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DELTA REPORT

10-Q

NRG - NRG ENERGY, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	3423
CHANGES	475
DELETIONS	1445
ADDITIONS	1503

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended: **September 30, 2023** **March 31, 2024**

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-15891

NRG Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**41-1724239**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

910 Louisiana Street Houston Texas	**77002**
(Address of principal executive offices)	(Zip Code)

(713) 537-3000

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Common Stock, par value $0.01	NRG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ **No** ☐

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

Large Accelerated Filer	☒	**Accelerated filer**	☐	**Non-accelerated filer**	☐	**Smaller reporting company**	☐	**Emerging growth company**	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ **No** ☒

As of October 31, 2023 April 30, 2024, there were 225,764,436 208,475,647 shares of common stock outstanding, par value $0.01 per share.

TABLE OF CONTENTS

Index

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of NRG Energy, Inc., or NRG or the Company, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "believes," "projects," "anticipates," "plans," "expects," "intends," "estimates," "should," "forecasts," and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond NRG's control, that may cause NRG's actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future results. These factors, risks and uncertainties include the factors described under *Risk Factors*, in Part II, Item 1A of this Form 10-Q and the following:

- Business uncertainties related to NRG's ability to integrate the operations of Vivint Smart Home with its own; Home;
- NRG's ability to obtain and maintain retail market share;
- General economic conditions, changes in the wholesale power and gas markets and fluctuations in the cost of fuel;
- Volatile power and gas supply costs and demand for power and gas, including the impacts of weather;
- Changes in law, including judicial and regulatory decisions;
- Hazards customary to the power production industry and power generation operations, such as fuel and electricity price volatility, unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that NRG may not have adequate insurance to cover losses as a result of such hazards;
- The effectiveness of NRG's risk management policies and procedures and the ability of NRG's counterparties to satisfy their financial commitments;
- NRG's ability to enter into contracts to sell power or gas and procure fuel on acceptable terms and prices;
- NRG's ability to successfully integrate, realize cost savings and manage any acquired businesses;
- NRG's ability to engage in successful acquisitions and divestitures, as well as other mergers and acquisitions activity;
- Cyber terrorism and cybersecurity risks, data breaches or the occurrence of a catastrophic loss and the possibility that NRG may not have sufficient insurance to cover losses resulting from such hazards or the inability of NRG's insurers to provide coverage;
- Counterparties' collateral demands and other factors affecting NRG's liquidity position and financial condition;
- NRG's ability to operate its businesses efficiently and generate earnings and cash flows from its asset-based businesses in relation to its debt and other obligations;
- The liquidity and competitiveness of wholesale markets for energy commodities;
- Changes in law, including judicial and regulatory decisions;
- Government regulation, including changes in market rules, rates, tariffs and environmental laws;
- NRG's ability to develop and innovate new products, as retail and wholesale markets continue to change and evolve;
- Price mitigation strategies and other market structures employed by ISOs or RTOs that result in a failure to adequately and fairly compensate NRG's generation units;

- NRG's ability to mitigate forced outage risk;
- NRG's ability to borrow funds and access capital markets, as well as NRG's substantial indebtedness and the possibility that NRG may incur additional indebtedness in the future;
- Operating and financial restrictions placed on NRG and its subsidiaries that are contained in NRG's corporate credit agreements, and in debt and other agreements of certain of NRG subsidiaries and project affiliates generally;
- The ability of NRG and its counterparties to develop and build new power generation facilities;
- NRG's ability to implement its strategy of finding ways to meet the challenges of climate change, clean air and protecting natural resources, while taking advantage of business opportunities;
- NRG's ability to increase cash from operations through operational and market initiatives, corporate efficiencies, asset strategy, and a range of other programs throughout NRG to reduce costs or generate revenues;
- NRG's ability to successfully evaluate investments and achieve intended financial results in new business and growth initiatives; and
- NRG's ability to develop and maintain successful partnering relationships as needed.

In addition, unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Forward-looking statements speak only as of the date they were made and NRG undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as otherwise required by applicable laws. The foregoing factors that could cause NRG's actual results to differ materially from those contemplated in any forward-looking statements included in this Quarterly Report on Form 10-Q should not be construed as exhaustive.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:

2022 2023 Form 10-K	NRG's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023
ACE	Affordable Clean Energy
Adjusted EBITDA	Adjusted earnings before interest, taxes, depreciation and amortization
AESO	Alberta Electric System Operator
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASR	Accelerated Share Repurchase
ASU	Accounting Standards Updates - updates to the ASC
BTU	British Thermal Unit
Business	NRG Business, which serves business customers
CAA	Clean Air Act
CAISO	California Independent System Operator
CAMT	15% Corporate Alternative Minimum Tax enacted by the IRA on August 16, 2022
CDD	Cooling Degree Day
CFTC	U.S. Commodity Futures Trading Commission
CO_2	Carbon Dioxide
Company	NRG Energy, Inc.
Convertible Senior Notes	As of September 30, 2023 March 31, 2024, consists of NRG's $575 million $483 million unsecured 2.75% Convertible Senior Notes due 2048
Constellation	Constellation Energy Generation
Cottonwood	Cottonwood Generating Station, a natural gas-fueled plant located in Deweyville, Texas, which NRG is leasing through May 2025
CPP	Clean Power Plan
CWA	Clean Water Act
D.C. Circuit	U.S. Court of Appeals for the District of Columbia Circuit
Dth	Dekatherms
Economic gross margin	Sum of retail revenue, energy revenue, capacity revenue and other revenue, less cost of fuels and purchased energy and other cost of sales
EGU	Electric Generating Unit
EIA	U.S. Energy Information Administration
EPA	U.S. Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas, the Independent System Operator and the regional reliability coordinator of the various electricity systems within Texas
ESPP	NRG Energy, Inc. Amended and Restated Employee Stock Purchase Plan
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FGD	Flue gas desulfurization
FTRs	Financial Transmission Rights
GAAP	Generally accepted accounting principles in the U.S.
GHG	Greenhouse Gas
Green Mountain Energy	Green Mountain Energy Company
GW	Gigawatts
GWh	Gigawatt Hour
HDD	Heating Degree Day
Heat Rate	A measure of thermal efficiency computed by dividing the total BTU content of the fuel burned by the resulting kWhs generated. Heat rates can be expressed as either gross or net heat rates, depending upon whether the electricity output measured is gross or net generation. Heat rates are generally expressed as BTU per net kWh

Home	NRG Home, which serves residential customers

HLW	High-level radioactive waste
ICE	Intercontinental Exchange
IESO	Independent Electricity System Operator
ISO	Independent System Operator, also referred to as RTOs
ISO-NE	ISO New England Inc.
Ivanpah	Ivanpah Solar Electric Generation Station, a solar thermal power plant located in California's Mojave Desert in which NRG own 54.5% interest
kWh	Kilowatt-hour
LIBOR	London Inter-Bank Offered Rate
LSEs	Load Serving Entities
LTIPs	Collectively, the NRG long-term incentive plan ("LTIP") and the NRG Vivint LTIP
MDth	Thousand Dekatherms
Midwest Generation	Midwest Generation, LLC
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Units
MW	Megawatts
MWh	Saleable megawatt hour net of internal/parasitic load megawatt-hour
NAAQS	National Ambient Air Quality Standards
NEPOOL	New England Power Pool
NERC	North American Electric Reliability Corporation
Net Exposure	Counterparty credit exposure to NRG, net of collateral
Net Revenue Rate	Sum of retail revenues less TDSP transportation charges
Nodal	Nodal Exchange is a derivatives exchange
NOL	Net Operating Loss
NOx	Nitrogen Oxides
NPNS	Normal Purchase Normal Sale
NRC	U.S. Nuclear Regulatory Commission
NRG	NRG Energy, Inc.
Nuclear Decommissioning Trust Fund	NRG's Prior to the sale of STP on November 1, 2023, nuclear decommissioning trust fund assets, which are for the Company's NRG' portion of the decommissioning of the STP Units units 1 & 2
Nuclear Waste Policy Act	U.S. Nuclear Waste Policy Act of 1982
NYISO	New York Independent System Operator
NYMEX	New York Mercantile Exchange
OCI/OCL	Other Comprehensive Income/(Loss)
PG&E OECD	Pacific Gas Organization for Economic Cooperation and Electric Company Development
PJM	PJM Interconnection, LLC
PM2.5	Particulate Matter that has a diameter of less than 2.5 micrometers
PPA	Power Purchase Agreement
PUCT	Public Utility Commission of Texas
RCRA	Resource Conservation and Recovery Act of 1976
Receivables Facility	NRG Receivables LLC, a bankruptcy remote, special purpose, wholly-owned indirect subsidiary of the Company's $1.4 billio accounts receivables securitization facility due 2024, which was last amended on October 6, 2023
Receivables Securitization Facilities	Collectively, the Receivables Facility and the Repurchase Facility
RECs	Renewable Energy Certificates
Renewable PPA	A third-party PPA entered into directly with a renewable generation facility for the offtake of the Renewable Energy Certificates c other similar environmental attributes generated by such facility, couple with the associated power generated by that facility
REP	Retail electric provider

Repurchase Facility	NRG's $150 million uncommitted repurchase facility related to the Receivables Facility due 2024, which was last amended o October 6, 2023
Revolving Credit Facility	The Company's $4.3 billion revolving credit facility due 2028, which was last amended on March 13, 2023 April 22, 2024

6

RGGI	Regional Greenhouse Gas Initiative
RMR	Reliability Must-Run
RTO	Regional Transmission Organization, also referred to as ISOs
SEC	U.S. Securities and Exchange Commission
Securities Act	The Securities Act of 1933, as amended
Senior Credit Facility	NRG's senior secured credit facility, comprised of the Revolving Credit Facility and the Term Loan B Facility
Senior Notes	As of September 30, 2023 March 31, 2024, NRG's $4.6 billion $4.0 billion outstanding unsecured senior notes consisting of $37 million of the 6.625% senior notes due 2027, $821 million of 5.75% senior notes due 2028, $733 million of the 5.25% senior note due 2029, $500 million of the 3.375% senior notes due 2029, $1.0 billion of the 3.625% senior notes due 2031 and $1.1 billion $48 million of the 3.875% senior notes due 2032
Senior Secured First Lien Notes	As of September 30, 2023 March 31, 2024, NRG's $3.2 billion outstanding Senior Secured First Lien Notes consists of $600 million c the 3.75% Senior Secured First Lien Notes due 2024, $500 million of the 2.0% Senior Secured First Lien Notes due 2025, $90 million of the 2.45% Senior Secured First Lien Notes due 2027, $500 million of the 4.45% Senior Secured First Lien Notes due 202 and $740 million of the 7.000% Senior Secured First Lien Notes due 2033
Series A Preferred Stock	As of March 31, 2024, NRG's Series A Preferred Stock consists of 650,000 outstanding shares of the 10.25% Series A Fixed-Rat Reset Cumulative Redeemable Perpetual Preferred Stock, with a $1,000 liquidation preference per share
Services	NRG Services, which primarily includes the services businesses acquired in the Direct Energy acquisition and the Goal Zero busines
SNF	Spent Nuclear Fuel
SO_2	Sulfur Dioxide
SOFR	Secured overnight financing rate
South Central Portfolio	NRG's South Central Portfolio, which owned and operated a portfolio of generation assets consisting of Bayou Cove, Big Cajun-I, Bi Cajun-II, Cottonwood and Sterlington, was sold on February 4, 2019. NRG is leasing back the Cottonwood facility through May 2025
STP	South Texas Project — a nuclear generating facility located near Bay City, Texas in which NRG owned a 44% interest. NRG closed o the sale of its interest in STP on November 1, 2023
TDSP	Transmission/distribution service provider
TWh	Terawatt Hour
U.S.	United States of America
U.S. DOE	U.S. Department of Energy
VaR	Value at Risk
VIE	Variable Interest Entity
Winter Storm Elliott	A major winter storm that had impacts across the majority of the United States and parts of Canada occurring in December 2022
Winter Storm Uri	A major winter and ice storm that had widespread impacts across North America occurring in February 2021

7

PART I — FINANCIAL INFORMATION

ITEM 1 — CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,	Nine months ended September 30,

		Three months ended March 31,			
		Three months ended March 31,			
		Three months ended March 31,			
(In millions, except for per share amounts)					
(In millions, except for per share amounts)					
(In millions, except for per share amounts)	**(In millions, except for per share amounts)**	**2023**	**2022**	**2023**	**2022**
Revenue	**Revenue**				
Revenue	Revenue	$ 7,946	$ 8,510	$ 22,016	$ 23,688
Revenue					
Revenue					
Revenue					
Revenue					
Operating Costs and Expenses					
Operating Costs and Expenses					
Operating Costs and Expenses	**Operating Costs and Expenses**				
Cost of operations (excluding depreciation and amortization shown below)	Cost of operations (excluding depreciation and amortization shown below)	6,421	7,802	20,161	18,619
Cost of operations (excluding depreciation and amortization shown below)					
Cost of operations (excluding depreciation and amortization shown below)					
Depreciation and amortization	Depreciation and amortization	308	145	813	485
Impairment losses		—	43	—	198
Depreciation and amortization					
Depreciation and amortization					
Selling, general and administrative costs					
Selling, general and administrative costs					
Selling, general and administrative costs	Selling, general and administrative costs	638	378	1,586	1,076
Acquisition-related transaction and integration costs	Acquisition-related transaction and integration costs	18	8	111	26
Acquisition-related transaction and integration costs					
Acquisition-related transaction and integration costs					
Total operating costs and expenses					
Total operating costs and expenses					
Total operating costs and expenses	Total operating costs and expenses	7,385	8,376	22,671	20,404
Gain on sale of assets		—	22	202	51
(Loss)/gain on sale of assets					
(Loss)/gain on sale of assets					
(Loss)/gain on sale of assets					
Operating Income/(Loss)					
Operating Income/(Loss)					
Operating Income/(Loss)	**Operating Income/(Loss)**	561	156	(453)	3,335

Other Income/(Expense)	**Other Income/(Expense)**				
Other Income/(Expense)					
Other Income/(Expense)					
Equity in earnings of unconsolidated affiliates					
Equity in earnings of unconsolidated affiliates					
Equity in earnings of unconsolidated affiliates	Equity in earnings of unconsolidated affiliates	6	11	16	—
Other income, net	Other income, net	14	21	43	33
Other income, net					
Other income, net					
Loss on debt extinguishment					
Loss on debt extinguishment					
Loss on debt extinguishment					
Interest expense					
Interest expense					
Interest expense	Interest expense	(173)	(105)	(472)	(313)
Total other expense	Total other expense	(153)	(73)	(413)	(280)
Total other expense					
Total other expense					
Income/(Loss) Before Income Taxes	**Income/(Loss) Before Income Taxes**	408	83	(866)	3,055
Income/(Loss) Before Income Taxes					
Income/(Loss) Before Income Taxes					
Income tax expense/(benefit)					
Income tax expense/(benefit)					
Income tax expense/(benefit)	Income tax expense/(benefit)	65	16	(182)	739
Net Income/(Loss)	**Net Income/(Loss)**	$ 343	$ 67	$ (684)	$ 2,316
Net Income/(Loss)					
Net Income/(Loss)					
Less: Cumulative dividends attributable to Series A Preferred Stock					
Less: Cumulative dividends attributable to Series A Preferred Stock					
Less: Cumulative dividends attributable to Series A Preferred Stock	Less: Cumulative dividends attributable to Series A Preferred Stock	17	—	38	—
Net Income/(Loss) Available for Common Stockholders	**Net Income/(Loss) Available for Common Stockholders**	$ 326	$ 67	$ (722)	$ 2,316
Net Income/(Loss) Available for Common Stockholders					
Net Income/(Loss) Available for Common Stockholders					
Income/(Loss) per Share	**Income/(Loss) per Share**				
Income/(Loss) per Share					
Income/(Loss) per Share					
Weighted average number of common shares outstanding — basic					

Weighted average number of common shares outstanding — basic					
Weighted average number of common shares outstanding — basic	Weighted average number of common shares outstanding — basic	230	235	230	238
Income/(Loss) per Weighted Average Common Share — Basic	**Income/(Loss) per Weighted Average Common Share — Basic**	$ 1.42	$ 0.29	$ (3.14)	$ 9.73
Income/(Loss) per Weighted Average Common Share — Basic					
Income/(Loss) per Weighted Average Common Share — Basic					
Weighted average number of common shares outstanding — diluted					
Weighted average number of common shares outstanding — diluted					
Weighted average number of common shares outstanding — diluted	Weighted average number of common shares outstanding — diluted	232	235	230	238
Income/(Loss) per Weighted Average Common Share — Diluted	**Income/(Loss) per Weighted Average Common Share — Diluted**	$ 1.41	$ 0.29	$ (3.14)	$ 9.73
Income/(Loss) per Weighted Average Common Share —Diluted					
Income/(Loss) per Weighted Average Common Share —Diluted					

See accompanying notes to condensed consolidated financial statements.

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

		Three months ended September 30,		Nine months ended September 30,	
		Three months ended March 31,			
		Three months ended March 31,			
		Three months ended March 31,			
(In millions)					
(In millions)					
(In millions)	(In millions)	2023	2022	2023	2022
Net Income/(Loss)	**Net Income/(Loss)**	$ 343	$ 67	$ (684)	$ 2,316
Net Income/(Loss)					
Net Income/(Loss)					
Other Comprehensive (Loss)/Income					
Other Comprehensive (Loss)/Income					
Other Comprehensive (Loss)/Income	**Other Comprehensive (Loss)/Income**				

Foreign currency translation adjustments	Foreign currency translation adjustments	(8)	(32)	—	(45)
Foreign currency translation adjustments					
Foreign currency translation adjustments					
Defined benefit plans					
Defined benefit plans					
Defined benefit plans	Defined benefit plans	1	(2)	—	17
Other comprehensive (loss)/income	Other comprehensive (loss)/income	(7)	(34)	—	(28)
Other comprehensive (loss)/income					
Other comprehensive (loss)/income					
Comprehensive Income/(Loss)					
Comprehensive Income/(Loss)					
Comprehensive Income/(Loss)	**Comprehensive Income/(Loss)**	$ 336	$ 33	$ (684)	$ 2,288

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except share data and liquidation preference on preferred stock)		September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
	March 31, 2024		
(In millions, except share data)	(In millions, except share data)	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS	**ASSETS**		
Current Assets	**Current Assets**		
Current Assets			
Current Assets			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	$ 401	$ 430
Funds deposited by counterparties	Funds deposited by counterparties	263	1,708
Restricted cash	Restricted cash	11	40
Accounts receivable, net	Accounts receivable, net	3,764	4,773
Inventory	Inventory	630	751
Inventory			
Inventory			

Derivative instruments	Derivative instruments	3,710	7,886			
Cash collateral paid in support of energy risk management activities	Cash collateral paid in support of energy risk management activities	2	260			
Prepayments and other current assets	Prepayments and other current assets	601	383			
Current assets - held-for-sale		86	—			
Prepayments and other current assets						
Prepayments and other current assets						
Total current assets						
Total current assets						
Total current assets	Total current assets	9,468	16,231			
Property, plant and equipment, net	**Property, plant and equipment, net**	1,779	1,692			
Other Assets	**Other Assets**					
Equity investments in affiliates	Equity investments in affiliates	146	133			
Equity investments in affiliates						
Equity investments in affiliates						
Operating lease right-of-use assets, net						
Operating lease right-of-use assets, net						
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	206	225			
Goodwill	Goodwill	5,143	1,650			
Customer relationships, net	Customer relationships, net	2,299	943	Customer relationships, net	2,064	2,164
Other intangible assets, net	Other intangible assets, net	1,907	1,189			
Nuclear decommissioning trust fund		—	838			
Derivative instruments						
Derivative instruments						
Derivative instruments	Derivative instruments	2,530	4,108			
Deferred income taxes	Deferred income taxes	2,540	1,881			
Other non-current assets	Other non-current assets	739	251			

Non-current assets - held-for-sale		1,153	5
Total other assets			
Total other assets			
Total other assets	Total other assets	16,663	11,223
Total Assets	**Total Assets**	$ 27,910	$29,146

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
	(In millions, except share data and liquidation preference on preferred stock)	(Unaudited)	(Audited)			
March 31, 2024						
(In millions, except share data)				(In millions, except share data)	(Unaudited)	(Audited)
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**					
Current Liabilities						
Current Liabilities						
Current Liabilities	**Current Liabilities**					
Current portion of long-term debt and finance leases	Current portion of long-term debt and finance leases	$ 920	$ 63			
Current portion of long-term debt and finance leases						
Current portion of long-term debt and finance leases						
Current portion of operating lease liabilities						
Current portion of operating lease liabilities						
Current portion of operating lease liabilities	Current portion of operating lease liabilities	91	83			
Accounts payable	Accounts payable	2,200	3,643			
Derivative instruments						
Derivative instruments						
Derivative instruments	Derivative instruments	3,128	6,195			
Cash collateral received in support of energy risk management activities	Cash collateral received in support of energy risk management activities	263	1,708			
Deferred revenue current	Deferred revenue current	731	176	Deferred revenue current	710	720

Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	1,553	1,110			
Current liabilities - held-for-sale		44	4			
Total current liabilities						
Total current liabilities						
Total current liabilities	Total current liabilities	8,930	12,982			
Other Liabilities	**Other Liabilities**					
Long-term debt and finance leases	Long-term debt and finance leases	10,741	7,976			
Long-term debt and finance leases						
Long-term debt and finance leases						
Non-current operating lease liabilities	Non-current operating lease liabilities	148	180			
Nuclear decommissioning reserve		—	340			
Nuclear decommissioning trust liability		—	477			
Derivative instruments						
Derivative instruments						
Derivative instruments	Derivative instruments	1,552	2,246			
Deferred income taxes	Deferred income taxes	129	134			
Deferred revenue non-current	Deferred revenue non-current	989	10	Deferred revenue non-current	859	914
Other non-current liabilities	Other non-current liabilities	977	942			
Non-current liabilities - held-for-sale		926	31			
Total other liabilities						
Total other liabilities						
Total other liabilities	Total other liabilities	15,462	12,336			
Total Liabilities	**Total Liabilities**	24,392	25,318			
Commitments and Contingencies	**Commitments and Contingencies**					
Commitments and Contingencies						
Commitments and Contingencies						
Stockholders' Equity	**Stockholders' Equity**					
Preferred stock; 10,000,000 shares authorized; 650,000 Series A shares issued and outstanding at September 30, 2023 (liquidation preference $1,000); 0 shares issued and outstanding at December 31, 2022		650	—			

Common stock; $0.01 par value; 500,000,000 shares authorized; 424,908,449 and 423,897,001 shares issued and 229,336,853 and 229,561,030 shares outstanding at September 30, 2023 and December 31, 2022, respectively		4	4		
Preferred stock; 10,000,000 shares authorized; 650,000 Series A shares issued and outstanding at March 31, 2024 and December 31, 2023, aggregate liquidation preference of $650 at March 31, 2024 and December 31, 2023					
Preferred stock; 10,000,000 shares authorized; 650,000 Series A shares issued and outstanding at March 31, 2024 and December 31, 2023, aggregate liquidation preference of $650 at March 31, 2024 and December 31, 2023					
Preferred stock; 10,000,000 shares authorized; 650,000 Series A shares issued and outstanding at March 31, 2024 and December 31, 2023, aggregate liquidation preference of $650 at March 31, 2024 and December 31, 2023				650	650
Common stock; $0.01 par value; 500,000,000 shares authorized; 267,365,782 and 267,330,470 shares issued and 208,166,262 and 208,130,950 shares outstanding at March 31, 2024 and December 31, 2023, respectively					
Additional paid-in-capital	Additional paid-in-capital	8,527	8,457		
Retained earnings	Retained earnings	425	1,408		
Treasury stock, at cost 195,571,596 and 194,335,971 shares at September 30, 2023 and December 31, 2022, respectively		(5,911)	(5,864)		
Treasury stock, at cost; 59,199,520 shares at March 31, 2024 and December 31, 2023					
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(177)	(177)		

Total Stockholders' Equity	Total Stockholders' Equity	3,518	3,828
Total Stockholders' Equity			
Total Stockholders' Equity			
Total Liabilities and Stockholders' Equity	Total Liabilities and Stockholders' Equity	$ 27,910	$29,146

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30,	
(In millions)	**2023**	**2022**
Cash Flows from Operating Activities		
Net (Loss)/Income	$ (684)	$ 2,316
Adjustments to reconcile net (loss)/income to cash (used)/provided by operating activities:		
Equity in and distributions from (earnings)/losses of unconsolidated affiliates	(16)	7
Depreciation and amortization	813	485
Accretion of asset retirement obligations	14	20
Provision for credit losses	165	103
Amortization of nuclear fuel	42	42
Amortization of financing costs and debt discounts	42	17
Amortization of in-the-money contracts and emissions allowances	111	122
Amortization of unearned equity compensation	87	21
Net gain on sale of assets and disposal of assets	(187)	(82)
Impairment losses	—	198
Changes in derivative instruments	1,553	(4,480)
Changes in current and deferred income taxes and liability for uncertain tax benefits	(225)	688
Changes in collateral deposits in support of risk management activities	(1,188)	2,321
Changes in nuclear decommissioning trust liability	(4)	2
Uplift securitization proceeds received from ERCOT	—	689
Changes in other working capital	(985)	(711)
Cash (used)/provided by operating activities	(462)	1,758
Cash Flows from Investing Activities		
Payments for acquisitions of businesses and assets, net of cash acquired	(2,502)	(60)
Capital expenditures	(493)	(250)
Net purchases of emissions allowances	(25)	(4)
Investments in nuclear decommissioning trust fund securities	(293)	(361)
Proceeds from the sale of nuclear decommissioning trust fund securities	280	363
Proceeds from sales of assets, net of cash disposed	229	107
Proceeds from insurance recoveries for property, plant and equipment, net	173	—
Cash used by investing activities	(2,631)	(205)
Cash Flows from Financing Activities		
Proceeds from issuance of preferred stock, net of fees	635	—
Payments of dividends to preferred and common stockholders	(295)	(252)
Payments for share repurchase activity(a)	(69)	(484)
Net receipts from settlement of acquired derivatives that include financing elements	332	1,596
Net proceeds of Revolving Credit Facility	300	—
Proceeds from issuance of long-term debt	731	—
Payments of debt issuance costs	(29)	(1)

Repayments of long-term debt and finance leases	(15)	(4)
Cash provided by financing activities	1,590	855
Effect of exchange rate changes on cash and cash equivalents	—	(5)
Net (Decrease)/Increase in Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash	(1,503)	2,403
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at Beginning of Period	2,178	1,110
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at End of Period	$ 675	$ 3,513

(a) Includes $(19) million and $(6) million of equivalent shares purchased in lieu of tax withholdings on equity compensation issuances during the nine months ended September 30, 2023 and September 30, 2022, respectively

	Three months ended March 31,	
(In millions)	**2024**	**2023**
Cash Flows from Operating Activities		
Net Income/(Loss)	$ 511	$ (1,335)
Adjustments to reconcile net income/(loss) to cash provided/(used) by operating activities:		
Equity in and distributions from earnings of unconsolidated affiliates	(2)	(5)
Depreciation and amortization	268	190
Accretion of asset retirement obligations	4	6
Provision for credit losses	75	35
Amortization of nuclear fuel	—	13
Amortization of financing costs and debt discounts	11	20
Loss on debt extinguishment	58	—
Amortization of in-the-money contracts and emissions allowances	78	119
Amortization of unearned equity compensation	30	30
Net loss/(gain) on sale of assets and disposal of assets	9	(187)
Changes in derivative instruments	(535)	1,599
Changes in current and deferred income taxes and liability for uncertain tax benefits	139	(338)
Changes in collateral deposits in support of risk management activities	289	(1,412)
Changes in nuclear decommissioning trust liability	—	(16)
Changes in other working capital	(668)	(317)
Cash provided/(used) by operating activities	$ 267	$ (1,598)
Cash Flows from Investing Activities		
Payments for acquisitions of businesses and assets, net of cash acquired	$ (22)	$ (2,492)
Capital expenditures	(69)	(142)
Net purchases of emissions allowances	(7)	(18)
Investments in nuclear decommissioning trust fund securities	—	(87)
Proceeds from the sale of nuclear decommissioning trust fund securities	—	99
Proceeds from sales of assets, net of cash disposed	3	219
Proceeds from insurance recoveries for property, plant and equipment, net	3	71
Cash used by investing activities	$ (92)	$ (2,350)
Cash Flows from Financing Activities		
Proceeds from issuance of preferred stock, net of fees	$ —	$ 636
Payments of dividends to preferred and common stockholders	(118)	(87)
Equivalent shares purchased in lieu of tax withholdings	(23)	(8)
Net receipts from settlement of acquired derivatives that include financing elements	8	336
Net proceeds of Revolving Credit Facility and Receivable Securitization Facilities	—	725
Proceeds from issuance of long-term debt	—	731
Payments of debt issuance costs	—	(18)
Repayments of long-term debt and finance leases	(97)	(4)
Payments for debt extinguishment costs	(58)	—
Proceeds from credit facilities	525	1,050
Repayments to credit facilities	(525)	(825)
Cash (used)/provided by financing activities	$ (288)	$ 2,536
Effect of exchange rate changes on cash and cash equivalents	(2)	3

Net Decrease in Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash	(115)	(1,409)
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at Beginning of Period	649	2,178
Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash at End of Period	$ 534	$ 769

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2022	$ —	$ 4	$ 8,457	$ 1,408	$ (5,864)	$ (177)	$ 3,828
Net loss				(1,335)			(1,335)
Issuance of Series A Preferred Stock	650		(14)				636
Other comprehensive income						1	1
Equity-based awards activity, net(a)			38				38
Common stock dividends and dividend equivalents declared(b)				(88)			(88)
Balance at March 31, 2023	$ 650	$ 4	$ 8,481	$ (15)	$ (5,864)	$ (176)	$ 3,080
Net income				308			308
Issuance of Series A Preferred Stock			(1)				(1)
Other comprehensive income						6	6
Shares reissuance for ESPP			1		3		4
Equity-based awards activity, net(a)			23				23
Common stock dividends and dividend equivalents declared(b)				(88)			(88)
Balance at June 30, 2023	$ 650	$ 4	$ 8,504	$ 205	$ (5,861)	$ (170)	$ 3,332
Net income				343			343
Other comprehensive loss						(7)	(7)
Share repurchases					(50)		(50)
Equity-based awards activity, net(a)			23				23
Common stock dividends and dividend equivalents declared(b)				(89)			(89)
Series A Preferred Stock dividends(c)				(34)			(34)
Balance at September 30, 2023	$ 650	$ 4	$ 8,527	$ 425	$ (5,911)	$ (177)	$ 3,518

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2023	$ 650	$ 3	$ 3,416	$ 820	$ (1,892)	$ (91)	$ 2,906
Net income				511			511
Other comprehensive loss						(9)	(9)
Share repurchases(a)			117		(117)		—
Retirement of treasury stock(b)			(38)		38		—
Equity-based awards activity, net(c)			8				8
Common stock dividends and dividend equivalents declared(d)				(86)			(86)
Series A Preferred Stock dividends(e)				(33)			(33)
Balance at March 31, 2024	$ 650	$ 3	$ 3,503	$ 1,212	$ (1,971)	$ (100)	$ 3,297

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings/(Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2022	$ —	$ 4	$ 8,457	$ 1,408	$ (5,864)	$ (177)	$ 3,828
Net loss				(1,335)			(1,335)
Issuance of Series A Preferred Stock	650		(14)				636
Other comprehensive income						1	1
Equity-based awards activity, net(c)			38				38
Common stock dividends and dividend equivalents declared(d)				(88)			(88)
Balance at March 31, 2023	$ 650	$ 4	$ 8,481	$ (15)	$ (5,864)	$ (176)	$ 3,080

(a) Represents the final settlements of the November 6, 2023 ASR agreements. See Note 9, *Changes in Capital Structure* for additional information

(b) Treasury stock retired had an average price per share of $32.67

(c) Includes $(8) million, $(8) $(23) million and $(3) $(8) million of equivalent shares purchased in lieu of tax withholding on equity compensation issuances for the quarters ended March 31, 2023, June 30, 2023 March 31, 2024 and September 30, 2023, 2023, respectively

(b) (d) Dividends per common share were $0.4075 and $0.3775 for the quarters ended September 30, June 30 March 31, 2024 and March 31, 2023 2023, respectively

(c) (e) Dividend per Series A Preferred Stock was $52.96

(In millions)	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Stock-holders' Equity
Balance at December 31, 2021	$ 4	$ 8,531	$ 464	$ (5,273)	$ (126)	$ 3,600
Net income			1,736			1,736
Other comprehensive income					8	8
Share repurchases				(187)		(187)
Equity-based awards activity, net(a)		2				2
Common stock dividends and dividend equivalents declared(b)			(86)			(86)
Adoption of ASU 2020-06		(100)	57			(43)
Balance at March 31, 2022	$ 4	$ 8,433	$ 2,171	$ (5,460)	$ (118)	$ 5,030
Net income			513			513
Other comprehensive loss					(2)	(2)
Shares reissuance for ESPP		1		2		3
Share repurchases				(168)		(168)
Equity-based awards activity, net		8				8
Common stock dividends and dividend equivalents declared(b)			(84)			(84)
Balance at June 30, 2022	$ 4	$ 8,442	$ 2,600	$ (5,626)	$ (120)	$ 5,300
Net income			67			67
Other comprehensive loss					(34)	(34)
Share repurchases				(128)		(128)
Equity-based awards activity, net		8				8
Common stock dividends and dividend equivalents declared(b)			(83)			(83)
Balance at September 30, 2022	$ 4	$ 8,450	$ 2,584	$ (5,754)	$ (154)	$ 5,130

(a) Includes $(6) million of equivalent shares purchased in lieu of tax withholding on equity compensation issuances for the quarter ended March 31, 2022

(b) Dividends per common share were $0.35 for the quarters ended September 30, June 30 and March 31, 2022 $51.25

See accompanying notes to condensed consolidated financial statements.

NRG ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 — Nature of Business and Basis of Presentation

General

NRG Energy, Inc., or NRG or the Company, sits at the intersection of energy and home services. NRG is a leading energy smart and home and services company fueled by market-leading brands, proprietary technologies, and complementary sales channels. Across the United States and Canada, NRG delivers innovative, sustainable solutions, predominately under brand names such as NRG, Reliant, Direct Energy, Green Mountain Energy and Vivint, while also advocating for competitive energy markets and customer choice. The Company has a customer base that includes approximately 7.5 8.0 million residential consumers in addition to commercial, industrial, and wholesale customers, supported by approximately 15 13 GW of generation as of September 30, 2023 March 31, 2024.

The Company's business is segmented as follows:

- Texas, which includes all activity related to customer, plant and market operations in Texas, other than Cottonwood;
- East, which includes all activity related to customer, plant and market operations in the East;
- West/Services/Other, which includes the following assets and activities: (i) all activity related to customer, plant and market operations in the West and Canada, (ii) the Services businesses (iii) activity related to the Cottonwood facility (iv) the remaining renewables activity, including the Company's equity method investment in Ivanpah Master Holdings, LLC, and (v) activity related to the Company's equity method investment for the Gladstone power plant in Australia; other investments;
- Vivint Smart Home; and
- Corporate activities.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the SEC's regulations for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. The following notes should be read in conjunction with the accounting policies and other disclosures as set forth in the notes to the consolidated financial statements in the Company's 2022 2023 Form 10-K. Interim results are not necessarily indicative of results for a full year.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly the Company's consolidated financial position as of September 30, 2023 March 31, 2024, and the results of operations, comprehensive income, income/(loss), cash flows and statements of stockholders' equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023.

The Company identified an error in the previously issued condensed consolidated financial statements for the period ended March 31, 2023 related to the presentation of cash flows associated with certain borrowings and repayments related to certain credit facilities. The statement of cash flows for the period ended March 31, 2023 has been adjusted to present on a gross basis the certain borrowings from credit facilities of $1.1 billion and the related repayments of $825 million. The change had no impact to the total cash used by financing activities for the period ended March 31, 2023. The Company evaluated the materiality of this error both qualitatively and quantitatively and has concluded it is immaterial to the impacted period.

Use of Estimates

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

Reclassifications

Certain prior period amounts have been reclassified for comparative purposes. The reclassifications did not affect consolidated results from of operations, net assets or consolidated cash flows.

Note 2 — Summary of Significant Accounting Policies

Vivint Smart Home Flex Pay

Under the Flex Pay plan ("Flex Pay"), offered by Vivint Smart Home, subscribers pay separately for smart home products and smart home and security services. The subscriber has the ability to pay for Vivint Smart Home products in the following three ways: (i) qualified subscribers may finance the purchase through third-party financing providers ("Consumer Financing Program" or "CFP"), (ii) Vivint Smart Home generally offers a limited number of subscribers not eligible for the CFP, but who qualify under Vivint Smart Home underwriting criteria, the option to enter into a retail installment contract directly with Vivint Smart Home or (iii) subscribers may conduct purchases by check, automatic clearing house payments, credit or debit card or by obtaining short term financing (generally no more than six-month installment terms) through Vivint Smart Home.

Although subscribers pay separately for products and services under Flex Pay, the Company has determined that the sale of products and services are one single performance obligation resulting in deferred revenue for the gross amount of products

sold. For products financed through the CFP, gross deferred revenues are reduced by (i) any fees the third-party financing provider ("Financing Provider") is contractually entitled to receive at the time of loan origination, and (ii) the present value of expected future payments due to the Financing Providers. Loans are issued on either an installment or revolving basis with repayment terms ranging from 6 to 60 months.

For certain Financing Provider loans:

- Vivint Smart Home pays a monthly fee based on either the average daily outstanding balance of the installment loans, or the number of outstanding loans.
- Vivint Smart Home incurs fees at the time of the loan origination and receives proceeds that are net of these fees.
- Vivint Smart Home also shares liability for credit losses, with Vivint Smart Home being responsible for between 2.6% and 100% of lost principal balances.

