

NRG ENERGY, INC.
Form DEF 14A
March 13, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant ☒ p

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
- ☐ o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ p Definitive Proxy Statement
- ☐ o Definitive Additional Materials
- ☐ o Soliciting Material under §240.14a-12

NRG Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ p No fee required.
- ☐ o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

March 14, 2013

Dear Stockholder:

We are pleased to invite you to attend NRG Energy, Inc.'s Annual Meeting of Stockholders, which will be held at 10:00 a.m., Eastern Time, on Thursday, April 25, 2013, at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801. Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. Information about voting methods is set forth in the accompanying Notice of Annual Meeting and Proxy Statement.

On behalf of everyone at NRG, I thank you for your ongoing interest and investment in NRG Energy, Inc. We are committed to acting in your best interests. If you have any questions with respect to voting, please call our proxy solicitor, MacKenzie Partners, Inc., at (800) 322-2885 (toll free).

Sincerely,

HOWARD E. COSGROVE
Chairman of the Board

THIS PROXY STATEMENT AND PROXY CARD ARE
BEING DISTRIBUTED ON OR ABOUT MARCH 14, 2013.

Table of Contents

NRG Energy, Inc.
211 Carnegie Center, Princeton, New Jersey 08540

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	10:00 a.m., Eastern Time, on Thursday, April 25, 2013
PLACE	Hotel du Pont 11 th and Market Streets Wilmington, Delaware 19801
ITEMS OF BUSINESS	(1) To elect five Class I directors. (2) To hold a vote to approve, on an advisory basis, the compensation of NRG's named executive officers. (3) To ratify the appointment of KPMG LLP as NRG's independent registered public accounting firm for fiscal year 2013. (4) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.
RECORD DATE	You are entitled to vote if you were a stockholder of record at the close of business on March 1, 2013.
ANNUAL REPORT	Our 2012 Annual Report on Form 10-K, which is not part of the proxy soliciting materials, is enclosed.
PROXY VOTING	Please submit a proxy as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. For specific instructions, please refer to the information on pages 1-5 of the Proxy Statement, the Notice of Internet Availability of Proxy Materials or the voting instructions on the proxy card.

By Order of the Board of Directors

BRIAN E. CURCI
Corporate Secretary

2013 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>Annual Meeting Information</u>	1
<u>What is the purpose of the Annual Meeting?</u>	1
<u>Who is entitled to vote at the Annual Meeting?</u>	1
<u>How many votes do I have?</u>	2
<u>What are the Board's recommendations?</u>	2
<u>How many votes must be present to hold the Annual Meeting?</u>	2
<u>What vote is required to approve each proposal?</u>	2
<u>What are abstentions and broker non-votes and how are they treated?</u>	3
<u>How do I vote?</u>	3
<u>What should I bring to the Annual Meeting if I attend in person?</u>	4
<u>May I change my vote?</u>	4
<u>What happens if I do not provide instructions as to how to vote?</u>	4
<u>Where can I obtain the list of stockholders entitled to vote?</u>	4
<u>Who pays the cost of solicitation of proxies?</u>	4
<u>Who is the Company's transfer agent?</u>	4
<u>Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?</u>	5
<u>Where can I find directions to the Annual Meeting?</u>	5
<u>What is "householding"?</u>	5
<u>How can I request additional materials?</u>	5
<u>Whom should I call if I have questions about the Annual Meeting?</u>	5
<u>Governance of the Company</u>	6
<u>Corporate Governance Guidelines and Charters</u>	6
<u>Director Independence</u>	6
<u>Board Structure</u>	6
<u>Governance Practices</u>	7
<u>Board Leadership</u>	7
<u>Risk Oversight</u>	8
<u>Committee Membership</u>	9
<u>Audit Committee</u>	10
<u>Compensation Committee</u>	11
<u>Governance and Nominating Committee</u>	12
<u>Commercial Operations Oversight Committee</u>	14
<u>Finance Committee</u>	14
<u>Nuclear Oversight Committee</u>	15

	Page
<u>Review, Approval or Ratification of Transactions with Related Persons</u>	16
<u>Communication with Directors</u>	16
<u>Proposals to Be Voted On</u>	17
<u>Proposal No. 1: Election of Directors</u>	17
<u>Proposal No. 2: Approval, on an Advisory Basis, of the Compensation of NRG's Named Executive Officers</u>	27
<u>Proposal No. 3: Ratification of Independent Registered Public Accounting Firm for Fiscal Year 2013</u>	28
<u>Executive Officers</u>	29
<u>Voting Stock Ownership of Directors, Named Executive Officers and Certain Beneficial Owners</u>	31
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	34
<u>Compensation Committee Interlocks and Insider Participation</u>	34
<u>Compensation Committee Report on Executive Compensation</u>	34
<u>Executive Compensation</u>	35
<u>Compensation Discussion and Analysis</u>	35
<u>Summary Compensation Table</u>	59
<u>Grants of Plan-Based Awards</u>	61
<u>Outstanding Equity Awards at Fiscal Year-End</u>	64
<u>Option Exercises and Stock Vested</u>	65
<u>Pension Benefits</u>	66
<u>Non-Qualified Deferred Compensation</u>	66
<u>Severance and Change-in-Control</u>	67
<u>Director Compensation</u>	69
<u>Audit Committee Report</u>	72
<u>Independent Registered Public Accounting Firm</u>	73
<u>Audit and Nonaudit Fees</u>	73
<u>Audit Fees</u>	73
<u>Audit-Related Fees</u>	73
<u>Tax Fees</u>	73
<u>All Other Fees</u>	73
<u>Policy on Audit Committee Pre-approval</u>	73
<u>Requirements for Submission of Stockholder Proposals for Next Year's Annual Meeting</u>	75
<u>Appendix A Executive Compensation Additional Information</u>	A-1

Table of Contents

PROXY STATEMENT

We are providing these proxy materials to you in connection with the solicitation of proxies by the Board of Directors (Board) of NRG Energy, Inc. for the 2013 Annual Meeting of Stockholders (Annual Meeting) and for any adjournment or postponement of the Annual Meeting. The Annual Meeting will be held on Thursday, April 25, 2013, at 10:00 a.m. at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801. In this Proxy Statement, "we," "us," "our," "NRG" and the "Company" refer to NRG Energy, Inc.

You are receiving this Proxy Statement because you own shares of our common stock, par value \$0.01 per share, that entitle you to vote at the Annual Meeting. By use of a proxy, you can vote whether or not you attend the Annual Meeting. The Proxy Statement describes the matters we would like you to vote on and provides information on those matters.

ANNUAL MEETING INFORMATION

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to:

1. elect five Class I directors;
2. approve, on an advisory basis, the compensation of our named executive officers (Say on Pay Proposal);
3. ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2013; and
4. conduct such other business as may properly come before the Annual Meeting and any adjournment or postponement.

Other than these proposals, the Board is not aware of any other matters to be presented for a vote at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

All of our stockholders may attend the Annual Meeting. However, only stockholders who owned our common stock at the close of business on March 1, 2013, the record date for the Annual Meeting, or their duly appointed proxies, are entitled to vote at the Annual Meeting.

Many stockholders hold their shares through a stockbroker, bank, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially:

Stockholder of Record If your shares are registered directly in your name with our transfer agent, Computershare, you are considered the stockholder of record of those shares.

Beneficial Owner If your shares are held in a stock brokerage account, or by a bank, trustee, or other nominee, you are considered the beneficial owner of shares held in "street name." As the beneficial owner, you have the right to direct your broker, trustee or nominee on how to vote and you are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting. Your broker, trustee, or nominee is obligated to provide you with a voting instruction card for you to use.

Table of Contents

How many votes do I have?

You have one vote for each share of our common stock you owned as of the record date for the Annual Meeting.

What are the Board's recommendations?

The Board recommends a vote:

1.
FOR the election of the director nominees;
2.
FOR the Say on Pay Proposal; and
3.
FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2013.

If you grant a proxy and any additional matters are properly presented for a vote at the Annual Meeting, either of the persons named as proxy holders, David Crane or Brian E. Curci, will have the discretion to vote your shares.

How many votes must be present to hold the Annual Meeting?

We will have a quorum, and will be able to conduct the business of the Annual Meeting, if the holders of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting are represented in person or by proxy at the Annual Meeting. As of the record date, 323,193,723 shares of our common stock, representing the same number of votes, were outstanding. The presence of the holders of at least 161,596,862 shares of our common stock will be required to establish a quorum. Both abstentions and broker non-votes, if any, are counted as present for determining the presence of a quorum. For more information regarding the treatment of abstentions and broker non-votes, see "What are abstentions and broker non-votes and how are they treated?"

What vote is required to approve each proposal?

1.
Election of Directors The nominees for election as directors at the Annual Meeting will be elected by a majority of the votes cast at the Annual Meeting. A majority of the votes cast means that the number of shares voted "FOR" the director nominee must exceed the number of votes cast "AGAINST" that director nominee. In a contested election, each director nominee will be elected by the vote of a plurality of the shares represented in person or by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the director nominees who receive the most votes will be elected to fill the available seats on the Board. Votes withheld from a director nominee will have no effect on the election of the director from whom votes are withheld.
2.
Say on Pay Proposal This proposal requires the affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. While this is an advisory vote, the Board and the Compensation Committee value the opinions of stockholders and if there are a significant number of votes against this proposal, the Board and the Compensation Committee will consider stockholders' concerns and evaluate actions necessary to address those concerns.
3.
Ratification of KPMG LLP's Appointment This proposal requires the affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal. If the selection of KPMG LLP as the Company's independent registered public accounting firm is not ratified, the Audit Committee will reconsider its selection.

Table of Contents**What are abstentions and broker non-votes and how are they treated?**

An abstention occurs when a stockholder abstains from voting or does not vote on a proposal. A "broker non-vote" occurs when a broker has not received voting instructions from the beneficial owner and the broker does not have discretionary authority to vote the shares because the proposal is non-routine. Brokers who do not receive instructions from the beneficial owner are entitled to vote on the ratification of KPMG LLP's appointment for fiscal year 2013, but not on the election of directors or the Say on Pay Proposal. Broker non-votes and abstentions, if any, will be treated as follows with respect to votes on each of the proposals:

Proposal	Treatment of Abstentions	Treatment of Broker Non-Votes
1. Election of Directors	Not considered votes properly cast and therefore will have no effect on this proposal.	No effect on this proposal.
2. Say on Pay Proposal	Counted toward the tabulation of votes on this proposal and will have the same effect as a vote AGAINST this proposal.	No effect on this proposal.
3. Ratification of KPMG LLP's Appointment	Counted toward the tabulation of votes on this proposal and will have the same effect as a vote AGAINST this proposal.	Not applicable since brokers have discretionary authority to vote on this proposal.

How do I vote?

If you hold shares directly as the stockholder of record, you may vote by granting a proxy or, if you hold shares in street name, by submitting voting instructions to your broker, trustee, or nominee. You may vote over the Internet, by telephone or, if you have a paper copy of the proxy materials, by mail. Please refer to the summary instructions below and those included on your proxy card or, for shares held in street name, the voting instruction card included by your broker, trustee, or nominee.

Vote By Internet: If you have Internet access, you may submit your proxy from any location in the world 24 hours a day, 7 days a week, up until 11:59 p.m., Eastern Time on April 24, 2013 by visiting the website provided on the Notice of Internet Availability of Proxy Materials (Notice) or voting instruction card. If you vote by using the Internet, you do not need to return your proxy card or voting instruction card.

Vote By Telephone: If you live in the United States, you may use any touch-tone telephone to vote your proxy toll-free 24 hours a day, 7 days a week, up until 11:59 p.m., Eastern Time on April 24, 2013. The telephone number is printed on your Notice or voting instruction card. If you vote by telephone, you do not need to return your proxy card or voting instruction card.

Vote By Mail: If you received or requested a paper copy of the materials, you may submit your proxy by signing your proxy card or, for shares held in street name, the voting instruction card included by your broker, trustee, or nominee, and mailing it in the enclosed, postage-paid, addressed envelope. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign, but do not provide instructions, your shares will be voted as the Board recommends. Mark, sign, and date your proxy card and return it in the postage-paid envelope provided as soon as possible so that it is received by April 25, 2013, the Annual Meeting date.

Vote In Person: If you are a record holder and planning to attend the Annual Meeting and wish to vote your shares in person, we will give you a ballot at the meeting.

Table of Contents

What should I bring to the Annual Meeting if I attend in person?

Proof of ownership of our common stock, along with personal identification (such as a driver's license or passport), must be presented in order to be admitted to the Annual Meeting. If your shares are held in street name and you plan to attend the Annual Meeting in person, you must bring a brokerage statement, the voting instruction card mailed to you by your bank or broker or other proof of ownership (or the equivalent proof of ownership as of the close of business on the record date of the stockholder who granted you the proxy) with you to the Annual Meeting. Registration will begin at 9:00 a.m., Eastern Time. Please allow ample time for check-in. No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Annual Meeting.

May I change my vote?

You may change your proxy instructions or revoke your proxy at any time prior to the vote at the Annual Meeting. For shares held directly in your name, you may accomplish this by: (1) delivering a written notice of revocation bearing a later date than the proxy being revoked, (2) signing and delivering a later dated written proxy relating to the same shares, or (3) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). For shares held in street name, you may change your vote by submitting new voting instructions to your broker, trustee, or nominee.

What happens if I do not provide instructions as to how to vote?

If you sign your proxy card or voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Board.

Where can I obtain the list of stockholders entitled to vote?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for 10 days prior to the meeting for any purpose germane to the Annual Meeting, between the hours of 8:30 a.m. and 5:00 p.m., Eastern Time, at our principal executive offices at 211 Carnegie Center, Princeton, New Jersey 08540, by contacting the Corporate Secretary.

Who pays the cost of solicitation of proxies?

We will pay for the cost of preparing, assembling, printing, mailing and distributing these proxy materials. Our directors, officers and employees may solicit proxies or votes in person, by telephone, or by electronic communication. Such individuals will not receive any additional compensation for these solicitation activities. We have retained MacKenzie Partners, Inc. to assist us in soliciting your proxy for an estimated fee of \$25,000, plus reasonable out-of-pocket expenses. We will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and other solicitation materials to beneficial owners of our common stock.

Who is the Company's transfer agent?

Our transfer agent is Computershare. All communications concerning stockholder inquiries can be handled by contacting NRG Energy, Inc. c/o Computershare, Computershare Investor Services, P.O. Box 43078, Providence, Rhode Island 02940-3078, or by telephone at 1-877-498-8861, or 1-781-575-2725 (outside the U.S. and Canada), or 1-800-952-9245 (Hearing Impaired-TTY). Their website is: <http://www.computershare.com>. Certificates for transfer and address changes should be sent to: Computershare, P.O. Box 43078, Providence, Rhode Island 02940-3078.

Table of Contents

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the Securities and Exchange Commission (SEC), we are using the Internet as the primary means of furnishing proxy materials to stockholders. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of our annual meetings.

Where can I find directions to the Annual Meeting?

Directions to the Annual Meeting can be found on Hotel du Pont's website at <http://www.hoteldupont.com/map-and-directions-en.html>.

What is "householding"?

We have adopted a procedure approved by the SEC called "householding." Under this procedure, multiple stockholders who share the same last name and address and do not participate in electronic delivery will receive only one copy of the proxy materials or Notice. We have undertaken householding to reduce our printing costs and postage fees. Stockholders may elect to receive individual copies of the proxy materials or Notice at the same address by contacting Broadridge Financial Solutions, Inc. by telephone at 1-800-579-1639 or by e-mail at sendmaterial@proxyvote.com.

How can I request additional materials?

Stockholders may request additional copies of the proxy materials or Notice by contacting Broadridge Financial Solutions, Inc. by telephone at 1-800-579-1639 or by e-mail at sendmaterial@proxyvote.com.

Whom should I call if I have questions about the Annual Meeting?

If you have any questions or need any assistance in voting your shares, please contact our proxy solicitor:

MacKenzie Partners, Inc.
105 Madison Avenue,
New York, NY 10016

Toll Free: (800) 322-2885
Collect: (212) 929-5500
Fax: (212) 929-0308

Email: proxy@mackenziepartners.com

* * *

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to be held on Thursday, April 25, 2013**

Each of the Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 is available at www.envisionreports.com/nrg. **If you would like to receive, without charge, a paper copy of our Annual Report on Form 10-K, including the financial statements and the financial statement schedules, please send your request to Chad Plotkin, Investor Relations, 211 Carnegie Center, Princeton, New Jersey 08540.**

Table of Contents

GOVERNANCE OF THE COMPANY

Corporate Governance Guidelines and Charters

The Board has adopted Corporate Governance Guidelines (Guidelines) that, along with the Amended and Restated Certificate of Incorporation, the Bylaws and the charters of the committees of the Board (Committees), provide the framework for the governance of the Company. The Board's Governance and Nominating Committee is responsible for periodically reviewing the Guidelines and recommending any proposed changes to the Board for approval. The Guidelines are available on the Company's website at

<http://www.nrgenergy.com/investors/corpgov.htm>, along with the charters of all the Committees of the Board and the Code of Conduct. The Guidelines, the charters of all of the Committees and the Code of Conduct are available in print to any stockholder who requests them.

Director Independence

The Board is made up of a majority of independent directors. An "independent" director is a director who meets the criteria for independence as required by applicable law and the New York Stock Exchange (NYSE) listing standards and is affirmatively determined to be "independent" by the Board. The Board has determined that each of the current directors is independent under the listing standards of the NYSE, with the exception of David Crane, President and Chief Executive Officer, and Paul Hobby, whose sister-in-law is a current partner at KPMG LLP, the Company's independent registered public accounting firm. Mr. Hobby's sister-in-law is not involved in any Company matters, but pursuant to the NYSE independence requirements, Mr. Hobby is deemed to not be independent. Thomas Weidemeyer serves as a director of Waste Management, Inc., a service provider to the Company in the ordinary course of business, and a Reliant Energy electricity customer. Mr. Weidemeyer also serves as a director of Goodyear Tire & Rubber Company, a Reliant Energy electricity customer. E. Spencer Abraham is the Chairman and Chief Executive Officer of The Abraham Group, a Reliant Energy electricity customer. Kathleen McGinty serves as Senior Vice President and Managing Director of Weston Solutions, Inc., which provided approximately \$6,000 of services for toxicity and water testing in the Company's West Region and is also a Reliant Energy electricity customer. Howard Cosgrove serves on the Board of Trustees for the University of Delaware, which received payments from the Company for approximately \$246,000 related to the partnership between NRG and the University of Delaware for electric vehicle-to-grid technology. The Board has evaluated the business relationships between the Company and each of these companies and has concluded that each business relationship is immaterial and does not interfere with Mr. Weidemeyer's, Secretary Abraham's, Ms. McGinty's or Mr. Cosgrove's exercise of independent judgment on the Board. Each of the Audit, Compensation, and Governance and Nominating Committees is made up solely of independent directors. In accordance with the Guidelines and NYSE listing standards, all members of the Audit and Compensation Committees meet additional independence standards applicable to audit and compensation committee members, respectively.

Board Structure

At the 2012 Annual Meeting of Stockholders, the stockholders approved, as recommended by the Board, an amendment to NRG's Amended and Restated Certificate of Incorporation to eliminate the Board's classified structure over time (Amendment). The Amendment was filed with the Secretary of State of the State of Delaware on May 1, 2012. Directors who were elected to three-year terms prior to the filing of the Amendment (including directors elected at the 2012 Annual Meeting of Stockholders which were the Class III directors) will complete their three-year terms. As a result of the Amendment, beginning with the election of directors at this Annual Meeting, directors' classes will be elected to one-year terms. After this Annual Meeting, the Board will be divided into two classes of directors, Class I and Class II. The directors who were members of Class II immediately prior to the Annual Meeting will be added to Class I with terms unchanged that will expire in 2014. The directors who were

Table of Contents

members of Class III immediately prior to the Annual Meeting will become members of Class II with terms to expire in 2015. As a result, beginning with the Annual Meeting of Stockholders in 2015, all directors will stand for election annually. In all cases, each director will hold office until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal.

On April 26, 2012 Stephen L. Cropper resigned from the Board, and on September 7, 2012, Herbert H. Tate resigned from the Board. As a result, the Board was reduced to 12 directors. On December 14, 2012, NRG completed a merger with GenOn Energy, Inc. Effective at the time of the merger, NRG's Board was increased to 16 directors, with the four new directors being appointed as follows: Secretary Abraham was appointed a Class III director, Terry G. Dallas was appointed a Class II director, Edward R. Muller was appointed a Class II director and will serve as Vice Chairman of the Board and Evan J. Silverstein was appointed a Class I director.

During 2012, the Board held five regularly scheduled meetings and three special meetings. During 2012, no director attended less than 75% of the total of the Board meetings and the meetings of the committees on which he or she served. In calendar year 2013, the Board has held one meeting through March 1, 2013.

The Guidelines provide that nonmanagement directors meet in executive session regularly following Board meetings. The Company's Non-Executive Chairman, Mr. Cosgrove, presides at these sessions. Also, pursuant to the Company's Bylaws, Mr. Cosgrove has been designated as an "alternate member" of all Committees to replace any absent or disqualified members of a Committee.

Directors are encouraged to attend the Annual Meetings of Stockholders. All of the directors attended the 2012 Annual Meeting of Stockholders.

Governance Practices

The Board takes a proactive approach in applying leading governance practices, which is evidenced by the Board's recommendation, and our stockholders' subsequent approval, of the majority voting standard for the election of directors at the 2009 Annual Meeting of Stockholders and the declassification of our Board at the 2012 Annual Meeting of Stockholders. Furthermore, as described in the Guidelines, the Board follows a series of governance practices that it believes foster effective Board oversight and accountability to the Company's stockholders. These practices include:

executive and director stock ownership guidelines to align interests with our stockholders;

ongoing succession planning for the Chief Executive Officer and other senior management;

annual performance evaluations of the Board and each of its standing Committees, as well as periodic peer review for individual directors;

robust director orientation and continuing education program, including Company site visits and information sessions with Company management at relevant sites, such as plants, commercial operations trading floors and Reliant Energy call centers; and

access to and engagement of outside advisors and consultants to assist in their performance of their duties, as appropriate.

Board Leadership

Since the Company's emergence from bankruptcy in December 2003, the Company's governance structure has been led by a separate Chief Executive Officer and Chairman of the Board. Irrespective of the Company's current practice, the Board believes that effective board leadership structure is highly dependent on the experience, skills and personal interaction between persons in leadership roles. As stated in the Guidelines, the Board believes that it is in the best interest of the Company for the Board

Table of Contents

to make a determination regarding whether or not to separate the roles of Chairman and Chief Executive Officer based upon the present circumstances.

Currently, the Chief Executive Officer, Mr. Crane, and the Chairman, Mr. Cosgrove, work closely together in complementary roles. Mr. Crane focuses on the day-to-day developments of the Company and establishes the Company's various growth initiatives and strategic plan. Mr. Cosgrove leads the Board's responsibilities to review, approve and monitor fundamental financial and business strategies and major corporate actions, assess major risks facing the Company and management, oversee succession planning, most notably at the Chief Executive Officer level, and preside over the Board and its Committees as they perform their broad and varied oversight functions. The Board believes that these complementary roles provide the appropriate governance structure for the Company at this time.

