary | — | 347 | — | — | 347 |
| Payment of debt issuance and hedging costs | — | (19) | (16) | — | (35) |
| Payments of short and long-term debt | — | (82) | (1,178) | — | (1,260) |
| Net Cash (Used)/Provided by Financing Activities | (213) | 2,360 | 774 | (822) | 2,099 |
| Effect of exchange rate changes on cash and cash equivalents | — | (4) | — | — | (4) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 34 | 1,173 | (225) | — | 982 |
| Cash and Cash Equivalents at Beginning of Period | 44 | 85 | 976 | — | 1,105 |
| Cash and Cash Equivalents at End of Period | $78 | $ 1,258 | $ 751 | $ — | $ 2,087 |

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

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NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2011

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Eliminations [a] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Operating Revenues | | | | | |
| Total operating revenues | $8,730 | $ 381 | $— | $ (32) | $ 9,079 |
| Operating Costs and Expenses | | | | | |
| Cost of operations | 6,489 | 277 | — | (21) | 6,745 |
| Depreciation and amortization | 843 | 40 | 13 | — | 896 |
| Impairment losses | 160 | — | — | — | 160 |
| Selling, general and administrative | 334 | 4 | 252 | (4) | 586 |
| Development activity expenses | — | 11 | 46 | — | 57 |
| Total operating costs and expenses | 7,826 | 332 | 311 | (25) | 8,444 |
| Operating Income/(Loss) | 904 | 49 | (311) | (7) | 635 |
| Other Income | | | | | |
| Equity in earnings/(losses) of consolidated subsidiaries | 24 | (7) | 593 | (610) | — |
| Equity in earnings of unconsolidated affiliates | 10 | 25 | — | — | 35 |
| Impairment charge on investment | (495) | — | — | — | (495) |
| Other income, net | 2 | 13 | 4 | — | 19 |
| Loss on debt extinguishment | — | — | (175) | — | (175) |
| Interest expense | (59) | (56) | (550) | — | (665) |
| Total other expense | (518) | (25) | (128) | (610) | (1,281) |
| Income/(Loss) Before Income Taxes | 386 | 24 | (439) | (617) | (646) |
| Income tax (benefit)/expense | (214) | 7 | (636) | — | (843) |
| Net Income attributable to NRG Energy, Inc | $600 | $ 17 | $197 | $ (617) | $ 197 |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the Year Ended December 31, 2011

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. (Note Issuer) | Eliminations[(a)] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Net Income | $600 | $ 17 | $197 | $ (617) | $ 197 |
| Other comprehensive income/(loss), net of tax | | | | | |
| Unrealized loss on derivatives, net | (303) | (27) | (345) | 366 | (309) |
| Foreign currency translation adjustments, net | — | (2) | — | — | (2) |
| Available-for-sale securities, net | — | — | (1) | — | (1) |
| Defined benefit plan, net | (34) | — | (12) | — | (46) |
| Other comprehensive loss | (337) | (29) | (358) | 366 | (358) |
| Comprehensive income/(loss) attributable to NRG Energy, Inc. | 263 | (12) | (161) | (251) | (161) |
| Dividends for preferred shares | — | — | 9 | — | 9 |
| Comprehensive income/(loss) available for common stockholders | $263 | $ (12) | $(170) | $ (251) | $ (170) |