Due to the nature of these provisions, the Company records a derivative liability at its fair value when the Financing Provider originates loans to subscribers, which reduces the amount of estimated revenue recognized on the provision of the services. The derivative liability is reduced as payments are made by Vivint Smart Home to the Financing Provider. Subsequent changes to the fair value of the derivative liability are realized through other income, net in the consolidated statements of operations. For further discussion, see Note 7, *Accounting for Derivative Instruments and Hedging Activities*.

Capitalized Contract Costs

Capitalized contract costs represent the costs directly related and incremental to the origination of new contracts, modification of existing contracts or to the fulfillment of the related subscriber contracts. These costs include installed products, commissions, other compensation and the cost of installation of new or upgraded customer contracts. The Company calculates amortization by accumulating all deferred contract costs into separate portfolios based on the initial month of service and amortizes those deferred contract costs on a straight-line basis over the expected period of benefit, consistent with the pattern in which the Company provides services to its customers. The expected period of benefit for customers is approximately five years. The Company updates its estimate of the expected period of benefit periodically and whenever events or circumstances indicate that the expected period of benefit could change significantly. Such changes, if any, are accounted for prospectively as a change in estimate. Amortization of capitalized contract costs related to fulfillment are included in cost of operations and amortization of capitalized contract costs related to customer acquisition are included in selling, general and administrative costs in the consolidated statements of operations. Contract costs not directly related and incremental to the origination of new contracts, modification of existing contracts or to the fulfillment of the related subscriber contracts are expensed as incurred.

Other Balance Sheet Information

The following table presents the accumulated depreciation included in property, plant and equipment, net and accumulated amortization included in customer relationships, net and other intangible assets, net:

(In millions)	(In millions)	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023
Property, plant and equipment accumulated depreciation	Property, plant and equipment accumulated depreciation	$ 1,390	$ 1,478			
Customer relationships and other intangible assets accumulated amortization	Customer relationships and other intangible assets accumulated amortization	2,563	2,112			

Credit Losses

Retail trade receivables are reported on the consolidated balance sheet net of the allowance for credit losses within accounts receivables, net. Long-term receivables are recorded net of allowance for credit losses in other non-current assets on the consolidated balance sheet. The Company accrues a provision for current expected credit losses based on (i) estimates of uncollectible revenues by analyzing accounts receivable aging and current and reasonable forecasts of expected economic factors including, but not limited to, unemployment rates and weather-related events, (ii) historical collections and delinquencies, and (iii) counterparty credit ratings for commercial and industrial customers.

The following table represents the activity in the allowance for credit losses for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three months ended March 31,
Three months ended March 31,
Three months ended March 31,
(In millions)
(In millions)

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Beginning balance	$ 120	$ 627	$ 133	$ 683
Acquired balance from Vivint Smart Home	—	—	22	—
Provision for credit losses	85	52	165	103
Write-offs	(59)	(50)	(203)	(171)
Recoveries collected	9	9	30	23
Other	3	—	11	—
Ending balance	$ 158	$ 638	$ 158	$ 638

Beginning balance
Beginning balance
Beginning balance
Acquired balance from Vivint Smart Home
Acquired balance from Vivint Smart Home
Acquired balance from Vivint Smart Home
Provision for credit losses
Provision for credit losses
Provision for credit losses
Write-offs
Write-offs
Write-offs
Recoveries collected
Recoveries collected
Recoveries collected
Other
Other
Other
Ending balance
Ending balance
Ending balance

Cash and Cash Equivalents, Funds Deposited by Counterparties and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents, restricted cash and funds deposited by counterparties reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows:

(In millions)	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 401	$ 430
Funds deposited by counterparties	263	1,708
Restricted cash	11	40
Cash and cash equivalents, funds deposited by counterparties and restricted cash shown in the statement of cash flows	$ 675	$ 2,178

(In millions) March 31, 2024 December 31, 2023

Cash and cash equivalents
Funds deposited by counterparties
Restricted cash
Cash and cash equivalents, funds deposited by counterparties and restricted cash shown in the statement of cash flows

Funds deposited by counterparties consist of cash held by the Company as a result of collateral posting obligations from its counterparties related to NRG's hedging program. The decrease in funds deposited by counterparties is driven by the significant decrease in forward positions as a result of decreases in natural gas and power prices compared to

December 31, 2022. Though some amounts are segregated into separate accounts, not all funds are contractually restricted. Based on the Company's intention, these funds are not available for the payment of general corporate obligations; however, they are available for liquidity management. Depending on market fluctuations and the settlement of the underlying contracts, the Company will refund this collateral to the counterparties pursuant to the terms and conditions of the underlying trades. Since collateral requirements fluctuate daily and the Company cannot predict if any collateral will be held for more than twelve months, the funds deposited by counterparties are classified as a current asset on the Company's balance sheet, with an offsetting liability for this cash collateral received within current liabilities.

Restricted cash consists primarily of funds held to satisfy the requirements of certain financing agreements and funds held within the Company's projects that are restricted in their uses.

Goodwill

The following table presents the changes in goodwill during the nine months ended September 30, 2023:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Total
Balance as of December 31, 2022	**$ 710**	**$ 723**	**$ 217**	**$ —**	**$ 1,650**
Goodwill resulting from the acquisition of Vivint Smart Home	—	—	—	3,494	3,494
Sale of business	—	(2)	—	—	(2)
Foreign currency translation adjustments	—	—	1	—	1
Balance as of September 30, 2023	**$ 710**	**$ 721**	**$ 218**	**$ 3,494**	**$ 5,143**

Recent Accounting Developments - — Guidance Not Yet Adopted in 2023

ASU 2021-08 2023-07 — – In October 2021, November 2023, the FASB issued ASU No. 2021-08, 2023-07, *Business Combinations Segment Reporting (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers 280) – Improvements to Reportable Segment Disclosures*, or ASU 2021-08, which requires that an entity recognize and measure contract assets and contract liabilities acquired 2023-07. The guidance in a business combination as if it had originated the contracts in accordance with ASC 606, *Revenue from Contracts with Customers*. As a result, an acquirer should recognize and ASU 2023-07 enhances reportable segment disclosure

requirements by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit and loss, an amount and description of its composition for other segment items and interim disclosures of a reportable segment's profit or loss and assets. The Company plans to adopt the acquired contract assets amendments for the annual period ending December 31, 2024 and contract liabilities consistently with how they were recognized and measured subsequent interim periods thereafter. The amendments will be applied retrospectively for all prior periods presented in the acquiree's financial statements.

ASU 2023-09 – In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*, or ASU 2023-09. The guidance in ASU 2023-09 enhances income tax disclosures by requiring disclosure of specific categories in the effective tax rate reconciliation and additional information for reconciling items that meet a quantitative threshold. Further the amendments of ASU 2023-09 require certain disclosures on income tax expense and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments per of ASU 2021-08 apply only to contract assets and contract liabilities from contracts with customers, as defined in Topic 606, such as refund liabilities and upfront payments to customers. Assets and liabilities under related Topics, such as deferred costs under Subtopic 340-40, *Other Assets and Deferred Costs* — Contracts with Customers, are not within the scope of amendments per ASU 2021-08. 2023-09 may be applied on a prospective or retrospective basis. The Company adopted is currently evaluating the impact of adopting ASU 2021-08 prospectively effective January 1, 2023 and applied the amended requirements to the acquisition of Vivint Smart Home. 2023-09 on its disclosures.

Note 3 — Revenue Recognition

Vivint Smart Home Retail Revenue

Vivint Smart Home offers its subscribers combinations of smart home products and services, which together create an integrated smart home system that allows the Company's subscribers to monitor, control and protect their homes. As the products and services included in the subscriber's contract are integrated and highly interdependent, and because the products (including installation) and services must work together to deliver the monitoring, controlling and protection of their home, the Company has concluded that the products and services contracted for by the subscriber are generally not distinct within the context of the contract and, therefore, constitute a single, combined performance obligation. Revenues for this single, combined performance obligation are recognized on a straight-line basis over the subscriber's contract term, which is the period in which the parties to the contract have enforceable rights and obligations. The Company has determined that certain contracts that do not require a long-term commitment for monitoring services by the subscriber contain a material right to renew the contract, because the subscriber does not have to purchase the products upon renewal. Proceeds allocated to the material right are recognized over the expected period of benefit. The majority of Vivint Smart Home's subscription contracts are five years and are generally non-cancelable. These contracts generally convert into month-to-month agreements at the end of the initial term, while some subscribers are month-to-month from inception. Payment for Vivint Smart Home services is generally due in advance on a monthly basis. Product sales and other one-time fees are invoiced to subscribers at time of sale. Revenues for any products or services that are considered separate performance obligations are recognized upon delivery. Payments received or billed in advance are reported as deferred revenues.

Performance Obligations

As of September 30, 2023 March 31, 2024, estimated future fixed fee performance obligations are $414 million $1.0 billion for the remaining three nine months of fiscal year 2023, 2024, and $1.4 billion $1.1 billion, $1.0 billion $766 million, $722 $484 million, $434 $210 million and $103 $4 million for the fiscal years 2024, 2025, 2026, 2027, 2028 and 2028, 2029, respectively. These performance obligations include Vivint Smart Home products and services, as well as cleared auction MWs in the PJM, ISO-NE, NYISO and MISO capacity auctions. The cleared auction MWs are subject to penalties for non-performance.

Disaggregated Revenues

The following tables represent the Company's disaggregation of revenue from contracts with customers for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three months ended September 30, 2023													
	Three months ended March 31, 2024							Three months ended March 31, 2024						
(In millions)	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate/Eliminations	Total	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail revenue:	Retail revenue:													
Home(a)														
Home(a)														
Home(a)	*Home(a)*	*$ 2,397*	*$ 544*	*$ 390*	*$ 478*	*$ (1)*	*$ 3,808*							
Business	*Business*	*1,092*	*2,089*	*532*	*—*	*—*	*3,713*							
Total retail revenue(b)	Total retail revenue(b)	3,489	2,633	922	478	(1)	7,521							
Energy revenue(b)	Energy revenue(b)	51	152	59	—	(1)	261							
Capacity revenue(b)	Capacity revenue(b)	—	64	(4)	—	(1)	59							
Mark-to-market for economic hedging activities(c)	Mark-to-market for economic hedging activities(c)	—	(60)	(10)	—	—	(70)							
Contract amortization	Contract amortization	—	(6)	1	—	—	(5)							
Other revenue(b)	Other revenue(b)	146	26	10	—	(2)	180							
Total revenue	Total revenue	3,686	2,809	978	478	(5)	7,946							
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	8	10	—	—	18							
Less: Realized and unrealized ASC 815 revenue	Less: Realized and unrealized ASC 815 revenue	16	58	(7)	—	—	67							
Total revenue from contracts with customers	Total revenue from contracts with customers	$ 3,670	$ 2,743	$ 975	$ 478	$ (5)	$ 7,861							

(a) Home includes Services and Vivint Smart Home

(a) Home includes Services

(a) Home includes Services

(b) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail revenue	Retail revenue	$ —	$ 14	$ —	$ —	$ —	$ 14							
Energy revenue	Energy revenue	—	77	—	—	—	77							
Capacity revenue	Capacity revenue	—	27	—	—	—	27							
Other revenue	Other revenue	16	—	3	—	—	19							

(c) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

19 16

		Three months ended September 30, 2022											
		Three months ended March 31, 2023						Three months ended March 31, 2023					
(In millions)	(In millions)	Texas	East	West/Services/Other	Corporate/Eliminations	Total	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate/Eliminations	Total
Retail revenue:	Retail revenue:												
Home(a)		*$2,068*	*$ 530*	*$ 435*	*$ —*	*$3,033*							
Home(b)													
Home(b)													
Home(b)													
Business	*Business*	*931*	*3,333*	*561*	*—*	*4,825*							
Total retail revenue		2,999	3,863	996	—	7,858							
Energy revenue(b)		48	212	180	10	450							
Capacity revenue(b)		—	38	—	—	38							
Mark-to-market for economic hedging activities(c)		4	32	(7)	4	33							
Total retail revenue(c)													
Energy revenue(c)													
Capacity revenue(c)													
Mark-to-market for economic hedging activities(d)													
Contract amortization	Contract amortization	—	(10)	4	—	(6)							
Other revenue(b)		94	43	2	(2)	137							
Other revenue(c)													
Total revenue	Total revenue	3,145	4,178	1,175	12	8,510							

Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	3	14	(1)	16
Less: Realized and unrealized ASC 815 revenue	15	93	13	14	135
Total revenue from contracts with customers	$ 3,130	$ 4,082	$ 1,148	$ (1)	$ 8,359

(a) Home includes Services

(b) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(a) Includes results of operations following the acquisition date of March 10, 2023

(a) Includes results of operations following the acquisition date of March 10, 2023

(b) Home includes Services

(b) Home includes Services

(c) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(c) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Services/Other	Corporate/Eliminations	Total
Retail revenue	$ —	$ 90	$ —	$ —	$ 90
Energy revenue	—	(39)	27	11	(1)
Capacity revenue	—	7	—	—	7
Other revenue	11	3	(7)	(1)	6

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total

(c) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

(d) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

(d) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

	Nine months ended September 30, 2023					
(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)(b)	Corporate/Eliminations	Total
Retail revenue:						

Home(b)	*$ 5,196*	*$ 1,641*	*$ 1,421*	*$ 1,070*	*$ (1)*	*$ 9,327*
Business	*2,646*	*7,366*	*1,572*	*—*	*—*	*11,584*
Total retail revenue(c)	7,842	9,007	2,993	1,070	(1)	20,911
Energy revenue(c)	71	254	147	—	—	472
Capacity revenue(c)	—	154	(3)	—	(1)	150
Mark-to-market for economic hedging activities(d)	—	27	80	—	(11)	96
Contract amortization	—	(24)	—	—	—	(24)
Other revenue(c)	322	70	27	—	(8)	411
Total revenue	8,235	9,488	3,244	1,070	(21)	22,016
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	13	26	—	—	39
Less: Realized and unrealized ASC 815 revenue	28	270	97	—	(10)	385
Total revenue from contracts with customers	$ 8,207	$ 9,205	$ 3,121	$ 1,070	$ (11)	$ 21,592

(a) Includes results of operations following the acquisition date of March 10, 2023

(b) Home includes Services and Vivint Smart Home

(c) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail revenue	$ —	$ 57	$ —	$ —	$ —	$ 57
Energy revenue	—	137	10	—	1	148
Capacity revenue	—	50	—	—	—	50
Other revenue	28	(1)	7	—	—	34

(d) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

	Nine months ended September 30, 2022				
(In millions)	Texas	East	West/Services/Other	Corporate/Eliminations	Total
Retail revenue:					
Home(a)	*$ 5,006*	*$ 1,526*	*$ 1,681*	*$ (1)*	*$ 8,212*
Business	*2,504*	*10,258*	*1,405*	*—*	*14,167*
Total retail revenue	7,510	11,784	3,086	(1)	22,379
Energy revenue(b)	101	544	365	24	1,034
Capacity revenue(b)	—	242	2	—	244
Mark-to-market for economic hedging activities(c)	1	(204)	(63)	18	(248)
Contract amortization	—	(30)	2	—	(28)
Other revenue(b)	245	71	3	(12)	307
Total revenue	7,857	12,407	3,395	29	23,688
Less: Revenues accounted for under topics other than ASC 606 and ASC 815	—	(10)	33	(1)	22
Less: Realized and unrealized ASC 815 revenue	(5)	(96)	(99)	41	(159)
Total revenue from contracts with customers	$ 7,862	$ 12,513	$ 3,461	$ (11)	$ 23,825

(a) Home includes Services

(b) The following table represents the realized revenues related to derivative instruments that are accounted for under ASC 815 and included in the amounts above:

(In millions)	Texas	East	West/Services/Other	Corporate/Eliminations	Total
Retail revenue	$ —	$ 90	$ —	$ —	$ 90
Energy revenue	—	(13)	(13)	24	(2)
Capacity revenue	—	29	—	—	29
Other revenue	(6)	2	(23)	(1)	(28)

(c) Revenue relates entirely to unrealized gains and losses on derivative instruments accounted for under ASC 815

Contract Balances

The following table reflects the contract assets and liabilities included in the Company's balance sheet as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In millions)	(In millions)	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023
Capitalized contract costs		$ 639	$ 126			
Capitalized contract costs (included in Prepayments and other current assets and Other non-current assets)						
Accounts receivable, net - Contracts with customers						
Accounts receivable, net - Contracts with customers						
Accounts receivable, net - Contracts with customers	Accounts receivable, net - Contracts with customers	3,553	4,704			
Accounts receivable, net - Accounted for under topics other than ASC 606	Accounts receivable, net - Accounted for under topics other than ASC 606	188	64			
Accounts receivable, net - Affiliate	Accounts receivable, net - Affiliate	23	5			
Total accounts receivable, net	Total accounts receivable, net	$ 3,764	$ 4,773			
Unbilled revenues (included within Accounts receivable, net - Contracts with customers)	Unbilled revenues (included within Accounts receivable, net - Contracts with customers)	$ 1,336	$ 1,952			
Unbilled revenues (included within Accounts receivable, net - Contracts with customers)						
Unbilled revenues (included within Accounts receivable, net - Contracts with customers)						
Deferred revenues(a)	Deferred revenues(a)	1,720	186			

(a) Deferred revenues from contracts with customers as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were approximately $1.7 billion $1.5 billion and $175 million $1.6 billion, respectively. The increase in deferred revenues is primarily due to the acquisition of Vivint Smart Home

The revenue recognized from contracts with customers during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 relating to the deferred revenue balance at the beginning of each period was $168 $276 million and $173 $168 million, respectively. The change in deferred revenue balances recognized during the nine months ended September 30, 2023 and 2022 was primarily due to the timing difference of when consideration was received and when the performance obligation was transferred. The revenue recognized from contracts with customers during the three months ended September 30, 2023 and 2022 relating to the deferred revenue balance at the beginning of each period was $310 million and $159 million, respectively. The change increase in deferred revenue balances recognized during the three months ended September 30, 2023 March 31, 2024 when compared to the same period in 2023 was primarily due to the acquisition of Vivint Smart Home.

21 17

Note 4 — Acquisitions and Dispositions

Acquisitions

2023 Acquisition of Vivint Smart Home Acquisition

On March 10, 2023 (the "Acquisition Closing Date"), the Company completed the acquisition of Vivint Smart Home, Inc., pursuant to the Agreement and Plan of Merger, dated as of December 6, 2022, by and among the Company, Vivint Smart Home, Inc. and Jetson Merger Sub, Inc., a wholly-owned subsidiary of the Company ("Merger Sub") pursuant to which Merger Sub merged with and into Vivint Smart Home, Inc., with Vivint Smart Home, Inc. surviving the merger as a wholly-owned subsidiary of the Company. Dedicated to redefining the home experience with intelligent products and services, Vivint Smart Home brings brought approximately two million subscribers to NRG. Vivint Smart Home's single, expandable platform incorporates artificial intelligence and machine learning into its operating system and its vertically integrated business model includes hardware, software, sales, installation, customer service and technical support and professional monitoring, enabling superior subscriber experiences and a complete end-to-end smart home experience. The acquisition accelerates accelerated the realization of NRG's consumer-focused growth strategy and creates a leading essential home services platform fueled by market-leading brands, unparalleled insights, proprietary technologies and complementary sales channels.

NRG paid $12 per share, or approximately $2.6 billion in cash. The Company funded the acquisition using:

- proceeds of $724 million from newly issued $740 million 7.000% Senior Secured First Lien Notes due 2033, net of issuance costs and discount;
- proceeds of $635 million from newly issued $650 million 10.25% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, net of issuance costs;
- proceeds of approximately $900 million drawn from its Revolving Credit Facility and Receivables Securitization Facilities; and
- cash on hand.

In February 2023, the Company increased its Revolving Credit Facility by $600 million to meet the additional liquidity requirements related to the acquisition. For further discussion, see Note 9, *Long-term Debt and Finance Leases*.

Acquisition costs of $38 million for the nine months ended September 30, 2023 are included in acquisition-related transaction and integration costs in the Company's consolidated statement of operations.

The acquisition has been recorded as a business combination under ASC 805, with identifiable assets and liabilities acquired provisionally recorded at their estimated Acquisition Closing Date fair value. The initial accounting for the business combination is not complete because the evaluation necessary to assess the fair value of certain net assets acquired and the amount of goodwill to be recognized is still in process. The provisional amounts are subject to revision until the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the Acquisition Closing Date.

The total consideration of $2.623 billion includes:

		(In millions)
Vivint Smart Home, Inc. common shares outstanding as of March 10, 2023 of 216,901,639 at $12.00 per share	$	2,603
Other Vivint Smart Home, Inc. equity instruments (Cash out RSUs and PSUs, Stock Appreciation Rights, Private Placement Warrants)		6
Total Cash Consideration	$	2,609
Fair value of acquired Vivint Smart Home, Inc. equity awards attributable to pre-combination service		14
Total Consideration	$	2,623

22

The purchase price is provisionally allocated as follows:

	(In millions)
Current Assets	
Cash and cash equivalents	$ 120
Accounts receivable, net	60
Inventory	113
Prepayments and other current assets	37
Total current assets	330
Property, plant and equipment, net	49
Other Assets	
Operating lease right-of-use assets, net	35
Goodwill(a)	3,494
Intangible assets, net(b):	
Customer relationships	1,740
Technology	860
Trade name	160
Sales channel contract	10
Intangible assets, net	2,770
Deferred income taxes	382
Other non-current assets	14
Total other assets	6,695
Total Assets	$ 7,074
Current Liabilities	
Current portion of long-term debt and finance leases	$ 14
Current portion of operating lease liabilities	13
Accounts payable	109
Derivatives instruments	80
Deferred revenue current	518
Accrued expenses and other current liabilities	207
Total current liabilities	941
Other Liabilities	
Long-term debt and finance leases	2,572
Non-current operating lease liabilities	28
Derivatives instruments	32
Deferred income taxes	18
Deferred revenue non-current	837
Other non-current liabilities	23
Total other liabilities	3,510
Total Liabilities	$ 4,451
Vivint Smart Home Purchase Price	$ 2,623

(a) Goodwill arising from the acquisition is attributed to the value Acquisition costs of the platform acquired, cross-selling opportunities, subscriber growth and the synergies expected from combining the operations of Vivint Smart Home with NRG's existing businesses. None of the goodwill recorded is expected to be deductible $36 million for tax purposes

(b) The weighted average amortization period for total amortizable intangible assets is approximately ten years

Measurement Period Adjustments

The following measurement period adjustments were recognized during the three months ended September 30, 2023:

	(In millions)
Goodwill	$
Deferred income taxes	
Total increase in assets	$
Liabilities	
Deferred revenue current	$
Deferred revenue non-current	
Total increase in liabilities	$
Net change in net assets acquired	$

The measurement period adjustments to the provisional amounts March 31, 2023 are primarily attributable to refinement of the underlying assumptions used to estimate the fair value of assets included in acquisition-related transaction and liabilities acquired as more information was obtained about facts and circumstances that existed as of the Acquisition Closing Date.

Fair Value Measurement of Intangible Assets

The fair values of intangible assets as of the Acquisition Closing Date were measured primarily based on significant inputs that are observable and unobservable integration costs in the market and thus represent Level 2 and Level 3 measurements, respectively. Significant inputs were as follows:

Customer relationships – Customer relationships, reflective of Vivint Smart Home's subscriber base, were valued using an excess earning method of the income approach, and is classified as Level 3. Under this approach, the Company estimated the present value of expected future cash flows resulting from existing subscriber relationships, considering attrition and charges for contributory assets (such as net working capital, fixed assets, workforce, trade name and technology) utilized in the business, discounted using a weighted average cost of capital of comparable companies. The subscriber relationships are amortized to depreciation and amortization, ratably based on discounted future cash flows. The weighted average amortization period is twelve years.

Technology – Developed technology was valued using a "relief from royalty" method of the income approach, and is classified as Level 3. Under this approach, the fair value was estimated to be the present value of royalties saved which assumed the value of the asset based on discounted cash flows of the amount that would be paid by a hypothetical market participant had they not owned the asset and instead licensed the asset from another company. The estimated cash flows from the developed technology considered the obsolescence factor and was discounted using a weighted average cost of capital of comparable companies. The developed technology is amortized to depreciation and amortization, ratably based on discounted future cash flows.The weighted average amortization period is five years.

Trade name – Trade name was valued using a "relief from royalty" method of the income approach, and is classified as Level 3. Under this approach, the fair value is estimated to be the present value of royalties saved which assumed the value of the asset based on discounted cash flows of the amount that would be paid by a hypothetical market participant had they not owned the asset and instead licensed the asset from another company. The estimated cash flows from the trade name considered the expected probable use of the asset and was discounted using a weighted average cost of capital of comparable companies. The trade name is amortized to depreciation and amortization, on a straight line basis, over an amortization period of ten years.

Fair Value Measurement of Acquired Vivint Smart Home Debt

The Company acquired $2.7 billion in aggregate principal of Vivint Smart Home's 2027 Senior Secured Notes, 2029 Senior notes and 2028 Senior Secured Term Loan (together, the "Acquired Vivint Smart Home Debt") which were recorded at fair value as of the Acquisition Closing Date. The difference between the fair value at the Acquisition Closing Date and the principal outstanding of the Acquired Vivint Smart Home Debt, of $152 million, is being amortized through interest expense over the remaining term of the debt. The Acquired Vivint Smart Home Debt is classified as Level 2 and were measured at fair value using observable market inputs based on interest rates at the Acquisition Closing Date. For additional discussion, seeNote 9, *Long-term Debt and Finance Leases.*

Fair Value Measurement of Derivatives Liabilities

The derivative liabilities are recorded in connection with the contractual future payment obligations with the financing providers under Vivint Smart Home's Consumer Financing Program. The fair values of the derivatives liabilities as of the

Acquisition Closing Date were valued using a discounted cash flow model, with inputs consisting of available market data, such as market yield discount rates, as well as unobservable internally derived assumptions, such as collateral prepayment rates, collateral default rates and credit loss rates. These derivatives are priced using a credit valuation adjustment methodology, and are classified as Level 3. Changes to the fair value are recorded through other income, net in the Company's consolidated statement of operations.

For additional discussion, see information, refer to Note 7, 4, *Accounting for Derivative Instruments Acquisitions* and *Hedging Activities Dispositions,* .

Supplemental Pro Forma Financial Information for the three and nine months ended September 30, 2023 and 2022

The following table provides pro forma combined financial information of NRG and Vivint Smart Home, after giving effect to the Vivint Smart Home acquisition and related financing transactions as if they had occurred on January 1, 2022. The pro forma financial information has been prepared for illustrative and informational purposes only, and is not intended to project future operating results or be indicative of what the Company's financial performance would have been had the transactions occurred on the date acquired. No effect has been given to prospective operating synergies.

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Total operating revenues	$ 7,946	$ 8,949	$ 22,302	$ 24,927
Net income/(loss)	367	(4)	(588)	2,013

Amounts above reflect certain pro forma adjustments that were directly attributable to the Vivint Smart Home acquisition. These adjustments include the following:

(i) Income statement effects of fair value adjustments based on the preliminary purchase price allocation including amortization of intangible assets, reversal of historical Vivint Smart Home amortization of capitalized contract costs and reversal of historical Vivint Smart Home other income recorded for the change in fair value of warrant derivative liabilities, as the warrants are assumed to be cashed out upon the Acquisition Closing Date.

(ii) One-time expenses directly related to the acquisition.

(iii) Adjustments to reflect all acquisition and related transactions costs in the nine months ended September 30, 2022.

(iv) Interest expense assumes the financing transactions directly attributable to the Vivint Smart Home acquisition occurred on January 1, 2022.

(v) Adjustments related to recording Vivint Smart Home's historical debt at Acquisition Closing Date fair value.

(vi) Adjustments to reflect the write-off of short-term deferred financing costs related to the bridge facility put in place for the acquisition prior to securing permanent financing during the nine months ended September 30, 2022 instead of the nine months ended September 30, 2023.

(vii) Income tax effect of the acquisition accounting adjustments and financing adjustments (adjusted for permanent book/tax differences) based on combined blended federal/state tax rate for all periods presented. 2023 Form 10-K.

Dispositions

Sale of the 44% equity interest in STP

On November 1, 2023, the Company closed on the previously announced sale of its 44% equity interest in STP to Constellation Energy Generation ("Constellation"). Proceeds of $1.75 billion were reduced by preliminary working capital and other adjustments of $96 million, resulting in net proceeds of $1.654 billion. For discussion of the litigation matter related to the transaction, see Note 16, *Commitments and Contingencies.*

Sale of Gregory

On October 2, 2023, the Company closed on the sale of its 100% ownership in the Gregory natural gas generating facility in Texas for $102 million.

Sale of Astoria

On January 6, 2023, the Company closed on the sale of land and related generation assets from the Astoria site, within the East region of operations, for initial proceeds of $212 million, subject to transaction fees of $3 million and certain indemnifications, resulting in a $199 million gain. As part of the transaction, NRG entered into an agreement to lease the land back for the purpose of operating the Astoria gas turbines. The lease agreement is expected to terminate by the end of the year after decommissioning is complete.

Sale of Watson

On June 1, 2022, the Company closed on the sale of its 49% ownership in the Watson natural gas generating facility for $59 million. The Company recorded a gain on the sale of $46 million.

Held-for-sale

As of September 30, 2023, the following is classified as held-for-sale in the consolidated balance sheets, which are primarily related to the sales of STP and Gregory within the Texas segment:

		(In millions)
Inventory	$	68
Prepayments and other current assets		18
Current assets - held-for-sale	$	86
Property, plant and equipment, net	$	248
Intangible assets, net		12
Nuclear decommissioning trust fund		893
Non-current assets - held-for-sale	$	1,153
Total assets held-for-sale	$	1,239
Current liabilities - held-for-sale	$	44
Nuclear decommissioning reserve	$	341
Nuclear decommissioning trust liability		518
Other non-current liabilities		67
Non-current liabilities - held-for-sale	$	926
Total liabilities held-for-sale	$	970

The Company recorded income before income taxes from its 44% equity interest in STP as follows:

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2023	2022	2023	2022
Income before income taxes(a)	$ 188	$ 175	$ 195	$ 331

(a) Excludes the impact of the Company's hedges at the portfolio level

Note 5 — Fair Value of Financial Instruments

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

The estimated carrying value and fair value of the Company's long-term debt, including current portion, is as follows:

		September 30, 2023		December 31, 2022	
March 31, 2024					
(In millions)	(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Convertible Senior Notes	Convertible Senior Notes	$ 575	$ 612	$ 575	$ 576
Other long-term debt, including current portion	Other long-term debt, including current portion	11,137	10,028	7,523	6,432

	March 31, 2024		December 31, 2023	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Convertible Senior Notes				
Convertible Senior Notes				
Other long-term debt, including current portion				
Other long-term debt, including current portion				

Total long-term debt, including current portion(a)	Total long-term debt, including current portion(a)	$11,712	$10,640	$8,098	$7,008

(a) Excludes deferred financing costs, which are recorded as a reduction to long-term debt in the Company's consolidated balance sheets

The fair value of the Company's publicly-traded long-term debt and the Vivint Smart Home Senior Secured Term Loan are based on quoted market prices and are classified as Level 2 within the fair value hierarchy. The estimated fair value of the borrowing under the Revolving Credit Facility approximates the carrying value because the interest rates vary with market interest rates, and is classified as Level 3 within the fair value hierarchy. The following table presents the level within the fair value hierarchy for long-term debt, including current portion, as of September 30, 2023 and December 31, 2022:

	September 30, 2023		December 31, 2022	
(In millions)	Level 2	Level 3	Level 2	Level 3
Convertible Senior Notes	$ 612	$ —	$ 576	$ —
Other long-term debt, including current portion	9,728	300	6,432	—
Total long-term debt, including current portion	$ 10,340	$ 300	$ 7,008	$ —

Recurring Fair Value Measurements

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

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

	March 31, 2024
	Fair Value
(In millions)	
Investments in securities (classified within other current and non-current assets)	

	March 31, 2024			
	Fair Value			
(In millions)	Total	Level 1	Level 2	Level 3

	September 30, 2023			
	Fair Value			
(In millions)	Total	Level 1	Level 2	Level 3
Investments in securities (classified within other current and non-current assets)	$ 19	$ —	$ 19	$ —
Nuclear trust fund investments (classified within non-current assets - held-for-sale):				
Cash and cash equivalents	25	25	—	—
U.S. government and federal agency obligations	76	74	2	—
Federal agency mortgage-backed securities	110	—	110	—
Commercial mortgage-backed securities	31	—	31	—
Corporate debt securities	111	—	111	—

Equity securities		451	451	—	—	
Foreign government fixed income securities		1	—	1	—	
Derivative assets:						
Derivative assets:	**Derivative assets:**					
Foreign exchange contracts		12	—	12	—	
Commodity contracts		6,196	1,123	4,264	809	
Derivative assets:						
Interest rate contracts	Interest rate contracts	32	—	32	—	
Measured using net asset value practical expedient:						
Equity securities — nuclear trust fund investments (classified within non-current assets - held-for-sale)		88	—	—	—	
Equity securities (classified within other non-current assets)		6	—	—	—	
Total assets		$7,158	$1,673	$4,582	$809	
Derivative liabilities:						
Interest rate contracts						
Interest rate contracts						
Foreign exchange contracts	Foreign exchange contracts	$ 1	$ —	$ 1	$ —	
Commodity contracts	Commodity contracts	4,551	910	3,253	388	
Equity securities measured using net asset value practical expedient (classified within other non-current assets)						
Equity securities measured using net asset value practical expedient (classified within other non-current assets)						
Equity securities measured using net asset value practical expedient (classified within other non-current assets)						6
Total assets						
Derivative liabilities:						
Interest rate contracts						
Interest rate contracts						
Interest rate contracts						
Foreign exchange contracts						
Commodity contracts						
Consumer Financing Program	Consumer Financing Program	128	—	—	128	

Total liabilities	**Total liabilities**	$4,680	$ 910	$3,254	$516

(In millions)	December 31, 2023 Fair Value Total	Level 1	Level 2	Level 3
Investments in securities (classified within other current and non-current assets)	$ 21	$ —	$ 21	$ —
Derivative assets:				
Interest rate contracts	12	—	12	—
Foreign exchange contracts	5	—	5	—
Commodity contracts	6,138	1,334	4,470	334
Equity securities measured using net asset value practical expedient (classified within other non-current assets)	6			
Total assets	$ 6,182	$ 1,334	$ 4,508	$ 334
Derivative liabilities:				
Interest rate contracts	$ 8	$ —	$ 8	$ —
Foreign exchange contracts	9	—	9	—
Commodity contracts	5,356	1,413	3,728	215
Consumer Financing Program	134	—	—	134
Total liabilities	$ 5,507	$ 1,413	$ 3,745	$ 349

27 19

(In millions)	December 31, 2022 Fair Value Total	Level 1	Level 2	Level 3
Investments in securities (classified within other current and non-current assets)	$ 19	$ —	$ 19	$ —
Nuclear trust fund investments:				
Cash and cash equivalents	15	15	—	—
U.S. government and federal agency obligations	86	84	2	—
Federal agency mortgage-backed securities	101	—	101	—
Commercial mortgage-backed securities	35	—	35	—
Corporate debt securities	114	—	114	—
Equity securities	403	403	—	—
Foreign government fixed income securities	1	—	1	—
Other trust fund investments (classified within other non-current assets):				
U.S. government and federal agency obligations	1	1	—	—
Derivative assets:				
Foreign exchange contracts	18	—	18	—
Commodity contracts	11,976	1,929	8,796	1,251
Measured using net asset value practical expedient:				
Equity securities — nuclear trust fund investments	83	—	—	—
Equity securities (classified within other non-current assets)	6	—	—	—
Total assets	$ 12,858	$ 2,432	$ 9,086	$ 1,251
Derivative liabilities:				
Foreign exchange contracts	$ 2	$ —	$ 2	$ —
Commodity contracts	8,439	1,244	6,449	746
Total liabilities	$ 8,441	$ 1,244	$ 6,451	$ 746

The following table reconciles, for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the beginning and ending balances for financial instruments that are recognized at fair value in the condensed consolidated financial statements, using significant unobservable inputs, for commodity derivatives:

		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
		Commodity Derivatives(a)			
		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
	Commodity Derivatives(a)				Commodity Derivatives(a)
(In millions)	(In millions)	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Beginning balance	Beginning balance	$ 905	$ 1,403	$ 505	$ 293
Beginning balance					
Beginning balance					
Total gains/(losses) realized/unrealized included in earnings		5	(314)	(172)	145
Total (losses) realized/unrealized included in earnings					
Total (losses) realized/unrealized included in earnings					
Total (losses) realized/unrealized included in earnings					
Purchases					
Purchases					
Purchases	Purchases	(115)	60	25	89
Transfers into Level 3(b)	Transfers into Level 3(b)	(374)	(466)	64	155
Transfers into Level 3(b)					
Transfers into Level 3(b)					
Transfers out of Level 3(b)					
Transfers out of Level 3(b)					
Transfers out of Level 3(b)	Transfers out of Level 3(b)	—	(1)	(1)	—

Ending balance	Ending balance	$ 421	$ 682	$ 421	$ 682
Gains/(Losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of period end		$ 75	$ (240)	$ (56)	$ 294
Ending balance					
Ending balance					
(Losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of period end					
(Losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of period end					
(Losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of period end					

(a) Consists of derivative assets and liabilities, net, excluding derivatives liabilities from Consumer Financing Program, which are presented in a separate table below

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

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

The following table reconciles, for the three and nine months ended September 30, 2023March 31, 2024 and 2023, the beginning and ending balances of the contractual obligations from the Consumer Financing Program that are recognized at fair value in the condensed consolidated financial statements, using significant unobservable inputs:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)
	Consumer Financing Program
	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)

		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
		Fair Value Measurement Using Significant Unobservable Inputs (Level 3)	
	Consumer Financing Program		Consumer Financing Program
(In millions)	(In millions)	Three months ended September 30, 2023	Nine months ended September 30, 2023
Beginning balance	**Beginning balance**	$ 115	$ —
Beginning balance			
Beginning balance			
Contractual obligations added from the acquisition of Vivint Smart Home			
Contractual obligations added from the acquisition of Vivint Smart Home			
Contractual obligations added from the acquisition of Vivint Smart Home	Contractual obligations added from the acquisition of Vivint Smart Home	—	112
New contractual obligations	New contractual obligations	33	55
New contractual obligations			
New contractual obligations			
Settlements	Settlements	(21)	(43)
Total losses included in earnings		1	4
Settlements			
Settlements			
Total gains included in earnings			
Total gains included in earnings			
Total gains included in earnings			
Ending balance	**Ending balance**	$ 128	$ 128
Ending balance			
Ending balance			

Gains and losses that are related to the Consumer Financing Program derivative are recorded in other income, net.