Risk Oversight

While the Company's management is responsible for the day-to-day management of the risks that the Company faces, the Board, as a whole and through its Committees, has responsibility for overall risk oversight of the Company. A fundamental aspect of risk oversight includes not only understanding the material risks to the business and what steps management is taking or should be taking to manage those risks, but also understanding and determining the appropriate risk appetite for the Company. The Board's role in reviewing and approving matters such as the Company's annual business plan, budget and long-term plan, strategic initiatives, individual development projects, acquisitions and divestitures, and capital allocation plan, represents the primary means by which the Board defines for management what constitutes an appropriate level of risk for the Company.

The Board performs its risk oversight function in several ways. The Board monitors, reviews and reacts to strategic and corporate risks through reports by management, including the Enterprise Risk Management team, and through Committees of the Board. The Board does not have a separate risk committee, but instead believes that the entire Board is responsible for overseeing the Company's risk management with the assistance of management and the Committees. The Chairs of each of the Committees regularly report to the Board on all matters reviewed by their respective Committees, thereby providing the full Board with the opportunity to identify and discuss any risk-related issues or request additional information from management or the Committees that may assist the Board in its risk oversight role. To this end, risk-related issues presented to the Finance, Nuclear Oversight and Governance and Nominating Committees are routinely presented to the full Board to ensure proper oversight and, with respect to the Finance Committee in particular, matters are previewed by the full Board prior to delegation to the Finance Committee.

With the full Board providing the top level of risk oversight, the Audit, Commercial Operations Oversight, and Compensation Committees have a more specific risk oversight role for matters that fall under their purview. The Audit Committee focuses on financial risks, including reviewing the effectiveness of our internal controls, conducting a detailed review of the financial portions of the Company's SEC reports, approving the independent auditor and the annual audit plan, and receiving periodic reports from the Company's independent auditor, the Company's internal auditor and the Company's corporate compliance officer. The Commercial Operations Oversight Committee provides risk oversight with respect to the Company's trading of fuel, transportation, energy and related products and services, regulatory compliance, and its management of the risks associated with such activities. The Company's Financial Risk Management Committee, a Committee comprised of senior management and key personnel in and around the commercial operations function, reports to the Commercial Operations Oversight Committee and Audit Committee on a regular basis.

The Compensation Committee monitors the risks related to our compensation policies and practices, with input from management and the Compensation Committee's independent outside compensation consultant, Frederic W. Cook & Co., Inc. (FWC). The Compensation Committee has

Table of Contents

reviewed the Company's compensation policies and practices to determine whether they subject the Company to unnecessary risk or could potentially motivate employees to take excessive risk. To assist the Compensation Committee in its assessment, the Company's Enterprise Risk Management team conducted a review of the Company's compensation policies and practices and reported to the Compensation Committee its findings as follows:

base salaries are a sufficient component of total compensation to discourage risk taking;

earnings goals under the Company's Annual Incentive Plan (AIP) are based upon its audited financial statements and the Company believes that the goals are attainable without the need to take inappropriate risks or make material changes to the Company's business or strategy;

named executive officers who receive payment under the AIP and Long-Term Incentive Plan (LTIP) may be required to reimburse the Company for all or a portion of the payment (commonly referred to as a clawback) if the Company must prepare an accounting restatement because it is in material noncompliance with any financial reporting requirements or in the case of fraud, embezzlement or other serious misconduct, which discourages risk taking;

Market Stock Unit awards under the LTIP are typically based upon total shareholder return over three-year periods, which mitigates risks associated with taking short-term risks;

because incentive compensation has a large stock component to it, the value is best realized through long-term appreciation of stockholder value, especially when coupled with the stock ownership guidelines, which expose the Company's named executive officers to the loss of the value of the retained equity if stock appreciation is jeopardized; and

the use of incentive compensation components that are paid or vest over an extended period also mitigates against unnecessary or excessive risk taking.

Furthermore, the Enterprise Risk Management team has continued to evaluate and review new or amended compensation policies or practices and has reported its findings to the Compensation Committee, which are consistent with the principles identified above.

As a result of the review, management and the Compensation Committee have concluded that the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Committee Membership

The Board has the following six standing Committees: Audit, Compensation, Governance and Nominating, Commercial Operations Oversight, Finance and Nuclear Oversight, which includes the Nuclear Oversight Subcommittee. The membership and the functions of each Committee are described below.

Table of Contents

Name of Director	Audit	Compensation	Governance and Nominating	Commercial Operations Oversight	Finance	Nuclear Oversight
Howard E. Cosgrove ⁽¹⁾						X ⁽³⁾
Edward R. Muller ⁽²⁾						X
E. Spencer Abraham		X				X ⁽⁶⁾
Kirbyjon H. Caldwell			X ⁽³⁾			X
John F. Chlebowski		X ⁽³⁾				X
Lawrence S. Coben					X ⁽³⁾	X
David Crane						X
Terry G. Dallas	X					X
William E. Hantke	X ⁽³⁾					X
Paul W. Hobby				X ⁽³⁾		X ⁽⁶⁾
Gerald Luteran					X	X
Kathleen A. McGinty					X	X ⁽⁵⁾
Anne C. Schaumburg	X			X		X
Evan J. Silverstein				X ⁽⁴⁾		X
Thomas H. Weidemeyer			X		X	X
Walter R. Young		X	X			X

X
= Committee Member

- (1) Chairman of the Board and designated as an "alternate member" of all Committees to replace any absent or disqualified members of a Committee
- (2) Vice Chairman of the Board and designated as an "alternate member" of all Committees to replace any absent or disqualified members of a Committee
- (3) Committee Chair
- (4) Committee Co-Chair
- (5) Chair of the Nuclear Oversight Subcommittee
- (6) Member of the Nuclear Oversight Subcommittee

Audit Committee

The Audit Committee represents and provides assistance to the Board with respect to matters involving the accounting, auditing, financial reporting, internal controls, and legal compliance functions of the Company and its subsidiaries, including assisting the Board in its oversight of the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the qualifications, independence, and performance of the Company's independent auditors, the performance of the Company's internal audit function, and effectiveness of the Company's financial risk management. Among other things, the Audit Committee:

appoints, retains, oversees, evaluates, and compensates the independent auditors;

reviews the annual audited and quarterly consolidated financial statements;

Table of Contents

reviews major issues regarding accounting principles and financial statement presentations;

reviews earnings press releases and earnings guidance provided to analysts and rating agencies;

reviews with the independent auditors the scope of the annual audit, and approves all audit and permitted nonaudit services provided by the independent auditors;

considers the adequacy and effectiveness of the Company's internal control and reporting system;

discusses policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the effectiveness of the Company's system for monitoring compliance with laws and regulations, and reviews the Company's tax policies and findings of regulatory agencies and independent auditors;

reports regularly to the Board regarding its activities and prepares and publishes required annual Committee reports;

establishes procedures for the receipt, retention, and treatment of complaints and concerns regarding accounting, internal accounting controls, or auditing matters;

oversees the internal audit and corporate compliance functions; and

annually evaluates the performance of the Audit Committee and the adequacy of its charter.

The Board has determined that all Audit Committee members are independent under the NYSE definition of independence for directors and audit committee members, and that all members of the Audit Committee are financially literate. In addition, the Board has determined that each of William Hantke and Terry Dallas qualify as "audit committee financial experts" within the meaning of SEC regulations. In calendar year 2012, the Audit Committee held six meetings. In calendar year 2013, the Audit Committee has held three meetings through March 1, 2013.

Compensation Committee

The Compensation Committee oversees the Company's overall compensation structure, policies, and programs. Among other things, the Compensation Committee:

reviews and recommends to the Board annual and long-term goals and objectives relevant to the compensation of the President and Chief Executive Officer, evaluates the performance of the President and Chief Executive Officer in light of those goals and objectives, and either as a committee with the Chairman of the Board or together with the other independent directors, determines and approves the President and Chief Executive Officer's compensation;

reports to the Board on the review of annual and long-term goals and objectives relevant to the compensation of the Chief Financial Officer, the Executive Vice Presidents and any other officer designated by the Board, the evaluation of those officers' performance in light of those goals and objectives, the determination and approval of compensation levels based on such evaluations and the review and approval of employment arrangements, severance arrangements and benefits plans;

reviews and recommends to the Board the compensation, incentive compensation and equity-based plans that are subject to Board approval;

reviews and approves stock incentive awards for executive officers other than the President and Chief Executive Officer;

makes recommendations regarding, and monitors compliance by officers and directors with, the Company's stock ownership guidelines;

Table of Contents

reviews the compensation of directors for service on the Board and its committees;

reviews and approves employment agreements and severance arrangements, benefit plans not otherwise subject to Board approval, and corporate goals and objectives for officers other than the President and Chief Executive Officer;

reviews and discusses with management the Compensation Discussion and Analysis (CD&A) to be included in the Company's proxy statement or annual report on Form 10-K, and based on such review and discussions, recommends to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K, as applicable;

evaluates any conflicts of interest and the independence of any outside advisors engaged by the Compensation Committee;

reviews and oversees the Company's overall compensation strategy, structure, policies, programs, risk profile and any stockholder advisory votes on the Company's compensation practices and assesses whether the compensation structure establishes appropriate incentives for management and employees; and

annually evaluates the performance of the Compensation Committee and the adequacy of its charter.

The Compensation Committee may delegate to one or more subcommittees such power and authority as the Compensation Committee deems appropriate. No subcommittee shall consist of fewer than two members, and the Compensation Committee shall not delegate to a subcommittee any power or authority that is required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole.

FWC serves as the independent consultant to the Compensation Committee to assist with executive compensation decisions.

The Board has determined that all Compensation Committee members are independent under the listing standards of the NYSE, and that they are "nonemployee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (Exchange Act) and "outside directors" for purposes of Section 162(m) of the Internal Revenue Code (Code). In calendar year 2012, the Compensation Committee held nine meetings. In calendar year 2013, the Compensation Committee has held two meetings through March 1, 2013.

Governance and Nominating Committee

The Governance and Nominating Committee recommends director candidates to the Board for election at the Annual Meeting of Stockholders, and periodically reviews the Guidelines and recommends changes to the Board. Among other things, the Governance and Nominating Committee also:

identifies and reviews the qualifications of potential nominees to the Board consistent with criteria approved by the Board, and assesses the contributions and independence of incumbent directors in determining whether to recommend them for re-election;

establishes and reviews procedures for the consideration of Board candidates recommended by the Company's stockholders;

makes recommendations to the Board concerning the structure, composition, and functioning of the Board and its committees;

reviews and assesses the channels through which the Board receives information, and the quality and timeliness of information received;

Table of Contents

reviews and recommends to the Board retirement and other tenure policies for directors;

reviews and approves Company policies applicable to the Board, the directors and officers subject to Section 16 of the Exchange Act;

reviews and reports to the Board regarding potential conflicts of interests of directors;

recommends to the Board director candidates for the annual meeting of stockholders, and candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;

oversees the evaluation of the Board, its committees and management and annually reviews the Company's senior management succession plans;

monitors directorships in other public companies held by directors and senior officers of the Company; and

annually evaluates the performance of the Governance and Nominating Committee and the appropriateness of its charter.

The Governance and Nominating Committee is responsible for identifying individuals that the Committee believes are qualified to become Board members in accordance with criteria set forth in the Guidelines. These criteria include an individual's business experience and skills, independence, judgment, integrity, and ability to commit sufficient time and attention to the activities of the Board. The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all Board members. While the Company does not have a formal diversity policy, the Guidelines, since their adoption in 2004, provide that the Committee will consider these criteria in the context of the perceived needs of the Board as a whole and seek to achieve a diversity of backgrounds and perspectives on the Board. The composition of the current Board reflects diversity in business and professional experience, skills, gender and race.

The Governance and Nominating Committee's process for identifying and evaluating director nominees also includes consultation with all directors, solicitation of proposed nominees from all directors, the engagement of one or more professional search firms, if deemed appropriate, interviews with prospective nominees by the Committee (and other directors, if deemed appropriate) and recommendations regarding qualified candidates to the full Board.

The Governance and Nominating Committee will consider nominations by stockholders who recommend candidates for election to the Board. A stockholder seeking to recommend a prospective candidate for the Committee's consideration may do so by writing to the Corporate Secretary, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540. Recommendations submitted for consideration by the Committee in preparation for the 2014 Annual Meeting of Stockholders must be received no later than the close of business on November 14, 2013, which is the 120th day prior to the first anniversary of the date on which this Proxy Statement was first released to our stockholders in connection with the 2013 Annual Meeting. If we change the date of the 2014 Annual Meeting of Stockholders by more than 30 days from the anniversary of this year's Annual Meeting, recommendations of director candidates must be received a reasonable time before we begin to print and mail the proxy materials for the 2014 Annual Meeting. Each notice of recommendation must contain the following information: (a) the name and address of the stockholder; (b) the name and address of the person to be nominated; (c) a representation that the stockholder is a holder of the Company's stock entitled to vote at the meeting; (d) a statement in support of the stockholder's recommendation, including a description of the candidate's qualifications; (e) information regarding the candidate that would be required to be included in a proxy statement filed in accordance with the rules of the SEC; and (f) the candidate's written, signed consent to serve if elected. The Governance and

Table of Contents

Nominating Committee will follow the process described above in considering nominees proposed by stockholders in accordance with the foregoing requirements.

Alternatively, as discussed under "Requirements for Submission of Stockholder Proposals for Next Year's Annual Meeting," stockholders intending to appear at the 2014 Annual Meeting of Stockholders in order to nominate a candidate for election by the stockholders at the meeting (in cases where the Board does not intend to nominate the candidate or where the Governance and Nominating Committee was not requested to consider his or her candidacy) must comply with the procedures in the Company's Bylaws, a copy of which is available upon request to the Company's Corporate Secretary.

The Board and each of the Audit Committee, Compensation Committee, Governance and Nominating Committee, Commercial Operations Oversight Committee, Finance Committee and Nuclear Oversight Committee and Subcommittee conduct annual self-evaluations to assess their effectiveness and review their charters. Individual directors are also evaluated by the Board. The Governance and Nominating Committee coordinates each of these annual evaluations.

The Board has determined that all Governance and Nominating Committee members are independent under the listing standards of the NYSE. In calendar year 2012, the Governance and Nominating Committee held six meetings. In calendar year 2013, the Governance and Nominating Committee has held two meetings through March 1, 2013.

Commercial Operations Oversight Committee

The Commercial Operations Oversight Committee assists the Board in fulfilling its responsibilities with respect to the oversight of trading, power marketing and risk management issues at the Company. The Commercial Operations Oversight Committee consists of at least three directors, a majority of which are independent as defined under the listing standards of the NYSE and as affirmatively determined by the Board. No member of the Commercial Operations Oversight Committee may be removed except by majority vote of the independent directors then in office.

The Commercial Operations Oversight Committee's duties and responsibilities consist of the following:

providing Board oversight of the trading and power marketing of the Company;

reviewing, advising and consulting with management and the Audit Committee regarding the Company's risk management policies, practices and procedures;

approving as appropriate, the Company's power marketing and trading transactions, limits, policies, practices and procedures, and counterparty credit limit and policies, and approving exceptions to policies, as necessary;

annually evaluating the performance of the Committee and the appropriateness of the Committee's charter; and

performing such other responsibilities as may be delegated to it by the Board from time to time that are consistent with its purpose.

In calendar year 2012, the Commercial Operations Oversight Committee held five meetings. In calendar year 2013, the Commercial Operations Oversight Committee has held one meeting through March 1, 2013.

Finance Committee

The Finance Committee reviews and approves certain financial development transactions, and provides leadership and guidance to the Board and the Company on matters related to such transactions. The Finance Committee consists of at least three directors, a majority of which are

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Table of Contents

independent as defined under the listing standards of the NYSE and as affirmatively determined by the Board. No member of the Finance Committee may be removed except by majority vote of the independent directors of the Board then in office.

The Finance Committee's duties and responsibilities consist of the following:

review, report and make recommendations to the Board on management recommendations or proposals regarding the Company's and its subsidiaries' (i) capital structure, (ii) liquidity, (iii) need for credit or debt or equity financing, (iv) amounts, timing and sources of capital market transactions, and (v) financial hedging and derivative activities;

review and approve, or authorize officers to approve, the pricing and other terms and conditions of transactions relating to debt or equity financings, financial hedging and derivatives activities, and other similar financial activities, in each case which have been reviewed and approved by the Board;

review and approve, or authorize officers to approve, equity investments, sales of equity interests, joint venture arrangements, commercial and construction arrangements, financing transactions, provision of guarantees or other credit or liquidity support, and other arrangements related to the development, construction and operation of new power generation facilities and the repowering or addition of new units to existing power generation, thermal or other energy producing facilities, in each case which have been discussed with or reviewed by the Board;

review and approve, or authorize officers to approve, repurchases, early redemption or other similar actions with respect to the Company's securities;

review and approve, or authorize officers to approve, the pricing and other terms and conditions of financing transactions related to mergers, acquisitions, tender offers, and reorganizations which have been reviewed and approved by the Board;

review and approve, or authorize officers to approve, the pricing and other terms and conditions of securities offerings which have been reviewed and approved by the Board;

approve determinations of the fair market value of assets and investments of the Company for purposes of the Company's note indentures, senior secured credit agreement or other similar financing documents where fair market value is required to be determined by the Board or by a Committee of the Board;

review with management, on a periodic basis, contributions to employee benefit retirement plans of the Company, investment performance, funding, asset allocation policies and other similar performance measures of the employee benefit retirement plans of the Company;

review and approve other matters that may be delegated by the Board; and

perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board deems appropriate.

The Finance Committee held six meetings in calendar year 2012. In calendar year 2013, the Finance Committee has held one meeting through March 1, 2013.

Nuclear Oversight Committee

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The Nuclear Oversight Committee assists the Board in fulfilling its responsibilities with respect to the oversight of the Company's ownership and operation, directly or indirectly, of its interests in nuclear power plant facilities. The Nuclear Oversight Committee consists of all of the members of the Board, all of whom are citizens of the United States and meet the requirements of applicable law to serve on the Committee, a majority of which are independent as defined under the listing standards of

Table of Contents

the NYSE and as affirmatively determined by the Board. The Nuclear Oversight Committee formed the Nuclear Oversight Subcommittee to review and report to the Board and the Nuclear Oversight Committee on matters not expressly reserved for review by the Board. In this capacity, the Nuclear Oversight Subcommittee regularly meets with Company management regarding the Company's nuclear operating facilities and the Chair of the Subcommittee subsequently reports to the Board and the Nuclear Oversight Committee on such matters during the regularly scheduled Board meetings. In calendar year 2012, the Nuclear Oversight Subcommittee held two meetings and the Nuclear Oversight Committee held one meeting. In calendar year 2013, neither the Nuclear Oversight Subcommittee nor the Nuclear Oversight Committee has held a meeting through March 1, 2013.

Review, Approval or Ratification of Transactions with Related Persons

The Board has adopted written policies and procedures to address potential or actual conflicts of interest and the appearance that decisions are based on considerations other than the best interests of NRG that may arise in connection with transactions with certain persons or entities (Policy). The Policy operates in conjunction with NRG's Code of Conduct and is applicable to all transactions, arrangements or relationships in which: (a) the aggregate amount involved will or may be expected to exceed \$50,000 in any calendar year; (b) the Company is a participant; and (c) any Related Person (as that term is defined in Item 404 under Regulation S-K of the Securities Act of 1933, as amended) has or will have a direct or indirect interest (Related Person Transaction).

A Related Person Transaction is subject to review and approval or ratification by the Governance and Nominating Committee. If the aggregate amount involved is expected to be less than \$500,000, the transaction may be approved or ratified by the Chair of the Committee. As part of its review of each Related Person Transaction, the Governance and Nominating Committee will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than the terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction. This Policy also provides that certain transactions, based on their nature and/or monetary amount, are deemed to be pre-approved or ratified by the Committee and do not require separate approval or ratification.

Transactions involving ongoing relationships with a Related Person will be reviewed and assessed at least annually by the Committee to ensure that such Related Person Transactions remain appropriate and in compliance with the Committee's guidelines. The Committee's activities with respect to the review and approval or ratification of all Related Person Transactions are reported periodically to the Board.

There were no Related Person Transactions for the year ended December 31, 2012.

Communication with Directors

Stockholders and other interested parties may communicate with the Board by writing to the Corporate Secretary, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540. Communications intended for a specific director or directors should be addressed to their attention to the Corporate Secretary at the address provided above. Communications received from stockholders are forwarded directly to Board members as part of the materials mailed in advance of the next scheduled Board meeting following receipt of the communications. The Board has authorized the Corporate Secretary, in his or her discretion, to forward communications on a more expedited basis if circumstances warrant or to exclude a communication if it is illegal, unduly hostile or threatening, or similarly inappropriate. Advertisements, solicitations for periodical or other subscriptions, and other similar communications generally will not be forwarded to the directors.

Table of Contents

PROPOSALS TO BE VOTED ON

PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the 2012 Annual Meeting of Stockholders, the stockholders approved, as recommended by the Board, the Amendment to eliminate the Board's classified structure over time. The Amendment was filed with the Secretary of State of the State of Delaware on May 1, 2012. Directors who were elected to three-year terms prior to the filing of the Amendment (including directors elected at the 2012 Annual Meeting of Stockholders which were the Class III directors) will complete their three-year terms. As a result of the Amendment, beginning with the election of directors at this Annual Meeting, director classes will be elected to one-year terms. After this Annual Meeting, the Board will be divided into two classes of directors, Class I and Class II. The directors who were members of Class II immediately prior to the Annual Meeting will be added to Class I with terms unchanged that will expire in 2014. The directors who were members of Class III immediately prior to the Annual Meeting will become members of Class II with terms to expire in 2015. As a result, beginning with the Annual Meeting of Stockholders in 2015, all directors will stand for election annually. In all cases, each director will hold office until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal.

On April 26, 2012, Mr. Cropper resigned from the Board, and on September 7, 2012, Mr. Tate resigned from the Board. As a result, the Board was reduced to 12 directors. On December 14, 2012, NRG completed a merger with GenOn Energy, Inc. Effective at the time of the merger, NRG's Board was increased to 16 directors, with the four new directors being appointed as follows: Secretary Abraham was appointed a Class III director, Mr. Dallas was appointed as a Class II director, Mr. Muller was appointed a Class II director and will serve as Vice Chairman of the Board and Mr. Silverstein was appointed a Class I director.

Each of the nominees for director named in this Proxy Statement have been recommended and nominated by the Governance and Nominating Committee. The persons named as proxies on the proxy card intend to vote the proxies for the election of the nominees listed below to the Board. Each nominee listed below has consented to being named in this Proxy Statement and to serve as a director if elected. The biography for each director includes the specific experience, qualifications, attributes and skills that led the Board to conclude that the nominee should serve as a director. The Board believes that each of the directors has valuable individual skills and experiences that, taken together, provide the Company with the variety and depth of knowledge, judgment and vision necessary to provide effective oversight of the Company.

Table of Contents

Nominees for Director (Class I Directors)

Class I Directors (Terms expire in 2014)

As a result of the Amendment, the following directors are being nominated for a one-year term, and will be elected annually after the Annual Meeting. Each director will hold office until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal.