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2011

| | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | NRG Energy, Inc. | Elimin-ations [a] | Consolidated Balance |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Cash Flows from Operating Activities | | | | | |
| Net Cash Provided by Operating Activities | 621 | 294 | 1,620 | (1,369) | 1,166 |
| Cash Flows from Investing Activities | | | | | |
| Intercompany loans to subsidiaries | 796 | — | 287 | (1,083) | — |
| Investment in subsidiaries | — | (1,300) | — | 1,300 | — |
| Capital expenditures | (383) | (1,882) | (45) | — | (2,310) |
| Acquisition of business, net of cash acquired | — | (115) | (262) | — | (377) |
| Increase in restricted cash | (5) | (29) | (1) | — | (35) |
| Increase in restricted cash to support equity requirements for U.S. DOE funded projects | — | (162) | (53) | — | (215) |
| Decrease in notes receivable | — | 12 | — | — | 12 |
| Purchases of emission allowances, net of proceeds | (19) | — | — | — | (19) |
| Investments in nuclear decommissioning trust fund securities | (406) | — | — | — | (406) |
| Proceeds from sales of nuclear decommissioning trust fund securities | 385 | — | — | — | 385 |
| Proceeds from sale of assets, net | 13 | (6) | — | — | 7 |
| Equity investment in unconsolidated affiliates, net | (2) | (64) | — | — | (66) |
| Other | (2) | (8) | (13) | — | (23) |
| Net Cash Provided/(Used) by Investing Activities | 377 | (3,554) | (87) | 217 | (3,047) |
| Cash Flows from Financing Activities | | | | | |
| (Payments of)/proceeds from intercompany loans | (1,112) | 825 | (796) | 1,083 | — |
| Payment of intercompany dividends | (65) | (4) | — | 69 | — |
| Payment for dividends to preferred stockholders | — | — | (9) | — | (9) |
| Payments for acquired derivatives including financing elements | (83) | — | — | — | (83) |
| Payment for treasury stock | — | — | (430) | — | (430) |
| Installment proceeds from sale of noncontrolling interest of subsidiary | — | 29 | — | — | 29 |
| Proceeds from issuance of common stock | — | — | 2 | — | 2 |
| Proceeds from issuance of long-term debt | 138 | 1,290 | 4,796 | — | 6,224 |
| Proceeds from issuance of term loan for funded letter of credit facility | — | 1,300 | — | — | 1,300 |
| Increase in restricted cash supporting funded letter of credit facility | — | — | (1,300) | — | (1,300) |
| Payment of debt issuance and hedging costs | — | (92) | (115) | — | (207) |
| Payments of short and long-term debt | — | (116) | (5,377) | — | (5,493) |
| Net Cash (Used)/Provided by Financing Activities | (1,122) | 3,232 | (3,229) | 1,152 | 33 |
| Effect of exchange rate changes on cash and cash equivalents | — | 2 | — | — | 2 |
| Net Decrease in Cash and Cash Equivalents | (124) | (26) | (1,696) | — | (1,846) |
| Cash and Cash Equivalents at Beginning of Period | 168 | 111 | 2,672 | — | 2,951 |
| Cash and Cash Equivalents at End of Period | $44 | $ 85 | $ 976 | $ — | $ 1,105 |

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

SCHEDULE II. VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2013, 2012, and 2011

| | Balance at Beginning of Period | Charged to Costs and Expenses | Charged to Other Accounts | Deductions | Balance at End of Period |
|---|---|---|---|---|---|
| | (In millions) | | | | |
| Allowance for doubtful accounts, deducted from accounts receivable | | | | | |
| Year Ended December 31, 2013 | $32 | $66 | $— | $ (58) [a] | 40 |
| Year Ended December 31, 2012 | 23 | 46 | — | (37) [a] | 32 |
| Year Ended December 31, 2011 | 25 | 60 | — | (62) [a] | 23 |
| Income tax valuation allowance, deducted from deferred tax assets | | | | | |
| Year Ended December 31, 2013 | $191 | $32 | $68 | $ — | 291 |
| Year Ended December 31, 2012 | 83 | 5 | 103 | — | 191 |
| Year Ended December 31, 2011 | 191 | (63) | (45) | — | 83 |

(a) Represents principally net amounts charged as uncollectible.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NRG ENERGY, INC.
(Registrant)

By: /s/ DAVID W. CRANE

David W. Crane
Chief Executive Officer

Date: September 10, 2014

EXHIBIT INDEX

| Number | Description | Method of Filing |
|---|---|---|
| 2.1 | Third Amended Joint Plan of Reorganization of NRG Energy, Inc., NRG Power Marketing, Inc., NRG Capital LLC, NRG Finance Company I LLC, and NRGenerating Holdings (No. 23) B.V. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 19, 2003. |
| 2.2 | First Amended Joint Plan of Reorganization of NRG Northeast Generating LLC (and certain of its subsidiaries), NRG South Central Generating (and certain of its subsidiaries) and Berrians I Gas Turbine Power LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 19, 2003. |
| 2.3 | Acquisition Agreement, dated as of September 30, 2005, by and among NRG Energy, Inc., Texas Genco LLC and the Direct and Indirect Owners of Texas Genco LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 3, 2005. |
| 2.4 | Purchase and Sale Agreement by and between Denali Merger Sub and NRG Energy, Inc. dated as of August 13, 2010. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 13, 2010. |
| 2.5 | Agreement and Plan of Merger, dated as of July 20, 2012, by and among NRG Energy, Inc., Plus Energy Corporation and GenOn Energy, Inc. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on July 23, 2012. |
| 2.6 | Plan Sponsor Agreement, dated October 18, 2013, by and among NRG Energy, Inc., NRG Energy Holdings, Inc., Edison Mission Energy, certain of Edison Mission Energy’s debtor subsidiaries, the Official Committee of Unsecured Creditors of Edison Mission Energy and its debtor subsidiaries, the PoJo Parties (as defined therein) and the proponent noteholders thereto. | Incorporated herein by reference to Exhibit 2.1 to Amendment No. 1 to the Registrant’s current report on Form 8-K filed on October 21, 2013. |
| 2.7 | Asset Purchase Agreement, dated October 18, 2013, by and among NRG Energy, Inc., Edison Mission Energy and NRG Energy Holdings Inc. | Incorporated herein by reference to Exhibit 2.2 to Amendment No. 1 to the Registrant’s current report on Form 8-K filed on October 21, 2013. |
| 3.1 | Amended and Restated Certificate of Incorporation. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 3, 2012. |
| 3.2 | Certificate of Amendment of Amended and Restated Certificate of Incorporation. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 14, 2012. |
| 3.3 | Second Amended and Restated By-Laws. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 14, 2012. |
| 3.4 | Certificate of Designations of 3.625% Convertible Perpetual Preferred Stock, as filed with the Secretary of State of the State of Delaware on August 11, 2005. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 11, 2005. |
| 3.5 | Certificate of Designations relating to the Series 1 Exchangeable Limited Liability Company Preferred Interests of NRG Common Stock Finance I LLC, as filed with the Secretary of State of Delaware on August 4, 2006. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 10, 2006. |
| 3.6 | | |