Derivative Fair Value Measurements

A portion The Company's contracts consist of NRG's non-exchange traded contracts are valued using prices provided by external sources and exchange-traded contracts with readily available quoted market prices. A majority Beginning in the fourth quarter of NRG's 2023 and as of March 31, 2024, the fair value of non-exchange traded contracts are non-exchange-traded contracts valued using prices were primarily based on consensus pricing provided by external sources, primarily independent pricing services. The pricing data was compiled from market makers with longer dated tenors as compared to broker quotes, enhancing reliability and increasing transparency. Prior to the fourth quarter of 2023, the Company valued derivatives based on price quotations available through quotes from brokers or over-the-counter and on-line exchanges. in active markets who regularly facilitate those transactions. The remainder of the assets and liabilities represent contracts for which external sources or observable market quotes are not available. These contracts are valued based on various valuation techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of the observable market data with similar characteristics. As of September 30, 2023 March 31, 2024, contracts valued with prices provided by models and other valuation techniques make made up 13% 4% of derivative assets and 11% 6% of derivative liabilities.

NRG's significant positions classified as Level 3 include physical and financial natural gas, power, capacity contracts and power contracts RECs executed in illiquid markets, as well as FTRs. FTRs and the CFP. The significant unobservable inputs used in developing fair value include illiquid natural gas and power location pricing, which is derived as a basis to liquid locations. The basis spread is based on observable market data when available or derived from historic prices and forward market prices from similar observable markets when not available. Forward capacity prices are based on market information, forecasted future electricity demand and

supply, past auctions and internally developed pricing models. REC prices are based on market information and internally developed pricing models. For FTRs, NRG uses the most recent auction prices to derive the fair value. The Consumer Financing Program derivatives are valued using a discounted cash flow model, with inputs consisting of available market data, such as market yield discount rates, as well as unobservable internally derived assumptions, such as collateral prepayment rates, collateral default rates and credit loss rates. These derivatives are priced quarterly using a credit valuation adjustment methodology.

The following tables quantify the significant, unobservable inputs used in developing the fair value of the Company's Level 3 positions as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023						
		Fair Value				Input/Range		
(In millions)		Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
		March 31, 2024						
		March 31, 2024						
		March 31, 2024						
		Fair Value						
(In millions, except as noted)								
Natural Gas Contracts	Natural Gas Contracts	$ 94	$ 113	Discounted Cash Flow	Forward Market Price (per MMBtu)	$ 1	$ 16	$ 3
Power Contracts	Power Contracts	683	222	Discounted Cash Flow	Forward Market Price (per MWh)	1	196	43
Capacity Contracts								
RECs								
FTRs	FTRs	32	53	Discounted Cash Flow	Auction Prices (per MWh)	(30)	190	1
Consumer Financing Program	Consumer Financing Program	—	128	Discounted Cash Flow	Collateral Default Rates	0.94 %	99.85 %	7.66 %
				Discounted Cash Flow	Collateral Prepayment Rates	2.00 %	3.00 %	2.95 %
				Discounted Cash Flow	Credit Loss Rates	6.00 %	60.00 %	12.24 %
		$ 809	$ 516					

(In millions, except as noted)	Assets		Liabilities		Valuation Technique		Significant Unobservable Input
	Fair Value						
Consumer Financing Program	—	124	124	Discounted Cash Flow		Discounted Cash Flow	Collater Default Rates

		Discounted Cash Flow				
		Discounted Cash Flow				
$						

	December 31, 2023						
	Fair Value				Input/Range		
(In millions, except as noted)	Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Natural Gas Contracts	$ 39	$ 65	Discounted Cash Flow	Forward Market Price ($ per MMBtu)	$ 1	$ 15	$ 3
Power Contracts	197	66	Discounted Cash Flow	Forward Market Price ($ per MWh)	1	210	47
Capacity Contracts	21	33	Discounted Cash Flow	Forward Market Price ($ per MW/Day)	49	658	285
RECs	58	14	Discounted Cash Flow	Forward Market Price ($ per Certificate)	2	320	15
FTRs	19	37	Discounted Cash Flow	Auction Prices ($ per MWh)	(58)	252	0
Consumer Financing Program	—	134	Discounted Cash Flow	Collateral Default Rates	0.43 %	93.30 %	8.12 %
			Discounted Cash Flow	Collateral Prepayment Rates	2.00 %	3.00 %	2.95 %
			Discounted Cash Flow	Credit Loss Rates	6.00 %	60.00 %	12.57 %
	$ 334	$ 349					

	December 31, 2022						
	Fair Value				Input/Range		
(In millions)	Assets	Liabilities	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Natural Gas Contracts	$ 340	$ 448	Discounted Cash Flow	Forward Market Price (per MMBtu)	$ 2	$ 48	$ 6
Power Contracts	843	216	Discounted Cash Flow	Forward Market Price (per MWh)	3	431	48
FTRs	68	82	Discounted Cash Flow	Auction Prices (per MWh)	(32)	610	0
	$ 1,251	$ 746					

The following table provides sensitivity of fair value measurements to increases/(decreases) in significant, unobservable inputs as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Significant Unobservable Input	Position	Change In Input	Impact on Fair Value Measurement
Forward Market Price Natural Gas/Power Power/Capacity/RECs	Buy	Increase/(Decrease)	Higher/(Lower)
Forward Market Price Natural Gas/Power Power/Capacity/RECs	Sell	Increase/(Decrease)	Lower/(Higher)
FTR Prices	Buy	Increase/(Decrease)	Higher/(Lower)
FTR Prices	Sell	Increase/(Decrease)	Lower/(Higher)
Collateral Default Rates	n/a	Increase/(Decrease)	Higher/(Lower)
Collateral Prepayment Rates	n/a	Increase/(Decrease)	Lower/(Higher)
Credit Loss Rates	n/a	Increase/(Decrease)	Higher/(Lower)

The fair value of each contract is discounted using a risk-free interest rate. In addition, the Company applies a credit reserve to reflect credit risk, which is calculated based on published default probabilities. As of September 30, 2023 March 31, 2024 and December 31, 2023, the credit reserve resulted in a $19 million decrease primarily within cost of operations. As of December 31, 2022, the credit reserve resulted in a $9 $18 million decrease primarily within cost of operations.

Concentration of Credit Risk

In addition to the credit risk discussion as disclosed in Note 2, *Summary of Significant Accounting Policies*, to the Company's 2022 2023 Form 10-K, the following is a discussion of the concentration of credit risk for the Company's contractual obligations. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. NRG is exposed to counterparty credit risk through various activities including wholesale sales, fuel purchases and retail supply arrangements, as well as retail customer credit risk through its retail load activities.

Counterparty Credit Risk

The Company's counterparty credit risk policies are disclosed in its 2022 2023 Form 10-K. As of September 30, 2023 March 31, 2024, counterparty credit exposure, excluding credit exposure from RTOs, ISOs, registered commodity exchanges and certain long-term agreements, was $1.7 billion $1.8 billion and NRG held collateral (cash and letters of credit) against those positions of $494 million $440 million, resulting in a net exposure of $1.2 billion $1.4 billion. NRG periodically receives collateral from counterparties in excess of their exposure. Collateral amounts shown include such excess while net exposure shown excludes excess collateral received. Approximately 36% 62% of the Company's exposure before collateral is expected to roll off by the end of 2024. 2025. Counterparty credit exposure is valued through observable market quotes and discounted at a risk free interest rate. The following tables highlight net counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for NRG with counterparties where netting is permitted under the enabling agreement and includes all cash flow, mark-to-market and NPNS, and non-derivative transactions. The exposure is shown net of collateral held and includes amounts net of receivables or payables.

<u>Category by Industry Sector</u>	**Net Exposure(a)(b) (% of Total)**
Utilities, energy merchants, marketers and other	68 78 %
Financial institutions	32 22
Total as of September 30, 2023 March 31, 2024	100 %

<u>Category by Counterparty Credit Quality</u>	**Net Exposure (a)(b) (% of Total)**
Investment grade	56 51 %
Non-investment grade/non-rated Non-Rated	44 49
Total as of September 30, 2023 March 31, 2024	100 %

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

(b) The figures in the tables above exclude potential counterparty credit exposure related to RTOs, ISOs, registered commodity exchanges and certain long-term contracts

The Company currently has exposure to one two wholesale counterparty counterparties in excess of 10% of total net exposure as of September 30, 2023 March 31, 2024. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration.

RTOs and ISOs

The Company participates in the organized markets of CAISO, ERCOT, AESO, IESO, ISO-NE, MISO, NYISO and PJM, known as RTOs or ISOs. Trading in the majority of these markets is approved by FERC, whereas in the case of ERCOT, it is approved by the PUCT, and whereas in the case of AESO and IESO, both exist provincially with AESO primarily subject to Alberta Utilities Commission and the IESO to the Ontario Energy Board. These ISOs may include credit policies that, under certain circumstances, require that losses arising from the default of one member on spot market transactions be shared by the remaining participants. As a result, the counterparty credit risk to these markets is limited to NRG's share of the overall market and are excluded from the above exposures.

Exchange Traded Transactions

The Company enters into commodity transactions on registered exchanges, notably ICE, NYMEX and Nodal. These clearinghouses act as the counterparty and transactions are subject to extensive collateral and margining requirements. As a result, these commodity transactions have limited counterparty credit risk.

Long-Term Contracts

Counterparty credit exposure described above excludes credit risk exposure under certain long-term contracts, primarily solar under Renewable PPAs. As external sources or observable market quotes are not always available to estimate such exposure, the Company values these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of September 30, 2023 March 31, 2024, aggregate credit risk exposure managed by NRG to these counterparties was approximately $1.0 billion $896 million for the next five years.

Retail Customer Credit Risk

The Company is exposed to retail credit risk through the Company's retail electricity and gas providers as well as through Vivint Smart Home, which serve both Home and Business customers. Retail credit risk results in losses when a customer fails to pay for services rendered. The losses may result from both non-payment of customer accounts receivable and the loss of in-

the-money in-the-money forward value. The Company manages retail credit risk by using established credit policies, which include monitoring of the portfolio and the use of credit mitigation measures such as deposits or prepayment arrangements.

As of September 30, 2023 March 31, 2024, the Company's retail customer credit exposure to Home and Business customers was diversified across many customers and various industries, as well as government entities. Current economic conditions may affect the Company's customers' ability to pay their bills in a timely manner or at all, which could increase customer delinquencies and may lead to an increase in credit losses.

Note 6 — Nuclear Decommissioning Trust Fund

NRG's Nuclear Decommissioning Trust Fund assets, which are for the decommissioning of its 44% interest in STP, are comprised of securities classified as available-for-sale and recorded at fair value based on actively quoted market prices. NRG accounts for the Nuclear Decommissioning Trust Fund in accordance with ASC 980, *Regulated Operations*, because the Company's nuclear decommissioning activities are subject to approval by the PUCT with regulated rates that are designed to recover all decommissioning costs and that can be charged to and collected from the ratepayers per PUCT mandate. Since the Company is in compliance with PUCT rules and regulations regarding decommissioning trusts and the cost of decommissioning is the responsibility of the Texas ratepayers, not NRG, all realized and unrealized gains or losses (including other-than-temporary impairments) related to the Nuclear Decommissioning Trust Fund are recorded to the Nuclear Decommissioning Trust liability and are not included in net income or accumulated OCI, consistent with regulatory treatment. As of September 30, 2023, the trust liability is classified within non-current liabilities - held-for-sale on the Company's condensed consolidated balance sheet.

The following table summarizes the aggregate fair values and unrealized gains and losses for the securities held in the trust funds, as well as information about the contractual maturities of those securities. As of September 30, 2023, the trust funds are classified within non-current assets - held-for-sale on the Company's condensed consolidated balance sheet.

	As of September 30, 2023				As of December 31, 2022			
(In millions, except maturities)	Fair Value	Unrealized Gains	Unrealized Losses	Weighted-average Maturities (In years)	Fair Value	Unrealized Gains	Unrealized Losses	Weighted-average Maturities (In years)
Cash and cash equivalents	$ 25	$ —	$ —	—	$ 15	$ —	$ —	—
U.S. government and federal agency obligations	76	—	9	12	86	—	5	11
Federal agency mortgage-backed securities	110	—	13	24	101	—	11	26
Commercial mortgage-backed securities	31	—	4	29	35	—	4	30
Corporate debt securities	111	—	11	12	114	—	13	12
Equity securities	539	390	—	—	486	346	3	—
Foreign government fixed income securities	1	—	—	14	1	—	—	17
Total	$ 893	$ 390	$ 37		$ 838	$ 346	$ 36	

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

	Nine months ended September 30,	
(In millions)	2023	2022
Realized gains	$ 7	$ 12
Realized losses	(15)	(19)
Proceeds from sale of securities	280	363

Note 7 — Accounting for Derivative Instruments and Hedging Activities

Energy-Related Commodities

As of September 30, 2023 March 31, 2024, NRG had energy-related derivative instruments extending through 2036. The Company marks these derivatives to market through the consolidated statement of operations. NRG has executed energy-related contracts extending through 2036 that qualified for the NPNS exception and were therefore exempt from fair value accounting treatment.

Interest Rate Swaps

NRG is exposed to changes in interest rate through the Company's issuance of variable rate debt. To manage the Company's interest rate risk, NRG enters into interest rate swap agreements. In the first quarter of 2023, 2024, the Company entered into interest rate swaps with a total nominal value of $700 million extending through 2029 to hedge the floating rate of the Term Loans (as defined below), which closed in April 2024. Additionally, as of March 31, 2024, the Company had $1.0 billion of interest rate swaps extending through 2027 to hedge the floating rate on the Vivint Term Loan acquired with the Vivint Smart Home acquisition. Additionally, the Company entered into interest rate swaps to hedge the floating rate on the Revolving Credit Facility extending through 2024, with $300 million outstanding as of September 30, 2023. Loans.

Foreign Exchange Contracts

NRG is exposed to changes in foreign currency primarily associated with the purchase of U.S. dollar denominated natural gas for its Canadian business. To manage the Company's foreign exchange risk, NRG entered into foreign exchange contracts. As of September 30, 2023 March 31, 2024, NRG had foreign exchange contracts extending through 2027. The Company marks these derivatives to market through the consolidated statement of operations.

23

Consumer Financing Program

Under the Consumer Financing Program, Vivint Smart Home pays a monthly fee to Financing Providers based on either the average daily outstanding balance of the loans or the number of outstanding loans. For certain loans, Vivint Smart Home incurs fees at the time of the loan origination and receives proceeds that are net of these fees. Vivint Smart Home also shares the liability for credit losses, depending on the credit quality of the subscriber. Due to the nature of certain provisions under the Consumer Financing Program, the Company records a derivative liability that is not designated as a hedging instrument and is adjusted to fair value, measured using the present value of the estimated future payments. Changes to the fair value are recorded through other income, net in the consolidated statement of operations. The following represent the contractual future payment obligations with the Financing Providers under the Consumer Financing Program that are components of the derivative:

- Vivint Smart Home pays either a monthly fee based on the average daily outstanding balance of the loans, or the number of outstanding loans, depending on the Financing Provider;
- Vivint Smart Home shares the liability for credit losses depending on the credit quality of the subscriber; and
- Vivint Smart Home pays transactional fees associated with subscriber payment processing.

The derivative is classified as a Level 3 instrument. The derivative positions are valued using a discounted cash flow model, with inputs consisting of available market data, such as market yield discount rates, as well as unobservable internally derived assumptions, such as collateral prepayment rates, collateral default rates and credit loss rates. These derivatives are priced quarterly using a credit valuation adjustment methodology. In summary, the fair value represents an estimate of the present value of the cash flows Vivint Smart Home will be obligated to pay to the Financing Provider Providers for each component of the derivative.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of NRG's open derivative transactions broken out by category, excluding those derivatives that qualified for the NPNS exception, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. Option contracts are reflected using delta volume. Delta volume equals the notional volume of an option adjusted for the probability that the option will be in-the-money at its expiration date.

		Total Volume (In millions)	
Category	**Units**	**September 30, 2023**	**December 31, 2022**
Emissions	Short Ton	—	1
Renewable Energy Certificates	Certificates	12	15
Coal	Short Ton	10	11
Natural Gas	MMBtu	841	422
Oil	Barrels	—	1
Power	MWh	201	192
Consumer Financing Program	Dollars	1,142	—
Foreign Exchange	Dollars	566	569
Interest	Dollars	1,300	—

33

		Total Volume (In millions)	
Category	**Units**	**March 31, 2024**	**December 31, 2023**
Renewable Energy Certificates	Certificates	14	12
Coal	Short Ton	7	9

Natural Gas	MMBtu	819	838
Power	MWh	201	201
Interest	Dollars	1,700	1,000
Foreign Exchange	Dollars	499	548
Consumer Financing Program	Dollars	1,088	1,116

Fair Value of Derivative Instruments

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

		Fair Value					Fair Value			
		Derivative Assets		Derivative Liabilities			Derivative Assets		Derivative Liabilities	
(In millions)	(In millions)	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Derivatives Not Designated as Cash Flow or Fair Value Hedges:	**Derivatives Not Designated as Cash Flow or Fair Value Hedges:**									
Derivatives Not Designated as Cash Flow or Fair Value Hedges:										
Derivatives Not Designated as Cash Flow or Fair Value Hedges:										
Interest rate contracts - current	Interest rate contracts - current	$ 21	$ —	$ —	$ —					
Interest rate contracts - long-term	Interest rate contracts - long-term	11	—	—	—					
Foreign exchange contracts - current	Foreign exchange contracts - current	7	11	—	1					
Foreign exchange contracts - long-term	Foreign exchange contracts - long-term	5	7	1	1					
Commodity contracts - current										
Commodity contracts - long-term										
Consumer Financing Program - short-term	Consumer Financing Program - short-term	—	—	83	—					

Consumer Financing Program - long-term	Consumer Financing Program - long-term	—	—	45	—
Commodity contracts - current		3,682	7,875	3,045	6,194
Commodity contracts - long-term		2,514	4,101	1,506	2,245
Total Derivatives Not Designated as Cash Flow or Fair Value Hedges	**Total Derivatives Not Designated as Cash Flow or Fair Value Hedges**	$ 6,240	$11,994	$ 4,680	$ 8,441

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

		Gross Amounts Not Offset in the Statement of Financial Position								
		Gross Amounts Not Offset in the Statement of Financial Position							Gross Amounts Not Offset in the Statement of Financial Position	
(In millions)	**(In millions)**	**Gross Amounts of Recognized Assets / Liabilities**	**Derivative Instruments**	**Cash Collateral (Held) /Posted**	**Net Amount**	**(In millions)**	**Gross Amounts of Recognized Assets / Liabilities**	**Derivative Instruments**	**Cash Collateral (Held) /Posted**	**Net Amount**
As of September 30, 2023										
As of March 31, 2024										
Interest rate contracts:										
Interest rate contracts:										
Interest rate contracts:										
Derivative assets										
Derivative assets										
Derivative assets										
Derivative liabilities										
Total interest rate contracts										
Foreign exchange contracts:	**Foreign exchange contracts:**									
Derivative assets										
Derivative assets										
Derivative assets	Derivative assets	$ 12	$ (1)	$ —	$ 11					

Derivative liabilities	Derivative liabilities	(1)	1	—	—
Total foreign exchange contracts	**Total foreign exchange contracts**	$ 11	$ —	$ —	$ 11
Commodity contracts:	**Commodity contracts:**				
Derivative assets	Derivative assets	$ 6,196	$ (4,331)	$ (269)	$1,596
Derivative assets					
Derivative assets					
Derivative liabilities	Derivative liabilities	(4,551)	4,331	11	(209)
Total commodity contracts	**Total commodity contracts**	$ 1,645	$ —	$ (258)	$1,387
Consumer Financing Program:	**Consumer Financing Program:**				
Derivative liabilities	Derivative liabilities	$ (128)	$ —	$ —	$ (128)
Interest rate contracts:					
Derivative assets		$ 32	$ —	$ —	$ 32
Derivative liabilities					
Derivative liabilities					
Total derivative instruments	**Total derivative instruments**	$ 1,560	$ —	$ (258)	$1,302

			Gross Amounts Not Offset in the Statement of Financial Position		
			Gross Amounts Not Offset in the Statement of Financial Position		
			Gross Amounts Not Offset in the Statement of Financial Position		
			Gross Amounts Not Offset in the Statement of Financial Position		
(In millions)	(In millions)	Gross Amounts of Recognized Assets / Liabilities	Derivative Instruments	Cash Collateral (Held) /Posted	Net Amount
As of December 31, 2022					
(In millions)					
(In millions)					
As of December 31, 2023					
As of December 31, 2023					
As of December 31, 2023					
Interest rate contracts:					
Interest rate contracts:					
Interest rate contracts:					
Derivative assets					
Derivative assets					
Derivative assets					
Derivative liabilities					
Derivative liabilities					

Derivative liabilities					
Total interest rate contracts					
Total interest rate contracts					
Total interest rate contracts					
Foreign exchange contracts:					
Foreign exchange contracts:					
Foreign exchange contracts:	**Foreign exchange contracts:**				
Derivative assets	Derivative assets	$ 18	$ (2)	$ —	$ 16
Derivative assets					
Derivative assets					
Derivative liabilities					
Derivative liabilities					
Derivative liabilities	Derivative liabilities	(2)	2	—	—
Total foreign exchange contracts	**Total foreign exchange contracts**	$ 16	$ —	$ —	$ 16
Total foreign exchange contracts					
Total foreign exchange contracts					
Commodity contracts:					
Commodity contracts:					
Commodity contracts:	**Commodity contracts:**				
Derivative assets	Derivative assets	$ 11,976	$ (7,897)	$ (1,659)	$ 2,420
Derivative assets					
Derivative assets					
Derivative liabilities					
Derivative liabilities					
Derivative liabilities	Derivative liabilities	(8,439)	7,897	20	(522)
Total commodity contracts	**Total commodity contracts**	$ 3,537	$ —	$ (1,639)	$ 1,898
Total commodity contracts					
Total commodity contracts					
Consumer Financing Program:					
Consumer Financing Program:					
Consumer Financing Program:					
Derivative liabilities					
Derivative liabilities					
Derivative liabilities					
Total derivative instruments	**Total derivative instruments**	$ 3,553	$ —	$ (1,639)	$ 1,914
Total derivative instruments					
Total derivative instruments					

Impact of Derivative Instruments on the Statements of Operations

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

The following table summarizes the pre-tax effects of economic hedges that have not been designated as cash flow hedges or fair value hedges and trading activity on the Company's consolidated statement of operations. The effect of foreign exchange and commodity hedges are included within revenues and cost of operations. The effect of the interest rate contracts are included within interest expense. The effect of the Consumer Financing Program is included in other income, net.

(In millions)	Three months ended September 30,		Nine months ended September 30,	
Unrealized mark-to-market results	2023	2022	2023	2022
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges	$ (522)	$ (387)	$ (1,519)	$ (992)
Reversal of acquired (gain)/loss positions related to economic hedges	(6)	(15)	4	(27)
Net unrealized gains/(losses) on open positions related to economic hedges	475	313	(418)	3,926
Total unrealized mark-to-market (losses)/gains for economic hedging activities	(53)	(89)	(1,933)	2,907
Reversal of previously recognized unrealized losses on settled positions related to trading activity	—	2	11	11
Net unrealized (losses)/gains on open positions related to trading activity	(1)	7	13	(18)
Total unrealized mark-to-market (losses)/gains for trading activity	(1)	9	24	(7)
Total unrealized (losses)/gains - commodities and foreign exchange	$ (54)	$ (80)	$ (1,909)	$ 2,900

(In millions)	Three months ended March 31,	
Unrealized mark-to-market results	2024	2023
Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges	$ 244	$ (846)
Reversal of acquired (gain) positions related to economic hedges	(12)	(25)
Net unrealized gains/(losses) on open positions related to economic hedges	240	(1,073)
Total unrealized mark-to-market gains/(losses) for economic hedging activities	472	(1,944)
Reversal of previously recognized unrealized (gains)/losses on settled positions related to trading activity	(4)	1
Net unrealized gains on open positions related to trading activity	—	11
Total unrealized mark-to-market (losses)/gains for trading activity	(4)	12
Total unrealized gains/(losses) - commodities and foreign exchange	$ 468	$ (1,932)

	Three months ended September 30,		Nine months ended September 30,	
(In millions)	2023	2022	2023	2022
Unrealized (losses)/gains included in revenues - commodities	$ (71)	$ 42	$ 120	$ (255)
Unrealized gains/(losses) included in cost of operations - commodities	8	(148)	(2,024)	3,124
Unrealized gains/(losses) included in cost of operations - foreign exchange	9	26	(5)	31
Total impact to statement of operations - commodities and foreign exchange	$ (54)	$ (80)	$ (1,909)	$ 2,900
Total impact to statement of operations - consumer financing program	$ (1)	$ —	$ (4)	$ —
Total impact to statement of operations - interest rate contracts	$ 8	$ —	$ 32	$ —

	Three months ended March 31,	
(In millions)	2024	2023
Total impact to statement of operations - interest rate contracts	$ 12	$ (5)
Unrealized (losses)/gains included in revenues - commodities	$ (64)	$ 103
Unrealized gains/(losses) included in cost of operations - commodities	523	(2,037)
Unrealized gains included in cost of operations - foreign exchange	9	2
Total impact to statement of operations - commodities and foreign exchange	$ 468	$ (1,932)
Total impact to statement of operations - Consumer Financing Program	$ 4	$ —

The reversals of acquired (gain)/loss positions were valued based upon the forward prices on the acquisition date. The roll-off amounts were offset by realized gains or losses at the settled prices and are reflected in revenue or cost of operations during the same period.

For the nine three months ended September 30, 2023 March 31, 2024, the $418 $240 million unrealized gain from open economic hedge positions was primarily the result of an increase in the value of forward positions as a result of increases in ERCOT and PJM power prices.

For the three months ended March 31, 2023, the $1.1 billion unrealized loss from open economic hedge positions was primarily the result of a decrease in the value of forward positions as a result of decreases in natural gas and power prices in the East and West.

For the nine months ended September 30, 2022, the $3.9 billion unrealized gain from open economic hedge positions was primarily due to increases in the value of forward positions as a result of increases in natural gas and power prices.

Credit Risk Related Contingent Features

Certain of the Company's trading agreements contain provisions that entitle the counterparty to demand that the Company post additional collateral if the counterparty determines that there has been deterioration in the Company's credit quality, generally termed “adequate assurance” under the agreements, or require the Company to post additional collateral if there were a downgrade in the Company's credit rating. The collateral potentially required for all contracts with adequate assurance clauses that are in a net liability position as of September 30, 2023 March 31, 2024 was $647 million $417 million. The Company is also party to certain marginable agreements under which it has net liability position, but the counterparty has not called for the collateral due, which was approximately $70 million $23 million as of September 30, 2023 March 31, 2024. In the event of a downgrade in the Company's credit rating and if called for by the counterparty, $3 $8 million of additional collateral would be required for all contracts with credit rating contingent features as of September 30, 2023 March 31, 2024.

See Note 5, *Fair Value of Financial Instruments*, for discussion regarding concentration of credit risk.

Note 8 — Impairments

2022 Impairment Losses

Astoria Redevelopment Impairment — During the third quarter of 2022, the Company entered into a purchase and sale agreement for the sale of the land and related assets at the Astoria generating site and the planned withdrawal and cancellation of its proposed Astoria redevelopment project. As a result, the Company impaired $43 million of Astoria project spend in the East segment.

PJM Asset Impairments — During the second quarter of 2022, the results of the PJM Base Residual Auction for the 2023/2024 delivery year were released leading the Company to revise its long-term view of certain facilities and announce the planned retirement of the Joliet generating facility in 2023. The Company considered the near-term retirement date of Joliet and the decline in PJM capacity prices to be a trigger for impairment and performed impairment tests on the PJM generating assets and the goodwill associated with Midwest Generation. The Company measured the impairment losses on the PJM generating assets and Midwest Generation goodwill as the difference between the carrying amount and the fair value of the PJM generating assets and Midwest Generation reporting unit, respectively. Fair values were determined using an income approach in which the Company applied a discounted cash flow methodology to the long-term budgets for the plants and reporting unit. Significant inputs impacting the income approach include the Company's long-term view of capacity and fuel prices, projected generation, the physical and economic characteristics of each plant and the reporting unit as a whole, and the discount rate applied to the after-tax cash flow projections. Impairment losses of $20 million and $130 million were recorded in the second quarter of 2022 in the East segment on the PJM generating assets and Midwest Generation goodwill, respectively.

Note 9 7 — Long-term Debt and Finance Leases

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

(In millions, except rates)	(In millions, except rates)	September 30, 2023	December 31, 2022	Interest rate %	(In millions, except rates)	March 31, 2024			Decemb 2023
Recourse debt:	**Recourse debt:**								
Senior Notes, due 2027									
Senior Notes, due 2027									
Senior Notes, due 2027	Senior Notes, due 2027	$ 375	$ 375	6.625	$ 375		$	$ 375	
Senior Notes, due 2028	Senior Notes, due 2028	821	821	5.750	Senior Notes, due 2028	821	821		
Senior Notes, due 2029	Senior Notes, due 2029	733	733	5.250	Senior Notes, due 2029	733	733		
Senior Notes, due 2029	Senior Notes, due 2029	500	500	3.375	Senior Notes, due 2029	500	500		

Senior Notes, due 2031	Senior Notes, due 2031	1,030	1,030	3.625	Senior Notes, due 2031	1,030	1,030	1
Senior Notes, due 2032	Senior Notes, due 2032	1,100	1,100	3.875	Senior Notes, due 2032	480	480	
Convertible Senior Notes, due 2048(a)	Convertible Senior Notes, due 2048(a)	575	575	2.750	Convertible Senior Notes, due 2048(a)	483	575	
Senior Secured First Lien Notes, due 2024	Senior Secured First Lien Notes, due 2024	600	600	3.750	Senior Secured First Lien Notes, due 2024	600	600	
Senior Secured First Lien Notes, due 2025	Senior Secured First Lien Notes, due 2025	500	500	2.000	Senior Secured First Lien Notes, due 2025	500	500	
Senior Secured First Lien Notes, due 2027	Senior Secured First Lien Notes, due 2027	900	900	2.450	Senior Secured First Lien Notes, due 2027	900	900	
Senior Secured First Lien Notes, due 2029	Senior Secured First Lien Notes, due 2029	500	500	4.450	Senior Secured First Lien Notes, due 2029	500	500	
Senior Secured First Lien Notes, due 2033	Senior Secured First Lien Notes, due 2033	740	—	7.000	Senior Secured First Lien Notes, due 2033	740	740	
Revolving Credit Facility		300	—	various				
Tax-exempt bonds								
Tax-exempt bonds								
Tax-exempt bonds	Tax-exempt bonds	466	466	1.250 - 4.750	466	466	466	
Subtotal recourse debt	Subtotal recourse debt	9,140	8,100					
Non-recourse debt:	**Non-recourse debt:**							
Vivint Smart Home Senior Secured Notes, due 2027		600	—	6.750				
Vivint Smart Home Senior Notes, due 2029		800	—	5.750				
Vivint Smart Home Senior Secured Term Loan, due 2028		1,323	—	various				
Subtotal all Vivint Smart Home non-recourse debt		2,723	—					
Non-recourse debt:								
Non-recourse debt:								
Vivint Senior Notes, due 2029								
Vivint Senior Notes, due 2029								
Vivint Senior Notes, due 2029						800		800
Vivint Senior Secured Notes, due 2027					Vivint Senior Secured Notes, due 2027	600		600
Vivint Senior Secured Term Loan, due 2028					Vivint Senior Secured Term Loan, due 2028	1,316		1,320

Subtotal all Vivint non-recourse debt							
Subtotal long-term debt (including current maturities)	Subtotal long-term debt (including current maturities)	11,863	8,100				
Subtotal long-term debt (including current maturities)							
Subtotal long-term debt (including current maturities)							
Finance leases							
Finance leases							
Finance leases	**Finance leases**	19	11	various	20	19	19
Subtotal long-term debt and finance leases (including current maturities)	Subtotal long-term debt and finance leases (including current maturities)	11,882	8,111				
Less current maturities	Less current maturities	(920)	(63)				
Less current maturities							
Less current maturities							
Less debt issuance costs							
Less debt issuance costs							
Less debt issuance costs	Less debt issuance costs	(70)	(70)				
Discounts	Discounts	(151)	(2)				
Discounts							
Discounts							
Total long-term debt and finance leases	Total long-term debt and finance leases	$ 10,741	$ 7,976				
Total long-term debt and finance leases							
Total long-term debt and finance leases							

(a) As of the ex-dividend date of October 31, 2023 April 30, 2024, the Convertible Senior Notes were convertible at a price of $41.83, $41.32, which is equivalent to a conversion rate of approximately 23.9079 24.1998 shares of common stock per $1,000 principal amount

Recourse Debt

Issuance of 2033 Senior Secured First Lien Notes Credit Facility

Term Loan B Incurrence

On March 9, 2023 April 16, 2024, the Company, issued $740 as borrower, and certain of its subsidiaries, as guarantors, entered into the Eighth Amendment to the Second Amended and Restated Credit Agreement (the “Eighth Amendment”) with, among others, Citicorp North America, Inc., as administrative agent and as collateral agent (the “Agent”), and certain financial institutions, as lenders, which amended the Company’s Second Amended and Restated Credit Agreement, dated as of June 30, 2016 (the “Credit Agreement”), in order to (i) establish a new term loan B facility with borrowings of $875 million of in aggregate principal amount (the “Term Loan Facility” and the loans thereunder, the “Term Loans”) and (ii) make certain other modifications to the Credit Agreement as set forth therein. The proceeds from the Term Loans were used to repay a portion of 7.000% the Company’s Convertible Senior Notes and will be used to repay the Company’s 3.750% senior secured first lien notes due 2033 (the "2033 Senior Secured First Lien Notes"). 2024.

At the Company’s election, the Term Loans will bear interest at a rate per annum equal to either (1) a fluctuating rate equal to the highest of (A) the rate published by the Federal Reserve Bank of New York in effect on such day, plus 0.50%, (B) the rate of interest per annum publicly announced from time to time by The 2033 Senior Secured First Lien Notes Wall Street Journal as the “Prime Rate” in the United States, and (C) a rate of one-month Term SOFR (as defined in the Term Loan Facility), plus 1.00%, or (2) Term SOFR (as defined in the Term Loan Facility and which rate will not be less than 0%) for a one-, three- or six-month interest period or such other period as agreed to by the Agent and the lenders, as selected by the Company, plus 2.00%.

The Term Loan Facility is guaranteed by each of the Company's subsidiaries that guarantee the Revolving Credit Facility and is secured on a first lien basis by substantially all of the Company's and such subsidiaries' assets, in each case, subject to certain customary exceptions and limitations set forth in the Credit Agreement.

The Term Loans have a final maturity date of April 16, 2031 and amortize at a rate of 1% per annum.

If an event of default occurs under the Term Loan Facility, the entire principal amount outstanding thereunder, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable, subject, in certain instances, to the expiration of applicable cure periods.

The Term Loan Facility also provides for customary asset sale mandatory prepayments, reporting covenants and negative covenants governing dividends, investments, indebtedness, and other matters that are senior secured obligations of NRG customary for similar term loan B facilities.

Revolving Credit Facility

On April 22, 2024, the Company, as borrower, and are guaranteed by certain of its subsidiaries, that guarantee indebtedness under as guarantors, entered into the Revolving Ninth Amendment to the Second Amended and Restated Credit Facility. The 2033 Senior Secured First Lien Notes are secured by a first priority security interest in the same collateral that is pledged for the benefit of the lenders under the Revolving Credit Facility, which collateral consists of a substantial portion of the property and assets owned by the Company and the guarantors. The collateral securing the 2033 Senior Secured First Lien Notes will be released at the Company's request if the senior unsecured long-term debt securities of the Company are rated investment grade by any two of the three rating agencies, subject Agreement (the "Ninth Amendment") to reversion if such rating agencies withdraw such investment grade rating or downgrade such rating below investment grade. Interest is paid semi-annually beginning on September 15, 2023 until extend the maturity date of March 15, 2033. The proceeds a portion of the 2033 Senior Secured First Lien Notes, along with cash on hand and proceeds from certain other financings, were used revolving commitments thereunder to fund the acquisition of Vivint Smart Home.

February 14, 2028.