Kirbyjon H. Caldwell

Age 59

Governance and Nominating Committee (Chair)

Nuclear Oversight Committee

Pastor Caldwell has been a director of NRG since March 2009. He was a director of Reliant Energy, Inc. from August 2003 to March 2009. Since 1982, he has served as Senior Pastor at the 16,000-member Windsor Village United Methodist Church in Houston, Texas. Pastor Caldwell was also a director of United Continental Holdings, Inc. (formerly Continental Airlines, Inc.) from 1999 to September 2011.

As a result of his six years of service as a director of Reliant Energy, Inc., Pastor Caldwell brings valuable experience and insight regarding the energy industry and is able to share with the Board suggestions about how similarly-situated companies effectively assess and undertake business considerations and opportunities. Pastor Caldwell also provides the Board with valuable insight regarding the Company's retail business following the Company's acquisition of Reliant Energy, as well as additional viewpoints from the perspective of a large publicly traded company stemming from his prior position on the board of United Continental Holdings. The Board also values his leadership and community involvement in the Houston area, where the Company has a significant wholesale and retail presence. Finally, Pastor Caldwell, as a result of his principal occupation, offers a different point of view on a Board that is otherwise constituted by directors with business and finance experience.

David Crane

Age 54

Nuclear Oversight Committee

Mr. Crane has served as the President, Chief Executive Officer and a director of NRG since December 2003. Prior to joining NRG, Mr. Crane served as Chief Executive Officer of International Power plc, a UK-domiciled wholesale power generation company, from January 2003 to November 2003, and as Chief Operating Officer from March 2000 through December 2002. Mr. Crane was Senior Vice President Global Power New York at Lehman Brothers Inc., an investment banking firm, from January 1999 to February 2000, and was Senior Vice President Global Power Group, Asia (Hong Kong) at Lehman Brothers from June 1996 to January 1999. Mr. Crane was also a director of El Paso Corporation from December 2009 to May 2012.

As Chief Executive Officer of the Company, Mr. Crane provides the Board with management's perspective regarding the Company's day-to-day operations and overall strategic plan. His extensive leadership experience enables Mr. Crane to play a key role in all matters involving our Board and act as the head of management to the independent directors of the Board. In addition, having recently served as a director of El Paso Corporation, Mr. Crane is able to contribute an additional perspective from the energy industry.

Table of Contents

Kathleen A. McGinty

Age 49

Finance Committee

Nuclear Oversight Committee

Nuclear Oversight Subcommittee (Chair)

Ms. McGinty has been a director of NRG since October 2008. Most recently, Ms. McGinty served as Secretary of the Pennsylvania Department of Environmental Protection (DEP), a position she held from 2003 until July 2008. Before joining the DEP, Ms. McGinty spent six years in the Clinton White House, where she was chair of the White House Council on Environmental Quality and earlier served as a senior environmental advisor to Vice President Al Gore. She also served as Secretary of the Board of Trustees at Saint Joseph's University in Pennsylvania and is the former Chair of the Pennsylvania Energy Development Authority. Ms. McGinty is also an operating partner of Element Partners, an investor in the clean technology sector. Ms. McGinty is also a director of Iberdrola USA. Recently, Ms. McGinty joined Weston Solutions, Inc. as Senior Vice President and Managing Director for Strategic Growth. Weston is an environmental engineering and remediation firm.

Ms. McGinty's experience and leadership in the clean energy sector, as well as with the DEP and as an environmental advisor, provide a perspective into climate change legislation and environmental awareness that is increasingly central to the Company as it develops, refines and implements its forward strategy. Furthermore, her experiences in high-level government positions enable Ms. McGinty to bring significant insights into government mindset and processes in an environment where most major projects embarked upon by the Company are, to some degree at least, a public/private partnership.

Evan J. Silverstein

Age 58

Commercial Operations Oversight Committee (Co-Chair)

Nuclear Oversight Committee

Mr. Silverstein has been a director of NRG since December 2012. Previously, he served as a director of GenOn Energy, Inc. from August 2006 to December 2012. He served as General Partner and Portfolio Manager of SILCAP LLC, a market-neutral hedge fund that principally invests in utilities and energy companies, from January 1993 until his retirement in December 2005. Previously, he served as portfolio manager specializing in utilities and energy companies and as senior equity utility analyst. Mr. Silverstein has given numerous speeches and has testified before Congress on a variety of energy-related issues. He is an audit committee financial expert.

These experiences, Mr. Silverstein's extensive industry knowledge and his success as the head of a major investment fund in the utility and merchant power sector bring an important perspective to our Board. In addition, Mr. Silverstein's service as a director of GenOn Energy, Inc. enables him to provide the Board significant integration, managerial, strategic, and financial oversight.

Table of Contents

Thomas H. Weidemeyer

Age 65

Finance Committee

Governance and Nominating Committee

Nuclear Oversight Committee

Mr. Weidemeyer has been a director of NRG since December 2003. Until his retirement in December 2003, Mr. Weidemeyer served as Director, Senior Vice President and Chief Operating Officer of United Parcel Service, Inc., the world's largest transportation company and President of UPS Airlines. Mr. Weidemeyer became Manager of the Americas International Operation in 1989, and in that capacity directed the development of the UPS delivery network throughout Central and South America. In 1990, Mr. Weidemeyer became Vice President and Airline Manager of UPS Airlines and, in 1994, was elected its President and Chief Operating Officer. Mr. Weidemeyer became Senior Vice President and a member of the Management Committee of United Parcel Service, Inc. that same year, and he became Chief Operating Officer of United Parcel Service, Inc. in January 2001. Mr. Weidemeyer also serves as a director of The Goodyear Tire & Rubber Co., Waste Management, Inc. and Amsted Industries Incorporated.

Mr. Weidemeyer's executive management experience with a logistics company involving extensive supply chain management brings important skills highly valued both by the Company itself and by its Board of Directors. In addition, Mr. Weidemeyer's service on other boards gives him a direct insight into best practices that is valuable to our Board.

**The Board recommends a vote "FOR" the election to the Board of each of the foregoing nominees.
Proxies solicited by the Board will be voted "FOR" each of the nominees
unless a contrary vote is specified.**

Directors Continuing in Office

Information regarding NRG's directors continuing in office is provided below.

Class II Directors (Terms expire in 2014)

As a result of the Amendment, after the Annual Meeting, the following directors will be moved from Class II to a newly designated Class I, without revising their terms of election. Accordingly, their terms would not expire until the Annual Meeting of Stockholders in 2014 at which time such directors would be eligible for election to a one-year term. Thereafter, beginning with the Annual Meeting of Stockholders in 2015, all directors will stand for election annually. In all cases, each director will hold office until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal.

Table of Contents

Lawrence S. Coben

Age 54

Finance Committee (Chair)

Nuclear Oversight Committee

Dr. Coben has been a director of NRG since December 2003. He is currently Chairman and Chief Executive Officer of Tremisis Energy Corporation LLC. Dr. Coben was Chairman and Chief Executive Officer of Tremisis Energy Acquisition Corporation II, a publicly held company from July 2007 through March 2009 and of Tremisis Energy Acquisition Corporation from February 2004 to May 2006. From January 2001 to January 2004, he was a Senior Principal of Sunrise Capital Partners L.P., a private equity firm. From 1997 to January 2001, Dr. Coben was an independent consultant. From 1994 to 1996, he was Chief Executive Officer of Bolivian Power Company. Dr. Coben is also Executive Director of the Sustainable Prevention Initiative and a Consulting Scholar at the University of Pennsylvania Museum of Archaeology and Anthropology.

Dr. Coben's experience as a chief executive officer and investor in the energy industry brings a valuable cross section of skills to the Board. Dr. Coben brings to the Board significant managerial, strategic, and financial expertise, particularly as it relates to Company financings, transactions and development initiatives.

Terry G. Dallas

Age 62

Audit Committee

Nuclear Oversight Committee

Mr. Dallas has been a director of NRG since December 2012. Previously, he served as a director of GenOn Energy, Inc. from December 2010 to December 2012. Mr. Dallas served as a director of Mirant Corporation from 2006 until December 2010. Mr. Dallas was also the former Executive Vice President and Chief Financial Officer of Unocal Corporation, an oil and gas exploration and production company prior to its merger with Chevron Corporation, from 2000 to 2005. Prior to that, Mr. Dallas held various executive finance positions in his 21-year career with Atlantic Richfield Corporation, an oil and gas company with major operations in the United States, Latin America, Asia, Europe and the Middle East.

Mr. Dallas is an audit committee financial expert. Mr. Dallas' experience as Chief Financial Officer of a petroleum company provides the Board a perspective of someone with direct responsibility for financial and accounting issues as well as an understanding of issues involving fossil fuels and a cyclical commodity-based industry with long-lived capital intensive investments. In addition, Mr. Dallas' service on the boards of GenOn Energy, Inc. and Mirant Corporation enable him to contribute additional perspectives from the energy industry.

Table of Contents

Paul W. Hobby

Age 52

Commercial Operations Oversight Committee (Chair)

Nuclear Oversight Committee

Nuclear Oversight Subcommittee

Mr. Hobby has been a director of NRG since March 2006. Mr. Hobby is the Managing Partner of Genesis Park, L.P., a Houston-based private equity business specializing in technology and communications investments which he helped to form in 2000. In that capacity, he serves as the Chief Executive Officer of Alpheus Communications, Inc., a Texas wholesale telecommunications provider, and as Former Chairman of CapRock Services Corp., the largest provider of satellite services to the global energy business. From November 1992 until January 2001, he served as Chairman and Chief Executive Officer of Hobby Media Services and was Chairman of Columbine JDS Systems, Inc. from 1995 until 1997. He was an Assistant U.S. Attorney for the Southern District of Texas from 1989 to 1992, Chief of Staff to the Lieutenant Governor of Texas, Bob Bullock, in 1991 and an Associate at Fulbright & Jaworski from 1986 to 1989. Mr. Hobby is also a director of Stewart Information Services Corporation (Stewart Title).

Mr. Hobby joined the Board following the Company's acquisition of Texas Genco, LLC in which he served on its board of directors, and as a result brings historical and present context to the Company's ongoing business endeavors in the Texas region. The Board also values his entrepreneurial and financial expertise in evaluating the Company's growth initiatives, as well as his involvement in the Houston and greater Texas community, which is the Company's principal market.

Gerald Luterman

Age 69

Finance Committee

Nuclear Oversight Committee

Mr. Luterman has been a director of NRG since April 2009. He also served as Interim Chief Financial Officer of the Company from November 2009 through May 2010. Mr. Luterman was Executive Vice President and Chief Financial Officer of KeySpan Corporation from August 1999 to September 2007. Prior to this time, Mr. Luterman had more than 30 years of experience in senior financial positions with companies including American Express, Booz Allen & Hamilton, Emerson Electric Company and Arrow Electronics. Mr. Luterman also served as a director of IKON Office Solutions, Inc. from November 2003 until August 2008 and U.S. Shipping Partners L.P. from May 2006 until November 2009.

Mr. Luterman brings extensive experience in the energy industry as a result of his employment at KeySpan Corporation, which is further complemented by his financial expertise as the former chief financial officer. Mr. Luterman's finance and accounting background is a valuable asset to the Board, and particularly the Finance Committee. In addition, Mr. Luterman's service as the Company's Interim Chief Financial Officer of the Company from November 2009 through May 2010 gave him valuable insights into the operations of the Company and its management.

Table of Contents

Edward R. Muller

Age 60

Vice Chairman of the Board

Nuclear Oversight Committee

Mr. Muller has served as Vice Chairman of the Board and a director of NRG since December 2012. Previously, he served as the Chairman and Chief Executive Officer of GenOn Energy, Inc. from December 2010 to December 2012. He also served as President of GenOn Energy, Inc. from August 2011 to December 2012. Prior to that, Mr. Muller served as the Chairman, President and Chief Executive Officer of Mirant Corporation from 2005 to December 2010. He served as President and Chief Executive Officer of Edison Mission Energy, a California-based independent power producer from 1993 to 2000. Mr. Muller is also a director of Transocean Ltd.

Mr. Muller's experience as a chief executive provides him with deep knowledge of the challenges and opportunities faced by a larger company. With over 20 years of energy industry experience, Mr. Muller is very qualified to provide essential insight and guidance to our Board.

Walter R. Young

Age 68

Compensation Committee

Governance and Nominating Committee

Nuclear Oversight Committee

Mr. Young has been a director of NRG since December 2003. From May 1990 to June 2003, Mr. Young was Chairman, Chief Executive Officer and President of Champion Enterprises, Inc., an assembler and manufacturer of manufactured homes. Mr. Young has held senior management positions with The Henley Group, The Budd Company and BFGoodrich.

Mr. Young brings a wide array of experience, expertise and points of view to the Board as a result of his service as a former chief executive officer of a large public company outside of the energy sector and his involvement in numerous private start-up businesses, buy-outs and later stage investments. Mr. Young's skills in corporate finance and accounting matters enable him to be a valuable asset to the Governance and Nominating and Compensation Committees.

Class III Directors (Terms expire in 2015)

As a result of the Amendment, after the Annual Meeting, the following directors will be moved from Class III to a newly designated Class II, without revising their terms of election. Accordingly, their terms would not expire until the Annual Meeting of Stockholders in 2015 at which time such directors would be eligible for election to a one-year term. Thereafter, beginning with the Annual Meeting of Stockholders in 2015, all directors will stand for election annually. In all cases, each director will hold office until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal.

Table of Contents

E. Spencer Abraham

Age 60

Compensation Committee

Nuclear Oversight Committee

Nuclear Oversight Subcommittee

Secretary Abraham has been a director of NRG since December 2012. Previously, he served as a director of GenOn Energy, Inc. from January 2012 to December 2012. He is Chairman and Chief Executive Officer of The Abraham Group, an international strategic consulting firm based in Washington, D.C. which he founded in 2005. Prior to that, Secretary Abraham served as Secretary of Energy under President George W. Bush from 2001 through January 2005 and was a U.S. Senator for the State of Michigan from 1995 to 2001. Secretary Abraham serves on the board of Occidental Petroleum Corporation, PBF Energy and the following private companies: C3 Energy Resource Management and Sindicatum Sustainable Resources. Secretary Abraham also serves as chairman of the advisory committee of Lynx Global Realty Asset Fund and Uranium Energy Corporation. Secretary Abraham previously served as the non-executive chairman of AREVA, Inc., the U.S. subsidiary of the French-owned nuclear company, and as a director of Deepwater Wind LLC, International Battery, Green Rock Energy, ICx Technologies and PetroTiger. He also previously served on the advisory board or committees of Midas Medici (Utilipoint), Millennium Private Equity, Sunovia and Wetherly Capital.

Secretary Abraham's nearly two decades at the highest levels of domestic and international policy and politics give him the experience necessary to provide a significant contribution to the Board. As a former U.S. Senator and former U.S. Secretary of Energy who directed key aspects of the country's energy strategy, Secretary Abraham provides the Board unique insight into public policy and energy-related issues.

John F. Chlebowski

Age 67

Compensation Committee (Chair)

Nuclear Oversight Committee

Mr. Chlebowski has been a director of NRG since December 2003. Mr. Chlebowski served as the President and Chief Executive Officer of Lakeshore Operating Partners, LLC, a bulk liquid distribution firm, from March 2000 until his retirement in December 2004. From July 1999 until March 2000, Mr. Chlebowski was a senior executive and cofounder of Lakeshore Liquids Operating Partners, LLC, a private venture firm in the bulk liquid distribution and logistics business, and from January 1998 until July 1999, he was a private investor and consultant in bulk liquid distribution. From 1994 until 1997, he was the President and Chief Executive Officer of GATX Terminals Corporation, a subsidiary of GATX Corporation. Prior to that, he served as Vice President of Finance and Chief Financial Officer of GATX Corporation from 1986 to 1994. Mr. Chlebowski is a director of First Midwest Bancorp Inc. and the Non-Executive Chairman of SemGroup Corporation. Mr. Chlebowski also served as a director of Laidlaw International, Inc. from June 2003 until October 2007, SpectraSite, Inc. from June 2004 until August 2005, and Phosphate Resource Partners Limited Partnership from June 2004 until August 2005.

Mr. Chlebowski's extensive leadership and financial expertise, as a result of his position as a former chief executive officer and chief financial officer and his service on several boards of companies involved in the restructuring or recovery of their core business, enable him to contribute to the Board significant managerial, strategic, and financial oversight skills. Furthermore, Mr. Chlebowski's service on other public boards, notably as a non-executive Chairman, provides valuable insight into the application of various governance principles to the Company's Board.

Table of Contents

Howard E. Cosgrove

Age 69

Chairman of the Board

Nuclear Oversight Committee (Chair)

Mr. Cosgrove has served as Chairman of the Board and a director of NRG since December 2003. He was Chairman and Chief Executive Officer of Conectiv and its predecessor Delmarva Power and Light Company from December 1992 to August 2002. Prior to December 1992, Mr. Cosgrove held various positions with Delmarva Power and Light including Chief Operating Officer and Chief Financial Officer. Mr. Cosgrove serves on the Board of Trustees of the University of Delaware and previously served as Chairman.

Mr. Cosgrove brings extensive experience and expertise from the utility industry as a result of his service as chief executive officer of Conectiv and Delmarva Power and Light Company, which not only translates into effective leadership as Chairman of the Board, but enables him to share with the Board and management suggestions about how more traditional power companies (many of which NRG seeks to partner with, or sell power to) effectively assess and undertake business considerations and opportunities.

William E. Hantke

Age 65

Audit Committee (Chair)

Nuclear Oversight Committee

Mr. Hantke has been a director of NRG since March 2006. Mr. Hantke served as Executive Vice President and Chief Financial Officer of Premcor, Inc., a refining company, from February 2002 until December 2005. Mr. Hantke was Corporate Vice President of Development of Tosco Corporation, a refining and marketing company, from September 1999 until September 2001, and he also served as Corporate Controller from December 1993 until September 1999. Prior to that position, he was employed by Coopers & Lybrand as Senior Manager, Mergers and Acquisitions from 1989 until 1990. He also held various positions from 1975 until 1988 with AMAX, Inc., including Corporate Vice President, Operations Analysis and Senior Vice President, Finance and Administration, Metals and Mining. He was employed by Arthur Young from 1970 to 1975 as Staff/Senior Accountant. Mr. Hantke was Non-Executive Chairman of Process Energy Solutions, a private alternative energy company until March 31, 2008 and served as director and Vice-Chairman of NTR Acquisition Co., an oil refining start-up, until January 2009.

Mr. Hantke joined the Board following the Company's acquisition of Texas Genco, LLC, in which he served on the board of directors, and as a result brings historical and present context to the Company's ongoing business endeavors in the Texas region. Furthermore, Mr. Hantke's extensive experience in executive management positions in the independent refining industry, considered by many to be a similar industry to the IPP sector, and as a director of public and nonpublic boards enables him to provide the Board significant managerial, strategic, and financial oversight. As a result, his fellow directors have elected him as Chair of the Company's Audit Committee and determined that he is an "audit committee financial expert" as defined by SEC rules.

Table of Contents

Anne C. Schaumburg

Age 63

Audit Committee

Commercial Operations Oversight Committee

Nuclear Oversight Committee

Ms. Schaumburg has been a director of NRG since April 2005. From 1984 until her retirement in January 2002, she was employed by Credit Suisse First Boston in the Global Energy Group, where she last served as Managing Director. From 1979 to 1984, she was in the Utilities Group at Dean Witter Financial Services Group, where she last served as Managing Director. From 1971 to 1978, she was at The First Boston Corporation in the Public Utilities Group. Ms. Schaumburg is also a director of Brookfield Infrastructure Partners L.P.

Ms. Schaumburg brings extensive financial experience and expertise to the Board which is valuable to the review of the Company's financings, transactions, and overall financial oversight. In addition, Ms. Schaumburg is able to provide the Board with essential insight into the financial services industry and financial markets.

Table of Contents

PROPOSAL NO. 2

**APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF NRG'S NAMED
EXECUTIVE OFFICERS**

Under Section 14A of the Exchange Act, the stockholders of NRG are entitled to vote at this year's Annual Meeting to approve the compensation of the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K.

As described more fully in the CD&A, NRG's executive compensation program is designed to attract, retain and reward top executive talent. The intent of NRG's compensation program is to reward the achievement of the Company's annual goals and objectives while supporting the Company's long-term business strategy.

This proposal, commonly known as a "say on pay" proposal, gives stockholders the opportunity to express their views on NRG's named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers as described in this Proxy Statement. Accordingly, the Board recommends that stockholders vote in favor of the following resolution:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED."

The say on pay vote is advisory and therefore not binding on the Company, the Board or the Compensation Committee. However, the Board and the Compensation Committee value the opinions of the stockholders and to the extent there is a significant number of votes against the named executive officer compensation as disclosed in this Proxy Statement, stockholders' concerns will be considered and the Board and the Compensation Committee will evaluate actions necessary to address those concerns.

The Board recommends a vote "FOR" the approval of the compensation of the Company's named executive officers as disclosed in this Proxy Statement. Proxies solicited by the Board will be voted "FOR" the approval of the compensation of the named executive officers unless a contrary vote is specified.

Table of Contents

PROPOSAL NO. 3

**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL
YEAR 2013**

The Audit Committee appointed the firm of KPMG LLP, an independent registered public accounting firm, to audit the consolidated financial statements of the Company and its subsidiaries for fiscal year 2013 at a meeting held in February. If the stockholders do not ratify the appointment of KPMG LLP, the Audit Committee will reconsider its selection. Representatives of KPMG LLP are expected to attend the Annual Meeting where they will be available to respond to questions and, if they desire, to make a statement.

The Audit Committee first engaged KPMG LLP as the Company's independent registered public accounting firm on May 24, 2004.

The Board recommends a vote "FOR" the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year 2013. Proxies solicited by the Board will be voted "FOR" ratification unless a contrary vote is specified.

Table of Contents

EXECUTIVE OFFICERS

Our executive officers are elected by the Board annually to hold office until their successors are elected and qualified. The biographical information for each of the executive officers is provided below.

David Crane

Age 54

President and Chief Executive Officer

For biographical information for David Crane, see "Nominees for Director (Class I Directors)."

Kirkland Andrews

Age 45

Executive Vice President and Chief Financial Officer

Mr. Andrews has served as Executive Vice President and Chief Financial Officer of NRG since September 2011. Prior to joining NRG, he served as Managing Director and Co-Head Investment Banking, Power and Utilities Americas at Deutsche Bank Securities from June 2009 to September 2011. Prior to this, he served in several capacities at Citigroup Global Markets Inc., including Managing Director, Group Head, North American Power from November 2007 to June 2009, and Head of Power M&A, Mergers and Acquisitions from July 2005 to November 2007. In his banking career, Mr. Andrews led multiple large and innovative strategic, debt, equity and commodities transactions.

Mauricio Gutierrez

Age 42

Executive Vice President and Chief Operating Officer

Mr. Gutierrez has served as Executive Vice President and Chief Operating Officer since July 2010. In this capacity, Mr. Gutierrez oversees NRG's Plant Operations, Commercial Operations, Environmental Compliance, as well as the Engineering, Procurement and Construction division. He previously served as Executive Vice President, Commercial Operations, from January 2009 to July 2010 and Senior Vice President, Commercial Operations, from March 2008 to January 2009. In this capacity, he was responsible for the optimization of the Company's asset portfolio and fuel requirements. Prior to this, Mr. Gutierrez served as Vice President Commercial Operations Trading from May 2006 to March 2008. Prior to joining NRG in August 2004, Mr. Gutierrez held various positions within Dynegy, Inc., including Managing Director, Trading Southeast and Texas, Senior Trader East Power and Asset Manager. Prior to Dynegy, Mr. Gutierrez served as senior consultant and project manager at DTP involved in various energy and infrastructure projects in Mexico.