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| | Certificate of Amendment to Certificate of Designations relating to the Series 1 Exchangeable Limited Liability Company Preferred Interests of NRG Common Stock Finance I LLC, as filed with the Secretary of State of Delaware on February 27, 2008. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 3.7 | Second Certificate of Amendment to Certificate of Designations relating to the Series 1 Exchangeable Limited Liability Company Preferred Interests of NRG Common Stock Finance I LLC, as filed with the Secretary of State of Delaware on August 8, 2008. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on October 30, 2008. |
| 4.1 | Supplemental Indenture dated as of December 30, 2005, among NRG Energy, Inc., the subsidiary guarantors named on Schedule A thereto and Law Debenture Trust Company of New York, as trustee. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on January 4, 2006. |
| 4.2 | Amended and Restated Common Agreement among XL Capital Assurance Inc., Goldman Sachs Mitsui Marine Derivative Products, L.P., Law Debenture Trust Company of New York, as Trustee, The Bank of New York, as Collateral Agent, NRG Peaker Finance Company LLC and each Project Company Party thereto dated as of January 6, 2004, together with Annex A to the Common Agreement. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 16, 2004. |
| 4.3 | Amended and Restated Security Deposit Agreement among NRG Peaker Finance Company, LLC and each Project Company party thereto, and the Bank of New York, as Collateral Agent and Depositary Agent, dated as of January 6, 2004. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 16, 2004. |
| 4.4 | NRG Parent Agreement by NRG Energy, Inc. in favor of the Bank of New York, as Collateral Agent, dated as of January 6, 2004. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 16, 2004. |

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| 4.5 | Indenture dated June 18, 2002, between NRG Peaker Finance Company LLC, as Issuer, Bayou Cove Peaking Power LLC, Big Cajun I Peaking Power LLC, NRG Rockford LLC, NRG Rockford II LLC and Sterlington Power LLC, as Guarantors, XL Capital Assurance Inc., as Insurer, and Law Debenture Trust Company, as Successor Trustee to the Bank of New York. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 31, 2003. |
| 4.6 | Specimen of Certificate representing common stock of NRG Energy, Inc. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on August 4, 2006. |
| 4.7 | Indenture, dated February 2, 2006, among NRG Energy, Inc. and Law Debenture Trust Company of New York. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on February 6, 2006. |
| 4.8 | Form of 8.5% Senior Note due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on June 5, 2009. |
| 4.9 | Twenty-Second Supplemental Indenture, dated June 5, 2009, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on June 5, 2009. |
| 4.10 | Twenty-Third Supplemental Indenture, dated July 14, 2009, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on July 15, 2009. |
| 4.11 | Twenty-Seventh Supplemental Indenture, dated October 5, 2009, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 6, 2009. |
| 4.12 | Thirty-First Supplemental Indenture, dated as of April 16, 2010, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.50% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 21, 2010. |
| 4.13 | Thirty-Fifth Supplemental Indenture, dated as of June 23, 2010, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.50% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on June 29, 2010. |
| 4.14 | Thirty-Sixth Supplemental Indenture, dated August 20, 2010, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 20, 2010. |

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| 4.15 | Form of 8.25% Senior Note due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 20, 2010. |
| 4.16 | Registration Rights Agreement, dated August 20, 2010, among NRG Energy, Inc., the guarantors named therein and Citigroup Global Markets Inc., Banc of America Securities LLC and Deutsche Bank Securities Inc., as representatives of the several initial purchasers. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 20, 2010. |
| 4.17 | Fortieth Supplemental Indenture, dated as of December 15, 2010, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.50% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 16, 2010. |
| 4.18 | Forty-First Supplemental Indenture, dated as of December 15, 2010, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 16, 2010. |
| 4.19 | Forty-Second Supplemental Indenture, dated January 26, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on January 28, 2011. |
| 4.20 | Form of 7.625% Senior Note due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on January 28, 2011. |
| 4.21 | Registration Rights Agreement, dated January 26, 2011, among NRG Energy, Inc., the guarantors named therein and J.P. Morgan Securities LLC, as initial purchaser. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on January 28, 2011. |