2048 Convertible Senior Notes

As of September 30, 2023 April 1, 2024, the Company's Convertible Senior Notes were are convertible under certain circumstances, during the quarterly period ending June 30, 2024 due to the satisfaction of the Common Stock Sale Price Condition (as defined below). The Convertible Senior Notes are convertible into cash or a combination of cash and the Company's common stock at a price of $42.17 $41.53 per common share, which is the equivalent to a conversion rate of approximately 23.7112 24.0763 shares of common stock per $1,000 principal amount of Convertible Senior Notes. The net carrying amounts of the Convertible Senior Notes as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were $571 $480 million and $570 $572 million, respectively. The Convertible Senior Notes mature on June 1, 2048, unless earlier repurchased, redeemed or converted in accordance with their terms. The Convertible Senior notes are convertible at the option of the holders under certain circumstances. Prior to the close of business on the business day immediately preceding December 1, 2024, the Convertible Senior Notes will be convertible only upon the occurrence of certain events and during certain periods, including, among others, during any calendar quarter (and only during such calendar quarter) if the last reported sales price per share of the Company's common stock exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and thereafter including, the last trading day of the immediately preceding calendar quarter (the "Common Stock Sale Price Condition"). Thereafter during specified periods as follows:

- from December 1, 2024 until the close of business on the second scheduled trading day immediately before June 1, 2025; and
- from December 1, 2047 until the close of business on the second scheduled trading day immediately before the maturity date.

All conversions with a conversion date that occurs within the specific periods above will be settled after such period pursuant to the terms of the Convertible Senior Notes indenture.

Repurchases

During the three months ended March 31, 2024 and through April 30, 2024, the Company completed repurchases of a portion of the Convertible Senior Notes using cash on hand and a portion of the proceeds from the Term Loans, as detailed in the table below. For the three months ended March 31, 2024, a $58 million loss on debt extinguishment was recorded.

(In millions, except percentages)					
Settlement Period	**Principal Repurchased**		**Cash Paid(a)**		**Average Repurchase Percentage**
March 2024	$	92	$	151	162.356%
April 2024		251		452	179.454%
Total Repurchases	$	343	$	603	

(a) Includes accrued interest of $1 million and $2 million for the March and April repurchases, respectively

The following table details the interest expense recorded in connection with the Convertible Senior Notes, due 2048: Notes:

($ In millions)		Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
		Three months ended March 31,			
		Three months ended March 31,			
		Three months ended March 31,			
(In millions, except percentages)					
(In millions, except percentages)					
(In millions, except percentages)					
Contractual interest expense					
Contractual interest expense					
Contractual interest expense	Contractual interest expense	$ 4	$ 4	$ 12	$ 12
Amortization of deferred finance costs	Amortization of deferred finance costs	—	—	1	1
Amortization of deferred finance costs					
Amortization of deferred finance costs					
Total					
Total					
Total	Total	$ 4	$ 4	$ 13	$ 13
Effective Interest Rate	Effective Interest Rate	0.76 %	0.76 %	2.28 %	2.28 %
Effective Interest Rate					
Effective Interest Rate					

Revolving Credit Facility Non-recourse Debt

Vivint Term Loan Repricing

On February 14, 2023 April 10, 2024, the Company Company's wholly-owned indirect subsidiary, APX Group, Inc. ("Vivint"), entered into Amendment No. 2 to the Second Amended and Restated Credit Agreement (the "Second Amendment") with, among others, Bank of America, N.A. as administrative agent (the "Vivint Agent"), and certain financial institutions, as lenders, which amended Vivint's Second Amended and Restated Credit Agreement, dated as of June 9, 2021 (the "Vivint Credit Agreement"), in order to (i) reprice its Revolving Credit Facility to: (i) increase term loan B facility (the term loans thereunder, the existing revolving commitments thereunder by $600 million, "Vivint Term Loans") and (ii) extend the maturity date of a portion of the revolving commitments thereunder to February 14, 2028, (iii) transition the benchmark rate applicable to revolving loans from LIBOR to SOFR and (iv) make certain other amendments changes to the terms Vivint Credit Agreement.

From and after the closing of the Revolving Credit Facility for purposes Second Amendment, at Vivint's election, the Vivint Term Loans will bear interest at a rate per annum equal to either (1) a fluctuating rate equal to the highest of among other things, providing additional flexibility. For further discussion, see Note 13, *Long-term Debt and Finance Leases,* of(A) the Company's 2022 Form 10-K.
On March 13, 2023 rate published by the Federal Reserve Bank of New York in effect on such day, plus 0.50%, (B) the Company further amended its Revolving Credit Facility to increase the existing revolving commitments by an additional $45 million. As of September 30, 2023, there were outstanding borrowings of $300 million under the Revolving Credit Facility. As of October 31, 2023, there were outstanding borrowings of $100 million under the Revolving Credit Facility.

Bilateral Letter of Credit Facilities

On May 19, 2023, May 30, 2023 and October 17, 2023 the Company increased the size of its bilateral letter of credit facilities by $25 million, $100 million and $50 million, respectively, to provide additional liquidity and to allow for the issuance of up to $850 million of letters of credit. These facilities are uncommitted.

Receivables Securitization Facilities

On June 22, 2023, NRG Receivables LLC ("NRG Receivables"), an indirect wholly-owned subsidiary of the Company, amended its existing Receivables Facility to, among other things, (i) extend the scheduled termination date to June 21, 2024, (ii) increase the aggregate commitments from $1.0 billion to $1.4 billion (adjusted seasonally) and (iii) add a new originator. On October 6, 2023, the Receivables Facility was further amended to replace the benchmark interest rate of the Receivable Facility's subordinated note from LIBOR to SOFR. As of September 30, 2023, there were no outstanding borrowings.

In addition, in connection with the amendments to the Receivables Facility, on June 22, 2023, the Company and the originators thereunder renewed the existing uncommitted Repurchase Facility. Such renewal, among other things, extended the maturity date to June 21, 2024 and joined an additional originator to the Repurchase Facility. On October 6, 2023, the Repurchase Facility was further amended to reflect the concurrent amendment to the Receivables Facility's subordinated note. As of September 30, 2023, there were no outstanding borrowings.

For further information on the above facilities, see Note 13, *Long-term Debt and Finance Leases*, of the Company's 2022 Form 10-K.

Dunkirk Bonds

On April 3, 2023, NRG remarketed $59 million in aggregate principal amount of 4.25% tax-exempt refinancing bonds of the Chautauqua County Capital Resource Corporation (the "Dunkirk Bonds"). The Dunkirk Bonds are guaranteed on a first-priority basis by each of NRG's current and future subsidiaries that guarantee indebtedness under the Revolving Credit Facility. The Dunkirk Bonds are secured by a first priority security interest in the same collateral that is pledged for the benefit of the lenders under the Revolving Credit Facility, which consists of a substantial portion of the property and assets owned by NRG and the guarantors. The collateral securing the Dunkirk Bonds will, at the request of NRG, be released if NRG satisfies certain conditions, including receipt of an investment grade rating on its senior, unsecured debt securities from two out of the three rating agencies, subject to reversion if those rating agencies withdraw their investment grade rating of the Dunkirk Bonds or any of NRG's senior, unsecured debt securities or downgrade such ratings below investment grade. The Dunkirk Bonds are subject to mandatory tender and purchase on April 3, 2028 and have a final maturity date of April 1, 2042.

Pre-Capitalized Trust Securities Facility

On August 29, 2023, the Company entered into a Facility Agreement (as defined below) with Alexander Funding Trust II, a newly-formed Delaware statutory trust (the “Trust”), in connection with the sale by the Trust of $500 million pre-capitalized trust securities redeemable July 31, 2028 (the “P-Caps”). The Trust invested the proceeds from the sale of the P-Caps in a portfolio of principal and interest strips of U.S. Treasury securities (the “Eligible Treasury Assets”). The P-Caps will replace the Company’s existing pre-capitalized trust securities redeemable 2023 issued by Alexander Funding Trust, which mature on November 15, 2023.

In connection with the sale of the P-Caps, the Company and the guarantors named therein entered into a facility agreement, dated August 29, 2023 (the “Facility Agreement”), with the Trust and Deutsche Bank Trust Company Americas, as notes trustee (the “Notes Trustee”). Under the Facility Agreement, the Company has the right, per annum publicly announced from time to time to issue to by The Wall Street Journal as the Trust, “Prime Rate” in the United States, and to require (C) a rate of one-month Term SOFR (as defined in the Trust Vivint Credit Agreement), plus 1.00%, or (2) Term SOFR (as defined in the Vivint Credit Agreement and which rate will not be less than 0.50%) for a one-, three- or six-month interest period or such other period as agreed to purchase from the Company, on one or more occasions (the “Issuance Right”), up to $500 million aggregate principal amount of the Company’s 7.467% Senior Secured First Lien Notes due 2028 (the “P-Caps Secured Notes”) in exchange for all or a portion of the Eligible Treasury Assets corresponding to the portion of the Issuance Right under the Facility Agreement being exercised at such time. The Company pays to the Trust a facility fee equal to 3.13427% applied to the unexercised portion of the Issuance Right on a semi-annual basis.

The P-Caps are to be redeemed by the Trust on July 31, 2028 or earlier upon an early redemption of the P-Caps Secured Notes. Following any distribution of P-Caps Secured Notes to the holders of the P-Caps, the Company may similarly redeem such P-Caps Secured Notes, in whole or in part, at the redemption price described in the Indenture (as defined below), plus accrued but unpaid interest to, but excluding, the date of redemption. Any P-Caps Secured Notes outstanding and held by the Trust as a result of the exercise of the Issuance Right that remain outstanding will also mature on July 31, 2028.

The Issuance Right will be exercised automatically in full if (i) the Company fails to pay the facility fee when due or any amount due and owing under the trust expense reimbursement agreement or fails to purchase and pay for any Eligible Treasury Assets that are due and not paid on their payment date and such failure is not cured within 30 days or (ii) upon certain bankruptcy events of the Company. The Company will be required to mandatorily exercise the Issuance Right if certain mandatory exercise events occur upon the terms and conditions set forth in the Facility Agreement.

The P-Caps Secured Notes that may be sold to the Trust from time to time will be governed by the base indenture, dated August 29, 2023 (the “Base Indenture”), between the Company Vivint Agent and the Notes Trustee, lenders, as supplemented selected by the supplemental indenture, dated August 29, 2023 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”), among the Company, the guarantors named therein and the Notes Trustee.

The P-Caps Secured Notes will, if sold to the Trust, be guaranteed on a first-priority basis by each of the Company’s subsidiaries that guarantee indebtedness under the Revolving Credit Facility. The P-Caps Secured Notes will, if sold to the Trust, be secured by a first priority security interest in the same collateral that is pledged for the benefit of the lenders under the Revolving Credit Facility, which consists of a substantial portion of the property and assets owned by the Company and the guarantors. The collateral securing the P-Caps Secured Notes will be released at the Company’s request if the senior unsecured long-term debt securities of the Company are rated investment grade by any two of the three rating agencies, subject to reversion if such rating agencies downgrade such rating below investment grade or withdraw such investment grade rating.

In connection with the issuance of the P-Caps, on August 29, 2023, the Company entered into a letter of credit facility agreement (the “LC Agreement”) with Deutsche Bank Trust Company Americas, as collateral agent (the “Collateral Agent”) and administrative agent, and certain financial institutions (the “LC Issuers”) for the issuance of letters of credit in an aggregate amount not to exceed $485 million. The LC Agreement replaces the Company’s existing letter of credit facility agreement, effective August 29, 2023. In addition, on August 29, 2023, the Trust entered into a pledge and control agreement (the “Pledge Agreement”), among the Company, the Trust and the Collateral Agent, under which the Trust agreed to grant a security interest over the Eligible Treasury Assets in favor of the Collateral Agent for the benefit of the LC Issuers. Pursuant to the LC

Agreement and the Pledge Agreement, the Collateral Agent is entitled to withdraw Eligible Treasury Assets from the Trust’s pledged account, following notice to the Company, in the event the Company has failed to reimburse amounts drawn under any letter of credit issued pursuant to the LC Agreement, and the LC Issuers have the right to instruct the Collateral Agent to enforce the pledge over the Eligible Treasury Assets upon the occurrence of any event of default under the LC Agreement.

Non-recourse Debt

The following are descriptions of certain indebtedness of NRG's subsidiaries. All of NRG's non-recourse debt is secured by the assets in the subsidiaries as further described below.

Acquired Vivint, Smart Home Debt

On March 10, 2023, in connection with the Vivint Smart Home acquisition, Vivint Smart Home's indirect wholly owned subsidiary, APX Group, Inc. ("APX"), retained its 6.750% senior secured notes due 2027, 5.750% senior notes due 2029, senior secured term loan credit agreement and senior secured revolving credit facility.

Vivint Smart Home 2027 Senior Secured Notes

Vivint Smart Home has outstanding $600 million aggregate principal amount of 6.750% senior secured notes due 2027 (the "Vivint Smart Home 2027 Senior Secured Notes") plus 2.75%. The Vivint Smart Home 2027 Senior Secured Notes are senior secured obligations of APX and are guaranteed by APX Group Holdings, Inc., each of APX's existing and future wholly owned U.S. restricted subsidiaries (subject to customary exclusions and qualifications) and Vivint Smart Home. Interest on the Vivint Smart Home 2027 Senior Secured Notes is paid semi-annually in arrears on February 15 and August 15 until the maturity date of February 15, 2027.

Vivint Smart Home 2029 Senior Notes

Vivint Smart Home has outstanding $800 million aggregate principal amount of 5.750% senior notes due 2029 (the "Vivint Smart Home 2029 Senior Notes"). The Vivint Smart Home 2029 Senior Notes are senior unsecured obligations of APX and are guaranteed by APX Group Holdings, Inc., each of APX's existing and future wholly owned U.S. restricted subsidiaries (subject to customary exclusions and qualifications) and Vivint Smart Home. Interest on the Vivint Smart Home 2029 Senior Notes is paid semi-annually in arrears on January 15 and July 15 until the maturity date of July 15, 2029.

Vivint Smart Home Senior Secured Credit Facilities

The Vivint Smart Home senior secured credit agreement (the “Vivint Smart Home Credit Agreement”) provides for (i) a term loan facility in an aggregate principal amount of $1.4 billion (the “Vivint Smart Home Term Loan Facility”, and the loans thereunder, the “Vivint Smart Home Term Loans”) and (ii) a revolving credit facility in an aggregate principal amount of $370 million (the “Vivint Smart Home Revolving Credit Facility,” and the loans thereunder, the “Vivint Smart Home Revolving Loans”).

All of APX’s obligations under the Vivint Smart Home Credit Agreement are guaranteed by APX Group Holdings, Inc. and each of APX’s existing and future wholly-owned U.S. restricted subsidiaries (subject to customary exclusions and qualifications). The obligations under the Vivint Smart Home Credit Agreement are secured by a first priority perfected security interest in (i) substantially all of the present and future tangible and intangible assets of APX, and the guarantors, including without limitation equipment, subscriber contracts and communication paths, intellectual property, general intangibles, investment property, material intercompany notes and proceeds of the foregoing, subject to permitted liens and other customary exceptions, (ii) substantially all personal property of APX and the guarantors consisting of accounts receivable arising from the sale of inventory and other goods and services (including related contracts and contract rights, inventory, cash, deposit accounts, other bank accounts and securities accounts), inventory and intangible assets to the extent attached to the foregoing books and records of APX and the guarantors, and the proceeds thereof, subject to permitted liens and other customary exceptions, in each case held by APX and the guarantors and (iii) a pledge of all of the capital stock of APX, each of its subsidiary guarantors and each restricted subsidiary of APX and its subsidiary guarantors, in each case other than certain excluded assets and subject to the limitations and exclusions provided in the applicable collateral documents.

The Vivint Smart Home Credit Agreement contains customary covenants, which, among other things, require APX to maintain a maximum first lien net leverage ratio when amounts outstanding under the Vivint Smart Home Revolving Facility exceed a certain threshold and restrict, subject to certain exceptions, APX and its restricted subsidiaries’ ability to:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- materially change the nature of their business;
- enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to APX or grant liens on their assets;
- designate restricted subsidiaries as unrestricted subsidiaries;
- amend, prepay, redeem or purchase certain material contractually subordinated debt; and
- transfer or sell certain assets.

On June 9, 2023, Vivint Smart Home entered into an amendment to the Vivint Smart Home Credit Agreement which transitioned the benchmark rate applicable to the Vivint Smart Home Term Loans and the Vivint Smart Home Revolving Loans from LIBOR to SOFR. As of September 30, 2023, the aggregate outstanding principal amount of the Vivint Term Loans was $1.3 billion. As of September 30, 2023, Vivint Smart Home had no outstanding borrowings under the Vivint Smart Home Revolving Credit Facility.

Note 10 8 — Investments Accounted for Using the Equity Method and Variable Interest Entities, or VIEs

Entities that are not Consolidated

NRG accounts for the Company's significant investments using the equity method of accounting. NRG's carrying value of equity investments can be impacted by a number of elements including impairments and movements in foreign currency exchange rates. During 2022, the equity method of accounting for Ivanpah was suspended based on losses generated by the project, including the impact of debt service and depreciation.

Variable Interest Entities that are Consolidated

The Company has a controlling financial interest that has been identified as a VIE under ASC 810 in NRG Receivables LLC, which has entered into financing transactions related to the Receivables Facility as further described in Note 13, *Long-term Debt and Finance Leases,* to the Company’s 2022 2023 Form 10-K.

The summarized financial information for the Company's consolidated VIE consisted of the following:

(In millions)	(In millions)	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023
Accounts receivable and Other current assets	Accounts receivable and Other current assets	$ 1,796	$ 2,108			
Current liabilities						
Current liabilities						
Current liabilities	Current liabilities	153	152			
Net assets	Net assets	$ 1,643	$ 1,956			
Net assets						
Net assets						

Note 11 9 — Changes in Capital Structure

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had 10,000,000 shares of preferred stock authorized and 500,000,000 shares of common stock authorized. The following table reflects the changes in NRG's preferred and common stock issued and outstanding:

	Preferred	Common		
	Issued and Outstanding	Issued	Treasury	Outstanding
Balance as of December 31, 2023				
Shares issued under LTIPs				
	Preferred	Common		
Shares repurchased				
	Issued and Outstanding	Issued	Treasury	Outstanding
Balance as of December 31, 2022	—	423,897,001	(194,335,971)	229,561,030
Shares repurchased				
Shares repurchased				
Retirement of treasury stock				
Balance as of March 31, 2024				

Shares issued under LTIPs	Shares issued under LTIPs	—	1,011,448	—	1,011,448
Shares issued under ESPP	Shares issued under ESPP	—	—	86,516	86,516
Issuance of Series A Preferred Stock		650,000	—	—	—
Shares repurchased		—	—	(1,322,141)	(1,322,141)
Balance as of September 30, 2023		650,000	424,908,449	(195,571,596)	229,336,853
Shares issued under LTIPs		—	55,507	—	55,507
Shares issued under ESPP		—	—	104,733	104,733
Shares repurchased		—	—	(3,732,657)	(3,732,657)
Balance as of October 31, 2023		650,000	424,963,956	(199,199,520)	225,764,436
Balance as of April 30, 2024					
Balance as of April 30, 2024					
Balance as of April 30, 2024					

Common Stock

Share Repurchases

In June 2023, On June 22, 2023, NRG revised its long-term capital allocation policy to target allocating approximately 80% of cash available for allocation, after debt reduction, to be returned to shareholders. As part of the revised capital allocation framework, the Company announced an increase to its share repurchase authorization to $2.7 billion, to be executed through 2025. During the three months ended September 30, 2023

On November 6, 2023, the Company completed $50 executed Accelerated Share Repurchase agreements to repurchase a total of $950 million of NRG's outstanding common stock. Under the ASR agreements, the Company received shares of NRG's common stock on specified settlement dates. The total number of shares purchased pursuant to the ASR agreements were generally based on the volume-weighted average prices of NRG's common stock during the term of each ASR agreement, less a discount. In 2023, the Company recorded the shares received in treasury stock at fair value based on the volume-weighted average closing prices of $833 million, with the remaining $117 million recorded in additional paid-in-capital, representing the value of the forward contracts to purchase additional shares. The ASR program concluded on March 28, 2024. The Company transferred the $117 million from additional paid-in-capital to treasury stock upon receipt of the final share settlements in 2024. The following table summarizes the shares received under the ASR program:

	Average price paid per share(a)	Total number of shares received
November 2023 initial settlements		4,494,224
December 2023 interim settlements		13,181,918
January 2024 final settlements		770,205
March 2024 final settlements		393,025
November 6, 2023 $950 million ASR program	$50.43	18,839,372

(a) Excludes the impact of excise tax incurred

The Company completed $1.2 billion of share repurchases at an average price of $37.82 under the $2.7 billion authorization. Through October 31, 2023 authorization in 2023, which included $950 million through the ASR programs and $200 million through open market repurchases. As of March 31, 2024, an additional $150 million of share repurchases were executed at an average price of $40.17 per share. $1.5 billion is remaining under the $2.7 billion authorization.

Employee Stock Purchase Plan

The Company offers participation in the ESPP which allows eligible employees to elect to withhold between 1% and 10% of their eligible compensation to purchase shares of NRG common stock at the lesser of 90% of its market value on the offering date or 90% of the fair market value on the exercise date. An offering date occurs each April 1 and October 1. An exercise date occurs each September 30 and March 31. On April 27, 2023, NRG stockholders approved the adoption of the Amended and Restated Employee Stock Purchase Plan, effective April 1, 2023, which included a reduction in the price at which eligible employees may purchase shares of NRG common stock from 95% to 90% of the fair market value of the shares on the applicable date. NRG stockholders also approved an increase of 4,400,000 shares available for the issuance under the ESPP.

30

NRG Common Stock Dividends

During the first quarter of 2023, 2024, NRG increased the annual dividend to $1.51 $1.63 from $1.40 $1.51 per share and expects to target an annual dividend growth rate of 7%-9% per share in subsequent years. A quarterly dividend of $0.3775 $0.4075 per share was paid on the Company's common stock during the three months ended September 30, 2023 March 31, 2024. On October 19, 2023 April 17, 2024, NRG declared a quarterly dividend on the Company's common stock of $0.3775 $0.4075 per share, payable on November 15, 2023 May 15, 2024 to stockholders of record as of November 1, 2023 May 1, 2024. Beginning in the first quarter of 2024, NRG will increase the annual dividend by 8% to $1.63 per share.

The Company's common stock dividends are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations.

Preferred Retirement of Treasury Stock

Series A Preferred Stock

On March 9, 2023 ("Series A Issuance Date"), In the first quarter of 2024, the Company issued 650,000 retired 1,163,230 shares of 10.25% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock ("Series A Preferred Stock"). treasury stock. These retired shares are now included in NRG's pool of authorized but unissued shares. The net proceeds of $635 million, net of issuance costs, were used to partially fund the Vivint Smart Home acquisition.

The Series A Preferred Stock is not convertible into or exchangeable for any other securities or property and has limited voting rights. The Series A Preferred Stock may be redeemed, in whole or in part, on one or more occasions, at the option of the

42

Company at any time after March 15, 2028 ("Series A First Reset Date") and in certain other circumstances prior to the Series A First Reset Date. The Series A Preferred Stock has a liquidation preference of $1,000 retired stock had an average price per share plus accumulated but unpaid dividends. of $32.67 for a total carrying value of approximately $38 million. The Company's accounting policy upon the formal retirement of treasury stock is to deduct its par value from common stock and to reflect any excess of cost over par value as a deduction from additional paid-in-capital.

Preferred Stock

Series A Preferred Stock Dividends

The annual dividend rate on each share of Series A Preferred Stock is 10.25% from During the Series A Issuance Date to, but excluding quarter ended March 31, 2024, the Series A First Reset Date. On Company declared and after the Series A First Reset Date, the dividend rate on each share of Series A Preferred Stock shall equal the five-year U.S. Treasury rate as of the most recent reset dividend determination date (subject to a floor of 1.00%), plus a spread of 5.92% per annum. Cumulative cash dividends on the Series A Preferred Stock are payable semiannually, in arrears, on each March 15 and September 15, when, as and if declared by the board of directors. In September 2023, the Company paid a semi-annual 10.25% dividend of $52.96 $51.25 per share on its outstanding Series A Preferred Stock, totaling $34 $33 million.

Note 12 10 — Income/(Loss) Per Share

Basic income/(loss) per common share is computed by dividing net income/(loss) less cumulative dividends attributable to preferred stock by the weighted average number of common shares outstanding. Shares issued and treasury shares repurchased during the period are weighted for the portion of the period that they were outstanding. Diluted income/(loss) per share is computed in a manner consistent with that of basic income/(loss) per share while giving effect to all potentially dilutive common shares that were outstanding during the period when there is net income. The relative performance stock units and non-vested restricted stock units and non-qualified stock options are not considered outstanding for purposes of computing basic income/(loss) per share. However, these instruments are included in the denominator for purposes of computing diluted income per share under the treasury stock method for periods when there is net income. The Convertible Senior Notes are convertible, under certain circumstances, into cash or combination of cash and Company's common stock. The Company is including the potential share settlements, if any, in the denominator for purposes of computing diluted income per share under the if converted method for periods when there is net income. The potential shares settlements are calculated as the excess of the Company's conversion obligation over the aggregate principal amount (which will be settled in cash), divided by the average share price for the period. For each of the three and nine months ended September 30, 2023 and 2022, March 31, 2023, there was no dilutive effect for the Convertible Senior Notes since there were no potential share settlements for as the periods. Company recorded a net loss.

31

NRG's basic and diluted income/(loss) per share is shown in the following table:

	Three months ended September 30,	Nine months ended September 30,
	Three months ended March 31,	

Three months ended March 31,

Three months ended March 31,

(In millions, except per share data)

(In millions, except per share data)

(In millions, except per share data)		2023		2022		2023		2022
Basic income/(loss) per share:								
Net income/(loss)	$	343	$	67	$	(684)	$	2,316
Less: Cumulative dividends attributable to Series A Preferred Stock		17		—		38		—
Net income/(loss) available for common stockholders	$	326	$	67	$	(722)	$	2,316
Weighted average number of common shares outstanding - basic		230		235		230		238
Income/(loss) per weighted average common share — basic	$	1.42	$	0.29	$	(3.14)	$	9.73
Diluted income/(loss) per share:								
Net income/(loss)	$	343	$	67	$	(684)	$	2,316

Less: Cumulative dividends attributable to Series A Preferred Stock	Less: Cumulative dividends attributable to Series A Preferred Stock	17	—	38	—
Less: Cumulative dividends attributable to Series A Preferred Stock					
Less: Cumulative dividends attributable to Series A Preferred Stock					
Net income/(loss) available for common stockholders					
Net income/(loss) available for common stockholders					
Net income/(loss) available for common stockholders	Net income/(loss) available for common stockholders	$ 326	$ 67	$ (722)	$ 2,316
Weighted average number of common shares outstanding - basic	Weighted average number of common shares outstanding - basic	230	235	230	238
Weighted average number of common shares outstanding - basic					
Weighted average number of common shares outstanding - basic					
Incremental shares attributable to the issuance of equity compensation (treasury stock method)	Incremental shares attributable to the issuance of equity compensation (treasury stock method)	2	—	—	—
Incremental shares attributable to the issuance of equity compensation (treasury stock method)					
Incremental shares attributable to the issuance of equity compensation (treasury stock method)					
Incremental shares attributable to the potential share settlements of the Convertible Senior Notes (if converted method)					
Incremental shares attributable to the potential share settlements of the Convertible Senior Notes (if converted method)					
Incremental shares attributable to the potential share settlements of the Convertible Senior Notes (if converted method)					
Weighted average number of common shares outstanding - dilutive					
Weighted average number of common shares outstanding - dilutive					
Weighted average number of common shares outstanding - dilutive	Weighted average number of common shares outstanding - dilutive	232	235	230	238

Income/(loss) per weighted average common share — diluted	$ 1.41	$ 0.29	$ (3.14)	$ 9.73

Income/(loss) per weighted average common share — diluted

Income/(loss) per weighted average common share — diluted

For the nine months ended September 30, 2023, the Company had 6 million As of outstanding equity instruments that are anti-dilutive and were not included in the computation of the Company's diluted loss per share. For all other periods presented, March 31, 2024, the Company had an insignificant number of outstanding equity instruments that are anti-dilutive and were not included in the computation of the Company's diluted income per share. As of March 31, 2023, the Company had 7 million outstanding equity instruments that are anti-dilutive and were not included in the computation of the Company's diluted loss per share.

Note 13 11 — Segment Reporting

The Company's segment structure reflects how management currently makes financial decisions and allocates resources. The Company manages its operations based on the combined results of the retail and wholesale generation businesses with a geographical focus. The acquired operations from the Vivint Smart Home acquisition operations are reported within the Vivint Smart Home segment.

NRG's chief operating decision maker, its interim chief executive officer, evaluates the performance of the Company's segments based on operational measures including adjusted earnings before interest, taxes, depreciation and amortization, or Adjusted EBITDA, free cash flow and allocation of capital, as well as net income/(loss). The accounting policies of the segments are the same as those applied in the consolidated financial statements as disclosed in Note 2, *Summary of Significant Accounting Policies*, to the Company's 2022 2023 Form 10-K.

	Three months ended March 31, 2024						
(In millions)	**Texas**	**East**	**West/Services/Other**	**Vivint Smart Home**	**Corporate**	**Eliminations**	**Total**
Revenue	$ 2,233	$ 3,515	$ 1,219	$ 468	$ —	$ (6)	$ 7,429
Depreciation and amortization	67	23	24	144	10	—	268
Loss on sale of assets	(4)	—	—	—	—	—	(4)
Equity in earnings of unconsolidated affiliates	—	—	3	—	—	—	3
Loss on debt extinguishment	—	—	—	—	(58)	—	(58)
Income/(loss) before income taxes	349	580	(75)	9	(168)	—	695
Net income/(loss)	**$ 349**	**$ 581**	**$ (60)**	**$ 7**	**$ (366)**	**$ —**	**$ 511**

	Three months ended September 30, 2023						
(In millions)	**Texas**	**East**	**West/Services/Other**	**Vivint Smart Home**	**Corporate**	**Eliminations**	**Total**
Revenue	$ 3,686	$ 2,809	$ 978	$ 478	$ —	$ (5)	$ 7,946
Depreciation and amortization	71	27	23	178	9	—	308
Equity in earnings of unconsolidated affiliates	—	—	6	—	—	—	6
Income/(loss) before income taxes	463	314	(205)	(24)	(140)	—	408
Net income/(loss)	**$ 463**	**$ 316**	**$ (168)**	**$ (4)**	**$ (264)**	**$ —**	**$ 343**

	Three months ended September 30, 2022					
(In millions)	**Texas**	**East**	**West/Services/Other**	**Corporate**	**Eliminations**	**Total**
Revenue	$ 3,145	$ 4,178	$ 1,175	$ [illegible]	$ [illegible]	$ 8,500
Depreciation and amortization	79	37	22	7	—	145
Impairment losses	—	43	—	—	—	43
Gain on sale of assets	22	—	—	—	—	22
Equity in (losses)/earnings of unconsolidated affiliates	(1)	—	12	—	—	11
(Loss)/income before income taxes	(481)	557	110	(103)	—	83
Net (loss)/income	**$ (481)**	**$ 557**	**$ 92**	**$ (101)**	**$ —**	**$ 67**

Nine months ended September 30, 2023

Three months ended March 31, 2023

Three months ended March 31, 2023

(In millions)	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate	Eliminations	Total	(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate	Eliminations	Total
Revenue	Revenue	$8,235	$ 9,488	$ 3,244	$1,070	$ —	$ (21)	$22,016								
Depreciation and amortization	Depreciation and amortization	219	87	70	410	27	—	813								
Gain on sale of assets																
Gain on sale of assets																
Gain on sale of assets	Gain on sale of assets	—	202	—	—	—	—	202								
Equity in earnings of unconsolidated affiliates	Equity in earnings of unconsolidated affiliates	—	—	16	—	—	—	16								
Income/(loss) before income taxes																
Income/(loss) before income taxes																
Income/(loss) before income taxes	Income/(loss) before income taxes	1,532	(1,188)	(684)	(86)	(440)	—	(866)								
Net income/(loss)																
Net income/(loss)	**Net income/(loss)**	**$1,532**	**$(1,187)**	**$ (601)**	**$ (66)**	**$ (362)**	**$ —**	**$ (684)**								
Net income/(loss)																

(a) Includes results of operations following the acquisition date of March 10, 2023

	Nine months ended September 30, 2022					
(In millions)	**Texas**	**East**	**West/Services/Other**	**Corporate**	**Eliminations**	**Total**
Revenue	$ 7,857	$ 12,407	$ 3,395	$ —	$ 29	$ 23,688
Depreciation and amortization	233	164	65	23	—	485
Impairment losses	—	198	—	—	—	198
Gain/(loss) on sale of assets	10	—	43	(2)	—	51
Equity in (losses)/earnings of unconsolidated affiliates	(2)	—	2	—	—	—
Income/(loss) before income taxes	1,052	2,082	274	(353)	—	3,055
Net income/(loss)	**$ 1,052**	**$ 2,083**	**$ 246**	**$ (1,065)**	**$ —**	**$ 2,316**

Note 14 12 — Income Taxes

Effective Income Tax Rate

The income tax provision consisted of the following:

		Three months ended September 30,		Nine months ended September 30,	
(In millions, except rates)	**(In millions, except rates)**	**2023**	**2022**	**2023**	**2022**
(In millions, except rates)					
(In millions, except rates)					
Income/(Loss) before income taxes	Income/(Loss) before income taxes	$ 408	$ 83	$ (866)	$ 3,055
Income/(Loss) before income taxes					
Income/(Loss) before income taxes					

Income tax expense/(benefit)					
Income tax expense/(benefit)					
Income tax expense/(benefit)	Income tax expense/(benefit)	65	16	(182)	739
Effective income tax rate	Effective income tax rate	15.9 %	19.3 %	21.0 %	24.2 %
Effective income tax rate					
Effective income tax rate					

For the nine months ended September 30, 2023, the effective tax rate approximated the statutory rate of 21%, which includes the impact of state and foreign taxes. For the three months ended September 30, 2023 March 31, 2024, the effective tax rate was lower higher than the statutory rate of 21%, primarily due to a decrease in the state tax expense resulting from a decrease in year-to-date financial statement losses. expense. For the three months ended September 30, 2022 March 31, 2023, the effective tax rate was lower than the statutory rate of 21% primarily due to the benefit resulting from carbon capture tax credits and the reduction in statutory state tax rates. For the nine months ended September 30, 2022, the effective tax rate was higher than the statutory rate of 21% primarily due to current state tax expense partially offset and permanent differences which when applied to year-to-date financial statement losses have an inverted effect and reduced the overall effective tax rate.

As of March 31, 2024, NRG as an applicable corporation is subject to the CAMT, and has reflected the impact in its current and deferred taxes. There is no CAMT impact to NRG's effective income tax rate. The Company's CAMT liability is significantly impacted by tax benefit resulting from the release of valuation allowance unrealized gains and losses on state net operating losses and carbon capture tax credits.

The Inflation Reduction Act ("IRA") enacted on August 16, 2022, introduced new provisions including a 15% corporate book minimum tax and a 1% excise tax on net share repurchases with both taxes effective beginning in fiscal year 2023 for NRG. The Company derivative instruments. NRG will continue to evaluate the impact of the corporate book minimum tax when CAMT if further guidance is provided by the U.S. Treasury and or the IRS release further guidance. IRS.

Uncertain Tax Benefits

As of September 30, 2023 March 31, 2024, NRG had a non-current tax liability of $48 million $76 million for uncertain tax benefits from positions taken on various federal, state, and foreign income tax returns inclusive of accrued interest. For the nine three months ended September 30, 2023 March 31, 2024, NRG accrued $1 million an immaterial amount of interest relating to the uncertain tax benefits. As of September 30, 2023 March 31, 2024, NRG had cumulative interest and penalties related to these uncertain tax benefits of $3 million $4 million. The Company recognizes interest and penalties related to uncertain tax benefits in income tax expense.

NRG is subject to examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and various state and foreign jurisdictions including operations located in Australia and Canada. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2019. 2020. With few exceptions, state and Canadian income tax examinations are no longer open for years prior to 2014. 2015.

Note 15 13 — Related Party Transactions

NRG provides services to some of its related parties, who which are accounted for as equity method investments, under operations and maintenance agreements. Fees for the services under these agreements include recovery of NRG's costs of operating the plants. Certain agreements also include fees for administrative service, services, a base monthly fee, profit margin and/or annual incentive bonus.

The following table summarizes NRG's material related party transactions with third-party affiliates:

		Three months ended September 30,		Nine months ended September 30,	
(In millions)	**(In millions)**	**2023**	**2022**	**2023**	**2022**
(In millions)					
(In millions)					
Revenues from Related Parties Included in Revenue	*Revenues from Related Parties Included in Revenue*				
Revenues from Related Parties Included in Revenue					
Revenues from Related Parties Included in Revenue					
Gladstone					
Gladstone					
Gladstone	Gladstone	$ 1	$ 1	$ 2	$ 2
Ivanpah(a)	Ivanpah(a)	15	10	70	32
Ivanpah(a)					
Ivanpah(a)					
Midway-Sunset					
Midway-Sunset					

Midway-Sunset	Midway-Sunset	—	2	2	5
Total	Total	$ 16	$ 13	$ 74	$ 39
Total					
Total					

(a) Also includes fees under project management agreements with each project company

Note 16 14 — Commitments and Contingencies

Commitments

First Lien Structure

NRG has granted first liens to certain counterparties on a substantial portion of property and assets owned by NRG and the guarantors of its senior debt. NRG uses the first lien structure to reduce the amount of cash collateral and letters of credit that it would otherwise be required to post from time to time to support its obligations under out-of-the-money hedges. To the extent that the underlying hedge positions for a counterparty are out-of-the-money to NRG, the counterparty would have a claim under the first lien program. As of September 30, 2023 March 31, 2024, all hedges under the first lien program liens were out-of-the-money for NRG in-the-money on a counterparty aggregate basis.