David R. Hill

Age 49

Executive Vice President and General Counsel

Mr. Hill has served as Executive Vice President and General Counsel since September 2012. Prior to joining NRG, Mr. Hill was a partner and co-head of Sidley Austin LLP's global energy practice group. Prior to this, Mr. Hill served as General Counsel of the U.S. Department of Energy from August 2005 to January 2009 and, for the three years prior to that, as Deputy General Counsel for Energy Policy of the U.S. Department of Energy. Before his federal government service, Mr. Hill was a partner in major law firms in Washington, D.C. and Kansas City, Missouri, and handled a variety of regulatory, litigation and corporate matters. He received his law degree from Northwestern University School of Law in Chicago.

Table of Contents

John W. Ragan

Age 53

Executive Vice President and Regional President, Gulf Coast

Mr. Ragan has served as Executive Vice President and Regional President, Gulf Coast since July 2010. In this capacity, Mr. Ragan is responsible for managing NRG's largest regional power generation portfolio, totaling over 16,000 megawatts of power in the Gulf Coast Region and NRG's retail electric provider, Reliant Energy. He previously served as Executive Vice President and Chief Operating Officer from February 2009 to July 2010, overseeing NRG's Plant Operations, Commercial Operations, Environmental Compliance, as well as the Engineering, Procurement and Construction division. He previously served as Executive Vice President and Regional President, Northeast from December 2006 to February 2009. Prior to joining NRG, Mr. Ragan was Vice President of Trading, Transmission, and Operations at FPL Energy in 2006 and also served as Vice President of Business Management for FPL Energy's Northeast Region from August 2005 through July 2006. Prior to this, Mr. Ragan served as General Manager Containerboard and Packaging for Georgia Pacific Corporation from October 2004 through July 2005. He also served in increasing roles of responsibility for Mirant Corporation from 1996 through 2004, notably as Senior Vice President and Chief Executive Officer of Mirant's International Group from August 2003 to July 2004.

Ronald B. Stark

Age 48

Vice President and Chief Accounting Officer

Mr. Stark has served as Vice President and Chief Accounting Officer since March 2012. In this capacity, Mr. Stark is responsible for directing NRG's financial accounting and reporting activities. Prior to this, Mr. Stark served as the Company's Vice President, Internal Audit from August 2011 to February 2012. He previously served as Director, Financial Reporting from October 2007 through July 2011. Mr. Stark joined the Company in January 2007. Mr. Stark previously held various executive and managerial accounting positions at Pegasus Communications and Berlitz International and began his career with Deloitte and Touche.

Denise M. Wilson

Age 53

Executive Vice President and President, Alternative Energy Services

Ms. Wilson has served as Executive Vice President and President, Alternative Energy Services since July 2011. In this capacity, Ms. Wilson is responsible for the oversight of all alternative energy ventures and development. Prior to this, Ms. Wilson served as Executive Vice President and Chief Administrative Officer (CAO) from September 2008 to July 2011. As CAO, Ms. Wilson had oversight for several key corporate functions including Human Resources, Investor Relations, Communications and Information Technology. Ms. Wilson originally joined NRG in 2000 and served as Vice President, Human Resources from 2004 until she was named CAO in July 2006. She served in that position until March 2007 when she joined Nash-Finch Company, a leading national food distributor as Senior Vice President, Human Resources. Ms. Wilson left Nash-Finch in June 2008 to retire and then rejoined NRG in September 2008. Ms. Wilson has also served as Vice President, Human Resources Operations with Metris Companies Inc. and Director, Human Resources with General Electric ITS.

Table of Contents**VOTING STOCK OWNERSHIP OF DIRECTORS, NAMED EXECUTIVE OFFICERS AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth information concerning beneficial ownership of the Company's common stock as of March 1, 2013, for: (a) each director and the nominees for director; (b) named executive officers set forth in the Summary Compensation Table; and (c) the directors and executive officers as a group. For each person known to the Company to own more than five percent of the Company's common stock, the information provided is as of the date of their most recent filing with the SEC. None of the directors, nominees for director or named executive officers own any of the Company's preferred stock, and the Company is not aware of any person who owns more than five percent of the Company's preferred stock. Unless otherwise indicated, each person has sole investment and voting power with respect to the shares set forth in the following table.

Except as noted below, the address of the beneficial owners is NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540.

Name of Beneficial Owner	Percent of Class**	Common Stock⁽¹⁾
David Crane	*	2,643,966 ⁽²⁾
Kirkland Andrews	*	22,875 ⁽³⁾
Mauricio Gutierrez	*	214,957 ⁽⁴⁾
John W. Ragan	*	205,785 ⁽⁵⁾
Denise M. Wilson	*	172,379 ⁽⁶⁾
Howard E. Cosgrove	*	81,043 ⁽⁷⁾
Edward R. Muller	*	1,281,563 ⁽⁸⁾
E. Spencer Abraham	*	10,832 ⁽⁹⁾
Kirbyjon H. Caldwell	*	23,722 ⁽¹⁰⁾
John F. Chlebowski	*	49,228 ⁽¹⁰⁾
Lawrence S. Coben	*	55,387 ⁽¹¹⁾
Terry G. Dallas	*	21,845 ⁽¹²⁾
William E. Hantke	*	18,241 ⁽¹³⁾
Paul W. Hobby	*	32,126
Gerald Luterman	*	23,237 ⁽¹⁰⁾
Kathleen McGinty	*	23,647 ⁽¹⁴⁾
Anne C. Schaumburg	*	34,032 ⁽¹⁰⁾
Evan J. Silverstein	*	21,686 ⁽¹⁵⁾
Thomas H. Weidemeyer	*	45,757 ⁽¹⁶⁾
Walter R. Young	*	63,153
All Directors and Executive Officers as a group (22 people)	1.56%	5,054,414 ⁽¹⁷⁾
T. Rowe Price Associates, Inc 100 E. Pratt Street Baltimore, Maryland 21202	12.45%	40,233,532 ⁽¹⁸⁾
Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway Short Hills, New Jersey 07078	6.53%	21,117,922 ⁽¹⁹⁾
BlackRock, Inc 40 East 52 nd Street New York, New York 10022	6.31%	20,397,931 ⁽²⁰⁾
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	5.99%	19,367,315 ⁽²¹⁾

*

Less than one percent of outstanding common stock.

**

Percentage ownership of 5%+ stockholders is provided as of March 1, 2013.

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Table of Contents

- (1) The number of shares beneficially owned by each person or entity is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, each person or entity is considered the beneficial owner of any: (a) shares to which such person or entity has sole or shared voting power or investment power and (b) shares that such person or entity has the right to acquire within 60 days through the exercise of stock options or similar rights. Unless otherwise indicated, each person or entity has sole investment and voting power (or such person shares such powers with his or her spouse) with respect to the shares set forth in the table above.
- (2) Includes 2,292,546 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options. Mr. Crane also owns 38,142 deferred stock units (DSUs). Each DSU represents the right of a participant to be paid one share of NRG's common stock at the end of a deferral period established under the award by the Compensation Committee or elected by the participant under the terms of an award and the tax rules applicable to nonqualified deferred compensation plans under Section 409A of the Code. Mr. Crane will receive one such share of common stock for each DSU he owns six months from the date of his termination of employment with NRG.
- (3) Mr. Andrews became Chief Financial Officer on September 6, 2011.
- (4) Includes 191,148 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options.
- (5) Includes 184,398 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options.
- (6) Includes 155,731 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options.
- (7) Includes 20,000 shares held by Mr. Cosgrove's spouse and 60,903 DSUs. Each DSU is equivalent in value to one share of NRG's common stock, payable in the event Mr. Cosgrove ceases to be a member of the Board. Mr. Cosgrove also owns 30,090 DSUs that will be exchanged for shares of NRG's common stock on a one-to-one basis on the following schedule: (a) 11,686 twelve months from the date of termination and (b) 18,404 twenty-four months from the date of termination. Excludes 140 dividend equivalent rights (DERs), which become exercisable proportionately with the DSUs to which they relate. Each DER is the right to receive one share of NRG's common stock under its terms.
- (8) Includes 5,000 DSUs and 1,625 DERs, payable in the event Mr. Muller ceases to be a member of the Board. Also includes 700,942 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options.
- (9) Includes 4,131 DSUs and 15 DERs, payable in the event Secretary Abraham ceases to be a member of the Board.
- (10) Represents DSUs and DERs, payable in the event the director ceases to be a member of the Board.
- (11) Includes 52,848 DSUs and 87 DERs, payable in the event Dr. Coben ceases to be a member of the Board.
- (12) Includes 6,049 DSUs and 22 DERs, payable in the event Mr. Dallas ceases to be a member of the Board. Also includes 3,516 shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options.
- (13) Excludes 14,454 DSUs issued to him will be exchanged for such common stock on a one-to-one basis on the following schedule: (a) 5,346 on June 1, 2013, (b) 4,212 on June 1, 2014 (c) 3,001 on June 1, 2015 and (d) 1,895 on June 1, 2016. Also excludes 93 DERs.
- (14) Includes 16,571 DSUs, payable in the event Ms. McGinty ceases to be a member of the Board.

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- (15) Includes 4,131 DSUs and 15 DERs, payable in the event Mr. Silverstein ceases to be a member of the Board.
- (16) Includes 34,876 DSUs, payable in the event Mr. Weidemeyer ceases to be a member of the Board.
- (17) Consists of the total holdings of directors, named executive officers, and all other executive officers as a group. Includes shares that may be acquired at or within 60 days of March 1, 2013, pursuant to the exercise of options, the vesting of restricted stock units (RSUs), or the exchange of DSUs or DERs. Each RSU, DSU and DER is equivalent in value to one share of NRG's common stock.
- (18) Based upon information set forth in the Schedule 13G/A filed on February 11, 2013 by T. Rowe Price Associates, Inc. (Price Associates). Price Associates has the sole power to vote 11,574,386 shares and sole dispositive power over 40,154,232 shares. The aggregate amount of shares owned by each reporting person is 40,233,532 shares.

Table of Contents

These securities are owned by various individual and institutional investors, for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Exchange Act, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

(19)

Based on information set forth in the Schedule 13G/A filed on January 30, 2013 by Franklin Mutual Advisers, LLC (FMA). FMA has the sole voting power and the sole dispositive power over 21,117,922 shares.

(20)

Based upon information set forth in the Schedule 13G/A filed on February 5, 2013 by BlackRock, Inc. (BlackRock). BlackRock has the sole voting power and the sole dispositive power over 20,397,931 shares.

(21)

Based upon information set forth in the Schedule 13G/A filed on February 11, 2013 by The Vanguard Group, Inc. (Vanguard). Vanguard has the sole power to vote 526,630 shares and sole dispositive power over 18,857,797 shares. Vanguard has shared dispositive power over 509,518 shares. Vanguard Fiduciary Trust Company (VFTC), a wholly-owned subsidiary of Vanguard, is the beneficial owner of 444,518 shares and directs the voting of those shares as a result of VFTC serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. (VIA), a wholly-owned subsidiary of Vanguard, is the beneficial owner of 147,112 shares and directs the voting of those shares as a result of VIA serving as investment manager of Australian investment offerings.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers to file with the SEC reports regarding their ownership and changes in ownership of our stock. Based on a review of these reports and the written representations of its directors and executive officers, NRG believes that during 2012, its directors and executive officers complied with all Section 16(a) filing requirements.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of our Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serves as a member of the compensation committee of any other company that has an executive officer serving as a member of the Board. None of our executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement required by Item 402(b) of Regulation S-K with management and, based upon such review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee:

John F. Chlebowski, Chair
E. Spencer Abraham
Walter R. Young

34

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Table of Contents

	Page
<u>Executive Summary</u>	<u>35</u>
<u>Stockholder Engagement and Executive Compensation Program Changes</u>	<u>35</u>
<u>Company Performance</u>	<u>38</u>
<u>CEO Pay Relative to Company Performance</u>	<u>38</u>
<u>Executive Compensation Program</u>	<u>41</u>
<u>2012 Named Executive Officers</u>	<u>41</u>
<u>Goals and Objectives of the Program</u>	<u>41</u>
<u>The Compensation Process</u>	<u>42</u>
<u>Compensation Consultant</u>	<u>42</u>
<u>Peer Group Analysis</u>	<u>42</u>
<u>Evaluating Performance</u>	<u>46</u>
<u>Elements of Compensation</u>	<u>47</u>
<u>Base Salary</u>	<u>48</u>
<u>Annual Incentive Compensation</u>	<u>49</u>
<u>Long-Term Incentive Compensation</u>	<u>55</u>
<u>Clawbacks</u>	<u>56</u>
<u>Benefits</u>	<u>57</u>
<u>Potential Severance and Change-in-Control Benefits</u>	<u>57</u>
<u>Other Matters</u>	<u>57</u>
<u>Stock Ownership Guidelines</u>	<u>57</u>
<u>Dilution and Run Rate</u>	<u>58</u>
<u>Tax and Accounting Considerations</u>	<u>58</u>

Executive Summary

Stockholder Engagement and Executive Compensation Program Changes

The objectives of our executive compensation program are to align executive pay with stockholder value and incentivize executives to achieve improvements in corporate performance. This Compensation Discussion and Analysis (CD&A) describes the elements of, changes to, implementation of, and 2012 results of our executive compensation program.

We received 60% support for our say on pay vote in 2011, and 44% in 2012. At the direction of our Compensation Committee (Committee) of the Board of Directors (Board), management engaged with many of our largest stockholders in 2011, and again in 2012, to understand their concerns regarding NRG's executive compensation program. Through this extensive outreach with our top investors, it was clear that our stockholders wanted NRG to better align executive compensation with the Company's performance. In particular, stockholders felt that we should focus on (1) the continued growth of free cash flow and EBITDA by the Company; (2) better alignment of pay with performance, as it relates to return of capital to stockholders; and (3) tying more of our short- and long-term compensation to the achievement of performance-based metrics, particularly increasing Total Shareholder Return (TSR). The most common feedback from our investors was a focus on increasing TSR.

Table of Contents

Our Board, the Committee and our management team have heard our stockholders and we have addressed each of these key concerns in a manner consistent with the message delivered. The Committee also has made various changes to the Company's executive compensation program over the past two years based on its independent review of emerging best practices. The following summarizes our executive compensation program highlights and changes, which are also discussed in greater detail in the full description of our executive compensation program in this CD&A:

Alignment of Pay with Performance. Our updated compensation program ties a significant portion of our named executive officers' (NEOs) short- and long-term compensation to the achievement of established corporate financial measures and increases in TSR.

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Short-Term Compensation. We added and enhanced individual performance metrics to our Annual Incentive Plan (AIP) to focus greater attention on return of capital to our stockholders, while retaining two core short-term financial performance goals that our stockholders favor Consolidated Adjusted Free Cash Flow and Consolidated Adjusted EBITDA. Under the AIP, short-term incentive cash bonuses are not paid at all if an established Consolidated Adjusted Free Cash Flow "gating" trigger is not achieved, regardless of other financial or operational achievements. In addition, we have retained the following criteria used in determining AIP bonuses: (1) for AIP bonuses to ever move above target payout, management must deliver performance that exceeds the goals set for the Consolidated Adjusted Free Cash Flow or the target Consolidated Adjusted EBITDA; (2) qualitative and individual performance metrics are only considered up to the target opportunity; any bonus paid above the target level is based upon the level of achievement of the Consolidated Adjusted Free Cash Flow and Consolidated Adjusted EBITDA goals; and (3) in order to obtain the maximum payout, under the AIP, our executive team must deliver exceptional performance on both of these goals.

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Long-Term Compensation. In 2012, the Committee revised the mix of long-term incentive awards to strengthen the links to performance. Specifically, the Committee replaced stock options and performance units with performance-based market stock units (MSUs) that are tied solely to TSR over a three-year period. As a result, performance-based MSUs comprise 67% of annual awards and restricted stock units (RSUs) comprise only 33% of annual rewards. Also important to note is that MSUs contain an embedded "valuation premium." For example, if our TSR drops 15%, the value to our participants declines 39% below the grant date fair value, yet if TSR increases 15%, participant value is only 12% above grant date fair value. Additionally, if TSR drops more than 50% at the end of the three-year period, awards are forfeited completely. The performance period for the first MSUs awarded will end on January 3, 2015. See "Elements of Compensation Long-Term Incentive Compensation" for more details regarding the MSU valuation and performance metrics.

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Total Shareholder Return. With a focus on TSR improvement, we executed several strategic initiatives during 2012, including among them, the initiation of a common stock dividend, which in February 2013 we announced our intention to increase, and our successful closing of the merger with GenOn Energy, Inc. As a result of these and other efforts, TSR was approximately +28% for 2012. Important to note, the increased MSU award value to the participant associated with this increase in TSR will only be achieved if TSR is sustained or increased over the full three-year performance period, as evidenced by the modest increase in the compensation of the Chief Executive Officer (CEO) this year, primarily driven by short-term performance under the AIP, despite having delivered strong performance. We believe this demonstrates the Committee's efforts to closely align executive pay with long-term stockholder interests.

Target Pay is at or around the Median. In 2011, the Committee moved away from setting target pay opportunity between the 50th and 75th percentile of our peer group to positioning target

Table of Contents

pay opportunity at approximately the median. We target the peer group median (50th percentile) for total direct compensation because we believe the median is a generally accepted benchmark of external competitiveness and is sufficient to attract and retain key talent to the Company. Importantly, consistent with our pay for performance philosophy, actual compensation earned may be above or below the median target opportunity set at the beginning of the performance year based on actual Company results.

Initiation of Double Trigger; Acceleration of Equity upon a Change in Control. The Company's Long-Term Incentive Plan (LTIP), amended and restated by stockholders in July 2010, contains a legacy "single trigger" provision, whereby all awards accelerate immediately upon a qualified change-in-control as defined in the LTIP. However, for all awards made under the LTIP after February 20, 2013, the Committee has replaced this provision with a "double trigger" provision, thereby requiring loss of employment associated with such change-in-control before such equity awards accelerate.

Elimination of Tax Gross Ups. The Committee eliminated all gross ups for NEO perquisites, which are limited in and of themselves as further described in this CD&A. The only tax gross ups that remain are contractually agreed legacy severance and change-in-control plans not applicable to new participants after July 2009. Mr. Andrews does not have any tax gross up benefits in the severance or change-in-control context.

Anti-Hedging and Anti-Pledging Policies. Effective February 20, 2013, the Company adopted an anti-hedging and anti-pledging policy that prohibits executive officers and members of the Board from engaging in any transaction intended to hedge against a drop in the price of the Company's stock, or pledge the Company's stock as collateral or security.

Clawbacks. We have a "clawback" policy with regard to awards made under the AIP and LTIP. This policy gives the Committee the discretion to require the NEOs to reimburse the Company for awards made under such plans following a material restatement of the Company's financial statements as a result of employee misconduct or in the case of fraud, embezzlement or other serious misconduct.

Robust Ownership Guidelines. The Committee requires a robust stock ownership guideline for our NEOs. For example, the current guideline requires our CEO to hold NRG common stock with a value equal to at least six times his base salary until his termination. We believe that such a policy supports the alignment of the executives' and stockholders' interests.

We have heard from some of our stockholders that there is support in the market for the use of relative metrics, in relation to performance criteria for performance-based equity awards. This is one element that the Committee has extensively evaluated in its review of our executive compensation program. Such review includes a consideration of potentially applicable comparator groups and design methodologies. Because of the difficulty in effectively comparing performance among the peer group, as described in this CD&A, the Committee believes that the best method for aligning the interests of management and stockholders is not only by benchmarking compensation to the peer group companies, but considering additional factors other than relative TSR when assessing the alignment of executive pay and performance. In addition, we explain in this CD&A (as we discuss at length below) the managerial challenges present in a declining commodity price environment, particularly in light of the fact that our stock price has a higher correlation to natural gas prices as compared to many of our peers. We explain more fully in the section "The Compensation Process" why we believe our approach to evaluating performance against strict company metrics rather than relative performance makes sense for NRG and our stockholders at this time.

We have also determined, after conversations with our stockholders, to focus our executive compensation disclosures on topics identified by our investors, such as the link of long-term incentive compensation to TSR and the return of capital to stockholders. In this spirit, we are providing additional information about our compensation peer group to provide context for how we believe our

Table of Contents

business compares with, or differs from, our peers, and how the Committee thinks about the peer companies as it makes compensation decisions on behalf of our stockholders.

Company Performance

The Company's performance in 2012 was strong on both a relative and absolute basis. In 2012, the execution of our business strategy and incentive programs produced the following results:

Our TSR of +28% was at the 98th percentile among all companies in our peer group.

Our Consolidated Adjusted EBITDA of \$1,949 million for purposes of the AIP exceeded target by 2.5% and represents a 7% increase year-over-year.

Our Consolidated Adjusted Free Cash Flow of \$941 million for purposes of the AIP was just under target, and represents a 6% increase year-over-year.

We completed our merger with GenOn Energy, Inc. creating the largest competitive generator in the United States with (1) a diverse generation fleet of approximately 47,000 megawatts; (2) asset concentrations in the East, Gulf Coast and West Regions; and (3) a combined enterprise value of approximately \$23 billion as of December 31, 2012. The transaction is anticipated to increase annual Consolidated Adjusted EBITDA by \$210 million by 2014 through the realization of cost and operational efficiency synergies. The transaction will also enable us to reduce our interest and liquidity costs through the realization of balance sheet efficiencies, which in the aggregate are of \$100 million per year. Together, these synergies are expected to realize \$310 million of additional free cash flow benefits by 2014.

In execution of our Capital Allocation Plan, we implemented an annual common stockholder dividend of \$0.36 per share in 2012 and, since 2009, the Company has repurchased a significant amount of shares under our stock repurchase plan amounting to approximately \$1 billion. In addition, in February 2013, we announced our intention to increase our dividend by 33% to \$0.48 per share and the authorization of an additional \$200 million of share repurchases for 2013.

We demonstrated our best ever year with respect to safety and environmental performance in 2012, while at the same time achieving top decile performance in our industry.

Business Strategy

As demonstrated by these results, stockholder value, enhanced financial performance, and Company growth were realized in 2012 through aligning our executives with performance and pursuing a relentless focus on our ongoing three-prong business strategy to:

consistently optimize the value of NRG's generation assets;

produce and sell safe, reliable and affordable power to our customers in the markets that we serve; and

achieve the first two prongs of the strategy while aggressively positioning NRG to meet the market's increasing demand for sustainable and low carbon energy solutions.

Our results were attained by maintaining and enhancing our position as a leading wholesale power generation company and retail electricity provider in a cost-effective and risk-mitigating manner via smart capital allocation. In addition, we strive to proactively manage the business in a declining commodity pricing environment through our hedging strategies and our continued expansion into the retail energy business as well as the alternative energy sector.