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| 4.22 | Forty-Third Supplemental Indenture, dated April 22, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's Registration Statement on Form S-4 filed on July 11, 2011. |
| 4.23 | Forty-Seventh Supplemental Indenture, dated May 20, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.24 | Forty-Eighth Supplemental Indenture, dated May 20, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.25 | Forty-Ninth Supplemental Indenture, dated May 20, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.26 | Fiftieth Supplemental Indenture, dated May 24, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.27 | Form of 7.625% Senior Note due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.28 | Fifty-First Supplemental Indenture, dated May 24, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.875% Senior Notes due 2021. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.29 | Form of 7.875% Senior Note due 2021. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |
| 4.30 | Registration Rights Agreement, dated May 24, 2011, among NRG Energy, Inc., the guarantors named therein and Morgan Stanley & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC and RBS Securities Inc., as representatives of the initial purchasers. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 25, 2011. |

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| 4.31 | Fifty-Third Supplemental Indenture, dated November 8, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 8, 2011. |
| 4.32 | Fifty-Fourth Supplemental Indenture, dated November 8, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 8, 2011. |
| 4.33 | Fifty-Fifth Supplemental Indenture, dated November 8, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 8, 2011. |
| 4.34 | Fifty-Sixth Supplemental Indenture, dated November 8, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 8, 2011. |
| 4.35 | Fifty-Seventh Supplemental Indenture, dated November 8, 2011, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.875% Senior Notes due 2021. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on November 8, 2011. |

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| 4.36 | Fifty-Ninth Supplemental Indenture, dated April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 6, 2012. |
| 4.37 | Sixtieth Supplemental Indenture, dated April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 6, 2012. |
| 4.38 | Sixty-First Supplemental Indenture, dated April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 6, 2012. |
| 4.39 | Sixty-Second Supplemental Indenture, dated April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 6, 2012. |
| 4.40 | Sixty-Third Supplemental Indenture, dated April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.875% Senior Notes due 2021. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 6, 2012. |
| 4.41 | Sixty-Fifth Supplemental Indenture, dated May 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 11, 2012. |
| 4.42 | Sixty-Sixth Supplemental Indenture, dated May 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 11, 2012. |
| 4.43 | Sixty-Seventh Supplemental Indenture, dated May 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 11, 2012. |
| 4.44 | Sixty-Eighth Supplemental Indenture, dated May 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on May 11, 2012. |
| 4.45 | Sixty-Ninth Supplemental Indenture, dated May 9, 2012, among NRG Energy, Inc., the existing guarantors named | Incorporated herein by reference to the Registrant's current report on Form 8-K filed |

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| | therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | on May 11, 2012. |
| 4.46 | Seventieth Supplemental Indenture, dated September 24, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 6.625% Senior Notes due 2023. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on September 24, 2012. |
| 4.47 | Form of 6.625% Senior Note due 2023. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on September 24, 2012. |
| 4.48 | Seventy-First Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |
| 4.49 | Seventy-Second Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |
| 4.50 | Seventy-Third Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2018. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |

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| 4.51 | Seventy-Fourth Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |
| 4.52 | Seventy-Fifth Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 7.875% Senior Notes due 2021. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |
| 4.53 | Seventy-Sixth Supplemental Indenture, dated October 9, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York as Trustee, re: NRG Energy, Inc.’s 6.625% Senior Notes due 2023. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on October 12, 2012. |
| 4.54 | Senior Indenture, dated December 22, 2004, between Reliant Energy, Inc. and Wilmington Trust Company. | Incorporated herein by reference to GenOn Energy, Inc.’s current report on Form 8-K filed on December 27, 2004. |
| 4.55 | Fourth Supplemental Indenture, dated June 13, 2007, among Reliant Energy, Inc., the Guarantors listed therein and Wilmington Trust Company as Trustee, re: GenOn Energy, Inc.’s 7.625% Senior Notes due 2014. | Incorporated herein by reference to GenOn Energy Inc.'s current report on Form 8-K filed on June 15, 2007. |
| 4.56 | Fifth Supplemental Indenture, dated June 13, 2007, among Reliant Energy, Inc., the Guarantors listed therein and Wilmington Trust Company as Trustee, re: GenOn Energy, Inc.’s 7.875% Senior Notes due 2017. | Incorporated herein by reference to Exhibit 4.2 to GenOn Energy Inc.'s current report on Form 8-K filed June 15, 2007. |
| 4.57 | Indenture, dated May 1, 2001, between Mirant Americas Generation, Inc. and Bankers Trust Company as Trustee. | Incorporated herein by reference to Exhibit 4.1 to Mirant Americas Generation, Inc.'s Registration Statement on Form S-4 filed on June 18, 2001. |
| 4.58 | Third Supplemental Indenture, dated May 1, 2001, between Mirant Americas Generation, Inc. and Bankers Trust Company as Trustee, re: GenOn Americas Generation, LLC’s 9.125% Senior Notes due 2031. | Incorporated herein by reference to Exhibit 4.4 to Mirant Americas Generation, Inc.'s Registration Statement on Form S-4 filed on June 18, 2001. |
| 4.59 | Fifth Supplemental Indenture, dated October 9, 2001, between Mirant Americas Generation, Inc. and Bankers Trust Company as Trustee, re: GenOn Americas Generation, LLC’s 8.5% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.6 to Mirant Americas Generation, Inc.'s Registration Statement on Form S-4/A filed on May 7, 2002. |
| 4.60 | Sixth Supplemental Indenture, dated November 1, 2001, between Mirant Americas Generation LLC and Bankers Trust Company, re: Indenture, dated May 1, 2001. | Incorporated herein by reference to Exhibit 4.6 to Mirant Corporation's annual report on Form 10-K filed on February 27, 2009. |
| 4.61 | Seventh Supplemental Indenture, dated January 3, 2006, between Mirant Americas Generation LLC and Wells Fargo Bank National Association (as successor to Bankers Trust Company), re: Indenture, dated May 1, 2001. | Incorporated herein by reference to Exhibit 4.1 to Mirant Americas Generation, LLC's quarterly report on Form 10-Q filed on May 14, 2007. |