Contingencies

The Company's material legal proceedings are described below. The Company believes that it has valid defenses to these legal proceedings and intends to defend them vigorously. NRG records accruals for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. As applicable, the Company has established an adequate accrual for the applicable legal matters, including regulatory and environmental matters as further discussed in Note 17, 15, *Regulatory Matters*, and Note 18, 16, *Environmental Matters*. In addition, legal costs are expensed as incurred. Management has assessed each of the following matters based on current information and made a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought, and the probability of success. Unless specified below, the Company is unable to predict the outcome of these legal proceedings or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Company's liabilities and contingencies could be at amounts that are different from its currently recorded accruals and that such difference could be material.

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

Environmental Lawsuits

Sierra club et al. v. Midwest Generation LLC — In 2012, several environmental groups filed a complaint against Midwest Generation with the Illinois Pollution Control Board ("IPCB") alleging violations of environmental law resulting in groundwater contamination. In June 2019, the IPCB found in an interim order that Midwest Generation violated the law because it had improperly handled coal ash at four facilities in Illinois and caused or allowed coal ash constituents to impact groundwater. On September 9, 2019, Midwest Generation filed a Motion to Reconsider numerous issues, which the court granted in part and denied in part on February 6, 2020. During the second quarter of In 2023, the IPCB held hearings regarding the appropriate relief. Midwest Generation has been working with the Illinois EPA to address the groundwater issues since 2010.

Consumer Lawsuits

Similar to other energy service companies ("ESCOs") operating in the industry, from time-to-time, the Company and/or its subsidiaries may be subject to consumer lawsuits in various jurisdictions where they sell natural gas and electricity.

Variable Price Cases — In the cases set forth below, referred to as the Variable Price Cases, such actions involve consumers Case

Mirkin v. XOOM Energy (E.D.N.Y. Aug. 2019) is a defendant in a putative class action lawsuit pending in New York, alleging that one of the Company's ESCOs XOOM Energy promised that consumers would pay the same or less than they would have paid if they stayed with their default utility or previous energy supplier. The underlying claims of each case are similar Court denied XOOM's motion for summary judgment and granted class

certification. The Second Circuit denied XOOM's request to appeal the class certification grants. XOOM plans to challenge Mirkin's expert testimony to further hamper Mirkin's ability to support its case. The parties held a court-ordered remediation on March 21, 2024 where the parties did not settle. The parties continue to prepare pre-trial materials for submission to the Court. A trial date is not yet set, nor expected before Fall 2024. The Company continues to deny the allegations and is vigorously defending these matters. These matters were this matter. This matter was known and accrued for at the time of each the XOOM acquisition.

XOOM Energy

Mirkin v. XOOM Energy (E.D.N.Y. Aug. 2019) is a defendant in a putative class action lawsuit pending in New York. The Court denied XOOM's motion for summary judgment and granted class certification. XOOM is currently petitioning to appeal the class certification grants and seeking a stay at the trial court.

Direct Energy

There are two putative class actions pending against Direct Energy: (1) Richard Schafer v. Direct Energy (W.D.N.Y. Dec. 2019; on appeal 2nd Cir. N.Y.) - The Second Circuit sent the matter back to the trial court in December 2021. After discovery, Direct Energy filed summary judgment. Direct Energy won summary judgment and Schafer appealed. The appeal is fully briefed. Oral argument occurred on October 25, 2023. Given the result of Martin Forte v. Direct Energy (N.D.N.Y. Mar. 2017), it is expected that the trial court's summary judgment will be upheld and Direct Energy will prevail; and (2) Andrew Gant v.

Direct Energy and NRG (D.N.J. Aug. 2022) - The Court granted Direct Energy and NRG's Motion to Dismiss on July 21, 2023, but allowed for the Plaintiff to amend his Complaint. The case was dismissed on September 29, 2023. The parties reached a settlement for the Plaintiff's individual claim.

Telephone Consumer Protection Act ("TCPA") Cases — In the cases set forth below, referred to as the TCPA Cases, such actions involve consumers alleging violations of the Telephone Consumer Protection Act of 1991, as amended, by receiving calls, texts or voicemails without consent in violation of the federal Telemarketing Sales Rule, and/or state counterpart legislation. The underlying claims of each case are similar. The Company denies the allegations asserted by plaintiffs and intends to vigorously defend these matters. These matters were known and accrued for at the time of the acquisition.

There are two putative class actions pending against Direct Energy: (1) Holly Newman v. Direct Energy, LP (D. Md Sept 2021) - Direct Energy filed its Motion to Dismiss asserting the ruling in the Brittany Burk v. Direct Energy (S.D. Tex. Feb 2019) preempts the Plaintiff's ability to file suit based on the same facts. The Court denied Direct Energy's motion stating the Court does not have the benefit of all of the facts that were in front of the Burk court to issue a similar ruling. On October 19, 2022, Direct Energy filed a Motion to Transfer Venue asking the Court to transfer the case to the Southern District where the Burk case was filed. On April 12, 2023, the Court granted Direct Energy's Motion to Transfer Venue, moving to the case to the Southern District of Texas; and (2) Matthew Dickson v. Direct Energy (N.D. Ohio Jan. 2018) - The case was stayed pending the outcome of an appeal to the Sixth Circuit based on the unconstitutionality of the TCPA during the period from 2015-2020. The Sixth Circuit found the TCPA was in effect during that period and remanded the case back to the trial court. Direct Energy refiled its motions along with supplements. On March 25, 2022, the Court granted summary judgment in favor of Direct Energy and dismissed the case. Dickson appealed. The Sixth Circuit found that Dickson has standing and reversed the trial court's dismissal of the case. The matter is back at the trial court. The parties will conduct further fact discovery and expert discovery and are likely to resubmit motions will submit its motion for further review summary judgment by the Court. Summer 2024.

Sales Practice Lawsuits Lawsuit

There are three litigation matters relating to claims made by A Vivint Smart Home competitors competitor has made a claim against Vivint Smart Home alleging, among other things, that Vivint Smart Home's sales representatives used deceptive sales practices. These matters were This matter was known and accrued for at the time of the acquisition. The three matters are: (1) CPI Security Systems, Inc. ("CPI") v. Vivint Smart Home, Inc. (W.D.N.C. Sept. 2020). The CPI matter that was filed in 2020 went to trial, and in February 2023, the jury issued a verdict against Vivint Smart Home, in favor of CPI for $50 million of compensatory damages and an additional $140 million of punitive damages. Vivint Smart Home has filed its post-trial motion in March 2023 notice of appeal and continues to evaluate its post-trial and appeal options. is awaiting a briefing schedule. While Vivint Smart Home believes the CPI jury verdict is not legally or factually supported and intends to pursue post judgment remedies and file an appeal, there can be no assurance that such defense efforts will be successful; (2) ADT LLC, et al. ("ADT") v. Vivint Smart Home, Inc. f/k/a Mosaic Acquisition Corporation, et al.(S.D.Fl. Aug. 2020). The parties mediated in May 2023 and agreed on a settlement. In June 2023, the Court granted final approval of the settlement, which was paid in June 2023; and (3) Alert 360 Opco, Inc, et al. ("Alert 360") v. Vivint Smart Home, Inc., et al (N.D.Ok. March 2023). On March 1, 2023, Alert 360 filed a complaint against Vivint Smart Home alleging, among other things, deceptive sales practices. The parties mediated in August 2023 and agreed to a settlement, which is expected to be finalized during the fourth quarter of 2023. successful.

Patent Infringement Lawsuits Lawsuit

SB IP Holdings LLC ("Skybell") v. Vivint Smart Home, Inc. — On On October 23, 2023, a jury in the U.S. District Court, Eastern District of Texas, Sherman Division, issued a verdict against the Company in favor of Skybell for $45 million in damages for patent infringement. The patents that were the basis for the claims made by Skybell were ruled invalid by the U.S. International Trade Commission in November 2021. In accordance with advice by legal counsel, the Company does not believe the verdict is legally supported and will pursue post-judgment and appellate remedies along with any other legal options available. This matter was known and accrued for at the time of the Vivint acquisition.

Contract Disputes

Alarm.com — In September 2022, Vivint Smart Home sent Alarm.com a notice asserting that it was no longer obligated to pay certain license fees under the Patent Cross License Agreement between the parties on the basis that Vivint Smart Home no longer practices any claim under any valid Alarm.com patent and, therefore, no license fees are due. Alarm.com filed an arbitration demand against Vivint Smart Home alleging, among other things, breach of the agreement due to continued use of the patents in question. The arbitration panel recently determined that Vivint Smart Home's challenge to the validity of certain Alarm.com patents will be considered as part of the arbitration proceeding. Dispute

STP — In July 2023, the partners in STP, CPS and Austin Energy, initiated a lawsuit and filed to intervene in the license transfer application with the NRC, claiming a right of first refusal exists in relation to the proposed sale of NRG South Texas' 44% interest in STP to Constellation. NRG believes the claims set forth by CPS and Austin Energy The parties entered into a settlement agreement in the lawsuit May 2024, and the NRC

proceedings are without merit and intends litigation was dismissed. There was no incremental impact to vigorously defend against them. For further discussion NRG as a result of the transaction, see Note 4, *Acquisitions and Dispositions.* *settlement.*

Winter Storm Uri Lawsuits

The Company has been named in certain property damage and wrongful death claims that have been filed in connection with Winter Storm Uri in its capacity as a generator and a REP. Most of the lawsuits related to Winter Storm Uri are consolidated into a single multi-district litigation matter in Harris County District Court. NRG's REPs have since been severed dismissed from the multi-district litigation and will be seeking dismissal in any remaining cases. litigation. As a power generator, the Company is named in various cases with claims ranging from: wrongful death; personal injury only; property damage and personal injury; property damage only; and subrogation. The case is currently stayed pending appeal by other parties on other issues. First Court of Appeals conditionally granted the generators' mandamus relief, ordering the trial court to grant the generator defendants' Motion to Dismiss. The Company expected the Plaintiffs to challenge this ruling. The Company intends to vigorously defend these matters.

Indemnifications and Other Contractual Arrangements

Washington-St. Tammany and Claiborne Electric Cooperative v. LaGen — On June 28, 2017, plaintiffs Washington-St. Tammany Electric Cooperative, Inc. and Claiborne Electric Cooperative, Inc. filed a lawsuit against LaGen in the United States District Court for the Middle District of Louisiana. The plaintiffs claimed breach of contract against LaGen for allegedly improperly charging the plaintiffs for costs related to the installation and maintenance of certain pollution control technology. Plaintiffs sought damages for the alleged improper charges and a declaration as to which charges were proper under the contract. On February 4, 2019, NRG sold the South Central Portfolio, including the entities subject to this litigation. However, NRG had agreed to indemnify the purchaser for certain losses suffered in connection with this litigation. In February 2020, the federal court dismissed this lawsuit without prejudice for lack of subject matter jurisdiction. On March 17, 2020, plaintiffs filed a lawsuit in the Nineteenth Judicial District Court for the Parish of East Baton Rouge in Louisiana alleging substantially the same matters, which was dismissed on October 2, 2023 pursuant to a settlement agreement.

Note 17 15 — Regulatory Matters

Environmental regulatory matters are discussed within Note 18, 16, *Environmental Matters.*

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

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

California Station Power — As the result of unfavorable final and non-appealable litigation, the Company accrued a liability associated with consumption of station power at the Company's Encina power plant facility in California after August 30, 2010. The Company has established an appropriate accrual pending potential regulatory action by San Diego Gas & Electric regarding the Company's Encina facility.

New York State Public Service Commission ("NYSPSC") - Notice of Apparent Violation — The NYSPSC issued an order referred to as the Retail Reset Order in December 2019 that limited ESCO's offers for electric and natural gas to three compliant products: guaranteed savings from the utility default rate, a fixed rate commodity product that is priced at no more than 5% greater than the trailing 12-month average utility supply rate or New York-sourced renewable energy that is at least 50% greater than the prevailing New York Renewable Energy Standard for load serving entities. The order effectively limited ESCO offers to natural gas customers to only the guaranteed savings and capped fixed term compliant products because no equivalent renewable energy product exists for natural gas. NRG took action to comply with the order when it became effective April 16, 2021. On January 8, 2024, the NYSPSC notified eight of NRG's retail energy suppliers (serving both electricity and natural gas) of alleged non-compliance with New York regulatory requirements. Among other items, the notices allege that the NRG suppliers did not transition existing residential customers to one of the three compliant products authorized by the NYSPSC following the effective date of the order. NRG responded to the notices in February 2024. The outcome of this process has the potential to negatively impact the retail business in New York.

Note 18 16 — Environmental Matters

NRG is subject to a wide range of environmental laws in the development, construction, ownership and operation of power plants. These laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of power plants. The electric generation industry has been facing increasingly stringent requirements regarding air quality, GHG emissions, combustion byproducts, water use and discharge, and threatened and endangered species. species including four new rules released on April 25, 2024. In general, future laws are expected to require the addition of emissions controls or other environmental controls or to impose additional restrictions on the operations of the Company's facilities, which could have a material effect on the Company's consolidated financial position, results of operations, or cash flows. The Company has elected to use a $1 million disclosure threshold, as permitted, for environmental proceedings to which the government is a party.

Air

CPP/ACE Rules — On July 8, 2019, The attention in recent years on GHG emissions has resulted in federal and state regulations. In 2019, the EPA promulgated the ACE rule, which rescinded the CPP, which had sought to broadly regulate CO_2 emissions from the power sector. The ACE rule required states that have coal-fired EGUs to develop plans to seek heat rate improvements from coal-fired EGUs. On January 19, 2021, the D.C. Circuit vacated the ACE rule (but on February 22, 2021, at the EPA's request, stayed the issuance of the portion of the mandate that would vacate the repeal of the CPP). On June 30, 2022, the U.S. Supreme Court held that the "generation shifting" approach in the CPP exceeded the powers granted to the EPA by Congress. The Court did not address the related issues of whether the EPA may adopt only measures applied at each source. On May 23, 2023 April 25, 2024, the EPA proposed released a prepublication version of a final rule that after publication in the Federal Register will repeal the ACE rule and significantly revising revise the manner in which new combustion-turbine and existing steam EGU's GHG emissions should will be regulated including using hydrogen as a fuel, capturing and storing/sequestering CO_2 and requiring new units to be more efficient. . The EPA has stated that it intends to finalize these revisions will address GHG emissions from existing combustion turbines in 2024. a future rule. The Company expects that the final rule will be challenged subject to legal challenges in the courts and accordingly may be uncertain for several years.

Cross-State Air Pollution Rule ("CSAPR") — On March 15, 2023, the EPA signed and released a prepublication version of a final rule that sought to significantly revise the CSAPR to address the good-neighbor obligations of the 2015 ozone NAAQS for 23 states after earlier having disapproved numerous state plans to address the issue. Several states, including

Texas, challenged the EPA's disapproval of their state plans. On May 1, 2023, the United States Court of Appeals for the Fifth Circuit stayed the EPA's disapproval of Texas' and Louisiana's state plans, which disapprovals are a condition precedent to the EPA imposing its plan on Texas and Louisiana. Several other states are also similarly situated because of similar stays. Nonetheless, on June 5, 2023, the EPA published this rule in the Federal Register. On July 31, 2023, the EPA promulgated an interim final rule that addresses the various judicial orders that have stayed several State-Implementation-Plan disapprovals by limiting the effectiveness of certain requirements of the final rule promulgated on June 5, 2023 in Texas and five other states. The final rule decreases, over time, the ozone-season NOx allowances allocated to generators in the states not affected by the judicial stays beginning this summer in 2023 by assuming that participants in this cap-and-trade program had or would optimize existing NOx controls and later install additional NOx controls. The Company cannot predict the outcome of the legal challenges to the: (i) various state disapprovals; (ii) the final rule promulgated on June 5, 2023; and (iii) the interim final rule promulgated on July 31, 2023 that seeks to address the judicial orders.

Regional Haze Proposal — On In May 2023, the EPA proposed to withdraw the existing Texas Sulfur Dioxide Trading Program and replace it with unit-specific SO_2 limits for 12 units in Texas to address requirements to improve visibility at National Parks and Wilderness areas. If finalized as proposed, it would result in more stringent SO_2 limits for two of the Company's coal-fired units in Texas. The Company cannot predict the outcome of this proposal.

Mercury and Air Toxics Standards ("MATS") — On May 7, 2024, the EPA promulgated a final rule that amends the MATS rule by, among other things, increasing the stringency of the filterable particulate matter standard at coal-burning units.The deadline for complying with this more stringent standard is 2027.The Company expects that the rule will be subject to legal challenges in the courts and may be uncertain for several years.

Water

Effluent Limitations Guidelines — In November 2015, the EPA revised the Effluent Limitations Guidelines ("ELG") for Steam Electric Generating Facilities, which imposed more stringent requirements (as individual permits were renewed) for wastewater streams from FGD, fly ash, bottom ash and flue gas mercury control. On September 18, 2017, the EPA promulgated a final rule that, among other things, postponed the compliance dates to preserve the status quo for FGD wastewater and bottom ash transport water by two years to November 2020 until the EPA amended the rule. On October 13, 2020, the EPA amended the 2015 ELG rule by: (i) altering the stringency of certain limits for FGD wastewater; (ii) relaxing the zero-discharge requirement for bottom ash transport water; and (iii) changing several deadlines. In 2021, the EPA announced that it was initiating a new rulemaking to evaluate revising the ELG rule but keeping the existing rule (as amended in 2020) in place. On March 29, 2023, the EPA proposed revisions to the ELG and sought comments on the proposal, which the EPA is currently analyzing. In October 2021, NRG informed its regulators that the Company intends to comply with the ELG by ceasing combustion of coal by the end of 2028 at its domestic coal units outside of Texas, and installing appropriate controls by the end of 2025 at its two plants that have coal-fired units in Texas. On April 25, 2024, the EPA released a prepublication version of a final rule that after publication in the Federal Register will again revise the ELG by, among other things, further restricting the discharge of (i) FGD wastewater, (ii) bottom ash transport water, and (iii) combustion residual leachate. The Company expects that the rule will be subject to legal challenges in the courts and may be uncertain for several years.

Byproducts Wastes, Hazardous Materials and Contamination

In April 2015, the EPA finalized the rule regulating byproducts of coal combustion (e.g., ash and gypsum) as solid wastes under the RCRA. On July 30, 2018, the EPA promulgated a rule that amended the ash rule by extending some of the deadlines and providing more flexibility for compliance. On August 21, 2018, the D.C. Circuit found, among other things, that the EPA had not adequately regulated unlined ponds and legacy surface impoundments. On August 28, 2020, the EPA finalized "A Holistic Approach to Close Part A: Deadline to Initiate Closure," which amended the April 2015 Rule to address the August 2018 D.C. Circuit decision and extend some of the deadlines. On November 12, 2020, the EPA finalized "A Holistic Approach to Closure Part B, B: Alternative Demonstration for Unlined Surface Impoundments," which further amended the April 2015 Rule to, among other things, provide procedures for requesting approval to operate existing ash impoundments with an alternative alternate liner. On May 23, 2023 April 25, 2024, the EPA proposed establishing released a prepublication version of a final rule that after publication in the Federal Register will establish requirements for: (i) inactive (or legacy) surface impoundments at inactive facilities and (ii) all coal combustion residual ("CCR") management units (regardless of how or when the CCR was placed) at regulated facilities. The EPA rule will also solicited comments on this proposal. NRG anticipates further rulemaking related create an obligation to conduct site assessments (at all active and certain inactive facilities) to determine whether CCR management units are present. The Company expects that the Federal Permit Program rule will be subject to legal challenges in the courts and legacy surface impoundments. may be uncertain for several years.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis below has been organized as follows:

- Executive summary, including introduction and overview, business strategy, and changes to the business environment during the period, including environmental and regulatory matters;
- Results of operations;
- Liquidity and capital resources including liquidity position, financial condition addressing credit ratings, material cash requirements and commitments, and other obligations; and
- Known trends that may affect NRG's results of operations and financial condition in the future.

As you read this discussion and analysis, refer to NRG's condensed consolidated statements of operations to this Form 10-Q, which present the results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. Also refer to NRG's 2022 2023 Form 10-K, which includes detailed discussions of various items impacting the Company's business, results of operations and financial condition, including: General section; Strategy section; Business Overview section, including how regulation, weather, and other factors affect NRG's business; and Critical Accounting Estimates section.

Executive Summary

Introduction and Overview

NRG Energy, Inc., or NRG or the Company, sits at the intersection of energy and home services. NRG is a leading energy smart and home and services company fueled by market-leading brands, proprietary technologies, and complementary sales channels. Across the United States U.S. and Canada, NRG delivers innovative, sustainable solutions, predominately under brand names such as NRG, Reliant, Direct Energy, Green Mountain Energy and Vivint, while also advocating for competitive energy markets and customer choice. The Company has a customer base that includes approximately 7.5 8.0 million residential consumers in addition to commercial, industrial, and wholesale customers, supported by approximately 15 13 GW of generation as of September 30, 2023 March 31, 2024.

Strategy

NRG's strategy is to maximize stockholder stakeholder value through by being a leader in the safe production emerging convergence of energy and sale of smart automation in the home and business. Through a diversified supply strategy, the Company sells reliable electricity and natural gas to its customers in the markets it serves, while also providing innovative home solutions to customers. NRG's unique combination of assets and capabilities enables the end-use energy or service consumer. Company to develop and sell highly differentiated offerings that bring together every day essential services like powering and securing the home through a seamless and integrated experience. This strategy is intended to enable the Company to optimize the its unique integrated model platform to delight customers, generate stable and predictable recurring cash flow, significantly strengthen earnings and cost competitiveness, and lower risk and volatility. Sustainability is a philosophy that underpins and facilitates value creation across NRG's business for its stakeholders. It is an integral piece of NRG's strategy and ties directly to the Company's business success, reduced risks and enhanced reputation.

To effectuate the Company's strategy, NRG is focused on: (i) serving the energy needs of end-use residential, commercial and industrial, and wholesale counterparties in competitive markets and optimizing on cross selling additional revenue opportunities through its multiple brands and channels; (ii) offering a variety of energy products and services, including renewable energy solutions and smart home products and services that are differentiated by innovative features, premium service, integrated platforms, sustainability, and loyalty/affinity programs; (iii) excellence in operating performance of its assets; (iv) achieving the optimal hedging mix of supply to serve its portfolio; customer load requirements through a diversified supply strategy ; and (v) engaging in disciplined and transparent capital allocation.

Energy Regulatory Matters

The Company's regulatory matters are described in the Company's 2022 2023 Form 10-K in Item 1, Business — *Regulatory Matters.* These matters have been updated below and in Note 17, 15, *Regulatory Matters.*

As participants in wholesale and retail energy markets and owners and operators of power plants, certain NRG entities are subject to regulation by various federal and state government agencies. These include the CFTC, FERC, NRC and the PUCT, as well as other public utility commissions in certain states where NRG's generation or distributed generation assets are located. In addition, NRG is subject to the market rules, procedures and protocols of the various ISO and RTO markets in which it participates. Likewise, certain NRG entities participating in the retail markets are subject to rules and regulations established by the states and provinces in which NRG entities are licensed to sell at retail. NRG must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where NRG operates.

NRG's operations within the ERCOT footprint are not subject to rate regulation by FERC, as they are deemed to operate solely within the ERCOT market and not in interstate commerce. These operations are subject to regulation by the PUCT, as well as to regulation by the NRC with respect to NRG's ownership interest in STP.

PUCT.

Regional Regulatory Developments

NRG is affected by rule/tariff changes that occur in the ISO regions. For further discussion on regulatory developments, see Note 17, 15, *Regulatory Matters*.

Texas

Public Utility Commission of Texas' Actions with Respect to Wholesale Pricing and Market Design — The PUCT continues to analyze and implement multiple options for promoting increased reliability in the wholesale electric market, including the adoption of a reliability standard for resource adequacy and market-based mechanisms to achieve this standard. During the 88th Regular Session, the Texas Legislature authorized deployment implementation of the Performance Credit Mechanism ("PCM"), which will measure real-time contribution to system reliability and provide compensation for resources to be available, subject to certain "guardrails" such as an absolute annual net cost cap, as part of its adoption of the PUCT Sunset Bill (House Bill 1500). The Texas Legislature also directed the PUCT to implement additional market design changes such as the creation of a new ancillary service called Dispatchable Reliability Reserve Service ("DRRS") to further increase ERCOT's capability to manage net load variability and firming requirements for new generation resources which penalize poor performance during periods of low grid reserves. The PUCT directed ERCOT to implement DRRS is expected to be implemented in the fourth quarter of 2024. Additionally, through as a standalone product which will delay implementation until 2026 or 2027.

Through Senate Bill 2627, the Texas Legislature created the Texas Energy Fund, subject to which received voter approval in November 2023, which and will provide grants and low-interest loans (3%) to incentivize the development of more dispatchable generation and smaller backup generation in ERCOT. The PUCT adopted a rule in March 2024, which establishes the application and participation requirements and the process by which the Texas Energy Fund loan proceeds for dispatchable generation in ERCOT will be distributed. The initial window for submitting loan applications will be open from June 1, 2024 to July 27, 2024. The PUCT adopted a rule for the completion bonus grant program in April 2024, which provides for opportunities for grants of $120,000 per MW for dispatchable generation projects interconnected before June 1, 2026, or $80,000 per MW for dispatchable generation projects interconnected on or after June 1, 2026 but before June 1, 2029, subject to performance requirements.

Real-time Co-optimization of Energy and Ancillary Services ("RTC") – ERCOT is progressing with a multi-year project to upgrade their systems to co-optimize the dispatch of energy and ancillary services in real-time. The RTC project will also replace the Operating Reserve Demand Curve ("ORDC") with demand curves for each ancillary service product which will act as the primary scarcity pricing mechanism when energy or ancillary services are in shortage. — On August 3, 2023, ERCOT anticipates commencing market trials for testing the PUCT approved implementation of an enhancement to the ORDC as a bridge solution that was recommended by the ERCOT Technical Advisory Committee and the ERCOT board of directors. The ORDC enhancement will install price floors of $10 and $20 at reserve levels of 7,000 MW and 6,500 MW or below, respectively. ERCOT is expected to complete implementation RTC project in the fourth quarter of 2023. Spring 2026 with production go-live in late 2026.

Ruling on Pricing during Winter Storm Uri — On March 17, 2023, the Third Court of Appeals issued a ruling in Luminant Energy Co. v. PUCT, which is an appeal relating to the validity of two orders issued by the PUCT on February 15 and 16, 2021, respectively, governing scarcity pricing in the ERCOT wholesale electricity market during Winter Storm Uri. The Third Court found that the PUCT exceeded its statutory authority by ordering the market price of energy to be set at the high system wide offer cap due to scarcity conditions as a result of firm load shed occurring in ERCOT. The Third Court reversed the PUCT's orders and remanded the case. On March 23, 2023, the PUCT filed a petition for review to the Supreme Court of Texas seeking reversal of the Third Court's decision, which was granted on September 29, 2023. The Court has requested received briefing on the merits and has set oral arguments for this case occurred on January 30, 2024. The outcome of this appeal could potentially require a retroactive repricing of the ERCOT market prices during the subject time period.

Voluntary Mitigation Plan ("VMP") Changes — On March 13, 2023, the PUCT Staff determined that a portion of NRG's VMP should be terminated due to the increase in procurement of ancillary services by ERCOT, specifically non-spin reserve services, following Winter Storm Uri. As such, PUCT Staff terminated part of the VMP for NRG which provides protection from wholesale market power abuse accusations related to offers for ancillary services. NRG agreed with these changes to the VMP. At the March 23, 2023 open meeting, the PUCT approved the amended VMP. Pursuant to amendments to Public Utility Regulation Act § 15.023 adopted during the 88th Legislative Session, NRG's VMP will be reviewed by In February 2024, NRG filed a notice of intent with the PUCT within two years or, in the event a wholesale market design change is made, not later than the 90th day after the implementation date and terminated its existing VMP as of such change. March 1, 2024.

ERCOT Request for Proposals for Winter Capacity Lubbock, Texas Transition to Competition — On October 2, 2023 The customers of Lubbock Power and Light ("LP&L"), ERCOT issued a Request municipally owned utility, entered the Texas retail competitive market in March 2024. Starting in January 2024, LP&L customers were able to shop for Proposals for Capacity for Winter 2023-2024. Proposals are due in early November, and ERCOT will issue awards later in November. The contracts, if awarded, will start between December 1, 2023 and January 9, 2024 and will run until February 29, 2024. The costs a REP. Customers who did not select a REP by February 15, 2024 were assigned to one of procurement three default REPs, one of winter capacity, if any, will be charged which is Reliant. LP&L customers started transitioning to Qualified Scheduling Entities their chosen REP or a default REP on an hourly load-ratio share basis. Increases in costs assessed to LSEs are expected to be included in customer pricing. March 4, 2024.

PJM

Revisions to PJM Local Deliverability Area Reliability Requirement — The Base Residual Auction for the 2024/2025 delivery year commenced on December 7, 2022 and closed on December 13, 2022. On December 19, 2022, PJM announced

39

that it would delay the publication of the auction results. On December 23, 2022, PJM made a filing at FERC to revise the definition of Locational Deliverability Area ("LDA") Reliability Requirement in the Tariff. This would allow PJM to exclude certain resources from the calculation of the Local Deliverability Area Reliability Requirement. On February 21, 2023, FERC accepted PJM's filing. Multiple parties, including NRG, filed for rehearing. Rehearing was denied by operation of law, and multiple parties, including the Company, filed appeals to the Third Circuit Court of Appeals. The price On March 12, 2024, the court vacated the portion of the FERC orders that allow PJM to apply the Local Deliverability Area Reliability Requirement to the 2024/2025 capacity auction. On March 29, 2024, PJM filed a petition seeking confirmation as to the capacity commitments rules for the 2024/2025 auction. On May 6, 2024, FERC directed PJM to recalculate the 2024/2025 auction cleared significantly lower as results under the Initial LDA Reliability Requirement rules, and further directed PJM to rerun the Third Incremental Auction. As a result, of the PJM Tariff change. capacity for the 2024/2025 delivery year in the Delmarva Power and Light South zone will increase and rerunning the Third Incremental Auction is expected to impact that auction's prices.

Capacity Performance Penalties and Bonuses from Winter Storm Elliott — PJM experienced approximately 23 hours of Capacity Performance events from December 23-24, 2022 across PJM's entire footprint. The Company is subject to penalty and

51

bonus payments related to the events. On April 3, 2023, FERC approved PJM's request to allow Winter Storm Elliott penalty payments to be spread over 9 months (with interest) and allow future penalties to have a 9 month window to be satisfied without interest. Multiple generators filed various complaints against PJM at FERC alleging that PJM violated its Tariff in, among other things, the manner in which it operated the system during Winter Storm Elliott and the resulting assessment of capacity performance penalties. On June 5, 2023, FERC issued an order setting the various complaints for settlement. A settlement in principle has been reached and was filed with FERC on September 29, 2023. FERC also granted a waiver allowing PJM to defer collection of the remaining unbilled non-performance charges and suspended remaining bonus payments associated with Winter Storm Elliott until FERC decides on the merits of the settlement. The settling parties requested that FERC approve the settlement without modification or condition no later than December 29, 2023.

FERC Delays PJM Base Residual Auctions Auction Revisions and Delay — On April 11, 2023, PJM filed, and FERC subsequently approved, to delay the Base Residual Auctions for the 2025/2026 to 2028/2029 delivery years. On October 13, 2023, PJM made two filings proposing to develop market reforms to improve the operation of the capacity market through changes to the Market Seller Offer Cap rules, changes to PJM's resource adequacy risk modeling and capacity accreditation processes, and changes to capacity performance enhancements. PJM proposes to restart the auctions after FERC's ruling on these market changes. On June 9, 2023 January 30, 2024, FERC issued an order approving the delay accepted certain reforms to PJM's resource adequacy risk modeling and accreditation processes; on February 6, 2024, FERC rejected PJM's proposed changes to certain Market Seller Offer Cap rules and capacity performance enhancements. The approved changes will be in the Base Residual Auctions and required PJM to make a compliance filing that will specify future auction dates. On June 26, 2023, PJM made its compliance filing setting the auction for June 2024 effect for the 2025/2026 delivery year through the 2028/2029 delivery year. Base Residual Auction scheduled to occur in July 2024, and will impact both demand and supply characteristics.

PJM Files to Make Changes to the Performance Assessment Interval Trigger Indian River RMR Proceeding — On May 30, 2023 June 29, 2021, Indian River notified PJM that it intended to retire Unit 4, effective May 31, 2022, due to expected uneconomic operations. On July 30, 2021, PJM responded to the deactivation notice and stated that PJM had identified reliability violations resulting from the proposed deactivation of Unit 4. NRG filed proposed tariff revisions a cost based RMR rate schedule at FERC that narrow the definition of Emergency Actions used to determine Performance Assessment Intervals ("PAIs") on April 1, 2022. On July 28, 2023, FERC accepted the tariff revisions, rate schedule with a June 1, 2022 effective date, subject to refund and PJM made its compliance filing established hearing and settlement procedures. The Company reached settlement with a number of the intervening parties and the settlement agreement was filed at FERC on August 28, 2023. The new definition would decrease the instances of when PAIs would occur April 2, 2024 and therefore decrease the instances of when capacity performance penalties are assessed. is pending FERC review.

Independent Market Monitor Market Seller Offer Cap Complaint — On March 18, 2021, finding that the calculation of the default Market Seller Offer Cap was unjust and unreasonable, FERC issued an Order, which permitted the PJM May 2021 capacity auction for the 2022/2023 delivery year to continue under the existing rules and set a procedural schedule for parties to file briefs with possible solutions. On September 2, 2021, FERC issued an order in response to a complaint filed by the PJM Independent Market Monitor's proposal, which eliminated the Cost of New Entry-based Market Seller Offer Cap, implemented a limited default cap for certain asset classes based on going-forward costs and provided for unit specific cost review by the Independent Market Monitor for all other non-zero offers into the auctions. On October 4, 2021, as required by the Order, PJM submitted its compliance tariff and certain parties filed a motion for rehearing, which was denied by operation of law. On February 18, 2022, FERC addressed the arguments raised on rehearing and rejected the rehearing requests. Multiple parties filed appeals at the Court of Appeals for the D.C. Circuit, and on August 15, 2023, the Court denied the petitions for review. On January 12, 2024, the generator trade association filed a petition for review with the U.S. Supreme Court to overturn the August 15, 2023 judgment.

California Other Regulatory Matters

California Resource Adequacy Proceedings — As part of the Integrated Resource Procurement docket, the CPUC is requiring that all LSEs procure a pro rata share of 15.5 GW of new non-fossil resource adequacy from 2023 From time to 2026. A June 2023 decision in the resource adequacy ("RA") docket keeps the reserve margin at 17 percent in 2024 and 2025, but extends the CPUC orders for the state's major investor-owned utilities to procure additional summer reliability resources through 2025, creating an "effective" reserve margin of 21 to 23.5 percent. SB846 establishes a pathway for PG&E's Diablo Canyon Nuclear power plant, which units are scheduled to close in 2024 and 2025, to remain open for at least five additional years. A CPUC decision expected by the end of 2023 will determine how the RA from the extension will be treated. Finally, the CPUC jurisdictional retail providers will be required to procure RA that meets their hourly load shape beginning in 2025. The result of these changes will likely keep RA prices elevated through 2024, and if LSEs cannot meet their RA obligations, penalties and restrictions on serving new customers time, NRG entities may be issued.subject to examinations, investigations and/or enforcement actions by federal, state and provincial licensing agencies and may face the risk of penalties for violation of financial services, consumer protections and other applicable laws and regulations.

Environmental Regulatory Matters

NRG is subject to numerous environmental laws in the development, construction, ownership and operation of power plants. These laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of power plants. Federal and state environmental laws historically have become more stringent over time. Future laws may require the addition of emissions controls or other environmental controls or impose restrictions on the Company's operations. operations including unit retirements. Complying with environmental laws often involves specialized human resources and significant capital and operating expenses, as well as occasionally curtailing operations. NRG decides to invest capital for environmental controls based on the relative certainty of the requirements, an evaluation of compliance options, and the expected economic returns on capital.

A number of regulations that affect the Company have been revised recently and continue to be revised by the EPA, including requirements regarding coal ash, storage and disposal requirements, GHG emissions, NAAQS revisions and implementation and effluent limitation guidelines.

NRG will evaluate the impact of these regulations as they are revised but cannot fully predict the impact of each until anticipated revisions and legal challenges are finally resolved. The Company's environmental matters are described in the

Company's 2022 2023 Form 10-K in Item 1, Business - *Environmental Matters* and Item 1A, *Risk Factors*. These matters have been updated in Note 18, 16, *Environmental Matters,* to the condensed consolidated financial statements of this Form 10-Q and as follows.

Air

The CAA and related regulations (as well as similar state and local requirements) have the potential to affect air emissions, operating practices and pollution control equipment required at power plants. Under the CAA, the EPA sets NAAQS for certain pollutants including SO_2, ozone, and PM2.5. Many of the Company's facilities are located in or near areas that are classified by the EPA as not achieving certain NAAQS (non-attainment areas). The relevant NAAQS may become more stringent. In January 2023, March 2024, the EPA proposed increasing increased the stringency of the PM2.5 NAAQS. The Company maintains a comprehensive compliance strategy to address continuing and new requirements. Complying with increasingly stringent air regulations could require the installation of additional emissions control equipment at some NRG facilities or retiring of units if installing such controls is not economic. Significant changes to air regulatory programs affecting the Company are described below.