CEO Pay Relative to Company Performance

As discussed above, in response to stockholder concerns and the results of our say on pay votes over the past two years, the Committee made several changes to our compensation program to drive better alignment with performance. As a result, the Committee believes that in 2012, Mr. Crane's compensation was well-aligned with our performance and stockholder interests. The table and graphics

Table of Contents

below illustrate the inherent pay-for-performance alignment in our executive compensation program with respect to Mr. Crane's compensation. Specifically, the graph captures a three- and five-year history of Mr. Crane's target total compensation opportunity set by the Committee at the beginning of each performance year and compares this TSR to his realizable total compensation for the same periods ending December 31, 2012. As stockholders will see, Mr. Crane's reported and realizable compensation only increased modestly this year despite strong performance.

(1) Total direct compensation

(1)

Total long-term incentive compensation

The tables above indicate that during challenging periods for the Company, Mr. Crane's aggregate realizable compensation was below the target opportunity set by the Committee in all years except 2011 and 2012. With respect to 2011, the performance units granted in 2011 vest in 2014 and therefore are shown at the target value. At December 31, 2012, this grant was below the threshold level required for payout. The performance units granted in 2010 that vested on January 4, 2013 were cancelled because they had no value on the vesting date; therefore no value of the performance units granted in 2010 is included in the above tables.

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Table of Contents

For purposes of this analysis, three- and five-year target and realizable total compensation includes the following:

	Target	Target (\$)		Realizable	Realizable (\$)	
		3 Year	5 Year		3 Year	5 Year
Base Salary	Annual Base Salary as reported in the SCT ⁽¹⁾	3,626,192	5,823,885	Annual Base Salary as reported in the SCT	3,626,192	5,823,885
Annual Bonus/Non Equity Incentive Plan	Target Bonus Opportunity as reported in the Grants Table ⁽²⁾	3,626,192	5,823,885	Actual Bonus/Non-Equity Incentive earned as reported in the SCT	4,322,259	8,566,765
Stock Option Awards	Grant Date Fair Value of all options granted between 2010-2012 and 2008-2012, respectively, as reported in the Grants Table	3,194,455	7,547,141	Black-Scholes value as of December 31, 2012 for any outstanding option granted between 2010-2012 and 2008-2012, respectively, plus net value realized with respect to any exercised options granted during 2008-2012 as calculated by Company based on assumptions below ⁽³⁾	2,713,681	3,620,437
Restricted Stock Awards	Grant Date Fair Value of all restricted stock granted between 2010-2012 and 2008-2012, respectively, as reported in the Grants Table	4,790,751	6,355,637	Unvested restricted shares granted between 2010-2012 and 2008-2012, respectively, multiplied by December 31, 2012 stock price plus sum of vested restricted shares for grants made between 2010-2012 and 2008-2012, respectively, valued at the time of vesting	5,445,248	6,391,853
Performance Awards (including Performance Units and Market Stock Units)	Grant Date Fair Value of all performance awards granted between 2010-2012 and 2008-2012, respectively, as reported in the Grants Table	6,534,192	9,017,215	Sum of actual payouts for any performance award granted between 2010-2012 and 2008-2012, respectively, based on value at time of vesting plus target number of performance shares as of December 31, 2012 for any performance award granted between 2010-2012 and 2008-2012, respectively, whose performance cycle has not completed ⁽⁴⁾	5,227,926	5,227,926
Change in Pension and All Other Compensation	As reported in the SCT	274,098	442,501	As reported in the SCT	274,098	442,501
TOTAL		22,045,880	35,010,264		21,609,404	30,073,366

(1) Summary Compensation Table

(2) Grants of Plan Based Awards Table

(3) Options valued as of December 31, 2012 based on remaining term, 5-year average dividend yield, 3-year daily average volatility and risk free rate equal to U.S. Government Bond Yield specific to term remaining on outstanding option.

(4)

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The Company has calculated the 2010-2013 performance award to be \$0 as the performance cycle ended on January 4, 2013 and no shares were earned based on the performance criteria defined at the beginning of the performance period. The Company believes that calculating the award at "target" would be misleading to investors because the CEO will not realize this compensation.

Table of Contents

Total CEO Compensation

For purposes of comparison, the table below indicates total compensation, as reported on the Summary Compensation Table, for Mr. Crane for each of the years 2010, 2011 and 2012. As you can see from the table, total pay declined from 2010 to 2011 and increased modestly in 2012. This increase in 2012 reflects strong performance in 2012.

Executive Compensation Program

2012 Named Executive Officers

This CD&A describes our executive compensation program for our NEOs in 2012. For 2012, the NEOs were:

NEO ⁽¹⁾	2012 Title
David Crane	President and Chief Executive Officer
Kirkland Andrews	Executive Vice President and Chief Financial Officer
Mauricio Gutierrez	Executive Vice President and Chief Operating Officer
Denise M. Wilson	Executive Vice President and President, Alternative Energy Services
John W. Ragan	Executive Vice President and Regional President, Gulf Coast

- (1) The NEOs are our CEO, our Chief Financial Officer (CFO) and our three most highly compensated executive officers other than the CEO and CFO serving as executive officers at the end of 2012.

Goals and Objectives of the Program

Our Committee designs and implements an executive compensation program to:

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closely align our executive compensation with stockholder value creation without motivating executives to take excessive risks;

support the Company's long-term business strategy with tailored executive compensation incentives;

Table of Contents

provide for recruitment, retention and growth of our executive team in a competitive industry; and

provide a competitive compensation opportunity without being an outlier among our peer group.

The Committee is responsible for the development and implementation of NRG's executive compensation program. The intent of our executive compensation program is to reward the achievement of NRG's annual goals and objectives while supporting our long-term business strategy. The Committee is committed to tying executives' compensation to the performance of the Company.

The Committee's objectives are achieved through the use of both short-term and long-term incentives. The Company currently targets the median pay of our peers as further discussed in detail below. In addition, through the AIP, the NEOs are rewarded for achieving annual corporate and individual goals.

The Compensation Process

Compensation Consultant

Pursuant to its charter, the Committee is authorized to engage, at the expense of the Company, a compensation consultant to provide independent advice, support, and expertise to assist the Committee in overseeing and reviewing our overall executive compensation strategy, structure, policies and programs, and to assess whether our compensation structure establishes appropriate incentives for management and other key employees.

Frederic W. Cook & Co., Inc. (FWC), the Committee's independent compensation consultant, assisted with executive pay decisions and worked with the Committee to formulate the design of the executive compensation program for 2012, including program changes made as a result of stockholder feedback as described in the "Executive Summary" above.

FWC reports directly to the Committee and provides no other remunerated services to the Company or any of its affiliates. In accordance with Securities and Exchange Commission rules and requirements, the Company has affirmatively determined that no conflicts of interest exist between the Company and FWC (or any individuals working on the Company's account on FWC's behalf).

Peer Group Analysis

Every year, the Committee reviews all elements of executive compensation against market data to gauge the competitiveness of the Company's programs. One of the core aspects of this study is the formulation of a comparator group which is established prior to any compensation data being analyzed. As discussed in more detail below, the Committee faces some significant challenges in attempting to construct a peer group of companies similar in size and business scope to NRG.

First, NRG's closest peers are Independent Power Production (IPP) companies. There have been tremendous business challenges within this sub-industry over the last several years, which has led to companies going into bankruptcy or being acquired, and therefore moving away from alignment with NRG.

Second, the Committee needs to find a reasonably sized peer group in order to provide statistically significant comparisons for compensation purposes. Given the situation regarding IPPs noted above, the Committee is forced to consider other power and utilities companies to serve as peers. However, as the pool of potential companies is expanded, the peers become less and less similar to NRG with respect

Table of Contents

to business lines, and as importantly, with respect to performance benchmarking in terms of how stock prices of such peers perform.

Finally, in finding companies that are sufficiently close to NRG for purposes of hiring talent and determining median pay levels, the Committee believes the peer group works well. However, when it comes to performance, given two specific aspects of NRG noted below and its business mix, it is very difficult to use this same broad peer group for making comparisons around performance.

We believe there are a certain group of companies (we examine this distinction more fully below) within the power and utilities industry that tend to have more volatile stocks and be viewed as higher risk (higher Beta), especially in unstable markets such as those over the past several years. At the same time, utilities, many of which are in the best peer group a company like NRG can develop, tend to perform strongly in a weak market because they are viewed as stable, defensive investments. As such, their stocks tend to fair well during time periods of high volatility or more importantly weak markets, while a stock like NRG's typically does not.

NRG, because of its business makeup, generally trades closely to gas prices. As such, when energy commodity prices fall, NRG's stock tends to fall, regardless of the performance of the management team.

Given the characteristics of the peer group, the Committee has determined that the best solution for the Company and its investors is to use a group of companies which operate in some overlapping businesses with NRG, which have similar complexity and from which it is likely talent will come when NRG is hiring; thus creating a reasonable pay comparison group. More importantly, the Committee believes that the most appropriate way to hold management accountable for the results they can actually deliver is to develop robust absolute performance measures for the management team and not base their performance on comparisons to a peer group that will perform very differently than NRG.

The following is a detailed description of our peer group setting process, additional details on some of the unique challenges (and potential opportunities) for NRG in peer group selection and usage and a conclusion about how we believe stockholders should view the changes the Company has made for 2013.

Defining a Peer Group for NRG

The Committee, with support from FWC, identifies the best comparator group it can within the relevant industries. As noted above, the peer group has to be sufficiently flexible to construct a group of adequate size for statistical analyses. In 2012, much like in prior years, with the assistance of FWC, the Committee has identified a "peer group" for compensation benchmarking purposes composed of publicly-traded competitive power companies, utility holding companies with competitive power generation operations, as well as other similarly-sized energy companies.

Our 2012 Peer Group

The Committee reviews the composition of the peer group on an annual basis, with market and peer-group analysis provided by FWC. Peer group selection focuses on companies in the Utilities (5510) Global Industry Classification Standard (GICS) which is consistent with the Company's generation focus and in particular the sub-industries of (1) Independent Power Producers & Energy Traders (551050) (Primary focus), (2) Multi-Utilities (551030), and (3) Electric Utilities (551010).

After the universe of companies in the relevant GICS classifications was identified, the Committee then narrowed the list of companies. For statistical purposes, the Committee believes that a peer group should be comprised of 10-20 companies. Because compensation opportunities are strongly correlated to company size, the Committee first narrowed the list of potential peers to those companies with (1) revenues of approximately 45% to 210% of NRG's projected revenues; and (2) market capitalization generally between one-fifth ($\frac{1}{5}$) and 5 times NRG's market capitalization. Next, the

Table of Contents

Committee analyzed the remaining companies to determine which could be considered "talent competitors." The Committee then reviewed the list of potential peer companies to determine if stockholders would consider the peers as alternative investment opportunities. The Committee then considered the overall reasonableness of the list of potential peer companies as a whole. Finally, the Committee performed a "peer of peer" analysis to confirm the appropriateness of potential peer companies and to assess who NRG's peers use in their own peer groups. While this yields the best peer group NRG can define, it still does not address the significant questions about meaningful performance differences and market expectations of the performance of these businesses, such as those discussed below under "Limitations on the Use of the Peer Group Performance Characteristics of the Peer Group."

The Committee aims to compare our executive compensation program to a consistent peer group year to year, but given the dynamic nature of our industry and the companies that comprise it, we occasionally must alter the list. For 2012, the peer group consisted of:

AES Corporation (NYSE: AES)	Edison International (NYSE: EIX)
Ameren Corporation (NYSE: AEE)	Entergy Corporation (NYSE: ETR)
Calpine Corporation (NYSE: CPN)	GenOn Energy, Inc. (NYSE: GEN)
CenterPoint Energy, Inc. (NYSE: CNP)	NextEra Energy, Inc. (NYSE: NEE)
CMS Energy Corporation (NYSE: CMS)	PPL Corporation (NYSE: PPL)
Constellation Energy Group, Inc. (NYSE: CEG)	Public Service Enterprise Group Inc. (NYSE: PEG)
Dominion Resources, Inc. (NYSE: D)	Sempra Energy (NYSE: SRE)
DTE Energy Company (NYSE: DTE)	Xcel Energy Inc. (NYSE: XEL)
Dynegy Inc. (NYSE: DYN)	

In setting compensation for fiscal year 2013, the Committee reviewed the peer group in late 2012 given the impending closing of our merger with GenOn Energy, Inc. Based on this and other M&A activity in our industry, the Committee made the following changes to the group listed above:

Constellation Energy Group, Inc. (NYSE: CEG), an IPP, was removed from our peer group as it is no longer a publicly-traded company following its acquisition by Exelon Corporation;

Dynegy Inc. (NYSE: DYN), an IPP, was removed from our peer group, at least temporarily, due to its recent emergence from bankruptcy and the inherent differences in compensation structures between a company emerging from bankruptcy and other publicly traded companies;

GenOn Energy, Inc. (NYSE: GEN), an IPP, was removed due to completion of our merger; and

American Electric Power (NYSE: AEP), Exelon Corporation (NYSE: EXC), FirstEnergy Corp. (NYSE: FE), and TransAlta (Canadian Company listed on the Toronto Exchange) were added to our peer group in an effort to maintain a reasonably sized peer group and to add larger companies due to the increased size of the Company following the GenOn merger.

Limitations on the Use of the Peer Group

Target executive pay is benchmarked to the median of the peer group. While the peer group is reasonable for benchmarking target levels of compensation, it is far less useful for judging relative performance when determining whether to pay at, above, or below target. As we explain in more detail below, this is because many of the other energy companies in the market are traded and perform very differently from our business in down markets and relative to energy prices. In lieu of using the peer group for relative performance in the pay setting process, the Committee has established other performance benchmarks for purposes of determining pay as discussed below under "Elements of Compensation."

Table of Contents

As stockholders consider the relative performance of NRG against its peers, we recommend they consider the following:

Categories of Peers. There are three categories of companies within our peer group as defined by the sub-industry GICS classification: (1) IPPs, of which we are one; (2) Electric Utility Companies; and (3) Multi-Utilities, of which (2) and (3) are generally comprised of companies that may trade differently from IPPs given their operations consist of either a pure regulated business or a diversified company largely comprised of a regulated business. These three groups are all classified as utilities companies within our four-digit GICS code and represent a reasonable look at the market for executive talent in our field. However, these three groups are very different in terms of how they are perceived by the market from a risk perspective and how their stocks are valued by the market.

Performance Characteristics of the Peer Group.

Beta.* The stocks of companies in the peer group perform differently than one another in different market conditions. One way to understand how our peers perform differently from NRG is to compare the Beta of the companies in the group. Higher Beta stocks in the peer group, like NRG itself, are generally considered more volatile relative to others in the peer group. Lower Beta peers, while also in the GICS utility group, will likely perform differently. Utility holding companies are generally viewed as having the lowest volatility and risk (with commensurate lower equity Beta) while commodity sensitive businesses such as NRG have higher risk relative to the overall market, particularly in a challenging macroeconomic environment like that of 2009 through 2012. The chart below summarizes this dynamic by showing the one- and three-year Beta calculations and the one- and three-year TSR for our peer group companies. We have organized the peer group companies into three tiers based on their GICS Sub-Industry descriptions. For further details regarding the companies comprising each tier, see *Appendix A* to this Proxy Statement. As the table below indicates, those tiers with lower Beta GICS Sub-Industries generally had higher TSR over the past three years while energy prices were low and the markets performed poorly.

		2012 Compensation Peer Group ⁽¹⁾				2013 Compensation Peer Group			
		TSR		Adjusted Beta		TSR		Adjusted Beta	
GICS Sub Industry		1 year	3 Year	1 year	3 Year	1 year	3 Year	1 year	3 Year
Electric Utilities	Average	5.0%	25.2%	0.592	0.716	0.6%	18.1%	0.593	0.718
	Median	2.3%	42.7%	0.607	0.722	1.4%	23.7%	0.599	0.727
Multi-Utilities	Average	8.5%	44.4%	0.653	0.781	8.5%	44.4%	0.653	0.781
	Median	1.6%	51.1%	0.653	0.782	1.6%	51.1%	0.653	0.782
IPPs & Energy Traders	Average	9.9%	14.6%	0.889	1.041	2.2%	6.4%	0.879	0.974
	Median	11.0%	-1.8%	0.935	1.007	0.9%	-10.0%	0.892	0.968
NRG Energy		28.0%	-1.8%	1.049	1.007	28.0%	-1.8%	1.049	1.007

Source: Research Insight and Bloomberg.

(1)

Results exclude (1) Constellation Energy which was acquired by Exelon on March 12, 2012; (2) Dynegy which filed for Chapter 11 bankruptcy protection on July 6, 2012 (Dynegy emerged from bankruptcy on October 1, 2012); and (3) GenOn Energy which merged with NRG Energy on December 14, 2012.

*

Beta is a measure of the volatility of a particular stock's price relative to the market as a whole (in this case, the market is the S&P 500). A stock with higher Beta is generally viewed as more volatile and risky than lower Beta stocks.

Table of Contents

Managing in a Declining Commodity Price Environment. During the three-year period ending December 31, 2012, natural gas prices experienced a significant decline and the U.S. economy endured a recession. While many factors affect our stock price, the chart below illustrates our significant exposure to commodity prices as evident by the high correlation of our stock price to natural gas prices. As a result, our stock price performs differently than many other companies in the power and utilities industry.

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- (1) Assumes that \$100 was invested on December 31, 2009. Excludes dividends.
- (2) The comparisons in the graph are not intended to forecast or be indicative of the possible future performance of our common stock.
- (3) Represents the NYMEX Henry Hub natural gas futures 12-month strip, which is the average price of the first 12 Henry Hub natural gas futures contracts to trade on the NYMEX.

Management strives to manage around the commodities market in an effort to derisk our business and decouple our stock price performance from fluctuations in energy prices. Although a complete transformation is not possible, management has achieved success through its business strategy. Over the last few years, for example, the Company undertook several major acquisitions and strategic initiatives, including entry into the retail energy business as well as the alternative clean energy sector such as solar to reposition the Company for continued long term success and value creation. Additionally, the Company's risk management policies provide stability in cash flow and earnings through a proactive hedging program. For additional information on the relationship between natural gas prices and Company performance, see below "The Compensation Process Evaluating Performance."

Evaluating Performance

In an effort to create stockholder value, we strive to realize our three-prong business strategy as described above under the "Executive Summary Company Performance." The Company has successfully executed several key strategic initiatives that have enhanced stockholder value, including growing through the GenOn merger and diversifying the business with the acquisition of several retail energy businesses as well as investing in solar projects that have long-term power delivery contracts. Moreover, we paid our first ever dividend in 2012 to provide stockholders an enhanced vehicle for return of capital and have returned capital over the past few years through share buybacks.

Table of Contents

As described above, while we believe using a group of companies of similar size and industry is helpful for benchmarking target compensation and identifying and recruiting the pool of potential executive talent, it is far less useful when assessing company performance. In many of the competitive markets where we operate, the price of power typically is set by natural gas-fired power plants. As such, a decrease in natural gas prices could result in a corresponding decrease in the market price of power which could significantly reduce the operating margins of our generation assets and materially and adversely impact our financial performance. While many factors affect our stock price, our exposure to commodity prices and the general economy is significant. Unlike other stocks in the power and utilities industry, NRG's stock price has a higher correlation to natural gas prices. In recognition of these conditions, we strive to add stability to our earnings and cash flow through our hedging portfolio which includes natural gas derivative instruments to hedge power prices for our generation portfolio. Due to the unpredictability of the commodities market, however, we do not believe it is appropriate to evaluate performance relative to commodity prices. In addition, as discussed, above, given the unique nature of how our power and utility peers perform in both strong markets and in weak markets, we believe they do not make for good comparisons to our performance.

Given the complexities of directly comparing Company performance to that of our varied peers with different business models, we do not solely evaluate our performance directly against our peer group for purposes of evaluating executive performance for compensation purposes. At the same time, we do not evaluate Company performance relative to commodity prices either, even though our business is heavily dependent on commodity prices, long-term supply and demand fundamentals (including economic conditions) and weather. The reason we do not compare our stock price to that of companies in our peer group is that our stock price is often volatile and fluctuates with market and macroeconomic conditions that are generally not within our immediate control. Although management strives to manage around commodities market conditions through execution of the business strategy as noted above, a complete decoupling of our business from the commodities market is not possible. Given the unique aspects of our peers discussed above, the Committee believes it is inappropriate to assess relative performance for compensation purposes and rather considers the factors set forth in detail under "Elements of Compensation."

Elements of Compensation

Table of Contents

Since 2011, we have used the median percentile in establishing our targeted total direct compensation (cash and equity) for our NEOs based on the results of the competitive analysis of our peer group and expect that, over time, targeted total direct compensation of our executive officers will continue to land near the median of our peer group. Prior to such change, target total direct compensation was aligned at the 50th 75 percentile of our peer group. However, after the extensive outreach program conducted with our stockholders, we believe that a pay philosophy targeting the median is a more appropriate target benchmark. This allows us to focus more of the realized pay in any year on the achievement of the defined performance-based compensation metrics.

While a portion of our compensation is fixed, a significant percentage is risk-based and payable and/or realizable only if certain objectives are met. The following chart illustrates the target percentage of annual fixed compensation, time-based compensation and performance-based compensation payable to our NEOs.

Base Salary

Annual base salary compensates NEOs for their level of experience and position responsibilities, and for continued expectation of superior performance. Recommendations on increases to base salary take into account, among other factors, the NEO's individual performance, the general contributions of the NEO to overall corporate performance, and the level of responsibility of the NEO with respect to his or her specific position. In 2012, base salary increases for Messrs. Gutierrez, and Ragan and Ms. Wilson reflected market based adjustments. We have not increased Mr. Crane's base salary for four years.

For 2012, the base salary for each NEO was as follows:

Named Executive Officer	2012 Base Salary (\$)	Percentage increase over 2011 ⁽¹⁾
David Crane	1,210,000	0%
Kirkland Andrews	600,000	0%
Mauricio Gutierrez	563,221	2.5%
Denise M. Wilson	563,221	2.5%
John W. Ragan	563,221	2.5%

(1)

As compared to the December 31, 2011 annualized base salary.

Table of Contents

An increase in base salary can have a significant impact on other elements of compensation. For example, AIP target opportunities are based upon a percentage of base salary, LTIP awards are at a multiple of base salary, and certain life insurance benefits, severance benefits, and change-in-control benefits are valued as a function of base salary and increase in value commensurate with growth in base salary.

Annual Incentive Compensation

Overview

Annual incentive plan bonus compensation awards (AIP bonuses) are made under our stockholder-approved, Section 162(m)-compliant AIP. AIP bonuses are short-term compensation designed to compensate NEOs for meeting individual and Company goals, both financial and non-financial. The annual incentive compensation opportunity is defined as a percentage of each NEO's annual base salary. AIP bonuses are subject to the following requirements:

A Consolidated Adjusted Free Cash Flow performance metric (AIP Gate) is established for each plan year. For 2012, the AIP Gate was \$725 million, a level we believe is appropriate for an acceptable level of financial performance.

Consolidated Adjusted Free Cash Flow and Consolidated Adjusted EBITDA performance metrics are established at threshold, target and maximum levels for purposes of determining the elements of the bonus that are based on financial performance. For 2012, the threshold and target levels were:

Performance Metric	Threshold		Target	
Consolidated Adjusted Free Cash Flow	\$	725 million	\$	950 million
Consolidated Adjusted EBITDA	\$	1,650 million	\$	1,900 million

Other quantitative and qualitative performance goals are established for each NEO. These performance goals include financial and non-financial measures that we believe are central to our stockholders' view of Company performance and critical to our business, such as capital allocation, safety, environmental compliance, budget control, talent development, growth strategies and individual performance.