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| 4.62 | Senior Notes Indenture, dated October 4, 2010, by GenOn Escrow Corp. and Wilmington Trust Company as trustee, re: GenOn Energy, Inc.’s 9.5% Senior Notes due 2018 and 9.875% Senior Notes due 2020. | Incorporated by reference to Exhibit 4.4 to Mirant Corporation's quarterly report on Form 10-Q filed on November 5, 2010. |
| 4.63 | Supplemental Indenture, dated December 3, 2010, between GenOn Energy, Inc. and Wilmington Trust Company as trustee, re: GenOn Energy, Inc.’s 9.5% Senior Notes due 2018 and 9.875% Senior Notes due 2020. | Incorporated by reference to Exhibit 4.2 to GenOn Energy Inc.'s current report on Form 8-K filed on December 7, 2010. |
| 4.64 | Seventy-Seventh Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.’s 8.5% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.1 to the Registrant’s current report on Form 8-K filed on January 9, 2013. |
| 4.65 | Seventy-Eighth Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.’s 8.25% Senior Notes due 2020. | Incorporated herein by reference to Exhibit 4.2 to the Registrant’s current report on Form 8-K filed on January 9, 2013. |
| 4.66 | Seventy-Ninth Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2018. | Incorporated herein by reference to Exhibit 4.3 to the Registrant’s current report on Form 8-K filed on January 9, 2013. |
| 4.67 | Eightieth Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.’s 7.625% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.4 to the Registrant’s current report on Form 8-K filed on January 9, 2013. |

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| 4.68 | Eighty-First Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on January 9, 2013. |
| 4.69 | Eighty-Second Supplemental Indenture, dated as of January 3, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 6.625% Senior Notes due 2023. | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on January 9, 2013. |
| 4.70 | Eighty-Third Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.1 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.71 | Eighty-Fourth Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.72 | Eighty-Fifth Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2018. | Incorporated herein by reference to Exhibit 4.3 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.73 | Eighty-Sixth Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.4 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.74 | Eighty-Seventh Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.75 | Eighty-Eighth Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 6.625% Senior Notes due 2023. | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.76 | Eighty-Ninth Supplemental Indenture, dated as of March 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York. | Incorporated herein by reference to Exhibit 4.7 to the Registrant's current report on Form 8-K filed on March 13, 2013. |
| 4.77 | Ninetieth Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.1 to the Registrant's current report on Form 8-K filed on May 3, 2013. |

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| 4.78 | Ninety-First Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed on May 3, 2013. |
| 4.79 | Ninety-Second Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2018. | Incorporated herein by reference to Exhibit 4.3 to the Registrant's current report on Form 8-K filed on May 3, 2013. |
| 4.8 | Ninety-Third Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.4 to the Registrant's current report on Form 8-K filed on May 3, 2013. |
| 4.81 | Ninety-Fourth Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on May 3, 2013. |
| 4.82 | Ninety-Fifth Supplemental Indenture, dated as of May 2, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 6.625% Senior Notes due 2023. | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on May 3, 2013. |
| 4.83 | Ninety-Sixth Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.1 to the Registrant's current report on Form 8-K filed on September 6, 2013. |
| 4.84 | Ninety-Seventh Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed on September 6, 2013. |