CPP/ACE Rules — The attention in recent years on GHG emissions has resulted in federal and state regulations. In October 2015, 2019, the EPA promulgated the CPP, addressing GHG emissions from existing EGUs. On February 9, 2016, the U.S. Supreme Court stayed the CPP. In July 2019, EPA promulgated the ACE rule, which rescinded the CPP, which had sought to broadly regulate CO_2 emissions from the power sector. On January 19, 2021, the D.C. Circuit vacated the ACE rule (but on February 22, 2021, at the EPA's request, stayed the issuance of the portion of the mandate that would vacate the repeal of the CPP). On June 30, 2022, the U.S. Supreme Court held that the "generation shifting" approach in the CPP exceeded the powers granted to the EPA by Congress. The Court did not address the related issues of whether the EPA may adopt only measures applied at each source. On May 23, 2023 April 25, 2024, the EPA proposed released a prepublication version of a final rule that after publication in the Federal Register will repeal the ACE rule and significantly revising revise the manner in which new combustion-turbine and existing steam EGU's GHG emissions should will be regulated including using hydrogen as a fuel, capturing and storing/sequestering CO_2 and requiring new units to be more efficient. . The EPA has stated that it intends to finalize these revisions will address GHG emissions from existing combustion turbines in 2024. a future rule. The Company expects that the final rule will be challenged subject to legal challenges in the courts and accordingly may be uncertain for several years.

Cross-State Air Pollution Rule ("CSAPR") CSAPR — On March 15, 2023, the EPA signed and released a prepublication of a final rule that sought to significantly revise the CSAPR to address the good-neighbor obligations of the 2015 ozone NAAQS for 23 states after earlier having disapproved numerous state plans to address the issue. Several states, including Texas, challenged the EPA's disapproval of their state plans. On May 1, 2023, the United States Court of Appeals for the Fifth Circuit stayed the EPA's disapproval of Texas' and Louisiana's state plans, which disapprovals are a condition precedent to the EPA imposing its plan on Texas and Louisiana. Several other states are also similarly situated because of similar stays. Nonetheless, on June 5, 2023, the EPA published this rule in the Federal Register. On July 31, 2023, the EPA promulgated an interim final rule that addresses the various judicial orders that have stayed several State-Implementation-Plan disapprovals by limiting the effectiveness of certain requirements of the final rule promulgated on June 5, 2023 in Texas and five other states. The final rule decreases, over time, the ozone-season NOx allowances allocated to generators in the states not affected by the judicial stays beginning this summer by assuming that participants in this cap-and-trade program had or would will optimize existing NOx controls and later install additional NOx controls. The Company cannot predict the outcome of the legal challenges to the: (i) various state disapprovals; (ii) the final rule promulgated on June 5, 2023; and (iii) the interim final rule promulgated on July 31, 2023 that seeks to address the judicial orders.

Regional Haze Proposal — On May 2023, the EPA proposed to withdraw the existing Texas Sulfur Dioxide Trading Program and replace it with unit-specific SO_2 limits for 12 units in Texas to address requirements to improve visibility at National Parks and Wilderness areas. If finalized as proposed, the rule would result in more stringent SO_2 limits for two of the Company's coal-fired units in Texas. The Company cannot predict the outcome of this proposal.

Byproducts, Wastes, Hazardous Materials *Mercury and Contamination Air Toxics Standards ("MATS")* — On May 7, 2024, the EPA promulgated a final rule that amends the MATS rule by, among other things, increasing the stringency of the filterable particulate matter standard at coal-burning units.The deadline for complying with this more stringent standard is 2027.The Company expects that the rule will be subject to legal challenges in the courts and may be uncertain for several years.

Byproducts

In April 2015, the EPA finalized the rule regulating byproducts of coal combustion (e.g., ash and gypsum) as solid wastes under the RCRA. On July 30, 2018, the EPA promulgated a rule that amended the ash rule by extending some of the deadlines and providing more flexibility for compliance. On August 21, 2018, the D.C. Circuit found, among other things, that the EPA had not adequately regulated unlined ponds and legacy surface impoundments. On August 28, 2020, the EPA finalized "A Holistic Approach to Closure Part A: Deadline to Initiate Closure," which amended the April 2015 Rule to address the August 2018 D.C. Circuit decision and extend some of the deadlines. On November 12, 2020, the EPA finalized "A Holistic Approach to Closure Part B: Alternative Demonstration for Unlined Surface Impoundments," which further amended the April 2015 Rule to, among other things, provide procedures for requesting approval to operate existing ash impoundments with an alternate liner. On May 23, 2023 April 25, 2024, the EPA proposed establishing released a prepublication version of a final rule that after publication in the Federal Register will establish requirements for: (i) inactive (or legacy) surface impoundments at inactive facilities and (ii) all CCR coal combustion residual ("CCR") management units (regardless of how or when the CCR was placed) at regulated facilities. NRG anticipates further rulemaking related The rule will also create an obligation to conduct site assessments (at all active and certain inactive facilities) to determine whether CCR management units are present. The Company expects that the Federal Permit Program rule will be subject to legal challenges in the courts and legacy surface impoundments. may be uncertain for several years.

Domestic Site Remediation Matters

Under certain federal, state and local environmental laws, a current or previous owner or operator of a facility, including an electric generating facility, may be required to investigate and remediate releases or threatened releases of hazardous or toxic substances or petroleum products. NRG may be responsible for property damage, personal injury and investigation and remediation costs incurred by a party in connection with hazardous material releases or threatened releases. These laws impose liability without regard to whether the owner knew of or caused the presence of the hazardous substances, and the courts have interpreted liability under such laws to be strict (without fault) and joint and several. Cleanup obligations can often be triggered during the closure or decommissioning of a facility, in addition to spills during its operations.

Nuclear Waste — The federal government's program to construct a nuclear waste repository at Yucca Mountain, Nevada was discontinued in 2010. Since 1998, the U.S. DOE has been in default of the federal government's obligations to begin accepting spent nuclear fuel, or SNF, and high-level radioactive waste, or HLW, under the Nuclear Waste Policy Act. Owners of nuclear plants, including the owners of STP, had been required to enter into contracts setting out the obligations of the owners and the U.S. DOE, including the fees to be paid by the owners for the U.S. DOE's services to license a spent fuel repository. Effective May 16, 2014, the U.S. DOE stopped collecting the fees.

On February 5, 2013, STPNOC entered into a settlement agreement with the U.S. DOE for payment of damages relating to the U.S. DOE's failure to accept SNF and HLW under the Nuclear Waste Policy Act through December 31, 2013, which has been extended four times through addendums to cover payments through December 31, 2025. There are no facilities for the reprocessing or permanent disposal of SNF currently in operation in the U.S., nor has the NRC licensed any such facilities. STPNOC currently stores all SNF generated by its nuclear generating facilities on-site. STPNOC plans to continue to assert claims against the U.S. DOE for damages relating to the U.S. DOE's failure to accept SNF and HLW.

Under the federal Low-Level Radioactive Waste Policy Act of 1980, as amended in 1985, the state of Texas is required to provide, either on its own or jointly with other states in a compact, for the disposal of all low-level radioactive waste generated within the state. Texas is currently in a compact with the state of Vermont, and the compact low-level waste facility located in Andrews County in Texas has been operational since 2012.

Water

The Company is required under the CWA to comply with intake and discharge requirements, requirements for technological controls and operating practices. As with air quality regulations, federal and state water regulations have become more stringent and imposed new requirements.

Effluent Limitations Guidelines — In November 2015, the EPA revised the ELG for Steam Electric Generating Facilities, which imposed more stringent requirements (as individual permits were renewed) for wastewater streams from FGD, fly ash, bottom ash and flue gas mercury control. On September 18, 2017, In 2017, the EPA promulgated a final rule that, among other things, postponed the compliance dates to preserve the status quo for FGD wastewater and bottom ash transport water by two years to November 2020 until the EPA amended the rule. On October 13, 2020, the EPA amended the 2015 ELG rule by: (i) altering the stringency of certain limits for FGD wastewater; (ii) relaxing the zero-discharge requirement for bottom ash transport water; and (iii) changing several deadlines. In 2021, the EPA announced that it was initiating a new rulemaking to evaluate revising the ELG rule but keeping the existing rule (as amended in 2020) in place. On March 29, 2023, the EPA proposed revisions to the ELG and sought comments, which the EPA is currently analyzing. In October 2021, NRG informed its regulators that the Company intends to comply with the ELG by ceasing combustion of coal by the end of 2028 at its domestic coal units outside of Texas, and installing appropriate controls by the end of 2025 at its two plants that have coal-fired units in Texas. On April 25, 2024, the EPA released a prepublication version of a final rule that after publication in the Federal Register will again revise the ELG by, among other things, further restricting the discharge of (i) FGD wastewater, (ii) bottom ash transport water, and (iii) combustion residual leachate. The Company expects that the rule will be subject to legal challenges in the courts and may be uncertain for several years.

Regional Environmental Developments

Ash Regulation in Illinois — On July 30, 2019, Illinois enacted legislation that required the state to promulgate regulations regarding coal ash at surface impoundments. On April 15, 2021, the state promulgated the implementing regulation, which became effective on April 21, 2021. NRG has applied for initial operating permits and has begun to apply for construction permits (for closure) closure and retrofits) as required by the regulation. regulation and is waiting for permits to be issued by the Illinois EPA.

Houston Nonattainment for 2008 Ozone Standard — During the fourth quarter of 2022, the EPA changed the Houston area's classification from Serious to Severe nonattainment for the 2008 Ozone Standard. Accordingly, Texas is required to develop a new control strategy and submit it to the EPA.

Significant Events

The following significant events have occurred during 2023 2024 as further described within this Management's Discussion and Analysis and the condensed consolidated financial statements:

Sale of the 44% equity interest in STP Capital Allocation

On November 1, 2023November 6, 2023, the Company closedexecuted Accelerated Share Repurchase agreements to repurchase a total of $950 million of NRG's outstanding common stock. The Company received shares of NRG's common stock on the previously announced salespecified settlement dates. The ASR program concluded on March 28, 2024, with total of its 44% equity interest in STP to Constellation. Proceeds18,839,372 shares received at an average price of $1.75 billion were reduced by preliminary working capital and other adjustments of $96 million, resulting in net proceeds of $1.654 billion. For further discussion, see Note 4, *Acquisitions and Dispositions*.$50.43 per share.

Vivint Smart Home Acquisition

42

On March 10, 2023April 16, 2024, the Company, completed the acquisition of Vivint Smart Home. The Company paid $12 per share, or $2.6 billion in cash. For further discussion, see Note 4, *Acquisitionsas borrower,* and *Dispositions*.

Retirement of Joliet

During the second quarter of 2022, the Company announced the planned retirement of the Joliet generating facility in 2023. On September 1, 2023, the Joliet generating facility fully retired.

Sale of Gregory

On October 2, 2023, the Company closed on the salecertain of its 100% ownershipsubsidiaries, as guarantors, entered into the Eighth Amendment with, among others, Citicorp North America, Inc., as administrative agent and as the Agent, and certain financial institutions, as lenders, which amended the Credit Agreement, in the Gregory natural gas generating facilityorder to (i) establish a new Term Loan Facility with borrowings of $875 million in Texas for $102 million.

Series A Preferred Stock

On March 9, 2023, the Company issued 650,000 shares of 10.25% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock. The proceeds, net of issuance costs, of $635 million were used to partially fund the Vivint Smart Home acquisition. For further discussion, see Note 11, *Changes in Capital Structure*.

Issuance of 2033 Senior Secured First Lien Notes

On March 9, 2023, the Company issued $740 million of aggregate principal amount and the Term Loans and (ii) make certain other modifications to the Credit Agreement as set forth therein. The proceeds from the Term Loans will be used to repay existing indebtedness of 7.000%the Company, including the Company's 3.750% senior secured first lien notes due 2033. The net proceeds2024 and a portion of $724 million, netthe purchase price for the previously announced repurchases from certain holders of issuance costs, were used to partially fund the Vivint Smart Home acquisition. Company's Convertible Senior Notes. For further discussion, see Note 9, 7, *Long-term Debt and Finance Leases.* Leases.

SaleThrough April 2024, the Company repurchased $343 million in aggregate principal amount of Astoria

On January 6, 2023, NRG closedits Convertible Senior Notes, for $603 million, which included the payment of $3 million of accrued interest, using cash on hand and a portion of the sale of land and related assetsproceeds from the Astoria site, within the East region of operations, for initial proceeds of $212 million, subject to transaction fees of $3 million Term Loans. For further discussion, see Note 7, *Long-term Debt* and *certain indemnifications. NRG recognized a gain on the sale of $199 million. As part of the transaction, NRG entered into an agreement to lease the land back for the purpose of operating the Astoria gas turbines. The lease agreement is expected to terminate by the end of the year after decommissioning is complete.*

W.A. Parish Return to Service

In May 2022, W.A. Parish Unit 8 came offline as a result of damage to the steam turbine/generator. The extended forced outage ended in September 2023 and the unit has returned to service.

Share Repurchases

In June 2023, NRG revised its long-term capital allocation policy to target allocating approximately 80% of cash available for allocation after debt reduction to be returned to shareholders. As part of the revised capital allocation framework, the Company announced an increase to its share repurchase authorization to $2.7 billion, to be executed through 2025. During the three months ended September 30, 2023, the Company completed $50 million of share repurchases at an average price of $37.82 under the $2.7 billion authorization. Through October 31, 2023, an additional $150 million of share repurchases were executed at an average price of $40.17 per share. Following the closing of the STP sale on November 1, 2023, the Company intends to execute a $950 million accelerated share repurchase program.

Dividend IncreaseFinance Leases.

In the first quarter of 2023, 2024, NRG increased the annual common stock dividend to $1.51$1.63 from $1.40$1.51 per share, representing an 8% increase from 2022. Beginning in the first quarter of 2024, NRG will increase the annual dividend by 8% to $1.63 per share. 2023. The Company expects to target an annual dividend growth rate of 7-9% per share in subsequent years.

Operations

55

Renewable Power Purchase Agreements

TheA component of the Company's strategy is to procure mid to long-term generation through power purchase agreements. As of September 30, 2023March 31, 2024, NRG has entered into Renewable PPAs totaling approximately 1.9 GW with third-party project developers and other counterparties, of which approximately 1.1 1.6 GW are operational. The average tenure of these agreements is eleven years. The Company expects to continue evaluating and executing similar agreements that support the needs of the business. The total GW procured through Renewable PPAs may be impacted by contract terminations when they occur.

Trends Affecting Results of Operations and Future Business Performance

The Company's trends are described in the Company's 2022 2023 Form 10-K in Item 7, M*anagement's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment. Environment*, except for the update below:

Load Growth — The electric industry is expected to experience a surge in demand driven primarily by new manufacturing, industrial and data center facilities (inclusive of generative artificial intelligence ("gen AI")). The EIA's 2023 Annual Energy Outlook, combined with external forecasts of gen AI, shows the potential for 500 TWh of incremental load across the U.S. through 2030, as compared to 2023. ERCOT's current long term load forecast shows peak demand increasing from 82 GW in 2024 to 87 GW in 2028. In addition to the incremental 5 GW of peak demand load, there is an expectation for significant incremental demand increases from large loads interconnecting to the grid. This load growth will require significant planning and construction of new generation and transmission.

Texas Development Priorities

NRG continues to evaluate the expansion of flexible dispatchable power plants within the ERCOT market in connection with the creation of the Texas Energy Fund, a loan program created by the Texas Legislature to finance new build of generation assets within their footprint. The Company is eligible to submit the following projects to the Texas Energy Fund to receive financing:

Facility	Fuel Type	Net Generation Capacity (MW)
Cedar Bayou 5	Natural Gas	689
Greens Bayou 6	Natural Gas	443
T.H. Wharton	Natural Gas	415
	Total	**1,547**

Changes in Accounting Standards

See Note 2, *Summary of Significant Accounting Policies*, for a discussion of recent accounting developments.

Consolidated Results of Operations

The following table provides selected financial information for the Company:

		Three months ended September 30,			Nine months ended September 30,		
(In millions)	**(In millions)**	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
(In millions)							
(In millions)							
Revenue							
Revenue							
Revenue	**Revenue**						
Retail revenue	Retail revenue	$ 7,521	$ 7,858	$ (337)	$ 20,911	$ 22,379	$ (1,468)
Retail revenue							
Retail revenue							
Energy revenue(a)							
Energy revenue(a)							
Energy revenue(a)	Energy revenue(a)	261	450	(189)	472	1,034	(562)
Capacity revenue(a)	Capacity revenue(a)	59	38	21	150	244	(94)
Capacity revenue(a)							
Capacity revenue(a)							
Mark-to-market for economic hedging activities							
Mark-to-market for economic hedging activities							

Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	(70)	33	(103)	96	(248)	344
Contract amortization	Contract amortization	(5)	(6)	1	(24)	(28)	4
Contract amortization							
Contract amortization							
Other revenues[(a)(b)]							
Other revenues[(a)(b)]							
Other revenues[(a)(b)]	Other revenues[(a)(b)]	180	137	43	411	307	104
Total revenue	Total revenue	7,946	8,510	(564)	22,016	23,688	(1,672)
Total revenue							
Total revenue							
Operating Costs and Expenses							
Operating Costs and Expenses							
Operating Costs and Expenses	**Operating Costs and Expenses**						
Cost of fuel	Cost of fuel	400	742	342	790	1,603	813
Cost of fuel							
Cost of fuel							
Purchased energy and other cost of sales[(c)]							
Purchased energy and other cost of sales[(c)]							
Purchased energy and other cost of sales[(c)]	Purchased energy and other cost of sales[(c)]	5,599	6,494	895	15,883	18,757	2,874
Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	(17)	122	139	2,029	(3,155)	(5,184)
Mark-to-market for economic hedging activities							
Mark-to-market for economic hedging activities							
Contract and emissions credit amortization[(c)]							
Contract and emissions credit amortization[(c)]							
Contract and emissions credit amortization[(c)]	Contract and emissions credit amortization[(c)]	(12)	(16)	(4)	78	87	9
Operations and maintenance	Operations and maintenance	336	359	23	1,080	1,049	(31)
Operations and maintenance							
Operations and maintenance							
Other cost of operations							
Other cost of operations							
Other cost of operations	Other cost of operations	115	101	(14)	301	278	(23)

Cost of operations (excluding depreciation and amortization shown below)	Cost of operations (excluding depreciation and amortization shown below)	6,421	7,802	1,381	20,161	18,619	(1,542)
Cost of operations (excluding depreciation and amortization shown below)							
Cost of operations (excluding depreciation and amortization shown below)							
Depreciation and amortization	Depreciation and amortization	308	145	(163)	813	485	(328)
Impairment losses		—	43	43	—	198	198
Depreciation and amortization							
Depreciation and amortization							
Selling, general and administrative costs							
Selling, general and administrative costs							
Selling, general and administrative costs	Selling, general and administrative costs	638	378	(260)	1,586	1,076	(510)
Acquisition-related transaction and integration costs	Acquisition-related transaction and integration costs	18	8	(10)	111	26	(85)
Acquisition-related transaction and integration costs							
Acquisition-related transaction and integration costs							
Total operating costs and expenses							
Total operating costs and expenses							
Total operating costs and expenses	Total operating costs and expenses	7,385	8,376	991	22,671	20,404	(2,267)
Gain on sale of assets		—	22	(22)	202	51	151
(Loss)/gain on sale of assets							
(Loss)/gain on sale of assets							
(Loss)/gain on sale of assets							
Operating Income/(Loss)							
Operating Income/(Loss)							
Operating Income/(Loss)	**Operating Income/(Loss)**	561	156	405	(453)	3,335	(3,788)
Other Income/(Expense)	**Other Income/(Expense)**						
Other Income/(Expense)							
Other Income/(Expense)							
Equity in earnings of unconsolidated affiliates							
Equity in earnings of unconsolidated affiliates							

Equity in earnings of unconsolidated affiliates	Equity in earnings of unconsolidated affiliates	6	11	(5)	16	—	16
Other income, net	Other income, net	14	21	(7)	43	33	10
Other income, net							
Other income, net							
Loss on debt extinguishment							
Loss on debt extinguishment							
Loss on debt extinguishment							
Interest expense							
Interest expense							
Interest expense	Interest expense	(173)	(105)	(68)	(472)	(313)	(159)
Total other expense	Total other expense	(153)	(73)	(80)	(413)	(280)	(133)
Total other expense							
Total other expense							
Income/(Loss) Before Income Taxes	**Income/(Loss) Before Income Taxes**	408	83	325	(866)	3,055	(3,921)
Income/(Loss) Before Income Taxes							
Income/(Loss) Before Income Taxes							
Income tax expense/(benefit)							
Income tax expense/(benefit)							
Income tax expense/(benefit)	Income tax expense/(benefit)	65	16	(49)	(182)	739	921
Net Income/(Loss)	**Net Income/(Loss)**	$ 343	$ 67	$ 276	$ (684)	$ 2,316	$ (3,000)
Net Income/(Loss)							
Net Income/(Loss)							

(a) Includes gains and losses from financially settled transactions

(b) Includes trading gains and losses and ancillary revenues

(c) Includes amortization of SO_2 and NOx credits and excludes amortization of RGGI credits

Management's discussion of the results of operations for the three months ended September 30, 2023 March 31, 2024 and 2022 2023

Electricity Prices

The following table summarizes average on peak power prices for each of the major markets in which NRG operates for the three months ended September 30, 2023 March 31, 2024 and 2022. The average on-peak power prices increased in Texas due to record loads, which were impacted by weather. East and West average on-peak power prices decreased for the three months ended September 30, 2023 as compared to the same period in 2022 as a result of lower natural gas prices. 2023:

	Average on Peak Power Price ($/MWh)				Average on Peak Power Price ($/MWh)			
	Three months ended September 30,							
	Three months ended March 31,							Three months ended March 31,
Region	Region	2023	2022	Change %	Region	2024	2023	Change %
Texas	Texas							

ERCOT - Houston(a)													
ERCOT - Houston(a)													
ERCOT - Houston(a)	ERCOT - Houston(a)	$183.49	$128.61	43	%	$	26.10	$	$	26.98	(3)	(3)	%
ERCOT - North(a)	ERCOT - North(a)	181.72	131.62	38	%	ERCOT - North(a)	25.29	26.72		26.72	(5)	(5)	%
East	East												
East													
East													
NY J/NYC(b)													
NY J/NYC(b)													
NY J/NYC(b)	NY J/NYC(b)	$ 40.86	$109.43	(63)	%	$	48.33	$	$	45.40	6	6	%
NEPOOL(b)	NEPOOL(b)	40.41	99.14	(59)	%	NEPOOL(b)	47.50	52.63		52.63	(10)	(10)	%
COMED (PJM)(b)	COMED (PJM)(b)	39.38	101.00	(61)	%	COMED (PJM)(b)	30.17	29.78		29.78	1	1	%
PJM West Hub(b)	PJM West Hub(b)	43.27	110.99	(61)	%	PJM West Hub(b)	35.76	36.49		36.49	(2)	(2)	%
West	West												
West													
West													
MISO - Louisiana Hub(b)													
MISO - Louisiana Hub(b)													
MISO - Louisiana Hub(b)	MISO - Louisiana Hub(b)	$ 38.53	$ 90.32	(57)	%	$	28.05	$	$	29.78	(6)	(6)	%
CAISO - SP15(b)	CAISO - SP15(b)	67.59	110.03	(39)	%	CAISO - SP15(b)	33.41	92.54		92.54	(64)	(64)	%

(a) Average on peak power prices based on real time settlement prices as published by the respective ISOs

(b) Average on peak power prices based on day ahead settlement prices as published by the respective ISOs

Natural Gas Prices

The following table summarizes the average Henry Hub natural gas price for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three months ended September 30,		
	2023	2022	Change %
($/MMBtu)	$ 2.55	$ 8.20	(69)%

	Three months ended March 31,		
	2024	2023	Change %
($/MMBtu)	$ 2.24	$ 3.42	(35)%

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as revenues less cost of fuel, purchased energy and other costs of sales, mark-to-market for economic hedging activities, contract and emissions credit amortization and depreciation and amortization.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as the sum of retail revenue, energy revenue, capacity revenue and other revenue, less cost of fuel, purchased energy and other cost of sales. Economic gross margin does not include mark-to-market gains or losses on economic hedging activities, contract amortization, emissions credit amortization, depreciation and amortization, operations and maintenance, or other cost of operations.

The following tables present the composition and reconciliation of gross margin and economic gross margin for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three months ended September 30, 2023

Three months ended March 31, 2024

Three months ended March 31, 2024

Three months ended March 31, 2024

($ In millions)	($ In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail revenue	Retail revenue	$3,489	$2,633	$ 922	$478	$ (1)	$7,521
Energy revenue	Energy revenue	51	152	59	—	(1)	261
Capacity revenue	Capacity revenue	—	64	(4)	—	(1)	59
Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	—	(60)	(10)	—	—	(70)
Contract amortization	Contract amortization	—	(6)	1	—	—	(5)
Other revenue(a)	Other revenue(a)	146	26	10	—	(2)	180
Total revenue	Total revenue	3,686	2,809	978	478	(5)	7,946
Cost of fuel	Cost of fuel	(300)	(64)	(36)	—	—	(400)
Purchased energy and other cost of sales(b)(c)(d)	Purchased energy and other cost of sales(b)(c)(d)	(2,359)	(2,385)	(808)	(50)	3	(5,599)
Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	(42)	244	(185)	—	—	17
Contract and emissions credit amortization	Contract and emissions credit amortization	(5)	22	(5)	—	—	12
Depreciation and amortization	Depreciation and amortization	(71)	(27)	(23)	(178)	(9)	(308)
Gross margin	**Gross margin**	**$ 909**	**$ 599**	**$ (79)**	**$250**	**$ (11)**	**$1,668**
Less: Mark-to-market for economic hedging activities, net	Less: Mark-to-market for economic hedging activities, net	(42)	184	(195)	—	—	(53)

($ In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminat

Less: Contract and emissions credit amortization, net	(5)	16	(4)	—	—	7
Less: Depreciation and amortization	(71)	(27)	(23)	(178)	(9)	(308)
Economic gross margin	**$ 1,027**	**$ 426**	**$ 143**	**$ 428**	**$ (2)**	**$ 2,022**

(a) Includes trading gains and losses and ancillary revenues

(c) Includes $1.0 billion, $69 million and $207 million of TDSP expense in Texas, East and West/Services/Other respectively

(b) Includes capacity and emissions credits

(b) Includes capacity and emissions credits

(b) Includes capacity and emissions credits

(c) Includes $753 million, $65 million and $408 million of TDSP expense in Texas, East and West/Services/Other, respectively

(d) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail sales						
Home power sales volume (GWh)	15,034	3,799	531	—	—	19,364
Business power sales volume (GWh)	12,116	13,296	2,889	—	—	28,301
Home electricity sales volume (GWh)						
Business electricity sales volume (GWh)						
Home natural gas sales volume (MDth)	—	3,438	5,064	—	—	8,502
Business natural gas sales volume (MDth)	—	351,154	39,953	—	—	391,107
Average retail Home customer count (in thousands) (a)	2,879	1,880	769	—	—	5,528

Ending retail Home customer count (in thousands)(a)	Ending retail Home customer count (in thousands) (a)	2,871	1,889	765	—	—	5,525
Average Vivint Smart Home subscriber count (in thousands)(b)	Average Vivint Smart Home subscriber count (in thousands)(b)	—	—	—	2,035	—	2,035
Ending Vivint Smart Home subscriber count (in thousands) (b)	Ending Vivint Smart Home subscriber count (in thousands) (b)	—	—	—	2,051	—	2,051
Power generation	**Power generation**						
GWh sold	GWh sold	11,918	2,837	1,726	—	—	16,481
GWh sold							
GWh sold							
GWh generated(c)	GWh generated(c)						
Coal	Coal	5,459	873	—	—	—	6,332
Coal							
Coal							
Gas	Gas	3,964	600	1,725	—	—	6,289
Nuclear		2,495	—	—	—	—	2,495
Oil							
Oil							
Oil	Oil	—	5	—	—	—	5
Renewables	Renewables	—	—	1	—	—	1
Total	Total	11,918	1,478	1,726	—	—	15,122

(a) Home customer count includes recurring residential customers, services customers and municipal aggregations

(a) Home customer count includes recurring residential customers, services customers and community choice

(a) Home customer count includes recurring residential customers, services customers and community choice

(c) Includes owne tolled generation

(b) Vivint Smart Home subscribers includes customers that also purchase other NRG products

59 46

	Three months ended September 30, 2022												
	Three months ended March 31, 2023												**T m e Ma**
($ In millions)	**($ In millions)**	**Texas**	**East**	**West/Services/Other**	**Corporate/Eliminations**	**Total**	**($ In millions)**	**Texas**	**East**	**West/Services/Other**	**Vivint Smart Home(a)**	**Corporate/Eliminations**	**To**

Retail revenue	Retail revenue	$2,999	$3,863	$ 996	$ —	$7,858
Energy revenue	Energy revenue	48	212	180	10	450
Capacity revenue	Capacity revenue	—	38	—	—	38
Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	4	32	(7)	4	33
Contract amortization	Contract amortization	—	(10)	4	—	(6)
Other revenue[a]		94	43	2	(2)	137
Other revenue[b]						
Total revenue	Total revenue	3,145	4,178	1,175	12	8,510
Cost of fuel	Cost of fuel	(489)	(140)	(113)	—	(742)
Purchased energy and other cost of sales[b][c][d]		(2,012)	(3,609)	(865)	(8)	(6,494)
Purchased energy and other cost of sales[c][d][e]						
Mark-to-market for economic hedging activities	Mark-to-market for economic hedging activities	(600)	423	59	(4)	(122)
Contract and emissions credit amortization	Contract and emissions credit amortization	(4)	29	(9)	—	16
Depreciation and amortization	Depreciation and amortization	(79)	(37)	(22)	(7)	(145)
Gross margin	**Gross margin**	**$ (39)**	**$ 844**	**$ 225**	**$ (7)**	**$1,023**
Less: Mark-to-market for economic hedging activities, net	Less: Mark-to-market for economic hedging activities, net	(596)	455	52	—	(89)
Less: Contract and emissions credit amortization, net	Less: Contract and emissions credit amortization, net	(4)	19	(5)	—	10
Less: Depreciation and amortization	Less: Depreciation and amortization	(79)	(37)	(22)	(7)	(145)
Economic gross margin	**Economic gross margin**	**$ 640**	**$ 407**	**$ 200**	**$ —**	**$1,247**

(a) Includes trading gains and losses and ancillary revenues

(b) Includes capacity and emissions credits

(c) Includes $846 million and $184 million of TDSP expense in Texas and West/Services/Other, respectively. TDSP expense in the East was immaterial due to the impact of certain provisions of the CEJA in Illinois, which took effect in June 2022

(d) Excludes depreciation and amortization shown separately

(a) Includes result of operations following the acquisition date of March 10, 2023

(b) Includes trading gains and losses and ancillary revenues

(b) Includes trading gains and losses and ancillary revenues

(b) Includes trading gains and losses and ancillary revenues

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(b) Includes trading gains and losses and ancillary revenues

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(b) Includes trading gains and losses and ancillary revenues

(b) Includes trading gains and losses and ancillary revenues

(c) Includes capacity and emissions credits

(c) Includes capacity and emissions credits

(c) Includes capacity and emissions credits

(d) Includes $647 million, $49 million and $357 million of TDSP expense in Texas, East, and West/Services/Other, respectively

(d) Includes $647 million, $49 million and $357 million of TDSP expense in Texas, East, and West/Services/Other, respectively

(d) Includes $647 million, $49 million and $357 million of TDSP expense in Texas, East, and West/Services/Other, respectively

(e) Excludes depreciation and amortization shown separately

Business Metrics

Business Metrics

Business Metrics	Business Metrics	Texas	East	West/Services/Other	Corporate/Eliminations	Total	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	To
Retail sales	**Retail sales**											
Home power sales volume (GWh)		14,053	3,838	533	—	18,424						
Business power sales volume (GWh)		11,006	12,753	3,194	—	26,953						
Home electricity sales volume (GWh)												

Home electricity sales volume (GWh)						
Home electricity sales volume (GWh)						
Business electricity sales volume (GWh)						
Home natural gas sales volume (MDth)	Home natural gas sales volume (MDth)	—	4,212	5,345	—	9,557
Business natural gas sales volume (MDth)	Business natural gas sales volume (MDth)	—	315,952	30,602	—	346,554
Average retail Home customer count (in thousands) (a)	Average retail Home customer count (in thousands) (a)	2,963	1,794	800	—	5,557
Ending retail Home customer count (in thousands) (a)	Ending retail Home customer count (in thousands) (a)	2,890	1,788	797	—	5,475
Ending Vivint Smart Home subscriber count (in thousands)(b)						
Ending Vivint Smart Home subscriber count (in thousands)(b)						
Ending Vivint Smart Home subscriber count (in thousands)(b)						
Power generation	**Power generation**					
GWh sold	GWh sold	11,921	3,291	1,858	—	17,070
GWh generated(b)						
GWh sold						
GWh sold		5,186	1,258	1,303	—	
GWh generated(c)						
Coal						
Coal						
Coal	Coal	5,448	1,532	—	—	6,980
Gas	Gas	3,960	323	1,860	—	6,143
Nuclear	Nuclear	2,513	—	—	—	2,513
Oil		—	3	—	—	3
Renewables						
Renewables						
Renewables	Renewables	—	—	2		2
Total	Total	11,921	1,858	1,862	—	15,641

(a) Home customer count includes recurring residential customers, services customers and municipal aggregations

(b) Includes owned and leased generation, excludes tolled generation and equity investments

(a) Home
customer count
includes
recurring
residential
customers,
services
customers and
community
choice

(b) Vivint Smart Home subscribers includes customers that also purchase other NRG products

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(c) Includes owned and leased generation, excludes tolled generation and equity investments

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(c) Includes owned and leased generation, excludes tolled generation and equity investments

The following table represents the weather metrics for the three months ended September 30, 2023 March 31, 2024 and 2022:

	Three months ended September 30,		
Weather Metrics	Texas	East	West/Services/Other(b)
2023			
CDDs(a)	2,039	817	1,291
HDDs(a)	—	48	4
2022			
CDDs	1,789	874	1,268
HDDs	—	54	3
10-year average			
CDDs	1,673	824	1,173
HDDs	5	52	9

2023:

	Three months ended March 31,		
Weather Metrics	Texas	East	West/Services/Other(b)
2024			
CDDs(a)	116	32	49
HDDs(a)	885	2,213	1,099
2023			
CDDs	166	54	73
HDDs	799	2,092	1,159
10-year average			
CDDs	112	42	51
HDDs	978	2,502	1,106

(a) National Oceanic and Atmospheric Administration-Climate Prediction Center - A Cooling Degree Day, or CDD, represents the number of degrees that the mean temperature for a particular day is above 65 degrees Fahrenheit in each region. A Heating Degree Day, or HDD, represents the number of degrees that the mean temperature for a particular day is below 65 degrees Fahrenheit in each region. The CDDs/HDDs for a period of time are calculated by adding the CDDs/HDDs for each day during the period

(b) The West/Services/Other weather metrics are comprised of the average of the CDD and HDD regional results for the West - California and West - South Central regions

Gross Margin and Economic Gross Margin

Gross margin increased $645 million $2.7 billion and economic gross margin increased $775 million $325 million during the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022. 2023.

The following tables describe the changes in gross margin and economic gross margin by segment:

Texas

		(In millions)
Higher Lower gross margin due to the net effect of: • increased a 14%, or $86 million increase in cost to serve the retail load, driven by higher realized power prices associated with the Company's diversified supply strategy • an increase in net revenue rates of $4.15 per MWh, or $118 million $18 million, primarily driven by changes in customer term, product and mix; and • a $225 million decrease in cost to serve the retail load, primarily driven by lower supply costs which were a result of lower realized power pricing, the diversified supply strategy and improved plant performance coupled with the 2022 impact of the W.A. Parish Unit 8 extended outage that began in May 2022 mix	$	343 (68)
Higher gross margin due to an increase in load of 1.3 1.1 TWhs, or $42 million $18 million, from weather, driven by changes in customer mix and an increase in load of 750 143 GWhs, or $7 million $5 million, driven by changes in customer mix from weather		49 23
Other		(10) 3
Increase Decrease in economic gross margin	**$**	**387** (42)
Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges		554 96
Increase Decrease in contract and emissions credit amortization		(1) 1
Decrease in depreciation and amortization		8
Increase in gross margin	**$**	**948 63**

East

		(In millions)
Lower gross margin due to a decrease in generation and capacity as a result of the Joliet and Astoria asset retirements	$	(14) (12)
Higher electric gross margin due to lower supply costs of $8.00 $6.00 per MWh, or $134 million $92 million, driven primarily by decreases in power prices, partially offset by lower net revenue rates as a result of changes in customer term, product and mix of $6.75 $1.50 per MWh, or $97 million $22 million		37 70
Lower Higher electric gross margin from decreased volume of $19 million and natural gas gross margin of $6 million due to changes an increase in customer mix count and weather change in customer mix		(7) 25
Higher gross margin due to an increase in average realized price and a decrease in supply costs at Midwest Generation		19
Lower natural gas gross margin, including the impact of transportation and storage contract optimization, resulting in lower net revenue rates from changes in customer term, product, and mix of $4.25 $1.50 per Dth, or $1.50 billion $736 million, partially offset by lower supply costs of $4.00 $1.40 per Dth, or $1.43 billion $695 million		(74) (41)
Higher Lower electric and natural gas gross margin from increased volume due to an increase in customer count and change in customer mix weather		19 (10)
Higher Lower demand response gross margin due to a reduction in capacity performance penalties resulting from Winter Storm Elliot in December 2022 lower pricing and a 200% increase in NYISO capacity pricing, partially offset by a 36% decrease in PJM capacity prices and a 7% decrease in PJM capacity volumes		21 (9)
Higher gross margin due to a decrease in supply costs at Midwest Generation, partially offset by a 43% decrease in generation volumes due to dark spread contractions		49
Lower gross margin from sales of NOx emissions credits		(13)
Other		1
Increase in economic gross margin	**$**	**19 43**
Decrease Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges		(271) 2,106
Increase Decrease in contract amortization		(3) 43
Decrease in depreciation and amortization		10 7
Decrease Increase in gross margin	**$**	**(245) 2,199**

West/Services/Other

		(In millions)
Lower gross margin primarily due to lower Services sales	$	(21)
Lower Higher electric gross margin due to higher a decrease in supply costs of $13.50 $19.00 per MWh, or $46 million $70 million, and changes in customer mix of $3 million, partially offset by higher lower revenue rates of $8.50 $8.75 per MWh, or $30 million $33 million	$	(16) 40
Higher gross margin at Cottonwood driven by spark spread expansion		12
Higher natural gas gross margin due to lower supply costs of $2.35 $1.95 per Dth, or $106 million, and changes in customer mix of $5 million $173 million, partially offset by lower revenue rates of $2.25 $1.85 per Dth, or $101 million $164 million		10 9
Lower gross margin at Cottonwood driven by lower average realized prices and a reduction in capacity performance bonus payments resulting from PJM Winter Storm Elliott in December 2022 market optimization activities		(31) (16)
Decrease Increase in economic gross margin	**$**	**(57) 45**
Decrease Increase in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges		(247) 214
Decrease in contract amortization		1 2
Decrease Increase in gross margin	**$**	**(304) 261**

Vivint Smart Home

		(In millions)
Increase due to the acquisition of Vivint Smart Home	$	428 278
Increase in economic gross margin	**$**	**428 278**
Increase in depreciation and amortization		(178) (92)
Increase in gross margin	**$**	**250 186**

Mark-to-Market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges. Total net mark-to-market results increased by $36 million $2.4 billion during the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022. 2023.