The Committee determines the payouts of AIP bonuses as follows:

If the AIP Gate is not achieved, no AIP bonuses are paid, regardless of performance in any other metrics.

Unless one of target Consolidated Adjusted Free Cash Flow or target Consolidated Adjusted EBITDA is exceeded, no NEO can receive an AIP bonus above the target level.

Up to the target level of bonus opportunity, achievement of the other weighted quantitative and qualitative goals are used by the Committee to increase or decrease the actual AIP bonus.

For any AIP bonus over the target level, the Committee uses only Consolidated Adjusted Free Cash Flow and/or Consolidated Adjusted EBITDA achievements; the other quantitative and qualitative goals are maxed out at the target level.

The Committee established the AIP performance metrics and goals for the CEO after reviewing the CEO's business strategy and considering other matters such as the recent stockholder feedback with respect to a focus on capital allocation. For the other NEOs, the CEO recommends performance metrics and goals, and allocations of such metrics and goals, based on position and responsibilities. Such recommendations are reviewed and approved or amended by the Committee.

Table of Contents***AIP Incentive Opportunity***

The threshold, target and maximum AIP bonus opportunities for the NEOs for 2012, expressed as a percentage of base salary, were:

Named Executive Officer	Gate Not Met	Minimum ⁽¹⁾	Threshold ⁽²⁾	Target ⁽²⁾	Maximum ⁽³⁾	Target Amount (\$)
David Crane	0%	12.5%	50.0%	100.0%	200.0%	1,210,000
Kirkland Andrews	0%	10.0%	50.0%	100.0%	150.0%	600,000
Mauricio Gutierrez	0%	5.6%	37.5%	75.0%	112.5%	422,416
Denise M. Wilson	0%	5.6%	37.5%	75.0%	112.5%	422,416
John W. Ragan	0%	5.6%	37.5%	75.0%	112.5%	422,416

- (1) This presumes the AIP Gate is met, but no other metrics or goals are achieved at threshold levels.
- (2) This assumes that each of the financial performance metrics and all other quantitative and qualitative goals are achieved at threshold or target levels, respectively.
- (3) Only Consolidated Adjusted Free Cash Flow and/or Consolidated Adjusted EBITDA achievements are used to pay an AIP bonus above target.

The Committee has established the maximum AIP bonus opportunity at levels that can only be achieved with exceptional Company performance. While we strive for this level of performance every year, the goals are set at significantly challenging levels and, as such, the Committee expects that over time the maximum level will not be reached a significant percentage of the time. For example, since 2004, we have reached maximum payout only in 2005 and 2009, despite strong Company performance in 2005, 2006, 2007, 2009, 2010, particularly strong performance this year, in 2012, and record Company performance in 2008.

2012 AIP Performance Criteria

The table below sets forth the 2012 AIP bonus performance metrics and goals from which different goals, and different weightings, were selected for each NEO. Performance goals are chosen to align with our annual business plan and our overall business objective of increasing stockholder value and improving corporate performance. The quantitative and qualitative performance goals are described below and the weighting attributed to each NEO reflects his or her position and responsibilities.

2012 Performance Goals	2012 Target Level
Quantitative Performance Goals	
Consolidated Adjusted EBITDA ⁽¹⁾⁽²⁾	\$1,900 million
Regional Adjusted EBITDA and Growth Initiatives ⁽¹⁾⁽³⁾	\$1,566 million (Ragan); \$164 million (Wilson)
Consolidated Adjusted Free Cash Flow ⁽¹⁾⁽⁴⁾	\$950 million
Regional Safety / Environmental ⁽⁵⁾	Safety target = 12 OSHA Recordables ⁽⁶⁾
Regional Safety / Environmental ⁽⁵⁾	Environmental target = 1.61 points
Corporate Safety / Environmental ⁽⁷⁾	Safety target = 0.80 OSHA Total Recordable Injury Rate ⁽⁸⁾
Corporate Safety / Environmental ⁽⁷⁾	Environmental target = 1.27 points ⁽⁹⁾

Table of Contents

2012 Performance Goals	2012 Target Level
Qualitative Performance Goals	
Capital Allocation	Meet credit ratios and effectively return capital to stockholders
Staff Development and Succession Planning	Personnel recruitment, education, and advancement, including diversity advancements
Budget Expense Improvement	Achieve budgeted savings and efficiencies
Teamwork/Collaboration/STRIVE	Effectively collaborate across multiple lines of business to maximum operational / financial results. Demonstrate our Corporate STRIVE values.
FORNRG	Achieve targeted savings in the Company's 2012 cost reduction plan (FORNRG)
Key New Business Initiatives; Retail Solar; East Region Retail Expansion	Deliver on the New Businesses strategies, including coordination with retail and expansion in the East region
Sales/Customer Development/New Growth Projects	Development of sales across multiple business lines, including large scale growth prospects
New Business Support	Expansion of the business via development in both core assets and renewables
Trading P&L	Maximizing operating income through procurement and management of fuel and sale of energy
People Leadership and Talent Management	Effectively lead, maximize development opportunities, and ensure employee engagement and productivity
Control Environment	Achievement of 2012 audit, including effective internal controls
Strategic Development/Implementation	Development and dissemination of corporate strategy
Individual Performance / Goal and Development Achievement	Individual performance versus mutually agreed-upon annual goals

- (1) Our Statement of Operations and Statement of Cash Flows are found in Item 15 Consolidated Financial Statements to our Annual Report on Form 10-K filed on February 27, 2013 (2012 Form 10-K).
- (2) Net Income before Interest Expense, Income Tax, Depreciation and Amortization (EBITDA), as further adjusted for certain non-recurring items and to exclude mark-to-market movements of economic hedges since a portion of these forward sales and purchases are not afforded cash flow hedge accounting treatment. In 2012, excluding the results due to the GenOn acquisition from December 15 through December 31, 2012, the non-recurring items led to an aggregate increase in Consolidated Adjusted EBITDA of \$42 million.
- (3) Regional Net Income before Interest Expense, Income Tax, Depreciation, and Amortization (Regional EBITDA), as further adjusted for certain non-recurring items and to exclude mark-to-market movements of economic hedges since a portion of these forward sales and purchases are not afforded cash flow hedge accounting treatment.
- (4) Cash Flow from Operations, excluding changes in nuclear decommissioning trust liability and changes in collateral deposits supporting energy risk management activities, less maintenance and environmental capital expenditures (net of financings) and including net payments to settle acquired derivatives that include financing elements and purchases and sales of emission allowances. In 2012, excluding the

Table of Contents

results due to the GenOn acquisition from December 15 through December 31, 2012, the non-recurring items led to an aggregate increase in Consolidated Adjusted Free Cash Flow by \$134 million.

- (5) Applied safety practices at regional plant and office locations and qualitative and/or quantitative assessment of environmental compliance initiatives.
- (6) The Gulf Coast safety target and the Gulf Coast environmental target was established by setting a target that contemplates the number of notices of violations, reportable spills, or non-compliance events at each Regional plant, such as air emissions exceedance, waste water non-compliance, or administrative non-compliance. Each plant starts the year with a base number of zero and any non-compliance event adds a point and projects addressing climate change, clean air and protecting our resources can result in a maximum one point reduction.
- (7) Applied safety practices at plant and office locations and qualitative and/or quantitative assessment of environmental compliance and initiatives.
- (8) Based upon OSHA Total Recordable Injury Rate.
- (9) The corporate environmental target was established by setting a target that contemplates the number of notices of violations, reportable spills, or non-compliance events at each Company plant or office, such as air emissions exceedance, waste water non-compliance, or administrative non-compliance. Each plant starts the year with a base number of zero and any non-compliance event adds a point. Projects that address climate change or clean air improvements and protect our resources can result in a maximum one point reduction.

Weighting of NEO AIP Performance Goals

The AIP performance goals for all NEOs are based upon our corporate business strategy and the NEO's individual development year-over-year, in conjunction with the applicability of the corporate goals to the NEO's business unit. For example, for our CEO and CFO, the performance goals are more heavily weighted towards our overall financial performance due to the nature of their respective positions with the Company. In addition, a portion of the AIP bonuses paid to our CEO and CFO are specifically linked to execution of our Capital Allocation Plan, which includes a focus on the return of capital to our stockholders. For the other NEOs, performance goals are weighted more heavily towards corporate or regional financial and operational performance, and safety and/or environmental performance due to position responsibilities. We believe this design reflects clearer lines of sight for each of our NEOs, Regional Presidents and other functional heads over their respective business units. Furthermore, certain goals, such as trading and hedging or new business development/implementation apply to specific NEOs due to their expertise and areas of responsibility within the Company.

The following graphs depict the 2012 weighted performance criteria for each NEO up to target and above target opportunities. The graphs on the left indicate each NEOs weighted performance criteria for the "up to target" award opportunity whereas the graphs on the right indicate that payment of any AIP bonus above target is only possible based on Consolidated Adjusted Free Cash Flow and/or Consolidated Adjusted EBITDA achievements.

Up to Target Award Opportunity

D. Crane (CEO)

Above Target Award Opportunity

D. Crane (CEO)

Table of Contents

Up to Target Award Opportunity

K. Andrews (CFO)

Above Target Award Opportunity

K. Andrews (CFO)

M. Gutierrez (COO)

M. Gutierrez (COO)

D. Wilson (Alt. Energy)

D. Wilson (Alt. Energy)

J. Ragan (Gulf Coast)

J. Ragan (Gulf Coast)

Table of Contents**2012 AIP Bonuses**

As noted above, for 2012, the AIP Gate was \$725 million, the Consolidated Adjusted Free Cash Flow target was \$950 million and the Consolidated Adjusted EBITDA goal was \$1,900 million. For 2012, the AIP Gate was surpassed, the Consolidated Adjusted Free Cash Flow was just below target at \$941 million, and the Consolidated Adjusted EBITDA of \$1,949 million exceeded target.

For 2012, the Committee determined, based on the achievement of these quantitative performance goals as well as strong performance in qualitative and individual goals, to pay each NEO an AIP bonus above target. For Mr. Crane, the strong 2012 Company financial performance, execution of the Capital Allocation Plan and the successful closing of the GenOn merger were the key drivers for the final award. For the other NEOs, achievement of safety, operational and regional business goals, as well as the greater than target achievement of Company Consolidated Adjusted EBITDA resulted in AIP bonuses above target.

The AIP bonuses paid to each of the NEOs for 2012, expressed as a percentage of base salary, percentage of target achieved, and in dollars, were:

Named Executive Officer	Percentage of Base Salary (%)	Percent of Target Achieved (%)	Annual Incentive Payment (\$)
David Crane	100	122	1,476,200
Kirkland Andrews	100	102	611,100
Mauricio Gutierrez	75	109	460,222
Denise M. Wilson	75	104	439,101
John W. Ragan	75	101	427,063

AIP Changes for 2013

The Committee has identified successful integration of GenOn's operations with the Company as critical to the Company's future. Accordingly, in February 2013, the Committee created additional incentive opportunities under the AIP for Messrs. Crane, Andrews, Gutierrez and Ragan based on cost synergy savings and operational synergy savings realized in connection with the GenOn merger. Achievement of cost synergies, which include administrative and other costs, will be measured on December 31, 2013. Achievement of operational synergies, which include efforts such as procurement synergies, FORNRG synergies, and other asset management savings, will be evaluated on December 31, 2014. For 2013, the Committee established target and "stretch" goals based on achievement of cost synergies; no such incentive awards will be paid if target goals are not achieved. The target incentives for Messrs. Crane, Andrews, Gutierrez and Ragan are approximately 52%, 40%, 63% and 42% of base salary, respectively. These modifications to our AIP bonuses for 2013 even more closely link our pay to strong performance for our stockholders given the potential for these targets to drive exceptional value for our stockholders over the next several years.

Table of Contents

Long-Term Incentive Compensation

We believe that equity awards directly align our NEOs' interests with that of our stockholders. In 2012, we granted to our NEOs a combination of RSUs and performance-based MSUs. Although a critical component of our long-term design due to the retention aspects of the award, an RSU comprises only 33% of a NEO's grant date award opportunity. In prior years, we awarded our NEOs RSUs, performance units (PUs) and non-qualified stock options (NQSOs). We believe that our AIP appropriately focuses our executive team on shorter-term (one-year) financial metrics while our LTIP emphasizes long-term stockholder value creation (i.e. TSR). Therefore, our equity awards, regardless of form, are not based on internal financial or operational metrics but instead directly linked to our multi-year TSR.

Market Stock Units Each MSU represents the potential to receive common stock after the completion of three years of service from the date of grant based on absolute NRG stock price change (plus dividends) versus the baseline. The formula used to calculate the number of shares of common stock to be paid as of the vesting date for each MSU is as follows:

"TSR Multiplier" is the difference between the 20-trading day average closing prices on the grant date and vesting date, plus any dividends issued during the performance period, presumed reinvested as of the ex-dividend date.

To reinforce the performance nature of the MSU award, the Committee included a threshold level of performance and a maximum level of performance applicable to the "TSR Multiplier." The Committee has done this in recognition that significant stock price fluctuations, up or down, may occur due to changes in commodities prices which are outside of the Company's control. The TSR Multiplier will default to "0" if TSR falls more than 50% (threshold), meaning the NEO receives no shares, and conversely the multiplier will default to "2" if TSR increased 100% or more from the original value at grant date (maximum or cap), meaning the NEO receives two times the number of shares. If the TSR Multiplier results in a number between 0.5 and 2.0, the shares awarded are interpolated. The Committee believes this range of payment appropriately balances between the need to mitigate excessive risk-taking while still ensuring payments based on performance delivered.

Another critical aspect to the performance nature of the MSU design is the "valuation premium" associated with the award. As an MSU is linked to absolute TSR, NRG uses a Monte Carlo valuation, as determined by Radford/Aon Hewitt, an independent third party, to appropriately assess the grant date fair value (cost) of the award, similar to how a company may rely on Black-Scholes to value the grant date fair value of a stock option. According to this valuation, the design of NRG's MSU results in a premium of close to 22% for each share granted whereas no premium would be assigned to a time-based restricted stock award. In other words, an MSU is much less valuable to the participant at the target, below target levels, and even slightly above target levels, than the typical forms of equity compensation used by most companies to incentivize their management teams. The real opportunity with an MSU is only if the stock performs well under an executive's leadership and sustains that performance over time. Thus, in addition to the built-in performance-based nature of these awards, MSUs are even more tied to performance by this granting practice than they might seem.

The line graph below illustrates these key design concepts associated with an MSU. For example, Mr. Crane's 2012 MSU award requires a 9% TSR return to reach the target grant value that the Committee sought to deliver at the grant date (i.e., \$3.24M). Furthermore, the leverage within the MSU design results in sharp declines in realized value when TSR drops below the original grant price.

Table of Contents

For example, if NRG's TSR declines 15%, the value of Mr. Crane's MSU award will decline by 39%. On the other hand, if TSR increases 15%, participant value is only 12% above grant date fair value, reflecting the Committee's view that poor performance should not be rewarded and the ability to achieve meaningful upside opportunity should be limited to only those situations where performance is exceptional. Additionally, if TSR drops more than 50% at the end of the three-year period, the awards are forfeited completely. We believe this design is another example of our pay-for-performance approach to compensation and intense focus on absolute value creation for our stockholders.

Restricted Stock Units Each RSU represents the right to receive one share of common stock after the completion of three years of service from the date of grant. Given the volatility in our industry, we have found that the use of "cliff" vesting on our RSUs ensures that executives are focused on long-term value creation while supporting the Company's need to attract and retain executives during all market conditions. Occasionally, the Committee will use alternate RSU vesting periods, but only on an exception-basis, such as for a new-hire with a specific skill set or to serve as an enhanced retention tool. This year, we only granted awards using our traditional three-year cliff vesting approach.

Range of LTIP compensation The aggregate value of equity awards granted to each NEO for the fiscal year 2012 was based on a review of the grant date fair value of equity grants made to NEOs in our peer group, expressed as a percentage of base salary. FWC provided equity benchmark data for the peer group and provided recommendations as a percentage of base salary to the Committee. For grants in January 2012, these percentages were 400% of base salary for Mr. Crane and 200% of base salary for all other NEOs. Our practice is to issue annual equity awards on the first business day of the calendar year. For fiscal year 2012, the grant date was January 3, 2012. The closing price per share of the Company's stock on the grant date was \$17.97 per share.

Clawbacks

The Board has adopted a "clawback" policy with regard to awards made under the AIP and LTIP in the case of a material financial restatement, including a restatement that was the result of employee misconduct, or in the case of fraud, embezzlement or other serious misconduct that was materially detrimental to the Company. The Committee retains discretion regarding application of the policy. The policy is incremental to other remedies that are available to the Company. In addition to NRG's "clawback" policy, if the Company is required to restate its earnings as a result of noncompliance with

Table of Contents

a financial reporting requirement due to misconduct, under the Sarbanes-Oxley Act of 2002 (SOX), the CEO and the CFO would also be subject to a "clawback," as required by SOX.

Benefits

NEOs participate in the same retirement, life insurance, health and welfare plans as other salaried employees of the Company. To generally support more complicated financial planning and estate planning matters, NEOs are provided personal financial services up to \$11,585 each year, not including the financial advisor's travel or out-of-pocket expenses, to assist with financial planning and tax counseling. Survey data indicates that this form of benefit is consistent with market practice at the executive level and that \$11,585 is a reasonable level of benefit. Pursuant to the terms of his negotiated employment agreement entered into in December 2008 which allows for the continuation of previously awarded personal life and disability insurance, in 2012, Mr. Crane received additional benefits in the form of a \$12,000 life insurance premium reimbursement and \$10,000 disability insurance premium reimbursement. Beginning in 2012, we eliminated all tax gross ups on perquisites for executive officers.

Potential Severance and Change-in-Control Benefits

Mr. Crane, pursuant to his employment agreement, and the other NEOs, pursuant to the Company's Executive and Key Management Change-in-Control and General Severance Plan (CIC Plan), are entitled to severance payments and benefits in the event of termination of employment under certain circumstances, including following a change-in-control. We choose to pay severance and change-in-control benefits to assist with career transitions of our executives as well as to create an environment that provides for adequate business transition and knowledge transfer during times of change.

Change-in-control agreements are considered market practice among publicly-held companies. Most often, agreements are utilized to encourage executives to remain with the company during periods of extreme job uncertainty. In order to enable a smooth transition during the interim period, change-in-control agreements provide a defined level of security for the executive, and the company, to follow through on the implementation of a particular acquisition, asset sale/purchase, and integration.

For a more detailed discussion, including the quantification of potential payments, please see the section entitled "Severance and Change-in-Control" following the executive compensation tables below.

Effective July 23, 2009, we adopted a new change-in-control plan, the 2009 Executive Change-in-Control and General Severance Plan (New CIC Plan) that is applicable to new executives. In connection with a review of our executive compensation practices, we determined that for new executives, we will not pay tax gross ups with respect to payments upon a change-in-control. The New CIC Plan does not provide for gross up payments in the event payments under the New CIC Plan subject the executives to an excise tax under Section 4999 of the Code. Rather, the executives are entitled to the better of (known as net best) a change-in-control benefit which shall be limited to \$1 less than the amount subject to the excise tax, or the full payment that is subject to the excise tax (payable by the executive).

Other Matters

Stock Ownership Guidelines

The Committee and the Board require the CEO to hold NRG stock with a value equal to six times his or her base salary until his or her termination. All other NEOs, including the CFO, are required, absent a hardship, to hold equity instruments with a value equal to 2.5 times their base salary until their termination. Only vested shares or vested options with an exercise price that is less than the current stock price count towards the ownership multiple. As certain NEOs have experienced a limited number of LTIP grant opportunities, they have not yet achieved expected stock ownership multiples. It is anticipated, however, that NEOs will achieve expected ownership multiple thresholds over the course

Table of Contents

of a series of upcoming LTIP grants. Absent a hardship, NEOs are restricted from divesting any securities until such ownership multiples are attained. The current stock ownership for NEOs as of December 31, 2012 is shown below:

Named Executive Officer	Target Ownership Multiple	Actual Ownership Multiple
David Crane	6.0	19.3
Kirkland Andrews	2.5	1.6
Mauricio Gutierrez	2.5	2.3
Denise M. Wilson	2.5	1.3
John W. Ragan	2.5	0.9

Dilution and Run Rate

NRG and the Committee work to ensure that NRG's equity awards balance both the interests of stockholders in controlling dilution and NRG's business need to attract, motivate, and retain the level of executive talent required to execute its business strategy. Observing established dilution rates help stockholders preserve anticipated share ownership percentages in NRG. The dilution interests are tracked by way of:

Dilution rate outstanding NQSOs, RSUs, PUs and MSUs plus additional shares reserved for future grant divided by shares outstanding; and

Run rate amount of MSUs and RSUs actually distributed in 2012.

Our potential dilution rate at the end of 2012 was approximately 6.21% on a fully diluted basis, with an actual dilution rate of 3.38% reflecting shares granted and outstanding at year-end (but excluding shares reserved for future grant). This calculation is not net of forfeitures and cancellations. The three-year run rate was 0.94%, calculated on a fully diluted basis. For 2012, the Committee replaced the NQSOs and PUs with MSUs, further aligning incentive compensation with TSR and reducing the potential dilution rate.

Tax and Accounting Considerations

The Committee has considered the implications of Section 162(m) of the Code, which precludes us (as a public company) from taking a tax deduction for individual compensation in excess of \$1 million for any of the NEOs, subject to certain exemptions. The Committee has also considered the exemptions to such limitation, which are also provided in Section 162(m) and specifically the exemption for compensation that is "performance-based" within the meaning of Section 162(m). The Committee believes tax deductibility of compensation is an important consideration and, where possible and considered appropriate, intends to preserve the deductibility of compensation to NEOs under Section 162(m). However, the Committee also believes that it is important to retain flexibility in designing compensation programs, and as a result, has not adopted a policy that any particular amount of compensation must be deductible to NRG under Section 162(m). The Committee also takes into account tax consequences to NEOs in designing the various elements of our compensation program, such as designing the terms of awards to defer immediate income recognition in accordance with Section 409A of the Code. The Committee remains informed of the accounting implications of its compensation programs, however, and approves programs based on their total alignment with our strategy and long-term goals.

Table of Contents

Summary Compensation Table
Fiscal Year Ended December 31, 2012

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$)	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation (\$)	Total (\$)
							Earnings (\$)		
David Crane	2012	1,210,000		4,840,149		1,476,200	49,552 ⁽³⁾	43,639	7,619,540
President and Chief	2011	1,210,000		3,242,883	1,597,907	857,290	37,633 ⁽³⁾	54,584	7,000,297
Executive Officer	2010	1,206,192		3,241,911	1,596,548	1,988,769	34,262 ⁽³⁾	54,428	8,122,110
Kirkland Andrews⁽⁴⁾	2012	600,000		1,198,336		611,100		24,479	2,433,915
Executive Vice	2011	170,769	100,000	3,023,600		500,000 ⁽⁵⁾		18,418	3,812,787
President and Chief Financial Officer									
Mauricio Gutierrez	2012	563,221		1,126,839		460,222		29,135	2,179,418
Executive Vice	2011	519,616		2,042,334	329,699	313,979		28,229	3,233,857
President and Chief	2010	466,308		441,971	217,370	464,914		34,570	1,625,133
Operating Officer									
Denise M. Wilson	2012	563,221		1,126,839		439,101		24,745	2,153,907
Executive Vice	2011	483,154		1,503,694	290,449	308,514		28,123	2,613,934
President and President, Alternative Energy Services	2010	438,615		441,971	217,370	438,999		34,525	1,571,480
John W. Ragan	2012	563,221		1,126,839		427,063		29,085	2,146,208
Executive Vice	2011	528,731		1,831,865	340,166	298,004		26,568	3,025,334
President and Regional President, Gulf Coast	2010	513,789		518,419	254,848	503,720		285,753	2,076,529

(1)

Reflects base salary earnings.