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| 4.85 | Ninety-Eighth Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2018 | Incorporated herein by reference to Exhibit 4.3 to the Registrant's current report on Form 8-K filed on September 6, 2013. |
| 4.86 | Ninety-Ninth Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.4 to the Registrant's current report on Form 8-K filed on September 6, 2013. |
| 4.87 | One Hundredth Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on September 6, 2013. |
| 4.88 | One Hundred-First Supplemental Indenture, dated as of September 4, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 6.625% Senior Notes due 2023. | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on September 6, 2013. |
| 4.89 | One Hundred-Second Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.1 to the Registrant's current report on Form 8-K filed on October 8, 2013. |
| 4.90 | One Hundred-Third Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.25% Senior Notes due 2020. | Incorporated herein by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed on October 8, 2013. |
| 4.91 | One Hundred-Fourth Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2018. | Incorporated herein by reference to Exhibit 4.3 to the Registrant's current report on Form 8-K filed on October 8, 2013. |
| 4.92 | One Hundred-Fifth Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.625% Senior Notes due 2019. | Incorporated herein by reference to Exhibit 4.4 to the Registrant's current report on Form 8-K filed on October 8, 2013. |
| 4.93 | One Hundred-Sixth Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 7.875% Senior Notes due 2021. | Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on October 8, 2013. |
| 4.94 | One Hundred-Seventh Supplemental Indenture, dated as of October 7, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on October 8, 2013. |

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| | 6.626% Senior Notes due 2023. | |
| 4.95 | One Hundred-Eighth Supplemental Indenture, dated as of November 13, 2013, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York as trustee, re: NRG Energy, Inc.'s 8.5% Senior Notes due 2019, 8.25% Senior Notes due 2020, 7.625% Senior Notes due 2018, 7.625% Senior Notes due 2019, 7.875% Senior Notes due 2021 and 6.625% Senior Notes due 2023. | Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on November 13, 2013. |
| 10.1 | Note Agreement, dated August 20, 1993, between NRG Energy, Inc., Energy Center, Inc. and each of the purchasers named therein. | Incorporated herein by reference to the Registrant's Registration Statement on Form S-1, as amended, Registration No. 333-33397. |
| 10.2 | Master Shelf and Revolving Credit Agreement, dated August 20, 1993, between NRG Energy, Inc., Energy Center, Inc., The Prudential Insurance Registrants of America and each Prudential Affiliate, which becomes party thereto. | Incorporated herein by reference to the Registrant's Registration Statement on Form S-1, as amended, Registration No. 333-33397. |
| 10.3* | Form of NRG Energy Inc. Long-Term Incentive Plan Deferred Stock Unit Agreement for Officers and Key Management. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 30, 2005. |
| 10.4* | Form of NRG Energy, Inc. Long-Term Incentive Plan Deferred Stock Unit Agreement for Directors. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 30, 2005. |
| 10.5* | Form of NRG Energy, Inc. Long-Term Incentive Plan Non-Qualified Stock Option Agreement. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on November 9, 2004. |
| 10.6* | Form of NRG Energy, Inc. Long-Term Incentive Plan Restricted Stock Unit Agreement. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on November 9, 2004. |
| 10.7* | Form of NRG Energy, Inc. Long Term Incentive Plan Performance Unit Agreement. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 23, 2010. |

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| 10.8* | Amended and Restated Annual Incentive Plan for Designated Corporate Officers. | Incorporated herein by reference to the Registrant's 2009 proxy statement on Schedule 14A filed on June 16, 2009. |
| 10.9 | Railroad Car Full Service Master Leasing Agreement, dated as of February 18, 2005, between General Electric Railcar Services Corporation and NRG Power Marketing Inc. | Incorporated herein by reference to the Registrant's annual report on Form 10-K for the quarter ended March 30, 2005. |
| 10.10 | Purchase Agreement (West Coast Power) dated as of December 27, 2005, by and among NRG Energy, Inc., NRG West Coast LLC (Buyer), DPC II Inc. (Seller) and Dynegy, Inc. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 28, 2005. |
| 10.11 | Purchase Agreement (Rocky Road Power), dated as of December 27, 2005, by and among Termo Santander Holding, L.L.C.(Buyer), Dynegy, Inc., NRG Rocky Road LLC (Seller) and NRG Energy, Inc. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 28, 2005. |
| 10.12 | Stock Purchase Agreement, dated as of August 10, 2005, by and between NRG Energy, Inc. and Credit Suisse First Boston Capital LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 11, 2005. |
| 10.13 | Agreement with respect to the Stock Purchase Agreement, dated December 19, 2008, by and between NRG Energy, Inc. and Credit Suisse First Boston Capital LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.14 | Investor Rights Agreement, dated as of February 2, 2006, by and among NRG Energy, Inc. and Certain Stockholders of NRG Energy, Inc. set forth therein. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on February 8, 2006. |
| 10.15† | Terms and Conditions of Sale, dated as of October 5, 2005, between Texas Genco II LP and Freight Car America, Inc., (including the Proposal Letter and Amendment thereto). | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on March 7, 2006. |
| 10.16* | Amended and Restated Employment Agreement, dated December 4, 2008, between NRG Energy, Inc. and David Crane. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.17* | CEO Compensation Table. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on December 9, 2009. |
| 10.18 | Limited Liability Company Agreement of NRG Common Stock Finance I LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 10, 2006. |
| 10.19 | Note Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance I LLC, Credit Suisse International and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 10, 2006. |
| 10.20 | Amendment Agreement, dated February 27, 2008, to the Note Purchase Agreement by and among NRG Common Stock Finance I LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.21 | Amendment Agreement, dated December 19, 2008, to the Note Purchase Agreement by and among NRG Common Stock Finance I LLC, Credit Suisse International, and | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |

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| | Credit Suisse Securities (USA) LLC. | |
| 10.22 | Amendment Agreement, dated December 19, 2008, to the Note Purchase Agreement by and among NRG Common Stock Finance II LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.23 | Agreement with respect to Note Purchase Agreement, dated December 19, 2008, by and among NRG Common Stock Finance I LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.24 | Agreement with respect to Note Purchase Agreement, dated December 19, 2008, by and among NRG Common Stock Finance II LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.25 | Preferred Interest Purchase Agreement, dated August 4, 2006, between NRG Common Stock Finance I LLC, Credit Suisse Capital LLC and Credit Suisse Securities (USA) LLC, as agent. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 10, 2006. |
| 10.26 | Preferred Interest Amendment Agreement, dated February 27, 2008, by and among NRG Common Stock Finance I LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.27 | Preferred Interest Amendment Agreement, dated December 19, 2008, by and among NRG Common Stock Finance I LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.28 | Preferred Interest Amendment Agreement, dated December 19, 2008, by and among NRG Common Stock Finance II LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |

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| 10.28 | Agreement with respect to Preferred Interest Purchase Agreement, dated December 19, 2008, by and among NRG Common Stock Finance I LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.29 | Agreement with respect to Preferred Interest Purchase Agreement, dated December 19, 2008, by and among NRG Common Stock Finance II LLC, Credit Suisse International, and Credit Suisse Securities (USA) LLC. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.30* | Amended and Restated Long-Term Incentive Plan. | Incorporated herein by reference to the Registrant's 2009 proxy statement on Schedule 14A filed on June 16, 2009. |
| 10.31* | NRG Energy, Inc. Executive Change-in-Control and General Severance Agreement, dated December 9, 2008. | Incorporated herein by reference to the Registrant's annual report on Form 10-K filed on February 12, 2009. |
| 10.32† | Amended and Restated Contribution Agreement (NRG), dated March 25, 2008, by and among Texas Genco Holdings, Inc., NRG South Texas LP and NRG Nuclear Development Company LLC and Certain Subsidiaries Thereof. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.33† | Contribution Agreement (Toshiba), dated February 29, 2008, by and between Toshiba Corporation and NRG Nuclear Development Company LLC. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.34† | Multi-Unit Agreement, dated February 29, 2008, by and among Toshiba Corporation, NRG Nuclear Development Company LLC and NRG Energy, Inc. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.35† | Amended and Restated Operating Agreement of Nuclear Innovation North America LLC, dated May 1, 2008. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on May 1, 2008. |
| 10.37† | LLC Membership Purchase Agreement between Reliant Energy, Inc. and NRG Retail LLC, dated as of February 28, 2009. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on April 30, 2009. |
| 10.38 | Project Agreement, Settlement Agreement and Mutual Release, dated March 1, 2010, by and among by and among Nuclear Innovation North America LLC, the City of San Antonio acting by and through the City Public Service Board of San Antonio, a Texas municipal utility, NINA Texas 3 LLC and NINA Texas 4 LLC, and solely for purposes of certain sections of the Settlement Agreement, by NRG Energy, Inc and NRG South Texas LP. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on March 2, 2010. |
| 10.39† | STP 3 & 4 Owners Agreement, dated March 1, 2010, by and among Nuclear Innovation North America LLC, the City of San Antonio, NINA Texas 3 LLC and NINA Texas 4 LLC. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on March 2, 2010. |
| 10.40* | 2009 Executive Change-in-Control and General Severance Plan. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on April 1, 2010. |
| 10.41† | Investment and Option Agreement by and among Nuclear Innovation North America LLC, Nuclear Innovation | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q |