The breakdown of gains and losses included in revenues and operating costs and expenses, by segment, was as follows:

	Three months ended September 30, 2023												
	Three months ended March 31, 2024												
(In millions)	**(In millions)**		**Texas**		**East**		**West/Services/Other**		**Eliminations**		**Total**	**(In millions)**	**Texas**
												East	**West/Services/Other**
Mark-to-market results in revenue	**Mark-to-market results in revenue**											**Mark-to-market results in revenue**	
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges		$	—	$	(8)	$	20	$	(2)	$	10		
Net unrealized (losses) on open positions related to economic hedges			—		(52)		(30)		2		(80)		
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges													
Net unrealized (losses)/gains on open positions related to economic hedges													
Total mark-to-market (losses) in revenue	**Total mark-to-market (losses) in revenue**	$	—	$	(60)	$	(10)	$	—	$	(70)		
Mark-to-market results in operating costs and expenses	**Mark-to-market results in operating costs and expenses**											**Mark-to-market results in operating costs and expenses**	
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges		$	(298)	$	(142)	$	(94)	$	2	$	(532)		
Reversal of acquired (gain)/loss positions related to economic hedges			(11)		11		(6)		—		(6)		

Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges						
Reversal of acquired loss/(gain) positions related to economic hedges						
Net unrealized gains/(losses) on open positions related to economic hedges	Net unrealized gains/(losses) on open positions related to economic hedges	267	375	(85)	(2)	555
Total mark-to-market (losses)/gains in operating costs and expenses		$ (42)	$ 244	$ (185)	$ —	$ 17
Total mark-to-market gains/(losses) in operating costs and expenses						

		Three months ended September 30, 2022						Three months ended March 31, 2023				
(In millions)	**(In millions)**	**Texas**	**East**	**West/Services/Other**	**Eliminations**	**Total**	**(In millions)**	**Texas**	**East**	**West/Services/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue	**Mark-to-market results in revenue**						**Mark-to-market results in revenue**					
Reversal of previously recognized unrealized losses on settled positions related to economic hedges		$ 1	$ 12	$ 2	$ (2)	$ 13						
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges												
Reversal of acquired (gain) positions related to economic hedges	Reversal of acquired (gain) positions related to economic hedges	—	(2)	—	—	(2)						
Net unrealized gains/(losses) on open positions related to economic hedges		3	22	(9)	6	22						
Total mark-to-market gains/(losses) in revenue		$ 4	$ 32	$ (7)	$ 4	$ 33						
Net unrealized gains on open positions related to economic hedges												

Total mark-to-market gains in revenue					
Mark-to-market results in operating costs and expenses **Mark-to-market results in operating costs and expenses**					
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges	$ (191)	$ (151)	$ (60)	$ 2	$ (400)
Reversal of acquired (gain)/loss positions related to economic hedges	(16)	18	(15)	—	(13)
Net unrealized (losses)/gains on open positions related to economic hedges	(393)	556	134	(6)	291
Total mark-to-market (losses)/gains in operating costs and expenses	$ (600)	$ 423	$ 59	$ (4)	$ (122)
Mark-to-market results in operating costs and expenses					
Reversal of acquired loss/(gain) positions related to economic hedges					
Net unrealized gains/(losses) on open positions related to economic hedges					
Total mark-to-market gains/(losses) in operating costs and expenses					

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Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled. The settlement of these transactions is reflected in the same revenue or cost caption as the items being hedged.

For the three months ended September 30, 2023 March 31, 2024, the $70 million $60 million loss in revenues from economic hedge positions was driven primarily by a decrease in the value of open positions as a result of increases in PJM power prices. The $17 million gain in operating costs and expenses from economic hedge positions was driven primarily by an increase in the value of Texas and East open positions as a result of increases in ERCOT and PJM power prices, partially offset by the reversal of previously recognized unrealized gains on contracts that settled during the period.

For the three months ended September 30, 2022, the $33 million gain in revenues from economic hedge positions was driven primarily by an increase in the value of open positions due to newly executed transactions during the quarter and the reversal of previously recognized unrealized losses on contracts that settled during the period. The $122 million loss in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period and a decrease in the value of East open positions as a result of increases in PJM power prices. The $532 million gain in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized losses on contracts that settled during the period and an increase in the value of open positions in Texas and East as a result of increases in ERCOT and PJM power prices, partially offset by a decrease in the value of open positions in West/Services/Other as a result of decreases in CAISO and Canada power prices.

For the three months ended March 31, 2023, the $91 million gain in revenues from economic hedge positions was driven primarily by an increase in the value of open positions as a result of increases decreases in natural gas and power prices. The $2.0 billion loss in operating costs and expenses from economic hedge positions was driven primarily by a decrease in the value of open positions as a result of decreases in natural gas and power prices and the reversal of previously recognized unrealized gains on contracts that settled during the period.

In accordance with ASC 815, the following table represents the results of the Company's financial and physical trading of energy commodities for the three months ended September 30, 2023 March 31, 2024 and 2022. 2023. The realized and unrealized financial and physical trading results are included in revenue. The Company's trading activities are subject to limits based on the Company's Risk Management Policy.

		Three months ended September 30,			Three months ended March 31,	
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Trading gains/(losses)	**Trading gains/(losses)**					
Realized	Realized	$ 7	$ 1			
Realized						
Realized						
Unrealized	Unrealized	(1)	9			
Total trading gains	Total trading gains	$ 6	$10			

Operations and Maintenance Expense

Operations and maintenance expense is comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Eliminations	Total
Three months ended September 30, 2023	$ 132	$ 93	$ 55	$ 57	$ (1)	$ 336
Three months ended September 30, 2022	214	90	55	—	—	359

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Eliminations	Total
Three months ended March 31, 2024	$ 186	$ 78	$ 52	$ 54	$ —	$ 370
Three months ended March 31, 2023	218	79	71	18	(1)	385

(a) Includes result of operations following the acquisition date of March 10, 2023

Operations and maintenance expense decreased by $23 million $15 million for the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022, 2023, due to the following:

	(In millions)
Decrease primarily due to the sale of STP in November 2023	$ (44)
Decrease driven by a reduction in deactivation expenditures primarily in the East	(8)
Increase due to the acquisition of Vivint Smart Home in March 2023	$ 36 57
Decrease due to partial property insurance claims in 2023 for the extended outage at W.A. Parish, as well as restoration expenses incurred in 2022	(76)
Decrease Increase in major maintenance expenditures primarily associated with the scope and duration of outages at the Texas coal facilities, partially offset by the timing of planned outages at STP Cottonwood	(11) 5
Increase in retail operation costs driven by higher personnel costs Other	7 (4)
Decrease in operations and maintenance expense	$ (23) (15)

Other Cost of Operations

Other cost of operations is comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Total
Three months ended September 30, 2023	$ 78	$ 33	$ 3	$ 1	$ 115
Three months ended September 30, 2022	59	38	4	—	101

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Total
Three months ended March 31, 2024	$ 50	$ 32	$ 3	$ 2	$ 87

Three months ended March 31, 2023	49	32	4	—	85

(a) Includes result of operations following the acquisition date of March 10, 2023

Other cost of operations for the three months ended September 30, 2023 March 31, 2024 increased by $14 million $2 million, when compared to the same period in 2022, 2023, due to the following:

		(In millions)
Increase in retail gross receipt taxes due to higher revenues in Texas partially offset by lower revenues in the East	$	6
Increase primarily due to changes in ARO cost estimates at Midwest Generation		5
Increase Decrease due to the sale of STP in property insurance premiums and property taxes November 2023		(5)
Other		2
Other		1
Increase in other cost of operations	$	14 2

Depreciation and Amortization

Depreciation and amortization are comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate	Total
Three months ended September 30, 2023	$ 71	$ 27	$ 23	$ 178	$ 9	$ 308
Three months ended September 30, 2022	79	37	22	—	7	145

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate	Total
Three months ended March 31, 2024	$ 67	$ 23	$ 24	$ 144	$ 10	$ 268
Three months ended March 31, 2023	75	30	24	52	9	190

(a) Includes result of operations following the acquisition date of March 10, 2023

Depreciation and amortization increased by $163 $78 million for the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022, 2023, primarily due to higher amortization of intangible assets due to the acquisition of Vivint Smart Home in March 2023.

Impairment Losses

Impairment losses of $43 million were recorded during the three months ended September 30, 2022 primarily related to the purchase and sale agreement for the sale of the land and related assets at the Astoria generating site and planned withdrawal and cancellation of its proposed Astoria redevelopment project. For further discussion, see Note 8, *Impairments*.

Selling, General and Administrative Costs

Selling, general and administrative costs are comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/ Eliminations	Total
Three months ended September 30, 2023	$ 237	$ 156	$ 66	$ 172	$ 7	$ 638
Three months ended September 30, 2022	190	115	65	—	8	378

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate	Total
Three months ended March 31, 2024	$ 194	$ 160	$ 55	$ 166	$ 16	$ 591
Three months ended March 31, 2023	170	149	51	50	6	426

(a) Includes result of operations following the acquisition date of March 10, 2023

Selling, general and administrative costs increased by $260 million $165 million for the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022, 2023, due to the following:

		(In millions)
Increase due to the acquisition of Vivint Smart Home in March 2023	$	172 104
Increase in provision for credit losses due to higher Home retail revenues and deteriorated customer payment behavior primarily in Texas		24 31
Increase in marketing and media expenses		22
Increase in broker fee and commission expenses		18 19
Increase in marketing and media expenses		14
Increase in personnel costs		8
Decrease due to the sale of STP in November 2023		(3)
Other		(9) (8)
Increase in selling, general and administrative costs	$	260 165

Acquisition-Related Transaction and Integration Costs

Acquisition-related transaction and integration costs of $18 million were incurred during $9 million and $71 million for the three months ended September 30, 2023, which consisted of $16 million of integration costs primarily related to Direct Energy March 31, 2024 and $2 million of integration costs related to Vivint Smart Home . 2023, respectively, include:

Acquisition-related transaction and integration costs of $8 million were incurred during the three months ended September 30, 2022, which are comprised primarily of integration costs related to Direct Energy.

	As of March 31,	
(In millions)	2024	2023
Vivint Smart Home integration costs	$ 8	$ 30
Vivint Smart Home acquisition costs	—	36
Other integration costs, primarily related to Direct Energy	1	5
Acquisition-related transaction and integration costs	$ 9	$ 71

(Loss)/Gain on Sale of Assets

The gain on sale of assets of $22 million $199 million for the three months ended September 30, 2022 March 31, 2023 was due related to the sale of land and related assets from the Company's 50% ownership interest in Petra Nova. Astoria site.

Interest Expense

Interest expense 53

Other Income, Net

Other income, net increased by $68 $14 million for the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022, 2023, primarily due to a reduction of $12 million related to an indemnity.

Loss on Debt Extinguishment

A loss on debt extinguishment of $58 million was recorded for the Vivint Smart Home acquisition including three months ended March 31, 2024, driven by the impact repurchase of newly issued portion of the Convertible Senior Secured First Lien Notes, acquired debt of Vivint Smart Home as further discussed in Note 7, *Long-term Debt and borrowings on the Revolving Credit Facility. Finance Leases.*

Income Tax Expense Expense/(Benefit)

For the three months ended September 30, 2023 March 31, 2024, income tax expense of $65 million $184 million was recorded on pre-tax income of $408 million $695 million. For the same period in 2022, 2023, an income tax expense benefit of $16 million $336 million was recorded on a pre-tax income loss of $83 million $1.7 billion. The effective tax rates were 15.9% 26.5% and 19.3% 20.1% for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

65

For the three months ended September 30, 2023 March 31, 2024, the effective tax rate was higher than the statutory rate of 21% primarily due to the state tax expense. For the same period in 2023, the effective tax rate was lower than the statutory rate of 21% primarily due to a decrease in current state tax expense resulting from a decrease in and permanent differences which when applied to year-to-date financial statement losses. For losses have an inverted effect and reduce the same period in 2022, the overall effective income tax rate was lower than the statutory rate of 21% primarily due to the benefit resulting from carbon capture tax credits and the reduction in statutory state tax rates.

Management's discussion of the results of operations for the nine months ended September 30, 2023 and 2022

Electricity Prices

The following table summarizes average on peak power prices for each of the major markets in which NRG operates for the nine months ended September 30, 2023 and 2022. Texas - Houston, East and West average on-peak power prices decreased for the nine months ended September 30, 2023 as compared to the same period in 2022 as a result of lower natural gas prices.

	Average on Peak Power Price ($/MWh)		
	Nine months ended September 30,		
Region	2023	2022	Change %
Texas			
ERCOT - Houston (a)	$ 89.00	$ 101.20	(12)%
ERCOT - North(a)	87.49	85.68	2 %
East			
NY J/NYC(b)	$ 39.43	$ 98.34	(60)%
NEPOOL(b)	41.87	96.30	(57)%
COMED (PJM)(b)	33.05	76.82	(57)%
PJM West Hub(b)	38.39	87.44	(56)%
West			
MISO - Louisiana Hub(b)	$ 34.54	$ 75.26	(54)%
CAISO - SP15(b)	63.38	71.86	(12)%

(a) Average on peak power prices based on real time settlement prices as published by the respective ISOs
(b) Average on peak power prices based on day ahead settlement prices as published by the respective ISOs

Natural Gas Prices

The following table summarizes the average Henry Hub natural gas price for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,		
	2023	2022	Change %
($/MMBtu)	$ 2.69	$ 6.77	(60)%

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as revenues less cost of fuel, purchased energy and other costs of sales, mark-to-market for economic hedging activities, contract and emissions credit amortization and depreciation and amortization.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company's presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as the sum of energy revenue, capacity revenue, retail revenue and other revenue, less cost of fuel, purchased energy and other cost of sales. Economic gross margin does not include mark-to-market gains or losses on economic hedging activities, contract and emissions credit amortization, depreciation and amortization, operations and maintenance, or other cost of operations.

The following tables present the composition and reconciliation of gross margin and economic gross margin for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30, 2023

($ In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate/Eliminations	Total
Retail revenue	$ 7,842	$ 9,007	$ 2,993	$ 1,070	$ (1)	$ 20,911
Energy revenue	71	254	147	—	—	472
Capacity revenue	—	154	(3)	—	(1)	150
Mark-to-market for economic hedging activities	—	27	80	—	(11)	96
Contract amortization	—	(24)	—	—	—	(24)
Other revenue(b)	322	70	27	—	(8)	411
Total revenue	8,235	9,488	3,244	1,070	(21)	22,016
Cost of fuel	(596)	(102)	(92)	—	—	(790)
Purchased energy and other cost of sales(c)(d)(e)	(5,017)	(8,091)	(2,679)	(102)	6	(15,883)
Mark-to-market for economic hedging activities	421	(1,750)	(711)	—	11	(2,029)
Contract and emissions credit amortization	(9)	(59)	(10)	—	—	(78)
Depreciation and amortization	(219)	(87)	(70)	$ (410)	(27)	(813)
Gross margin	**$ 2,815**	**$ (601)**	**$ (318)**	**$ 558**	**$ (31)**	**$ 2,423**
Less: Mark-to-market for economic hedging activities, net	421	(1,723)	(631)	—	—	(1,933)
Less: Contract and emissions credit amortization, net	(9)	(83)	(10)	—	—	(102)
Less: Depreciation and amortization	(219)	(87)	(70)	(410)	(27)	(813)
Economic gross margin	**$ 2,622**	**$ 1,292**	**$ 393**	**$ 968**	**$ (4)**	**$ 5,271**

(a) Includes results of operations following the acquisition date of March 10, 2023

(b) Includes trading gains and losses and ancillary revenues

(c) Includes capacity and emissions credits

(d) Includes $2.4 billion, $174 million and $806 million of TDSP expense in Texas, East, and West/Services/Other, respectively

(e) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Services/Other	Vivint Smart Home	Corporate/Eliminations	Total
Retail sales						
Home electricity sales volume (GWh)	32,447	9,667	1,676	—	—	43,790
Business electricity sales volume (GWh)	30,712	35,138	7,564	—	—	73,414
Home natural gas sales volume (MDth)	—	33,549	53,379	—	—	86,928
Business natural gas sales volume (MDth)	—	1,174,282	133,011	—	—	1,307,293
Average retail Home customer count (in thousands)(a)	2,872	1,834	777	—	—	5,483
Ending retail Home customer count (in thousands)(a)	2,871	1,889	765	—	—	5,525
Average Vivint Smart Home subscriber count (in thousands)(b)	—	—	—	1,991	—	1,991
Ending Vivint Smart Home subscriber count (in thousands)(b)	—	—	—	2,051	—	2,051
Power generation						
GWh sold	24,612	4,719	4,595	—	—	33,926
GWh generated(c)						
Coal	11,230	1,239	—	—	—	12,469
Gas	6,374	685	4,592	—	—	11,651
Nuclear	7,008	—	—	—	—	7,008
Oil	—	4	—	—	—	4
Renewables	—	—	3	—	—	3
Total	24,612	1,928	4,595	—	—	31,135

(a) Home customer count includes recurring residential customers, services customers and municipal aggregations

(b) Vivint Smart Home subscribers includes customers that also purchase other NRG products

(c) Includes owned and leased generation, excludes tolled generation and equity investments

Nine months ended September 30, 2022

($ In millions)	Texas	East	West/Services/Other	Corporate/Eliminations	Total
Retail revenue	$ 7,510	$ 11,784	$ 3,086	$ (1)	$ 22,379
Energy revenue	101	544	365	24	1,034
Capacity revenue	—	242	2	—	244
Mark-to-market for economic hedging activities	1	(204)	(63)	18	(248)
Contract amortization	—	(30)	2	—	(28)
Other revenue(a)	245	71	3	(12)	307
Total revenue	7,857	12,407	3,395	29	23,688
Cost of fuel	(1,018)	(315)	(270)	—	(1,603)
Purchased energy and other cost of sales(b)(c)(d)	(4,979)	(11,040)	(2,725)	(13)	(18,757)
Mark-to-market for economic hedging activities	662	2,241	270	(18)	3,155
Contract and emissions credit amortization	—	(73)	(14)	—	(87)
Depreciation and amortization	(233)	(164)	(65)	(23)	(485)
Gross margin	**$ 2,289**	**$ 3,056**	**$ 591**	**$ (25)**	**$ 5,911**
Less: Mark-to-market for economic hedging activities, net	663	2,037	207	—	2,907
Less: Contract and emissions credit amortization, net	—	(103)	(12)	—	(115)
Less: Depreciation and amortization	(233)	(164)	(65)	(23)	(485)
Economic gross margin	**$ 1,859**	**$ 1,286**	**$ 461**	**$ (2)**	**$ 3,604**

(a) Includes trading gains and losses and ancillary revenues

(b) Includes capacity and emissions credits

(c) Includes $2.3 billion, $106 million and $848 million of TDSP expense in Texas, East and West/Services/Other, respectively

(d) Excludes depreciation and amortization shown separately

Business Metrics	Texas	East	West/Services/Other	Corporate/Eliminations	Total
Retail sales					
Home electricity sales volume (GWh)	34,879	10,298	1,629	—	46,806
Business electricity sales volume (GWh)	29,859	37,110	7,753	—	74,722
Home natural gas sales volume (MDth)	—	35,423	58,963	—	94,386
Business natural gas sales volume (MDth)	—	1,190,382	110,396	—	1,300,778
Average retail Home customer count (in thousands)(a)	2,992	1,785	802	—	5,579
Ending retail Home customer count (in thousands)(a)	2,890	1,788	797	—	5,475
Power generation					
GWh sold	29,976	9,118	5,230	—	44,324
GWh generated(b)					
Coal	14,765	5,361	—	—	20,126
Gas	7,628	475	5,236	—	13,339
Nuclear	7,583	—	—	—	7,583
Oil	—	2	—	—	2
Renewables	—	—	7	—	7
Total	29,976	5,838	5,243	—	41,057

(a) Home customer count includes recurring residential customers, services customers and municipal aggregations

(b) Includes owned and leased generation, excludes tolled generation and equity investments

The following table represents the weather metrics for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30,		
Weather Metrics	Texas	East	West/Services/Other(b)
2023			
CDDs(a)	3,183	1,144	1,866

HDDs(a)	856	2,619	1,417
2022			
CDDs	3,141	1,267	1,974
HDDs	1,202	2,944	1,347
10-year average			
CDDs	2,761	1,220	1,776
HDDs	1,050	3,124	1,290

(a) National Oceanic and Atmospheric Administration-Climate Prediction Center - A Cooling Degree Day, or CDD, represents the number of degrees that the mean temperature for a particular day is above 65 degrees Fahrenheit in each region. A Heating Degree Day, or HDD, represents the number of degrees that the mean temperature for a particular day is below 65 degrees Fahrenheit in each region. The CDDs/HDDs for a period of time are calculated by adding the CDDs/HDDs for each day during the period

(b) The West/Services/Other weather metrics are comprised of the average of the CDD and HDD regional results for the West-California and West-South Central regions rate.

Gross Margin and Economic Gross Margin

Gross margin decreased $3.5 billion and economic gross margin increased $1.7 billion, both of which include intercompany sales, during the nine months ended September 30, 2023, compared to the same period in 2022.

The following tables describe the changes in gross margin and economic gross margin by segment:

Texas

	(In millions)
Higher gross margin due to the net effect of: • increased net revenue rates of $6.00 per MWh, or $435 million, primarily driven by changes in customer term, product and mix; and • a $418 million decrease in cost to serve the retail load, primarily driven by lower supply costs which were a result of lower realized power pricing, the diversified supply strategy and improved plant performance coupled with the 2022 impact of the W.A. Parish Unit 8 extended outage that began in May 2022	$ 853
Lower gross margin due to a decrease in load of 675 GWhs, or $74 million, driven by attrition and changes in customer mix, and a decrease in load of 905 GWhs, or $36 million, from weather	(110)
Higher gross margin due to market optimization activities	34
Other	(14)
Increase in economic gross margin	**$ 763**
Decrease in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges	(242)
Increase in contract and emissions credit amortization	(9)
Decrease in depreciation and amortization	14
Increase in gross margin	**$ 526**

East

		(In millions)
Lower gross margin due to a decrease in generation and capacity as a result of asset retirements	$	(97)
Higher electric gross margin due to higher net revenue rates as a result of changes in customer term, product and mix of $3.25 per MWh, or $144 million, as well as lower supply costs of $1.25 per MWh, or $61 million, driven primarily by decreases in power prices		205
Lower electric gross margin due to attrition, changes in customer mix, and weather		(24)
Lower natural gas gross margin, including the impact of transportation and storage contract optimization, resulting in lower net revenue rates from changes in customer term, product and mix of $2.25 per Dth, or $2.69 billion, partially offset by lower supply costs of $2.20 per Dth, or $2.62 billion, driven primarily by decrease in gas costs		(74)
Lower natural gas gross margin from a decrease in volumes due to weather and changes in customer mix		(8)
Lower gross margin primarily due to a 56% decrease in PJM capacity prices and a 20% decrease in PJM capacity volumes, partially offset by a reduction in capacity performance penalties resulting from Winter Storm Elliot in December 2022, and a 94% increase in NYISO capacity pricing		(23)
Higher gross margin due to a decrease in supply costs at Midwest Generation, offset by lower gross margin as a result of a 68% decrease in generation volumes due to dark spread contractions		46
Lower gross margin from sales of NOx emissions credits		(17)
Lower gross margin from market optimization activities		(3)
Other		1
Increase in economic gross margin	**$**	**6**
Decrease in mark-to-market for economic hedging primarily due to net unrealized gains/losses on open positions related to economic hedges		(3,760)
Decrease in contract amortization		20
Decrease in depreciation and amortization		77
Decrease in gross margin	**$**	**(3,657)**

West/Services/Other

		(In millions)
Lower gross margin primarily due to lower Services sales	$	(40)
Lower electric gross margin due to an increase in supply costs of $17.75 per MWh, or $165 million, partially offset by higher revenue rates of $13.50 per MWh, or $126 million, and changes in customer mix of $9 million		(30)
Higher natural gas gross margin due to a decrease in supply costs, of $119 million, and changes in customer mix of $7 million, partially offset by lower revenue rates, of $121 million		5
Lower gross margin at Cottonwood driven by current year planned outage and a reduction in capacity performance bonus payment resulting from PJM Winter Storm Elliott in December 2022		(16)
Higher gross margin from market optimization activities		14
Other		(1)
Decrease in economic gross margin	**$**	**(68)**
Decrease in mark-to-market for economic hedges primarily due to net unrealized gains/losses on open positions related to economic hedges		(838)
Decrease in contract amortization		2
Increase in depreciation and amortization		(5)
Decrease in gross margin	**$**	**(909)**

Vivint Smart Home(a)

		(In millions)
Increase due to the acquisition of Vivint Smart Home	$	968
Increase in economic gross margin	**$**	**968**
Increase in depreciation and amortization		(410)
Increase in gross margin	**$**	**558**

(a) Includes results of operations following the acquisition date of March 10, 2023

Mark-to-Market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges. Total net mark-to-market results decreased by $4.8 billion during the nine months ended September 30, 2023, compared to the same period in 2022.

The breakdown of gains and losses included in revenues and operating costs and expenses by segment was as follows:

	Nine months ended September 30, 2023				
(In millions)	**Texas**	**East**	**West/Services/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$ —	$ (23)	$ 46	$ (8)	$ 15
Reversal of acquired (gain) positions related to economic hedges	—	(1)	—	—	(1)
Net unrealized gains on open positions related to economic hedges	—	51	34	(3)	82
Total mark-to-market gains in revenue	$ —	$ 27	$ 80	$ (11)	$ 96
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges	$ (416)	$ (697)	$ (429)	$ 8	$ (1,534)
Reversal of acquired loss/(gain) positions related to economic hedges	7	3	(5)	—	5
Net unrealized gains/(losses) on open positions related to economic hedges	830	(1,056)	(277)	3	(500)
Total mark-to-market gains/(losses) in operating costs and expenses	$ 421	$ (1,750)	$ (711)	$ 11	$ (2,029)

	Nine months ended September 30, 2022				
(In millions)	**Texas**	**East**	**West/Services/Other**	**Eliminations**	**Total**
Mark-to-market results in revenue					
Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges	$ 2	$ (9)	$ 38	$ (6)	$ 25
Reversal of acquired (gain) positions related to economic hedges	—	(1)	—	—	(1)
Net unrealized (losses) on open positions related to economic hedges	(1)	(194)	(101)	24	(272)
Total mark-to-market gains/(losses) in revenue	$ 1	$ (204)	$ (63)	$ 18	$ (248)
Mark-to-market results in operating costs and expenses					
Reversal of previously recognized unrealized (gains) on settled positions related to economic hedges	$ (336)	$ (547)	$ (140)	$ 6	$ (1,017)
Reversal of acquired loss/(gain) positions related to economic hedges	15	(25)	(16)	—	(26)
Net unrealized gains on open positions related to economic hedges	983	2,813	426	(24)	4,198
Total mark-to-market gains in operating costs and expenses	$ 662	$ 2,241	$ 270	$ (18)	$ 3,155

Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled. The settlement of these transactions is reflected in the same revenue or cost caption as the items being hedged.

For the nine months ended September 30, 2023, the $96 million gain in revenues from economic hedge positions was driven by an increase in the value of open positions as a result of decreases in power prices. The $2.0 billion loss in operating costs and expenses from economic hedge positions was driven primarily by the reversal of previously recognized unrealized gains on contracts that settled during the period, as well as a decrease in the value of East and West/Other open positions as a result of decreases in natural gas and power prices. This was partially offset by an increase in the value of Texas open positions as a result of increases in ERCOT power prices.

For the nine months ended September 30, 2022, the $248 million loss in revenues from economic hedge positions was driven by a decrease in the value of open positions as a result of increases in power prices across all segments, partially offset by the reversal of previously recognized unrealized losses on contracts that settled during the period. The $3.2 billion gain in operating costs and expenses from economic hedge positions was driven primarily by an increase in the value of open positions as a result of increases in natural gas and power prices across all segments, partially offset by the reversal of previously recognized unrealized gains on contracts that settled during the period.

In accordance with ASC 815, the following table represents the results of the Company's financial and physical trading of energy commodities for the nine months ended September 30, 2023 and 2022. The realized and unrealized financial and physical trading results are included in revenue. The Company's trading activities are subject to limits based on the Company's Risk Management Policy.

	Nine months ended September 30,	
(In millions)	**2023**	**2022**
Trading gains/(losses)		

Realized	$ 4	$ 3
Unrealized	24	(7)
Total trading gains/(losses)	$ 28	$ (4)

Operations and Maintenance Expense

Operations and maintenance expense are comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Eliminations	Total
Nine months ended September 30, 2023	$ 513	$ 262	$ 179	$ 129	$ (3)	$ 1,080
Nine months ended September 30, 2022	598	304	149	—	(2)	1,049

(a) Includes results of operations following the acquisition date of March 10, 2023

Operations and maintenance expense increased by $31 million for the nine months ended September 30, 2023, compared to the same period in 2022, due to the following:

	(In millions)
Increase due to the acquisition of Vivint Smart Home	$ 129
Increase in major maintenance expenditures primarily associated with the timing of planned outages at STP and the scope and duration of outages at Texas gas facilities, Midwest Generation and Cottonwood	56
Increase in retail operations costs driven by higher personnel costs	20
Decrease due to the current year partial property insurance claim for the extended outage at W.A. Parish, as well as restoration expenses incurred in 2022	(119)
Decrease due to changes in estimates of environmental remediation costs at deactivated sites in the East in 2022	(24)
Decrease in variable operation and maintenance expense due to a reduction in PJM generation volumes in 2023	(17)
Decrease driven primarily by East asset retirements partially offset by an increase in deactivation costs in the West	(15)
Other	1
Increase in operations and maintenance expense	$ 31

Other Cost of Operations

Other Cost of operations are comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Total
Nine months ended September 30, 2023	$ 190	$ 98	$ 11	$ 2	$ 301
Nine months ended September 30, 2022	153	113	12	—	278

(a) Includes results of operations following the acquisition date of March 10, 2023

Other cost of operations increased by $23 million for the nine months ended September 30, 2023, compared to the same period in 2022, due to the following:

	(In millions)
Increase in property insurance premiums and property taxes	$ 22
Increase in retail gross receipt taxes due to higher revenues in Texas offset by lower revenues in the East	1
Decrease due to changes in timing of ARO estimates	(6)
Other	6
Increase in other cost of operations	$ 23

Depreciation and Amortization

Depreciation and amortization expenses are comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate	Total
Nine months ended September 30, 2023	$ 219	$ 87	$ 70	$ 410	$ 27	$ 813

Nine months ended September 30, 2022	233	164	65	—	23	485

(a) Includes results of operations following the acquisition date of March 10, 2023

Depreciation and amortization increased by $328 million for the nine months ended September 30, 2023, compared to the same period in 2022, primarily due to higher amortization of intangible assets due to the acquisition of Vivint Smart Home in March 2023, partially offset by lower depreciation at Midwest Generation as a result of asset impairments and retirements in 2022.

Impairment Losses

Impairment losses of $198 million recorded during the nine months ended September 30, 2022 include $155 million primarily related to the decline in PJM capacity prices and the near-term retirement date of Joliet and $43 million primarily related to the purchase and sale agreement for the sale of the land and related assets at the Astoria generating site and the planned withdrawal and cancellation of its proposed Astoria redevelopment project. For further discussion, see Note 8, *Impairments*.

Selling, General and Administrative Costs

Selling, general and administrative costs comprised of the following:

(In millions)	Texas	East	West/Services/Other	Vivint Smart Home(a)	Corporate/Eliminations	Total
Nine months ended September 30, 2023	$ 580	$ 441	$ 171	$ 375	$ 19	$ 1,586
Nine months ended September 30, 2022	500	362	180	—	34	1,076

(a) Includes results of operations following the acquisition date of March 10, 2023

Total selling, general and administrative costs increased by $510 million for the nine months ended September 30, 2023, compared to the same period in 2022, due to the following:

	(In millions)
Increase due to the Vivint Smart Home acquisition	$ 375
Increase in personnel costs	66
Increase in higher provision for credit losses	42
Increase in broker fee and commissions expenses	36
Increase in marketing and media expenses	14
Decrease in consulting and legal expenses	(12)
Other	(11)
Increase in selling, general and administrative costs	$ 510

74

Acquisition-Related Transaction and Integration Costs

Acquisition-related transaction and integration costs were $111 million for the nine months ended September 30, 2023, which consisted of $38 million of acquisition costs and $46 million of integration costs related to Vivint Smart Home, as well as $27 million of integration costs primarily related to Direct Energy. Acquisition-related transaction and integration costs were $26 million for the nine months ended September 30, 2022, which were primarily integration costs related to Direct Energy.

Gain on Sale of Assets

The gain on sale of assets of $202 million and $51 million for the nine months ended September 30, 2023 and 2022, respectively, included the following:

	Nine months ended September 30,	
(In millions)	2023	2022
Sale of Astoria Turbines in January 2023	$ 199	$ —
Sale of the Company's 49% ownership in the Watson natural gas generating facility	—	46
Sale of the Company's 50% ownership in Petra Nova	—	22
Other asset sales	3	(17)
Gain on sale of assets	$ 202	$ 51

Other Income, Net

Other income, net increased by $10 million in the nine months ended September 30, 2023, compared to the same period in 2022, primarily driven by higher interest income.

Interest Expense

Interest expense increased by $159 million for the nine months ended September 30, 2023, compared to the same period in 2022, primarily due to the Vivint Smart Home acquisition including the impact of newly issued Senior Secured First Lien Notes, acquired debt of Vivint Smart Home, borrowings on the Revolving Credit Facility and the

Receivables Securitization Facilities, as well as the write-off of the deferred financing costs associated with the cancellation of the bridge facility for the Vivint Smart Home acquisition.

Income Tax (Benefit)/Expense

For the nine months ended September 30, 2023, an income tax benefit of $182 million was recorded on a pre-tax loss of $866 million. For the same period in 2022, income tax expense of $739 million was recorded on pre-tax income of $3.1 billion. The effective tax rates were 21.0% and 24.2% for the nine months ended September 30, 2023 and 2022, respectively.

For the nine months ended September 30, 2023, NRG's effective tax rate approximated the statutory rate of 21%, which includes the impact of state and foreign taxes. For the same period in 2022, NRG's overall effective tax rate was higher than the statutory rate of 21%, primarily due to state tax expense, partially offset by the tax benefit resulting from the release of the valuation allowance on state net operating losses and carbon capture tax credits.

Liquidity and Capital Resources

Liquidity Position

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, NRG's total liquidity, excluding funds deposited by counterparties, of approximately $4.1 billion and $2.8 billion $4.8 billion, respectively, was comprised of the following:

(In millions)	(In millions)	September 30, 2023	December 31, 2022	(In millions)	March 31, 2024	December 31, 2023
Cash and cash equivalents	Cash and cash equivalents	$ 401	$ 430			
Restricted cash - operating	Restricted cash - operating	3	5			
Restricted cash - reserves		8	35			
Restricted cash - reserves(a)						
Total	Total	412	470			
Total availability under Revolving Credit Facility and collective collateral facilities(a)		3,723	2,324			
Total availability under Revolving Credit Facility and collective collateral facilities(b)						
Total liquidity, excluding funds deposited by counterparties	Total liquidity, excluding funds deposited by counterparties	$ 4,135	$ 2,794			

(a) Includes reserves primarily for debt service, performance obligations and capital expenditures

(b) Total capacity of Revolving Credit Facility and collective collateral facilities was $7.5 billion and $6.4 billion $7.4 billion as of September 30, 2023 March 31, 2024 and December 31, 2022, respectively December 31, 2023

For the nine three months ended September 30, 2023 March 31, 2024, total liquidity, excluding funds deposited by counterparties, increased decreased by $1.3 billion. $49 million. Changes in cash and cash equivalent balances are further discussed hereinafter under the heading *Cash Flow Discussion*. Cash and cash equivalents at September 30, 2023 March 31, 2024 were predominantly held in bank deposits.