(2)

Reflects the grant date fair value determined in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 718, Comparison Stock Compensation. The assumptions made in these valuations are discussed in the Company's 2012 Form 10-K in Item 15 Consolidated Financial Statements. For performance-based MSUs granted in 2012, if the maximum level of performance is achieved, the grant date fair value will be approximately \$6,485,000 for Mr. Crane, \$1,606,000 for Mr. Andrews, \$1,510,000 for Mr. Gutierrez, \$1,510,000 for Ms. Wilson and \$1,510,000 for Mr. Ragan. The assumptions made in these valuations are discussed in the Company's 2012 Form 10-K in Item 15, Consolidated Financial Statements.

(3)

Amount attributable to change in actuarial present value of Mr. Crane's benefit under the NRG Pension Plan for Non-Bargained Employees.

(4)

Mr. Andrews became CFO on September 6, 2011.

(5)

Pursuant to his offer of employment, Mr. Andrews received a \$500,000 payment under the AIP.

The amounts provided in the Non-Equity Incentive Plan Compensation column represent values earned under NRG's 2012, 2011 and 2010 AIP payable in March 2013, March 2012, and March 2011, respectively. NEOs were provided the opportunity to earn a cash incentive payment based on the attainment of certain pre-established Company and individual goals for fiscal years 2012, 2011 and 2010. The performance criteria and weight given to each NEO are described in detail in the CD&A. The Company experienced strong TSR growth in 2012, which modestly increased executive pay in 2012,

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Table of Contents

primarily because the AIP payments reflected this strong performance. The dollar amounts in the table represent payouts for actual 2012, 2011 and 2010 Company performance.

Only one NEO, David Crane, participates in the NRG Pension Plan for Non-Bargained Employees, which was closed to new employees hired on, or after, December 5, 2003. The values shown in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column represent the 2012, 2011, and 2010 year-over-year increases in the value of the defined benefit pension plan.

The amounts provided in the All Other Compensation column represent the additional benefits payable by NRG and include insurance benefits, the employer match under the Company's 401(k) plan, relocation expenses, financial counseling services up to \$11,585, not including the financial advisor's travel or out-of-pocket expenses, and the amount payable under NRG's all-employee discretionary contribution to the 401(k) plan. Beginning in 2009, the Company eliminated tax gross ups with respect to the financial services, and beginning in 2012, the Company eliminated all gross ups on perquisites for executive officers. The following table identifies the additional compensation for each NEO.

Name	Year	Life Insurance Reimbursement (\$)	Disability Insurance (\$)	Financial Advisor Services (\$)	401(k) Employer Matching Contribution (\$)	401(k) Discretionary Contribution (\$)	Relocation Expenses (\$)	Total Taxable Grossed Up Expenses (\$) ⁽¹⁾	Total (\$)
David Crane	2012	12,000	10,000	11,639	10,000				43,639
	2011	12,000	10,000	11,726	9,800			11,058 ⁽²⁾	54,584
	2010	12,000	10,120	11,390	9,800			11,118 ⁽³⁾	54,428
Kirkland Andrews	2012			6,979	10,000	7,500			24,479
	2011			9,553	2,688	6,177			18,418
Mauricio Gutierrez	2012			11,635	10,000	7,500			29,135
	2011			11,691	9,800	6,738			28,229
	2010			11,295	9,800	13,475			34,570
Denise M. Wilson	2012			7,245	10,000	7,500			24,745
	2011			11,585	9,800	6,738			28,123
	2010			11,250	9,800	13,475			34,525
John W. Ragan	2012			11,585	10,000	7,500			29,085
	2011			2,100	9,800	6,737	7,931 ⁽⁴⁾		26,568
	2010			8,545	9,800	13,475	253,933 ⁽⁵⁾		285,753

(1) Beginning in 2012, the Company eliminated all gross ups on perquisites for executive officers.

(2) This amount represents \$6,032 gross up for 2011 life insurance and \$5,026 gross up for 2011 disability insurance.

(3) This amount represents \$6,032 gross up for 2010 life insurance and \$5,086 gross up for 2010 disability insurance.

(4) This amount represents \$7,931 for 2011 taxable relocation.

(5) This amount represents \$253,933 for 2010 taxable relocation.

Employment Agreements

Mr. Crane serves as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement with the Company that was amended and restated in order to ensure compliance with Section 409A of the Code, effective December 4, 2008. The initial term of the amended and restated employment agreement ended on December 31, 2010. The agreement is renewed automatically for successive one-year terms on the same terms and conditions unless either party provides the other with notice to the contrary at least 90 days prior to the end of the initial term or any subsequent one-year term.

Table of Contents

Effective December 4, 2008 through December 31, 2009, the amended and restated employment agreement provides for an annual base salary of \$1,100,000. For each one-year period thereafter, Mr. Crane's base salary will be reviewed and may be increased by the Board. Mr. Crane's base salary for 2012 was \$1,200,000. Beginning with the 2008 fiscal year, Mr. Crane is entitled to an annual bonus with a target amount of up to 100 percent of his base salary, based upon the achievement of criteria determined at the beginning of the fiscal year by the Board, with input from Mr. Crane. In addition, beginning with the 2008 fiscal year, Mr. Crane is also entitled to a maximum annual bonus up to an additional 100 percent of his base salary, based upon the achievement of Consolidated Adjusted Free Cash Flow and Consolidated Adjusted EBITDA criteria for that fiscal year.

In addition to salary and bonus, the employment agreement provides that Mr. Crane is eligible to participate in the Company's LTIP in accordance with its terms. Mr. Crane is also entitled to health, welfare and retirement benefits, term life insurance of \$7.75 million, five weeks paid vacation, and coverage under the Company's director and officer liability insurance coverage, in addition to reimbursement of reasonable business expenses and for financial planning. Mr. Crane's employment agreement also entitles him to certain severance payments and benefits in the event his employment terminates under certain circumstances. These severance payments and benefits are described and quantified under the section "Severance and Change-in-Control" below.

The Company has not entered into employment agreements with NEOs other than Mr. Crane.

Grants of Plan-Based Awards Fiscal Year Ended December 31, 2012

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards ⁽³⁾	All Other Options ⁽³⁾	Exercise Price of Stock or Units ⁽³⁾	Grant Date Fair Value of Stock and Option Awards ⁽⁴⁾
			Threshold (\$) ⁽⁵⁾	Target (\$) ⁽⁵⁾	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Number of Shares	Number of Options	(\$/Sh)	(\$) ⁽⁴⁾
David Crane	1/3/2012	12/1/2011	605,000	1,210,000	2,420,000	74,100	148,200	296,400				3,242,616
	1/3/2012	12/1/2011							88,900			1,597,533
Kirkland Andrews	1/3/2012	11/30/2011	300,000	600,000	900,000	18,350	36,700	73,400				802,996
	1/3/2012	11/30/2011							22,000			395,340
Mauricio Gutierrez	1/3/2012	11/30/2011	211,208	422,416	633,624	17,250	34,500	69,000				754,860
	1/3/2012	11/30/2011							20,700			371,979
Denise M. Wilson	1/3/2012	11/30/2011	211,208	422,416	633,624	17,250	34,500	69,000				754,860
	1/3/2012	11/30/2011							20,700			371,979
John W. Ragan	1/3/2012	11/30/2011	211,208	422,416	633,624	17,250	34,500	69,000				754,860
	1/3/2012	11/30/2011							20,700			371,979

(1) Represents estimated payouts under the AIP as discussed in the CD&A.

(2) Represents MSUs granted under the LTIP as discussed in the CD&A.

(3) Represents RSUs granted under the LTIP as discussed in the CD&A.

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- (4) The assumptions made in these valuations are discussed in the Company's 2012 Form 10-K in Item 15 Consolidated Financial Statements.
- (5) This assumes that each of the financial performance metrics and all other quantitative and qualitative goals are achieved at the threshold or target level, respectively, as discussed in the CD&A.

Table of Contents

2012 Annual Incentive Plan

NEOs were provided the opportunity to earn an AIP payment based on the attainment of certain pre-established Company and individual goals for fiscal year 2012. The performance criteria and weight given to each are described in detail in the CD&A. The dollar amount of the possible payouts for achieving the threshold, target or maximum levels of performance during 2012 are shown in the above table. If the Company is required to prepare an accounting restatement because it is in material noncompliance with any financial reporting requirements, then any NEO who has received a payment under the AIP may be required to reimburse the Company for all or a portion of the payment (commonly referred to as a clawback).

2012 Long-Term Equity Incentives

Beginning in 2012, the long-term equity incentive grants to NEOs consisted of RSUs and MSUs. In prior years, the NEOs were provided long-term incentives through grants of: (a) NQSOs; (b) RSUs; and (c) PUs. Consistent with our policy, these awards were granted to NEOs as of the first business day of the fiscal year, *i.e.* January 3, 2012. In February 2013, the Compensation Committee approved a change to awards made under the LTIP so that the awards no longer contain a "single trigger" provision. For equity awards made after February 2013, a "double trigger" provision will apply, meaning the vesting of the awards will not accelerate unless there is a termination of employment in connection with a change in control.

Each MSU represents the potential to receive common stock after the completion of three years of service from the date of grant based on absolute NRG stock price change (plus dividends) versus the baseline. The formula used to calculate the number of shares of common stock to be paid as of the vesting date for each MSU is as follows: the "TSR Multiplier" times the target MSUs on the date of grant equals the actual number of MSUs earned at the end of the period. The TSR Multiplier is the difference between the 20-trading day average closing prices on the grant date and vesting date, plus any dividends issued during the performance period, presumed reinvested as of the ex-dividend date. The TSR Multiplier will default to "0" if the stock price of the Company falls more than 50% (threshold), meaning the NEO receives no shares, and conversely the multiplier will default to "2" if TSR is 200% or more from the original value at grant date (maximum or cap), meaning the NEO receives two times the number of shares. If the TSR Multiplier results in a number between 0.5 and 2.0, the shares awarded are interpolated. Upon a change in control with respect to MSUs granted prior to February 2013, or termination of service by reason of death, the MSU award vests in full and the common stock underlying the MSU shall be issued and delivered to the NEO or in the case of death, the participant's legal representatives, heirs, legatees, or distributees. Any unvested portion of the MSU award is forfeited if the NEO's employment is terminated for any reason other than death of the NEO, including, without limitation, termination of service as a result of disability, retirement, voluntary resignation or termination for cause.

Each RSU represents the right to receive one share of common stock as of the vesting date for the award. RSUs granted in 2012 will become 100% vested as of the third anniversary (in the case of Mr. Andrews, the RSUs granted in 2011 will vest over a three-year period, one-third as of the first anniversary, one-third as of the second anniversary, and the final third as of the third anniversary) of the date of grant provided the NEO is still employed with the Company as of that date. Upon a change in control with respect to RSUs granted before February 2013, or termination of service by reason of death, the RSU award shall vest in full and the common stock underlying the RSU award shall be issued and delivered to the NEO or in the case of death, the participant's legal representatives, heirs, legatees, or distributees. Any unvested portion of the RSU award is forfeited if the NEO's employment is terminated for any reason other than death of the NEO, including, without limitation, termination of service as a result of disability, retirement, voluntary resignation or termination for cause.

Table of Contents

Each NQSO represents the right to purchase one share of common stock at a price equal to the fair market value of the stock determined as of the date of grant. Except for NQSOs granted between 2006 and 2009, which have a term of 6 years, all NQSOs have a term of 10 years and vest in equal annual installments over a three year vesting schedule. The NQSO is forfeited if the NEO's employment is terminated for any reason other than a change in control, death, disability or retirement. Upon a change in control with respect to NQSOs granted before February 2013, all NQSOs shall vest in full and be exercisable until the expiration date. Upon termination of service by reason of death, the NQSOs shall vest in full and shall be exercisable by the executor or administrator of participant's estate (or any person to whom the NQSO is transferred by will or the laws of descent and distribution) until the earlier of the expiration date or 12 months after the date of such termination of service, and thereafter the NQSOs shall terminate and cease to be exercisable. Upon termination of service by reason of disability or retirement, the participant shall have the right until the earlier of the expiration date or (a) 12 months (if termination of service by reason of disability) or (b) two years (if termination of service by reason of retirement), after the date of such termination of service to exercise only that portion of the NQSOs that was exercisable as of the date of such termination of service, and thereafter the option shall terminate and cease to be exercisable.

Each PU represents the right to receive a certain number of shares of common stock after the completion of three years of service from the date of grant, provided the price per share of common stock as of the date of vesting equals or exceeds the threshold price set under the award. The number of shares of common stock to be paid as of the vesting date is equal to: (a) a prorated amount in between one-half and one share of common stock if the threshold price is met but the target price is not met; (b) one share if the target price is met; (c) a pro rata amount between one and two shares if the target price is exceeded but the maximum price set under the award is not met; and (d) two shares if the maximum price is met or exceeded. Upon a change in control with respect to PUs granted before February 2013, or termination of service by reason of death, the PUs shall vest in full and the common stock underlying the PUs shall be issued and delivered to the participant's legal representatives, heirs, legatees, or distributees. Any unvested portion of the PUs is forfeited if the NEO's employment is terminated for any reason other than death of the NEO, including, without limitation, termination of service as a result of disability, retirement, voluntary resignation or termination for cause.

Table of Contents

**Outstanding Equity Awards at Fiscal Year-End
Fiscal Year Ended December 31, 2012**

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#)		Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards	
	Exercisable	Unexercisable					Number of Unearned Shares that Have Not Vested (#)	Market Value of Unearned Shares that Have Not Vested (\$) ⁽¹⁾
David Crane	1,065,502		12.015	12/5/2013	236,300 ⁽²⁾	5,432,537	296,200 ⁽³⁾	1,703,559
	220,800		27.915	1/3/2013				
	192,000		42.820	1/2/2014				
	257,300		23.640	1/2/2015				
	99,400	49,700 ⁽⁴⁾	23.870	1/4/2020				
	61,066	122,134 ⁽⁵⁾	19.830	1/3/2021				
Kirkland Andrews					62,000 ⁽⁶⁾	1,425,380	76,700 ⁽⁷⁾	881,667
Mauricio Gutierrez	7,400		27.915	1/3/2013	106,400 ⁽⁸⁾	2,446,136	60,300 ⁽⁹⁾	396,578
	22,000		37.730	7/26/2013				
	6,200		42.820	1/2/2014				
	21,500		41.630	3/3/2014				
	35,100		23.640	1/2/2015				
	13,533	6,767 ⁽¹⁰⁾	23.870	1/4/2020				
Denise M. Wilson	12,600	25,200 ⁽¹¹⁾	19.830	1/3/2021	84,400 ⁽¹²⁾	1,940,356	58,300 ⁽¹³⁾	396,578
	117,200		24.750	9/30/2014				
	35,100		23.640	1/2/2015				
	13,533	6,767 ⁽¹⁴⁾	23.870	1/4/2020				
John W. Ragan	11,100	22,200 ⁽¹⁵⁾	19.830	1/3/2021	98,500 ⁽¹⁶⁾	2,264,515	62,300 ⁽¹⁷⁾	396,578
	29,000		27.915	1/3/2013				
	22,400		42.820	1/2/2014				
	32,000		23.640	1/2/2015				
	15,866	7,934 ⁽¹⁸⁾	23.870	1/4/2020				
	13,000	26,000 ⁽¹⁹⁾	19.830	1/3/2021				

- (1) Assumes achievement of threshold award levels for MSU awards as discussed in the CD&A. No value was attributed to unvested PU awards because the market price on December 31, 2012 was below the price required to achieve the threshold award.
- (2) This amount represents 66,900 RSUs that vested on January 4, 2013, 80,500 RSUs that will vest on January 3, 2014, and 88,900 RSUs that will vest on January 3, 2015.
- (3) This amount represents 68,800 PUs that vested on January 4, 2013, 79,200 PUs that will vest on January 3, 2014, and 148,200 MSUs that will vest on January 3, 2015.
- (4) This amount represents 49,700 NQSOs that vested on January 4, 2013.
- (5) This amount represents 61,067 NQSOs that vested on January 3, 2013 and 61,067 NQSOs that will vest on January 3, 2014.

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- (6) This amount represents 20,000 RSUs that will vest on September 6, 2013, 20,000 RSUs that will vest on September 6, 2014 and 22,000 RSUs that will vest on January 3, 2015.
- (7) This amount represents 20,000 MSUs that will vest on September 6, 2013, 20,000 MSUs that will vest on September 6, 2014 and 36,700 MSUs that will vest on January 3, 2015.
- (8) This amount represents 9,100 RSUs that vested on January 4, 2013, 16,600 RSUs that will vest on January 3, 2014, 60,000 RSUs that will vest on August 15, 2016 or earlier with TSR conditions, and 20,700 RSUs that will vest on January 3, 2015.

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Table of Contents

- (9) This amount represents 9,400 PUs that vested on January 4, 2013 and 16,400 PUs that will vest on January 3, 2014, and 34,500 MSUs that will vest on January 3, 2015.
- (10) This amount represents 6,767 NQSOs that vested on January 4, 2013.
- (11) This amount represents 12,600 NQSOs that vested on January 3, 2013 and 12,600 NQSOs that will vest on January 3, 2014.
- (12) This amount represents 9,100 RSUs that vested on January 4, 2013; 14,600 RSUs that will vest on January 3, 2014 and 40,000 RSUs that will vest on August 15, 2016 or earlier with TSR conditions, and 20,700 RSUs that will vest on January 3, 2015.
- (13) This amount represents 9,400 PUs that vested on January 4, 2013 and 14,400 PUs that will vest on January 3, 2014, and 34,500 MSUs that will vest on January 3, 2015.
- (14) This amount represents 6,767 NQSOs that vested on January 4, 2013.
- (15) This amount represents 11,100 NQSOs that vested on January 3, 2013 and 11,100 NQSOs that will vest on January 3, 2014.
- (16) This amount represents 10,700 RSUs that vested on January 4, 2013; 17,100 RSUs that will vest on January 3, 2014 and 50,000 RSUs that will vest on August 15, 2016 or earlier with TSR conditions, and 20,700 RSUs that will vest on January 3, 2015.
- (17) This amount represents 11,000 PUs that vested on January 4, 2013 and 16,800 PUs that will vest on January 3, 2014, and 34,500 MSUs that will vest on January 3, 2015.
- (18) This amount represents 7,934 NQSOs that vested on January 2, 2013.
- (19) This amount represents 13,000 NQSOs that vested on January 3, 2013 and 13,000 NQSOs that will vest on January 3, 2014.

Option Exercises and Stock Vested Fiscal Year Ended December 31, 2012

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
David Crane			31,600 ⁽¹⁾	572,592 ⁽²⁾
Kirkland Andrews			20,000 ⁽³⁾	446,600 ⁽⁴⁾
			19,240 ⁽⁵⁾	429,629 ⁽⁴⁾
Mauricio Gutierrez			4,300 ⁽¹⁾	77,916 ⁽²⁾
			16,920 ⁽⁶⁾	286,963 ⁽⁷⁾
Denise M. Wilson			4,300 ⁽¹⁾	77,916 ⁽²⁾
John W. Ragan			3,900 ⁽¹⁾	70,668 ⁽²⁾

- (1) Represents RSUs granted on January 2, 2009 with 100% vesting on January 2, 2012.

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- (2) Based on a share price of \$18.12 on December 31, 2011 since January 2, 2012 was a non-trading day.
- (3) Represents RSUs granted on September 6, 2011 with 33% vesting on September 6, 2012.
- (4) Based on a share price of \$22.33 on September 6, 2012.
- (5) Represents MSUs granted on September 6, 2011, with 96% vesting on September 6, 2012.
- (6) Represents Phantom Restricted Stock Units (PRSUs) granted on February 10, 2009 with 100% vesting on February 10, 2012. PRSUs were granted pursuant to a cash-based phantom equity program approved by the Compensation Committee.
- (7) Based on the average closing price of NRG's common stock for the twenty (20) trading day period preceding and including February 10, 2012 of \$16.96.

Table of Contents

Pension Benefits
Fiscal Year Ended December 31, 2012

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)
David Crane	NRG Pension Plan for Non-Bargained Employees	9.0833	245,030
Kirkland Andrews			
Mauricio Gutierrez			
Denise M. Wilson			
John W. Ragan			

The NRG Pension Plan for Non-Bargained Employees provides qualified retirement income benefits to most NRG employees who were hired prior to December 5, 2003. The plan was closed to new employees on that date as required by the creditors during the financial restructuring of the Company. Mr. Crane is the only NEO eligible to receive benefits under this plan. He is covered under the pension equity formula under the plan which provides a lump sum benefit equal to 10% of the participant's four-year final average pay times years of credited service. Annual pension earnings include base pay and incentives but are capped by the Internal Revenue Service (IRS) qualified plan pay limit each year. For example, the 2012 pay limit was \$250,000. Pension benefits become 100% vested after three years of service and a participant may retire as early as age 55. At termination or retirement, the participant may receive his accrued benefit as a one-time lump sum payment or as an actuarial equivalent monthly annuity. Actuarial equivalent annuities are determined using Code Section 417(e) interest rates and IRS mortality table effective for the year in which the benefit is paid. For additional information on the assumptions used in calculating the present value of the accumulated benefit under the plan, see the Company's 2012 Form 10-K in Item 15, Consolidated Financial Statements.

Non-Qualified Deferred Compensation
Fiscal Year Ended December 31, 2012

Name	Aggregate Earnings in Last FY (\$)	Aggregate Balance at Last FYE (\$)
David Crane	185,752	876,885
Kirkland Andrews		
Mauricio Gutierrez		
Denise M. Wilson		
John W. Ragan		

Non-qualified deferred compensation reported in the above table was awarded in 2005 in the form of deferred stock units (DSUs). A DSU represents the right of a participant to be paid one share of NRG's Common Stock at the end of a deferral period established under the award by the Compensation Committee or elected by the participant under the terms of an award and the tax rules applicable to nonqualified deferred compensation plans under Section 409A of the Code. No additional deferred compensation awards have been made to NEOs since 2005. The DSUs reflected above are fully vested and, in general, will be paid in the form of stock six months following the NEO's termination of employment. While no further non-qualified deferred compensation awards are anticipated, the Committee may choose to revisit this approach in the future.

Table of Contents

Severance and Change-in-Control

Mr. Crane, pursuant to his employment agreement, and the other NEOs, pursuant to the CIC Plan are entitled to certain severance payments and benefits in the event of termination of employment under certain circumstances.