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| | North America Investments Holdings LLC and TEPCO Nuclear Energy America LLC, dated as of May 10, 2010. | filed on August 2, 2010. |
| 10.42† | Parent Company Agreement by and among NRG Energy, Inc., Nuclear Innovation North America LLC, TEPCO and TEPCO Nuclear Energy America LLC, dated as of May 10, 2010. | Incorporated herein by reference to the Registrant's quarterly report on Form 10-Q filed on August 2, 2010. |
| 10.44(a) | Letter of Credit and Reimbursement Agreement, dated as of June 30, 2010. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on July 1, 2010. |
| 10.44(b) | Letter of Credit and Reimbursement Agreement, dated as of June 30, 2010. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on July 1, 2010. |
| 10.45* | The NRG Energy, Inc. Amended and Restated Long Term Incentive Plan. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on August 3, 2010. |
| 10.46 | Amended and Restated Credit Agreement, dated July 1, 2011, by and among NRG Energy, Inc., the lenders party thereto, and the joint lead bookrunners and joint lead arrangers party thereto. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on July 5, 2011. |
| 10.47* | Form of Market Stock Unit Grant Agreement. | Incorporated herein by reference to the Registrant's current report on Form 8-K/A filed on September 12, 2011. |
| 10.48 | Registration Rights Agreement, dated September 24, 2012, among NRG Energy, Inc., the guarantors named therein and Deutsche Bank Securities Inc., Merrill, Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., J.P. Morgan Securities LLC, Morgan Stanley & Co. Incorporated and RBS Securities Inc., as initial purchasers. | Incorporated herein by reference to the Registrant's current report on Form 8-K filed on September 24, 2012. |

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| 10.49* | NRG 2010 Stock Plan for GenOn Employees | Incorporated herein by reference to Exhibit 10.49 to the Registrant's annual report on Form 10-K filed on February 27, 2013. |
| 10.50 | Revolving Credit Agreement among GenOn Energy, Inc., as Borrower, GenOn Americas, Inc., as Borrower, the several lenders from time to time parties hereto, and NRG Energy, Inc., as Administrative Agent, dated as of December 14, 2012. | Incorporated herein by reference to Exhibit 10.50 to the Registrant's annual report on Form 10-K filed on February 27, 2013. |
| 10.51 | First Amendment Agreement, dated as of February 6, 2013, to the Amended and Restated Credit Agreement and the Second Amended and Restated Collateral Trust Agreement. | Incorporated herein by reference to Exhibit 10.1 to the Registrant's quarterly report on Form 10-Q filed on May 7, 2013. |
| 10.52 | Second Amendment Agreement, dated as of June 4, 2013, to the Amended and Restated Credit Agreement and the Second Amended and Restated Collateral Trust Agreement. | Incorporated herein by reference to Exhibit 10.1 to the Registrant's current report on Form 8-K filed on June 10, 2013. |
| 10.53* | NRG Energy, Inc. Long-Term Incentive Plan Market Stock Unit Agreement | Incorporated herein by reference to Exhibit 10.53 to the Registrant's annual report on Form 10-K filed on February 28, 2014. |
| 10.54* | NRG Energy, Inc. 2010 Stock Plan For GenOn Employees Market Stock Unit Agreement | Incorporated herein by reference to Exhibit 10.54 to the Registrant's annual report on Form 10-K filed on February 28, 2014. |
| 12.1 | NRG Energy, Inc. Computation of Ratio of Earnings to Fixed Charges. | Incorporated herein by reference to Exhibit 12.1 to the Registrant's annual report on Form 10-K filed on February 28, 2014. |
| 12.2 | NRG Energy, Inc. Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements. | Incorporated herein by reference to Exhibit 12.2 to the Registrant's annual report on Form 10-K filed on February 28, 2014. |
| 21.1 | Subsidiaries of NRG Energy. Inc. | Incorporated herein by reference to Exhibit 21.1 to the Registrant's annual report on Form 10-K filed on February 28, 2014. |
| 23.1 | Consent of KPMG LLP. | Filed herewith. |
| 31.1 | Rule 13a-14(a)/15d-14(a) certification of David W. Crane. | Filed herewith. |
| 31.2 | Rule 13a-14(a)/15d-14(a) certification of Kirkland B. Andrews. | Filed herewith. |
| 31.3 | Rule 13a-14(a)/15d-14(a) certification of Ronald B. Stark. | Filed herewith. |
| 32 | Section 1350 Certification. | Filed herewith. |
| 101 INS | XBRL Instance Document | Filed herewith. |
| 101 SCH | XBRL Taxonomy Extension Schema | Filed herewith. |
| 101 CAL | XBRL Taxonomy Extension Calculation Linkbase | Filed herewith. |
| 101 DEF | XBRL Taxonomy Extension Definition Linkbase | Filed herewith. |
| 101 LAB | XBRL Taxonomy Extension Label Linkbase | Filed herewith. |
| 101 PRE | XBRL Taxonomy Extension Presentation Linkbase | Filed herewith. |

* Exhibit relates to compensation arrangements.

† Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

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