In the event Mr. Crane's employment with the Company is terminated by the Company "without cause," by Mr. Crane for "good reason" (including a reduction on his base salary) or if the Company notifies Mr. Crane it has elected not to renew his employment agreement after the initial term or any subsequent one-year term, Mr. Crane will be entitled to two times his base salary (without regard for any reduction on base salary); 50 percent of the bonus he would have received upon actual satisfaction of the underlying performance conditions, prorated for the number of days he was employed with the Company in the year of termination; immediate vesting of all restricted stock and stock options; reimbursement for COBRA benefits continuation cost for 18 months; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay, and retirement benefits.

In the event Mr. Crane's employment with the Company is terminated by the Company "without cause" or by Mr. Crane for "good reason" (including a reduction on his base salary) or if the Company notifies Mr. Crane it has elected not to renew his employment agreement after the initial term or any subsequent one-year term, within 24 months following a change-in-control, in lieu of the above severance benefits, Mr. Crane will be entitled to 2.99 times the sum of his base salary (without regard for any reduction in base salary) plus his annual target bonus for the year of termination. Mr. Crane will also be entitled to a payment equal to the bonus he would have received upon actual satisfaction of the underlying performance conditions, prorated for the number of days he was employed with the Company in the year of termination; immediate vesting of all restricted stock and stock options granted prior to February 2013; reimbursement for COBRA benefits continuation cost for 18 months; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay, and retirement benefits. Vesting of equity awards granted after February 2013 will not accelerate unless Mr. Crane is terminated in connection with the change-in-control.

In the event Mr. Crane's employment with the Company is terminated due to his death or disability, Mr. Crane (or his estate) will be entitled to 50 percent of the target annual bonus, prorated for the number of days he was employed with the Company in the year of termination; and earned but unpaid base salary, bonuses, deferred compensation, vacation pay and retirement benefits.

In the event that the payments under Mr. Crane's employment agreement subject him to an excise tax under Section 4999 of the Code, he will be entitled to a "gross up payment" so that the net amount received by Mr. Crane after imposition of the excise tax equals the amount he would have received under the employment agreement absent the imposition of the excise tax. In addition, under the employment agreement, the Company has agreed to indemnify Mr. Crane against any claims arising as a result of his position with the Company to the maximum extent permitted by law.

Under each of the Crane employment agreement and the CIC Plan, the applicable executive agrees not to divulge confidential information or, during and for a period of one year after the termination of the employment agreement, compete with, or solicit the customers or employees of the Company.

Under the CIC Plan, the NEOs other than Mr. Crane are entitled to a general severance benefit equal to 1.5 times base salary in the event of involuntary termination without cause payable in a lump sum amount and reimbursement for COBRA benefits continuation cost for a period of 18 months.

The CIC Plan also provides a change-in-control benefit in the event that within 24 months following a change-in-control, NEO employment is either involuntarily terminated by the Company without cause or voluntarily terminated by the executive for good reason. This change-in-control benefit is equal to the executive's base salary plus annual target incentive times 2.99 payable in a lump sum

Table of Contents

amount, an amount equal to the NEO's target bonus for the year of termination, prorated for the number of days during the performance period the NEO was employed by the Company and reimbursement for COBRA benefits continuation cost for a period of 18 months. In the event of a change-in-control, all equity granted to the NEOs prior to February 2013 will become fully vested. Vesting of equity awards granted after February 2013 will not accelerate unless the NEO is terminated in connection with the change-in-control.

In general, under Mr. Crane's employment agreement and the CIC Plan, a "change-in-control" occurs in the event: (a) any person or entity becoming the direct or indirect beneficial owner of 50% or more of the Company's voting stock, (b) directors serving on the Board as of a specified date cease to constitute at least a majority of the Board unless such directors are approved by a vote of at least two-thirds ($\frac{2}{3}$) of the incumbent directors, provided that a person whose assumption of office is in connection with an actual or threatened election contest or actual or threatened solicitation of proxies including by reason of agreement intended to avoid or settle such contest shall not be considered to be an incumbent director, (c) any reorganization, merger, consolidation, sale of all or substantially all of the assets of the Company or other transaction is consummated and the previous stockholders of the Company fail to own at least 50% of the combined voting power of the resulting entity or (d) the stockholders approve a plan or proposal to liquidate or dissolve the Company. An involuntary termination without "cause" means the NEO's termination by the Company for any reason other than the NEO's conviction of, or agreement to a plea of nolo contendere to, a felony or other crime involving moral turpitude, willful failure to perform his duties or willful gross neglect or willful gross misconduct. A voluntary termination for "good reason" means the resignation of the NEO in the event of a material reduction in his compensation or benefits, a material diminution in his title, authority, duties or responsibilities or the failure of a successor to the Company to assume the CIC Plan or in the case of Mr. Crane, his employment agreement. In the case of Mr. Crane only, "good reason" also includes any failure by the Company to comply with his employment agreement, his removal from the Board, the failure to elect him to the Board during any regular election as well as a change in reporting structure of the Company requiring Mr. Crane to report to anyone other than the Board. The amount of compensation payable to each NEO in each circumstance is shown in the table below, assuming that termination of employment occurred as of December 31, 2012, and including payments that would have been earned as of such date. The amounts shown below do not include benefits payable under the NRG Pension Plan for Non-Bargained Employees, the 401(k) plan or DSUs.

Named Executive Officer	Involuntary Termination Not for Cause (\$)	Voluntary Termination for Good Reason (\$)	Involuntary Not for Cause or Voluntary for Good Reason following a Change-in-Control (\$)	Death or Disability (\$)
David Crane	15,819,406	15,819,406	26,387,221	13,233,116
Kirkland Andrews	916,887	916,887	8,320,100	4,719,413
Mauricio Gutierrez	871,928	871,928	7,317,903	4,372,287
Denise M. Wilson	846,788	846,788	6,731,523	3,789,926
John W. Ragan	871,914	871,914	7,117,903	4,139,142

Table of Contents

Director Compensation
Fiscal Year Ended December 31, 2012

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Total (\$)
E. Spencer Abraham ⁽²⁾	44,107	95,013	139,120
Kirbyjon H. Caldwell	105,000	105,008	210,008
John F. Chlebowski	105,000	105,008	210,008
Lawrence S. Coben	105,000	105,008	210,008
Howard E. Cosgrove	167,500	167,514	335,014
Stephen L. Cropper ⁽³⁾			
Terry G. Dallas ⁽²⁾	44,107	139,127	183,234
William E. Hantke	112,500	112,502	225,002
Paul W. Hobby	105,000	105,008	210,008
Gerald Luteran	95,000	95,006	190,006
Kathleen A. McGinty	105,000	105,008	210,008
Edward R. Muller ⁽²⁾	53,393	115,000	168,393
Anne C. Schaumburg	95,000	95,006	190,006
Evan J. Silverstein ⁽²⁾	44,107	95,013	139,120
Herbert H. Tate ⁽⁴⁾	95,000	95,006	190,016
Thomas H. Weidemeyer	95,000	95,006	190,006
Walter R. Young	95,000	95,006	190,006

(1)

Reflects the grant date fair value of DSUs awarded in 2012 determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation, the full amount of which is recorded as a compensation expense in the income statement for fiscal year 2012.

For all directors, other than Secretary Abraham and Messrs. Dallas, Muller and Silverstein, the grant date fair value was based on the closing price of the Company's common stock, as report on the NYSE, on the date of grant, which was \$14.84 per share of common stock on June 1, 2012.

For Secretary Abraham and Messrs. Dallas, Muller and Silverstein, the grant date fair value was based on the closing price of the Company's common stock on December 14, 2012, which was \$23.00 per share of common stock and corresponds with the closing date of the merger with GenOn.

All DSUs held by the directors are payable upon termination of service as a Board member, other than the DSUs held by the following directors: (i) Mr. Cosgrove, who holds 90,993 DSUs, 60,903 of which are payable upon his termination of service as a Board member, 11,686 of which are payable in the year following his termination of service as a Board member and 18,404 of which are payable in the second year following his termination of service as a Board member; and (ii) Mr. Hantke, who holds 14,454 DSUs, of which 5,346 are payable on June 1, 2013, 4,212 are payable on June 1, 2014, 3,001 are payable on June 1, 2015 and 1,895 are payable on June 1, 2016.

The following table sets forth the aggregate number of Stock Awards (DSUs, restricted stock awards and dividend equivalent rights (DERs)) and Options Awards held by each of the

Table of Contents

non-employee directors as of December 31, 2012. A DER is the economic equivalent of one share of common stock and becomes exercisable proportionately with the DSUs to which they relate.

Name	Stock Awards	Options Awards
E. Spencer Abraham	4,131	
Kirbyjon H. Caldwell	23,696	
John F. Chlebowski	49,202	
Lawrence S. Coben	52,909	
Howard E. Cosgrove	91,091	
Stephen L. Cropper		
Terry G. Dallas	6,049	3,516
William E. Hantke	14,519	
Paul W. Hobby		
Gerald Luteran	23,213	
Kathleen A. McGinty	16,571	
Edward R. Muller	5,000	700,942
Anne C. Schaumburg	34,008	
Evan J. Silverstein	4,131	
Herbert H. Tate		
Thomas H. Weidemeyer	34,876	
Walter R. Young		

- (2) Became a Board member on December 14, 2012.
- (3) On April 26, 2012, Mr. Cropper resigned from the Board.
- (4) On September 7, 2012, Mr. Tate resigned from the Board.

Non-employee directors other than the Non-Executive Chairman, receive total annual compensation of \$190,000 for their service as a Board member. Mr. Cosgrove, as Non-Executive Chairman, receives \$335,000 in total annual compensation. Mr. Muller, as Vice Chairman of the Board, receives \$230,000 in total compensation. Additional annual compensation is provided for certain Committee Chair responsibilities. As Chair of the Audit Committee, Mr. Hantke receives an additional \$35,000 per year. The Chairs of Board Committees other than ad hoc committees and the Audit Committee, i.e., Mr. Chlebowski (Compensation Committee), Dr. Coben (Finance Committee), Mr. Caldwell (Governance and Nominating Committee), Mr. Hobby (Commercial Operations and Oversight Committee), and Ms. McGinty (Nuclear Oversight Subcommittee) receive an additional \$20,000 per year. The directors also receive an additional \$1,500 per meeting if a director attends more than eight Board or Committee meetings in a year. There were nine Compensation Committee meetings in 2012; neither the Board nor any other committee held more than eight meetings in 2012. Mr. Crane, as an employee director, does not receive additional separate compensation for his Board service.

Directors receive 50 percent of their total annual compensation in the form of cash and the remaining 50 percent in the form of vested DSUs. In their first year of service, directors receive an additional allocation of 50 percent of their total annual compensation in the form of vested DSUs and a pro-rata portion of their total annual compensation in cash. Each DSU is equivalent in value to one share of NRG's Common Stock and represents the right to receive one such share of Common Stock payable at the time elected by the director, or in the event the director does not make an election with respect to payment, when the director ceases to be a member of the Board. Similar to its competitive assessment on behalf of the NEO population, FWC performed a similar review of director compensation. Results of the review were shared with the Committee who made a recommendation to the full Board for final approval. Competitive pay levels are necessary in order for NRG to secure the

Table of Contents

desired Board-level talent necessary to provide short- and long-term strategic direction to the Company.

Director Stock Ownership Guidelines

Directors are required to retain all stock received as compensation for the duration of their service on the Board, although they may sell shares as necessary to cover tax liability associated with the conversion of DSUs to common stock. Exceptions to these requirements may be made by the Board under special circumstances.

Table of Contents

AUDIT COMMITTEE REPORT

The primary purpose of the Audit Committee is to assist the Board in its general oversight of the Company's financial reporting process. The Audit Committee's function is more fully described in its charter, which the Board has adopted. The Audit Committee reviews the charter on an annual basis. The Board annually reviews the New York Stock Exchange listing standards' definition of independence for audit committee members and has determined that each member of the Audit Committee meets that standard. The Board has also determined that in 2012 two of the three members of the Audit Committee, William E. Hantke and Terry G. Dallas, meet the requirements of an "audit committee financial expert." The Board has further determined that Anne C. Schaumburg meets the "financial literacy" requirements set forth in the listing standards under the New York Stock Exchange.

Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Company's independent registered public accounting firm for the fiscal year 2012, KPMG LLP, is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with Generally Accepted Accounting Principles.

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the fiscal year ended December 31, 2012 with the Company's management and has discussed with KPMG LLP the matters required to be discussed by Statement on Auditing Standards Board Standard No. 61, as amended, "Communication with Audit Committees." In addition, KPMG LLP has provided the Audit Committee with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," and the Audit Committee has discussed with KPMG LLP their independence. The Audit Committee also reviewed, and discussed with management and KPMG LLP, management's report and KPMG LLP's report and attestation on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002.

Based on these reviews and discussions, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, for filing with the Securities and Exchange Commission.

Audit Committee:

William E. Hantke, Chair
Terry G. Dallas
Anne C. Schaumburg

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****Audit and Nonaudit Fees**

The following table presents fees for professional services rendered by KPMG LLP, our principal independent registered public accounting firm, for the years ended December 31, 2012, and December 31, 2011.

	Year Ended December 31,	
	2012	2011
	(In thousands)	
Audit Fees	\$8,243	\$7,551
Audit-Related Fees	656	71
Tax Fees	1,023	747
All Other Fees	32	
Total	\$9,954	\$8,369

Audit Fees

For 2012 and 2011 audit services, KPMG LLP billed us approximately \$8,243,000 and \$7,550,500, respectively, for the audit of the Company's consolidated financial statements and the review of the Company's quarterly consolidated financial statements on Form 10-Q that are customary under the standards of the Public Company Accounting Oversight Board (United States), and in connection with statutory audits.

Audit-Related Fees

Audit-related fees in 2012 and 2011 primarily consisted of attestation fees for grant applications. For 2012 and 2011, audit-related fees billed to us by KPMG LLP totaled approximately \$656,000 and \$71,000, respectively.

Tax Fees

Tax fees relate to services provided for tax compliance, tax planning, advice on mergers and acquisitions, technical assistance, and advice on both domestic and international matters. For 2012 and 2011 tax services, KPMG LLP billed us approximately \$1,023,000 and \$747,000, respectively.

All Other Fees

All other fees primarily consisted of services provided for a project on collateral allocation model validation. For 2012, KPMG LLP billed us approximately \$32,000 for such services.

Policy on Audit Committee Pre-approval

The Audit Committee is responsible for appointing, setting compensation for, and overseeing the work of the independent registered public accounting firm. The Audit Committee has established a policy regarding pre-approval of all audit and permissible nonaudit services provided by the independent registered public accounting firm.

The Audit Committee will annually review and pre-approve services that are expected to be provided by the independent registered public accounting firm. The term of the pre-approval will be 12 months from the date of the pre-approval, unless the Audit Committee approves a shorter time period. The Audit Committee may periodically amend and/or supplement the pre-approved services based on subsequent

determinations.

Table of Contents

Unless the Audit Committee has pre-approved Audit Services or a specified category of nonaudit services, any engagement to provide such services must be pre-approved by the Audit Committee if it is to be provided by the independent registered public accounting firm. The Audit Committee must also pre-approve any proposed services exceeding the pre-approved budgeted fee levels for a specified type of service.

The Audit Committee has authorized its Chair to pre-approve services in amounts up to \$500,000 per engagement. Engagements exceeding \$500,000 must be approved by the full Audit Committee. Engagements pre-approved by the Chair are reported to the Audit Committee at its next scheduled meeting.

Table of Contents

**REQUIREMENTS FOR SUBMISSION OF STOCKHOLDER PROPOSALS
FOR NEXT YEAR'S ANNUAL MEETING**

In order for a stockholder proposal to be considered for inclusion in NRG's Proxy Statement for next year's Annual Meeting, our Corporate Secretary must receive the proposal no later than the close of business on November 14, 2013, which is the 120th day prior to the first anniversary of the date on which this Proxy Statement was first released to our stockholders in connection with the 2013 Annual Meeting. If we change the date of the 2014 Annual Meeting of Stockholders by more than 30 days from the anniversary of this year's annual meeting, stockholder proposals must be received a reasonable time before we begin to print and mail the proxy materials for the 2014 Annual Meeting in order to be considered for inclusion in NRG's Proxy Statement. Proposals must be sent via registered, certified, or express mail (or other means that allows the stockholder to determine when the proposal was received by the Corporate Secretary) to the Corporate Secretary, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540. Proposals must contain the information required under NRG's Bylaws, a copy of which is available upon request to our Corporate Secretary, and also must comply with the SEC's regulations regarding the inclusion of stockholder proposals in Company sponsored proxy materials.

Alternatively, stockholders intending to present a proposal or nominate a director for election at next year's Annual Meeting without having the proposal or nomination included in the Company's Proxy Statement must comply with the requirements set forth in the Company's Bylaws. Our Bylaws require, among other things, that our Corporate Secretary receive the proposal or nomination no earlier than the close of business on the 120th day, and no later than the close of business on the 90th day, prior to the first anniversary of the preceding year's Annual Meeting, unless the 2014 Annual Meeting is more than 30 days before or more than 70 days after such anniversary date. Accordingly, for NRG's 2014 Annual Meeting, our Corporate Secretary must receive the proposal or nomination no earlier than December 26, 2013 and no later than the close of business on January 25, 2014, unless the 2014 Annual Meeting is held earlier than March 26, 2014 or later than July 4, 2014, in which case the proposal or nomination should be received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of (a) the 90th day prior to the date of the 2014 Annual Meeting or (b) the 10th day following the day on which the date of the 2014 Annual Meeting is first publicly announced by the Company. The proposal or nomination must contain the information required by the Bylaws, a copy of which is available upon request to our Corporate Secretary. If the stockholder does not meet the applicable deadlines or comply with the requirements of SEC Rule 14a-4, NRG may exercise discretionary voting authority under proxies we solicit to vote, in accordance with our best judgment, on any such proposal.

Executive Compensation Additional Information

2012 Peer Group

Company	Ticker	GICS Sub-Industry	TSR		Adjusted Beta ⁽¹⁾	
			1 year	3 Year	1 year	3 Year
Edison International	EIX	Electric Utilities	12.4%	43.4%	0.607	0.759
Entergy	ETR	Electric Utilities	-8.2%	-10.3%	0.634	0.738
NextEra Energy	NEE	Electric Utilities	17.9%	47.1%	0.618	0.722
PPL	PPL	Electric Utilities	2.3%	3.3%	0.512	0.658
Xcel Energy	XEL	Electric Utilities	0.5%	42.7%	0.590	0.705
Average			5.0%	25.2%	0.592	0.716
Median			2.3%	42.7%	0.607	0.722
Ameren	AEE	Multi-Utilities	-2.6%	28.8%	0.653	0.795
CenterPoint Energy	CNP	Multi-Utilities	-0.2%	52.1%	0.703	0.840
CMS Energy	CMS	Multi-Utilities	15.1%	76.2%	0.618	0.779
Dominion Resources	D	Multi-Utilities	1.6%	51.1%	0.618	0.715
DTE Energy	DTE	Multi-Utilities	14.9%	57.6%	0.656	0.773
Public Service Enterprise Group	PEG	Multi-Utilities	-3.0%	4.8%	0.631	0.782
Sempra Energy	SRE	Multi-Utilities	33.8%	40.5%	0.690	0.785
Average			8.5%	44.4%	0.653	0.781
Median			1.6%	51.1%	0.653	0.782
AES	AES	IPP & Energy Traders	-9.3%	-19.3%	0.935	1.186
Calpine	CPN	IPP & Energy Traders	11.0%	64.8%	0.682	0.929
Constellation Energy ⁽²⁾	CEG	IPP & Energy Traders	na	na	na	na
Dynegy ⁽³⁾	DYN	IPP & Energy Traders	na	na	na	na
GenOn Energy ⁽⁴⁾	GEN	IPP & Energy Traders	na	na	na	na
NRG Energy	NRG	IPP & Energy Traders	28.0%	-1.8%	1.049	1.007
Average			9.9%	14.6%	0.889	1.041
Median			11.0%	-1.8%	0.935	1.007
NRG Energy	NRG	IPP & Energy Traders	28.0%	-1.8%	1.049	1.007

Source: Research Insight and Bloomberg.

(1)

Beta is a measure of the volatility of a particular stock's price relative to the market as a whole (in this case, the market is the S&P 500). A stock with higher Beta is generally viewed as more volatile and risky than lower Beta stocks. Adjusted equity Beta assumes that a security's Beta moves towards the market average over time.

(2)

Constellation Energy (CEG) was acquired by Exelon (EXC) on March 12, 2012.

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- (3) Dynegy Inc. filed for Chapter 11 Bankruptcy protection on July 6, 2012, and emerged from bankruptcy on October 1, 2012.
- (4) GenOn Energy (GEN) merged with NRG Energy on December 14, 2012.

A-1

Table of Contents**2013 Peer Group**

Company	Ticker	GICS Sub-Industry	TSR		Adjusted Beta ⁽¹⁾	
			1 year	3 Year	1 year	3 Year
American Electric Power	AEP	Electric Utilities	8.2%	41.8%	0.616	0.731
Edison International	EIX	Electric Utilities	12.4%	43.4%	0.607	0.759
Entergy	ETR	Electric Utilities	-8.2%	-10.3%	0.634	0.738
Exelon	EXC	Electric Utilities	-27.3%	-28.6%	0.579	0.700
FirstEnergy	FE	Electric Utilities	-1.0%	5.6%	0.588	0.733
NextEra Energy	NEE	Electric Utilities	17.9%	47.1%	0.618	0.722
PPL	PPL	Electric Utilities	2.3%	3.3%	0.512	0.658
Xcel Energy	XEL	Electric Utilities	0.5%	42.7%	0.590	0.705
Average			0.6%	18.1%	0.593	0.718
Median			1.4%	23.7%	0.599	0.727
Ameren	AEE	Multi-Utilities	-2.6%	28.8%	0.653	0.795
CenterPoint Energy	CNP	Multi-Utilities	-0.2%	52.1%	0.703	0.840
CMS Energy	CMS	Multi-Utilities	15.1%	76.2%	0.618	0.779
Dominion Resources	D	Multi-Utilities	1.6%	51.1%	0.618	0.715
DTE Energy	DTE	Multi-Utilities	14.9%	57.6%	0.656	0.773
Public Service Enterprise Group	PEG	Multi-Utilities	-3.0%	4.8%	0.631	0.782
Sempra Energy	SRE	Multi-Utilities	33.8%	40.5%	0.690	0.785
Average			8.5%	44.4%	0.653	0.781
Median			1.6%	51.1%	0.653	0.782
AES	AES	IPP & Energy Traders	-9.3%	-19.3%	0.935	1.186
Calpine	CPN	IPP & Energy Traders	11.0%	64.8%	0.682	0.929
NRG Energy	NRG	IPP & Energy Traders	28.0%	-1.8%	1.049	1.007
TransAlta	TAC	IPP & Energy Traders	-20.8%	-18.3%	0.849	0.774
Average			2.2%	6.4%	0.879	0.974
Median			0.9%	-10.0%	0.892	0.968
NRG Energy	NRG	IPP & Energy Traders	28.0%	-1.8%	1.049	1.007

Source: Research Insight and Bloomberg.

(1)

Beta is a measure of the volatility of a particular stock's price relative to the market as a whole (in this case, the market is the S&P 500). A stock with higher Beta is generally viewed as more volatile and risky than lower Beta stocks. Adjusted equity Beta assumes that a security's Beta moves towards the market average over time.