Management believes that the Company's liquidity position and cash flows from operations will be adequate to finance operating and maintenance capital expenditures, to fund dividends, and to fund other liquidity commitments in the short and long-term. Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activity within the dictates of prudent balance sheet management.

The Company remains committed to maintaining a strong balance sheet and continues to work to achieve investment grade credit metrics over time primarily through debt reduction and the realization of growth initiatives.

Credit Ratings

On March 1, 2023March 18, 2024, following the Vivint Smart Home acquisition financing launch, Standard and Poor's downgraded ("S&P") affirmed the Company's issuer credit to rating of BB with a Stable and changed the rating outlook from BB+. There was no change Stable to Moody's and Fitch ratings at the time. Positive.

Liquidity

The principal sources of liquidity for NRG's future operating and maintenance capital expenditures are expected to be derived from cash on hand, cash flows from operations and financing arrangements. As described in Note 9, 7, *Long-term Debt and Finance Leases*, to this Form 10-Q, the Company's financing arrangements consist mainly of the Senior Notes, Convertible Senior Notes, Senior Secured First Lien Notes, Revolving Credit Facility, Term Loan Facility, the Receivables Securitization Facilities and tax-exempt bonds. The Company also issues letters of credit through bilateral letter of credit facilities and the P-Caps letter of credit facility. As part of the acquisition of Vivint Smart Home on March 10, 2023, NRG acquired Vivint Smart Home's Vivint's existing debt, which includes senior secured notes, senior notes and a senior secured term-loan.

54

The Company's requirements for liquidity and capital resources, other than for operating its facilities, can generally be categorized by the following: (i) market operations activities; (ii) debt service obligations, as described in Note 9, 7, *Long-term Debt and Finance Leases;* (iii) capital expenditures, including maintenance, repowering, development, environmental, and environmental; investments and integration; and (iv) allocations in connection with acquisition opportunities, debt repayments, share repurchases and dividend payments to stockholders, as described in Note 11, 9, *Changes in Capital Structure*.

Sale of Gregory Senior Credit Facility

On October 2, 2023 April 16, 2024, the Company, closed on the sale as borrower, and certain of its 100% ownership subsidiaries, as guarantors, entered into the Eighth Amendment with, among others, Citicorp North America, Inc., as administrative agent and as the Agent, and certain financial institutions, as lenders, which amended the Credit Agreement, in order to (i) establish a new Term Loan Facility with borrowings of $875 million in aggregate principal amount and the Term Loans and (ii) make certain other modifications to the Credit Agreement as set forth therein. The proceeds from the Term Loans were used to repay a portion of the Company's Convertible Senior notes and will be used to repay the Company's 3.750% senior secured first lien notes due 2024.

At the Company's election, the Term Loans will bear interest at a rate per annum equal to either (1) a fluctuating rate equal to the highest of (A) the rate published by the Federal Reserve Bank of New York in effect on such day, plus 0.50% (B) the rate of interest per annum publicly announced from time to time by The Wall Street Journal as the "Prime Rate" in the Gregory natural gas generating facility United States, and (C) a rate of one-month Term SOFR (as defined in Texas the Term Loan Facility), plus 1.00%, or (2) Term SOFR (as defined in the Term Loan Facility and which rate will not be less than 0%) for $102 million.

Sale of a one-, three- or six-month interest period or such other period as agreed to by the 44% equity interest in STP Agent and the lenders, as selected by the Company, plus 2.00%.

On November 1, 2023 April 22, 2024, the Company, closed on the previously announced sale as borrower, and certain of its 44% equity interest in STP subsidiaries, as guarantors, entered into the Ninth Amendment to Constellation. Proceeds of $1.75 billion were reduced by preliminary working capital and other adjustments of $96 million, resulting in net proceeds of $1.654 billion. For further discussion, see Note 4, *Acquisitions and Dispositions*.

Debt Reduction

The Company plans to reduce debt by $900 million during 2023 as part of its plan to achieve target investment-grade credit metrics, and intends to fund the reduction from cash from operations. NRG plans an additional $500 million of debt reduction in the fourth quarter of 2023 following the sale of STP as the transaction is intended to be leverage neutral. As of September 30, 2023, the Company executed $600 million in debt reduction.

Vivint Smart Home Acquisition

On March 10, 2023, the Company completed the acquisition of Vivint Smart Home. The Company paid $12 per share, or $2.6 billion in cash. The Company funded the acquisition using a combination of $740 million in newly-issued secured corporate debt, $650 million in newly-issued preferred stock, $900 million drawn from its Revolving Credit Facility and Receivables Facilities, and cash on hand.

Issuance of 2033 Senior Notes

On March 9, 2023, the Company issued $740 million of aggregate principal amount of 7.000% senior notes due 2033. The 2033 Senior Notes are senior secured obligations of NRG and are guaranteed by certain of its subsidiaries. Interest is paid semi-annually beginning on September 15, 2023 until the maturity date of March 15, 2033. For further discussion, see Note 9,*Long-term Debt and Finance Leases*.

76

Series A Preferred Stock

On March 9, 2023, the Company issued 650,000 shares of 10.25% Series A Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock. For further discussion, see Note 11,*Changes in Capital Structure*.

Revolving Credit Facility

On February 14, 2023, the Company amended its Revolving Credit Facility to: (i) increase the existing revolving commitments thereunder by $600 million, (ii) to extend the maturity date of a portion of the revolving commitments thereunder to February 14, 2028, (iii) transition the benchmark rate applicable to revolving loans from LIBOR to SOFR and (iv) make certain other amendments to the terms of the Revolving Credit Facility for purposes of, among other things, providing additional flexibility.

On March 13, 2023, the Company further amended its Revolving Credit Facility to increase the existing revolving commitments by an additional $45 million. As of September 30, 2023, there were outstanding borrowings of $300 million and there were $1.4 billion in letters of credit issued under the Revolving Credit Facility. As of October 31, 2023, there were outstanding borrowings of $100 million and $712 million in letters of credit issued under the Revolving Credit Facility.

Receivables Securitization Facilities

On June 22, 2023, NRG Receivables amended its existing Receivables Facility to, among other things, (i) extend the scheduled termination date to June 21, 2024, (ii) increase the aggregate commitments from $1.0 billion to $1.4 billion (adjusted seasonally) and (iii) add a new originator. On October 6, 2023, the Receivables Facility was further amended to replace the benchmark interest rate of the Receivable Facility's subordinated note from LIBOR to SOFR. As of September 30, 2023, there were no outstanding borrowings and there were $1.2 billion in letters of credit issued.

In addition, in connection with the amendments to the Receivables Facility, on June 22, 2023, the Company and the originators thereunder renewed the existing uncommitted Repurchase Facility that provides short-term financing secured by a subordinated note issued by NRG Receivables LLC. Such renewal, among other things, extends the maturity date to June 21, 2024 and joins an additional originator to the Repurchase Facility. On October 6, 2023, the Repurchase Facility was further amended to reflect the concurrent amendment to the Receivables Facility's subordinated note. As of September 30, 2023, there were no outstanding borrowings.

Bilateral Letter of Credit Facilities

On May 19, 2023, May 30, 2023 and October 17, 2023 the Company increased the size of its bilateral letter of credit facilities by $25 million, $100 million and $50 million, respectively, to provide additional liquidity, allowing for the issuance of up to $850 million of letters of credit. These facilities are uncommitted. As of September 30, 2023, $620 million was issued under these facilities. As of October 31, 2023, $652 million was issued under these facilities.

Pre-CapitalizedTrustSecuritiesFacility

On August 29, 2023, the Company entered into a Facility Agreement with the Trust, in connection with the sale by the Trust of $500 million P-Caps. The P-Caps are to be redeemed by the Trust on July 31, 2028 or earlier upon an early redemption of the P-Caps Secured Notes. The P-Caps will replace the Company's existing pre-capitalized trust securities redeemable 2023 issued by Alexander Funding Trust, which mature on November 15, 2023.

The Facility Agreements allows for the issuance of the P-Caps Secured Notes by the Company to the Trust. In addition, the Company entered into a LC Agreement for the issuance of letters of credit in an aggregate amount not to exceed $485 million. For further discussion, see Note 9 7, , *Long-term Debt and Finance Leases*. Leases.

Convertible Senior Notes

As of April 1, 2024, the Company's Convertible Senior Notes are convertible during the quarterly period ending June 30, 2024 due to the satisfaction of the Common Stock Sale of Astoria Price Condition. For further discussion, see Note 7, *Long-term Debt and Finance Leases.*

On January 6, 2023 During the three months ended March 31, 2024 and through April 30, 2024, the Company closed completed repurchases of a portion of the Convertible Senior Notes using cash on hand and a portion of the sale of land and related assets proceeds from the Astoria site, within Term Loans, as detailed in the East region table below. For the three months ended March 31, 2024, a $58 million loss on debt extinguishment was recorded.

(In millions, except percentages)					
Settlement Period		**Principal Repurchased**		**Cash Paid[(a)]**	**Average Repurchase Percentage**
March 2024	$	92	$	151	162.366%
April 2024		251		452	179.454%
Total Repurchases	$	343	$	603	

(a) Includes accrued interest of operations, $1 million and $2 million for initial proceeds of $212 million, subject to transaction fees of $3 million the March and April repurchases, respectively

Vivint Term Loan Repricing

On April 10, 2024, Vivint, entered into the Second Amendment with, among others, the Vivint Agent, and certain indemnifications. As part financial institutions, as lenders, which amended the Vivint Credit Agreement, in order to (i) reprice its term loan B facility (the term loans thereunder, the "Vivint Term Loans") and (ii) make certain other changes to the Vivint Credit Agreement.

From and after the closing of the transaction, NRG entered into an agreement Second Amendment, at Vivint's election, the Vivint Term Loans will bear interest at a rate per annum equal to lease either (1) a fluctuating rate equal to the land back for highest of (A) the purpose of operating the Astoria gas turbines. The lease agreement is expected to terminate rate published by the end Federal Reserve Bank of New York in effect on such day, plus 0.50%, (B) the year after decommissioning is complete.

Pension Plan Contribution

During 2023, rate of interest per annum publicly announced from time to time by The Wall Street Journal as the Pension Benefit Guaranty Corporation issued "Prime Rate" in the United States, and (C) a one-time waiver rate of one-month Term SOFR (as defined in the Vivint Credit Agreement), plus 1.00%, or (2) Term SOFR (as defined in the Vivint Credit Agreement and which provided relief rate will not be less than 0.50%) for certain pension sponsors resulting in a reduction of one-, three- or six-month interest period or such other period as agreed to by the Company's planned 2023 cash contribution. The Company elected to defer Vivint Agent and the remaining 2023 cash contribution to future years. lenders, as selected by Vivint, plus 2.75%.

Debt Reduction

The Company intends to spend approximately $500 million reducing debt during 2024 to maintain its targeted credit metrics. The Company intends to fund the debt reduction from cash from operations.

Market Operations

The Company's market operations activities require a significant amount of liquidity and capital resources. These liquidity requirements are primarily driven by: (i) margin and collateral posted with counterparties; (ii) margin and collateral required to participate in physical markets and commodity exchanges; (iii) timing of disbursements and receipts (e.g., buying energy before receiving retail revenues); and (iv) initial collateral for large structured transactions. As of September 30, 2023 March 31, 2024, the Company had total cash collateral outstanding of $2 million $309 million and $3.8 billion $2.9 billion outstanding in letters of credit to third parties primarily to support its market activities. As of September 30, 2023 March 31, 2024, total funds deposited by counterparties were $263 million $241 million in cash and $515 million $518 million of letters of credit.

Future liquidity requirements may change based on the Company's hedging activities and structures, fuel purchases, and future market conditions, including forward prices for energy and fuel and market volatility. In addition, liquidity requirements depend on the Company's credit ratings and general perception of its creditworthiness.

First Lien Structure

NRG has granted the capacity to grant first liens to certain counterparties on a substantial portion of the Company's assets, subject to various exclusions including NRG's assets that have project-level financing and the assets of certain non-guarantor subsidiaries, to reduce the amount of cash collateral and letters of credit that it would otherwise be required to post from time to time to support its obligations under out-of-the-money hedge agreements. The first lien program does not limit the volume that can be hedged, or the value of underlying out-of-the-money positions. The first lien program also does not require NRG to post collateral above any threshold amount of exposure. The first lien structure is not subject to unwind or termination upon a ratings downgrade of a counterparty and has no stated maturity date.

The Company's first lien counterparties may have a claim on its assets to the extent market prices differ from the hedged prices. As of September 30, 2023 March 31, 2024, all hedges under the first liens were out-of-the-money in-the-money on a counterparty aggregate basis.

Capital Expenditures

The following table summarizes the amount of MW hedged against the Company's coal and nuclear assets and as a percentage relative to the Company's coal and nuclear capacity under the first lien structure as of September 30, 2023:

Equivalent Net Sales Secured by First Lien Structure(a)	**2023**
In MW	142
As a percentage of total net coal and nuclear capacity(b)	3%

(a) Equivalent Net Sales include natural gas swaps converted using a weighted average heat rate by region

(b) Net coal and nuclear capacity represents 80% of the Company's total coal and nuclear assets eligible under the first lien, which excludes coal assets acquired with Midwest Generation and NRG's assets that have project level financing

78

Capital Expenditures, Investments and Integration

The following table and descriptions summarize the Company's maintenance capital expenditures for maintenance, environmental capital expenditures, and growth investments and integration spend for the nine three months ended September 30, 2023 March 31, 2024, and the estimated forecast for the remainder of the year.

(In millions)	**Maintenance**	**Environmental**	**Investments and Integration**(a)	**Total**
Texas	$ 386	$ 1	$ 33	$ 420
East	3	—	1	4
West/Services/Other	17	—	5	22
Corporate	11	—	24	35
Vivint Smart Home(b)	12	—	—	12
Total cash capital expenditures for the nine months ended September 30, 2023	429	1	63	493
Integration operating expenses(c)	—	—	61	61
Investments	—	—	108	108
Total cash capital expenditures and investments for the nine months ended September 30, 2023	$ 429	$ 1	$ 232	$ 662
Estimated cash capital expenditures and investments for the remainder of 2023(d)	136	4	78	218
Estimated full year 2023 cash capital expenditures and investments	$ 565	$ 5	$ 310	$ 880

(a) Full year estimate reflects the cash expected to be available for allocation for investments and Vivint Smart Home integration in 2023

(b) Includes expenditures following the acquisition date of March 10, 2023

(c) Excludes equity compensation related to integration

(d) Estimated capital expenditures related to W.A. Parish do not reflect expected insurance recoveries

(In millions)	Maintenance	Environmental	Investments and Integration	Total
Texas	$ 41	$ 2	$ 2	$ 45
West/Services/Other	5	—	1	6
Vivint Smart Home	4		—	4
Corporate	5	—	9	14
Total cash capital expenditures for the three months ended March 31, 2024	55	2	12	69
Integration operating expenses and cost to achieve	—	—	18	18
Investments	—	—	34	34
Total cash capital expenditures and investments for the three months ended March 31, 2024	$ 55	$ 2	$ 64	$ 121
Estimated cash capital expenditures and investments for the remainder of 2024	255	23	271	549
Estimated full year 2024 cash capital expenditures and investments	$ 310	$ 25	$ 335	$ 670

Investments and Integration for the nine three months ended September 30, 2023 March 31, 2024 include growth expenditures, integration, small book acquisitions and other investments.

Environmental Capital Expenditures

NRG estimates that environmental capital expenditures from 2023 2024 through 2027 2028 required to comply with environmental laws will be approximately $47 million $64 million, primarily driven by the cost of complying with ELG at the Company's coal units in Texas.

56

Share Repurchases

In June 2023, On June 22, 2023, NRG revised its long-term capital allocation policy to target allocating approximately 80% of cash available for allocation after debt reduction to be returned to shareholders. As part of the revised capital allocation framework, the Company announced an increase to its share repurchase authorization to $2.7 billion, to be executed through 2025. During the three months ended September 30, 2023 As of April 30, 2024, the Company completed $50 million of share repurchases at an average price of $37.82 $1.5 billion is remaining under the $2.7 billion authorization. Through October 31, 2023, an See Note 9, *Changes in Capital Structure* for additional $150 million of share repurchases were executed at an average price of $40.17 per share. Following the closing of the STP sale on November 1, 2023, the Company intends to execute a $950 million accelerated share repurchase program. discussion.

Common Stock Dividends

During the first quarter of 2023, 2024, NRG increased the annual dividend to $1.51 $1.63 from $1.40 $1.51 per share and expects to target an annual dividend growth rate of 7%-9% per share in subsequent years. A quarterly dividend of $0.3775 $0.4075 per share was paid on the Company's common stock during the three months ended September 30, 2023 March 31, 2024. On October 19, 2023 April 17, 2024, NRG declared a quarterly dividend on the Company's common stock of $0.3775 $0.4075 per share, payable on November 15, 2023 May 15, 2024 to stockholders of record as of November 1, 2023 May 1, 2024. Beginning in the first quarter of 2024, NRG will increase the annual dividend by 8% to $1.63 per share.

Series A Preferred Stock Dividends

In September 2023, During the quarter ended March 31, 2024, the Company declared and paid a semi-annual 10.25% dividend of $52.96 $51.25 per share on its outstanding Series A Preferred Stock, totaling $34 million $33 million.

79

Obligations under Certain Guarantees

NRG and its subsidiaries enter into various contracts that include indemnifications and guarantee provisions as a routine part of the Company's business activities. For further discussion, see Note 27, *Guarantees,* to the Company's 2022 2023 Form 10-K.

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — NRG's investment in Ivanpah is a variable interest entity for which NRG is not the primary beneficiary. NRG's pro-rata share of non-recourse debt was approximately $467 million $461 million as of September 30, 2023 March 31, 2024. This indebtedness may restrict the ability of Ivanpah to issue dividends or distributions to NRG.

Contractual Obligations and Market Commitments

NRG has a variety of contractual obligations and other market commitments that represent prospective cash requirements in addition to the Company's capital expenditure programs, as disclosed in the Company's 2022 2023 Form 10-K. See also Note 9, 7, *Long-term Debt and Finance Leases*, and Note 16, 14, *Commitments and Contingencies*, to this Form 10-Q for a discussion of new commitments and contingencies that also include contractual obligations and market commitments that occurred during the three and nine months ended September 30, 2023 March 31, 2024.

Cash Flow Discussion

The following table reflects the changes in cash flows for the comparative nine three month periods: ended March 31, 2024 and 2023, respectively:

		Nine months ended September 30,					
		Three months ended March 31,					
(In millions)	(In millions)	2023	2022	Change			
Cash (used)/provided by operating activities		$ (462)	$ 1,758	$ (2,220)			
(In millions)							
(In millions)					2024	2023	Change
Cash provided/(used) by operating activities							
Cash used by investing activities	Cash used by investing activities	(2,631)	(205)	(2,426)			
Cash provided by financing activities		1,590	855	735			
Cash (used)/provided by financing activities							

Cash provided/(used)/provided by operating activities

Changes to cash (used)/provided by operating activities were driven by:

	(In millions)
Changes in cash collateral in support of risk management activities due to change in commodity prices	$ (3,509) 1,701
Increase in operating loss/income income/loss adjusted for other non-cash items	2,252 515
Decrease due to receipt of uplift securitization proceeds from ERCOT in 2022	(689)
Decrease in working capital primarily driven by related to the payout of the Company's annual incentive plan in 2024 reflecting financial outperformance for 2023	(216)
Decrease in working capital primarily due to deferred revenues related to Vivint Smart Home capitalized contract costs partially offset by deferred revenues	(258) (78)
Decrease in working capital primarily due to lower gas and power market pricing coupled with lower gas sales volumes	(16) (57)
	$ (2,220) 1,865

Cash used by investing activities

Changes to cash (used)/provided by investing activities were driven by:

		(In millions)
Increase Decrease in cash paid for acquisitions primarily due to the acquisition of Vivint Smart Home in March 2023	$	(2,442) 2,470
Increase in capital expenditures		(243)
Increase from insurance proceeds for property, plant and equipment, net in 2023		173
Increase Decrease in proceeds from sale of assets primarily due to the sale of the land and related assets from the Astoria site in January 2023		122 (216)
Decrease in proceeds from sales of emissions allowances, net of purchases capital expenditures		(21) 73
Decrease in insurance proceeds for property, plant and equipment, net		(68)
Decrease in proceeds from sales of investments in nuclear decommissioning trust fund securities, net of purchases due to sale of STP in 2023		(15) (12)
Increase due to fewer purchases of emissions allowances, net of sales		11
	$	(2,426) 2,258

Cash (used)/provided by financing activities

Changes to cash (used)/provided by financing activities were driven by:

		(In millions)
Decrease in proceeds from Revolving Credit Facility and Receivables Securitization Facilities in 2023	$	(950)
Decrease in proceeds due to the issuance of long-term debt in 2023		(731)
Decrease in proceeds due to the issuance of preferred stock in 2023		(636)
Decrease in net receipts from settlement of acquired derivatives		$ (328) (1,264)
Increase in proceeds from issuance of long-term debt in 2023		731
Increase in proceeds from issuance of preferred stock in 2023		635
Increase due to lower payments for share repurchase activity in 2023		415
Increase in proceeds from Revolving Credit Facility in 2023		300
Increase in payments of dividends primarily due to preferred stock issued in 2023		(43)
Increase in payments of deferred issuance costs		(28)
Decrease due to repayments of long-term debt and finance leases		(11) (93)
Decrease primarily due to debt extinguishment costs in 2024, partially offset by debt issuance costs in 2023		(40)
Increase in payments of dividends primarily due to preferred stock		(31)
Decrease due to payments for share repurchase activity		(15)
	$	735 (2,824)

NOLs, Deferred Tax Assets and Uncertain Tax Position Implications, under ASC 740

For the nine three months ended September 30, 2023 March 31, 2024, the Company had domestic pre-tax book loss income of $553 million $759 million and foreign pre-tax book loss of $313 million $64 million. As of December 31, 2022 December 31, 2023, the Company had cumulative U.S. Federal NOL carryforwards of $8.2 billion, $8.4 billion, of which $6.4 billion do not have an expiration date, and cumulative state NOL carryforwards of $5.3 billion $6.4 billion for financial statement purposes. NRG also has cumulative foreign NOL carryforwards of $382 million $411 million, most of which do not have an expiration date. In addition to the above NOLs, NRG has a $270 million $517 million indefinite carryforward for interest deductions, as well as $393 million $317 million of tax credits to be utilized in future years. In connection with the Vivint Smart Home acquisition, additional federal and state NOLs of $2.1 billion and $1.8 billion, respectively, were added, as well as a federal carryforward for interest deductions of $739 million. As a result of the Company's tax position, including the utilization of federal and state NOLs, and based on current forecasts, the Company anticipates net income tax payments due to federal, state and foreign jurisdictions of up to $70 million $160 million in 2023. 2024. As of March 31, 2024, NRG as an applicable corporation is subject to the CAMT and expects to claim a CAMT credit in future years. The Company does not anticipate that has reflected the corporate minimum book impact of the CAMT in its current and deferred taxes. There is no CAMT impact to NRG's effective income tax will have a material impact on the current year consolidated financial statements. rate.

As of September 30, 2023 March 31, 2024, the Company has $45 million $72 million of tax-effected uncertain federal, state, and foreign tax benefits, for which the Company has recorded a non-current tax liability of $48 $76 million (inclusive of accrued interest) until final resolution is reached with the related taxing authority.

On December 31, 2021, the OECD released rules which set forth a common approach to a global minimum tax at 15% for multinational companies, which has been enacted into law by certain countries effective for 2024. The Company's preliminary analysis indicates that there is no material impact to the Company's financial statements from these rules.

The Company is no longer subject to U.S. federal income tax examinations for years prior to 2019. 2020. With few exceptions, state and Canadian income tax examinations are no longer open for years prior to 2014. 2015.

Deferred tax assets and valuation allowance

Net deferred tax balance — As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, NRG recorded a net deferred tax asset, excluding valuation allowance, of $2.5 billion $2.4 billion and $2.0 billion $2.5 billion, respectively. The Company believes certain state net operating losses may not be realizable under the more-likely-than-not measurement and as such, a valuation allowance was recorded as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 as discussed below.

58

NOL Carryforwards — As of September 30, 2023 March 31, 2024, the Company had a tax-effected cumulative U.S. NOLs consisting of carryforwards for federal and state income tax purposes of $1.7 billion $1.8 billion and $315 million $367 million, respectively. Additional federal and state NOLs of $446 million and $70 million, respectively, were added with the acquisition of Vivint Smart Home. The Company estimates it will need to generate future taxable income to fully realize the net federal deferred tax asset before the expiration of certain carryforwards commences in 2030. In addition, NRG has tax-effected cumulative foreign NOL carryforwards of $99 million $107 million.

Valuation Allowance — As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's tax-effected valuation allowance was $228 million $271 million and $224 million $275 million, respectively, consisting of state NOL carryforwards and foreign NOL carryforwards. The valuation allowance was recorded based on the assessment of cumulative and forecasted pre-tax book earnings and the future reversal of existing taxable temporary differences.

Guarantor Financial Information

As of September 30, 2023 March 31, 2024, the Company's outstanding registered senior notes consisted of $375 million of the 2027 Senior Notes and $821 million of the 2028 Senior Notes as shown in Note 9, 7, *Long-term Debt and Finance Leases*. These Senior Notes are guaranteed by certain of NRG's current and future 100% owned domestic subsidiaries, or guarantor subsidiaries (the "Guarantors"). See Exhibit 22.1 to this Form 10-Q for a listing of the Guarantors. These guarantees are both joint and several.

81

NRG conducts much of its business through and derives much of its income from its subsidiaries. Therefore, the Company's ability to make required payments with respect to its indebtedness and other obligations depends on the financial results and condition of its subsidiaries and NRG's ability to receive funds from its subsidiaries. There are no restrictions on the ability of any of the Guarantors to transfer funds to NRG. Other subsidiaries of the Company do not guarantee the registered debt securities of either NRG Energy, Inc or the Guarantors (such subsidiaries are referred to as the "Non-Guarantors"). The Non-Guarantors include all of NRG's foreign subsidiaries and certain domestic subsidiaries.

The following tables present summarized financial information of NRG Energy, Inc. and the Guarantors in accordance with Rule 3-10 under the SEC's Regulation S-X. The financial information may not necessarily be indicative of the results of operations or financial position of NRG Energy, Inc. and the Guarantors in accordance with U.S. GAAP.

The following table presents the summarized statement of operations:

(In millions)		**Nine Three months ended September 30, 2023 March 31, 2024**
Revenue(a)	$	18,590 6,071
Operating loss income(b)		(288) 901
Total other expense		(301) (136)
Loss Income before income taxes		(589) 765
Net Loss Income		(511) 567

(a) Intercompany transactions with Non-Guarantors of $7 million $1 million during the nine three months ended September 30, 2023 March 31, 2024

(b) Intercompany transactions with Non-Guarantors including cost of operations of $22 million $19 million and selling, general and administrative of $153 million $52 million during the nine three months ended September 30, 2023 March 31, 2024

The following table presents the summarized balance sheet information:

(In millions)		**September 30, 2023 March 31, 2024**
Current assets(a)	$	6,780 6,968
Property, plant and equipment, net		1,207 1,225
Non-current assets		14,323 11,634
Current liabilities(b)		7,471 7,779
Non-current liabilities		11,385 9,057

(a) Includes intercompany receivables due from Non-Guarantors of $58 million $74 million as of September 30, 2023 March 31, 2024

(b) Includes intercompany payables due to Non-Guarantors of $39 million $23 million as of September 30, 2023 March 31, 2024

Fair Value of Derivative Instruments

NRG may enter into power purchase and sales contracts, fuel purchase contracts and other energy-related financial instruments to mitigate variability in earnings due to fluctuations in spot market prices and to hedge fuel requirements at power plants or retail load obligations. In order to mitigate interest rate risk associated with the issuance of the Company's variable rate debt, NRG enters into interest rate swap agreements. In addition, in order to mitigate foreign exchange rate risk primarily associated with the purchase of U.S. dollar denominated natural gas for the Company's Canadian business, NRG enters into foreign exchange contract agreements.

59

Under Flex Pay, offered by Vivint Smart Home, subscribers pay for smart home products by obtaining financing from a third-party financing provider under the Consumer Financing Program. Vivint Smart Home pays certain fees to the financing providers and shares in credit losses depending on the credit quality of the subscriber.

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

82

The following tables disclose the activities that include both exchange and non-exchange traded contracts accounted for at fair value in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values as of September 30, 2023 March 31, 2024, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at September 30, 2023 March 31, 2024. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Note 5, *Fair Value of Financial Instruments*.

Derivative Activity Gains/(Losses) Gains	**(In millions)**
Fair Value of Contracts as of December 31, 2022 December 31, 2023	$ 3,553 648
Contracts realized or otherwise settled during the period	(1,452) 231
Other changes in fair value	(429) 297
Fair Value of Contracts as of September 30, 2023 March 31, 2024	$ 1,560 1,176

(In millions)	(In millions)	Fair Value of Contracts as of September 30, 2023 / Fair Value of Contracts as of March 31, 2024 — Maturity				
Fair Value Hierarchy Gains / **Fair Value Hierarchy (Losses)/Gains**		1 Year or Less	Greater than 1 Year to 3 Years	Greater than 3 Years to 5 Years	Greater than 5 Years	Total Fair Value
Level 1	Level 1	$ 26	$ 183	$ 3	$ 1	$ 213
Level 2	Level 2	553	433	63	5	1,054
Level 3	Level 3	3	70	72	148	293
Total	Total	$582	$ 686	$ 138	$ 154	$1,560

(In millions)	Maturity				Fair Value of Contracts as of March 31, 2024
Fair Value Hierarchy (Losses)/Gains	1 Year or Less	Greater than 1 Year to 3 Years	Greater than 3 Years to 5 Years	Greater than 5 Years	Total Fair Value

The Company has elected to disclose derivative assets and liabilities on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. Also, collateral received or posted on the Company's derivative assets or liabilities are recorded on a separate line item on the balance sheet. Consequently, the magnitude of the changes in individual current and non-current derivative assets or liabilities is higher than the underlying credit and market risk of the Company's portfolio. As discussed in Item 3, *Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk*, to this Form 10-Q, NRG measures the sensitivity of the Company's portfolio to potential changes in market prices using VaR, a statistical model which attempts to predict risk of loss based on market price and volatility. NRG's risk management policy places a limit on one-day holding period VaR, which limits the Company's net open position. As the Company's trade-by-trade derivative accounting results in a gross-up of the Company's derivative assets and liabilities, the net derivative asset and liability position is a better indicator of NRG's hedging activity. As of September 30, 2023 March 31, 2024, NRG's net derivative asset was $1.6 billion $1.2 billion, a decrease an increase to total fair value of $2.0 billion $528 million as compared to December 31, 2022 December 31, 2023. This decrease increase was primarily driven by gains in fair value and the roll-off of trades that settled during the period, losses in fair value, and Vivint Smart Home contracts acquired during the period.

Based on a sensitivity analysis using simplified assumptions, the impact of a $0.50 per MMBtu increase or decrease in natural gas prices across the term of the derivative contracts would result in a change of approximately $1.8 billion $2.1 billion in the net value of derivatives as of September 30, 2023 March 31, 2024.

Critical Accounting Estimates

NRG's discussion and analysis of the financial condition and results of operations are based upon the condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements and related disclosures in compliance with GAAP requires the application of appropriate technical accounting rules and guidance as well as the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. The application of appropriate technical accounting rules and guidance involves judgments regarding future events, including the likelihood of success of particular projects, legal and regulatory challenges, and the fair value of certain assets and liabilities. These judgments, in and of themselves, could materially affect the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment may also have a significant effect, not only on the operation of the business,

but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies has not changed.

NRG evaluates these estimates, on an ongoing basis, utilizing historic experience, consultation with experts and other methods the Company considers reasonable. In any event, actual results may differ substantially from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the information that gives rise to the revision becomes known.

The Company identifies its most critical accounting estimates as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain.

The Company's critical accounting estimates are described in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in the Company's 2022 2023 Form 10-K. There have been no material changes to the Company's critical accounting estimates since the 2022 2023 Form 10-K.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

NRG is exposed to several market risks in the Company's normal business activities. Market risk is the potential loss that may result from market changes associated with the Company's retail operations, merchant power generation or with existing or forecasted financial or commodity transactions. The types of market risks the Company is exposed to are commodity price risk, credit risk, liquidity risk, interest rate risk and currency exchange risk. The following disclosures about market risk provide an update to, and should be read in conjunction with, Item 7A, *Quantitative and Qualitative Disclosures About Market Risk,* of the Company's 2022 2023 Form 10-K.

Commodity Price Risk

Commodity price risks result from exposures to changes in spot prices, forward prices, volatilities and correlations between various commodities, such as natural gas, electricity, coal, oil and emissions credits. NRG manages the commodity price risk of the Company's load serving obligations and merchant generation operations by entering into various derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted sales and purchases of energy and fuel. NRG measures the risk of the Company's portfolio using several analytical methods, including sensitivity tests, scenario tests, stress tests, position reports and VaR. NRG uses a Monte Carlo simulation based VaR model to estimate the potential loss in the fair value of its energy assets and liabilities, which includes generation assets, gas transportation and storage assets, load obligations and bilateral physical and financial transactions, based on historical and forward values for factors such as customer demand, weather, commodity availability and commodity prices. The Company's VaR model is based on a one-day holding period at a 95% confidence interval for the forward 36 months, not including the spot month. The VaR model is not a complete picture of all risks that may affect the Company's results. Certain events such as counterparty defaults, regulatory changes, and extreme weather and prices that deviate significantly from historically observed values are not reflected in the model.

The following table summarizes average, maximum and minimum VaR for NRG's commodity portfolio, calculated using the VaR model for the three and nine months ending September 30, 2023 March 31, 2024 and 2022: 2023:

(In millions)	(In millions)	2023	2022	(In millions)	2024	2023

VaR as of September 30,		$ 63	$ 58
Three months ended September 30,			
VaR as of March 31,			
Three months ended March 31,			
Average			
Average			
Average	Average	$ 64	$ 44
Maximum	Maximum	75	69
Minimum	Minimum	45	26
Nine months ended September 30,			
Average		$ 66	$ 45
Maximum		82	86
Minimum		45	26

The Company also uses VaR to estimate the potential loss of derivative financial instruments that are subject to mark-to-market accounting. These derivative instruments include transactions that were entered into for both asset management and trading purposes. The VaR for the derivative financial instruments calculated using the diversified VaR model for the entire term of these instruments entered into for both asset management and trading, was $156 million $216 million, as of September 30, 2023 March 31, 2024, primarily driven by asset-backed and hedging transactions.

Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. NRG is exposed to counterparty credit risk through various activities including wholesale sales, fuel purchases and retail supply arrangements, and retail customer credit risk through its retail load activities. sales. Counterparty credit risk and retail customer credit risk are discussed below. See Note 7, 6, *Accounting for Derivative Instruments and Hedging Activities*, to this Form 10-Q for discussion regarding credit risk contingent features.

Counterparty Credit Risk

The Company's counterparty credit risk policies are disclosed in its 2022 2023 Form 10-K. As of September 30, 2023 March 31, 2024, counterparty credit exposure, excluding credit exposure from RTOs, ISOs, registered commodity exchanges and certain long-term agreements, was $1.7 billion $1.8 billion and NRG held collateral (cash and letters of credit) against those positions of $494 million $440 million, resulting in a net exposure of $1.2 billion $1.4 billion. NRG periodically receives collateral from counterparties in excess of their exposure. Collateral amounts shown include such excess while net exposure shown excludes excess collateral received. Approximately 36% 62% of the Company's exposure before collateral is expected to roll off by the end of 2024. 2025. Counterparty credit exposure is valued through observable market quotes and discounted at a risk free interest rate. The following tables highlight net

counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for NRG with counterparties where netting is permitted under the enabling agreement and

includes all cash flow, mark-to-market and NPNS, and non-derivative transactions. The exposure is shown net of collateral held and includes amounts net of receivables or payables.

Category by Industry Sector	Net Exposure(a)(b) (% of Total)
Utilities, energy merchants, marketers and other	68 78 %
Financial institutions	32 22
Total as of September 30, 2023 March 31, 2024	100 %

Category by Counterparty Credit Quality	Net Exposure (a)(b) (% of Total)
Investment grade	56 51 %
Non-investment grade/non-rated Non-Rated	44 49
Total as of September 30, 2023 March 31, 2024	100 %

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

(b) The figures in the tables above exclude potential counterparty credit exposure related to RTOs, ISOs, registered commodity exchanges and certain long-term contracts

The Company currently has exposure to one two wholesale counterparty counterparties in excess of 10% of total net exposure discussed above as of September 30, 2023 March 31, 2024. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration.

RTOs and ISOs

The Company participates in the organized markets of CAISO, ERCOT, AESO, IESO, ISO-NE, MISO, NYISO and PJM, known as RTOs or ISOs. Trading in the majority of these markets is approved by FERC, whereas in the case of ERCOT, it is approved by the PUCT, and whereas in the case of AESO and IESO, both exist provincially with AESO primarily subject to Alberta Utilities Commission and the IESO to the Ontario Energy Board. These ISOs may include credit policies that, under certain circumstances, require that losses arising from the default of one member on spot market transactions be shared by the remaining participants. As a result, the counterparty credit risk to these markets is limited to NRG's share of the overall market and are excluded from the above exposures.

Exchange Traded Transactions

The Company enters into commodity transactions on registered exchanges, notably ICE, NYMEX and Nodal. These clearinghouses act as the counterparty and transactions are subject to extensive collateral and margining requirements. As a result, these commodity transactions have limited counterparty credit risk.

Long-Term Contracts

Counterparty credit exposure described above excludes credit risk exposure under certain long-term contracts, primarily solar under Renewable PPAs. As external sources or observable market quotes are not always available to estimate such exposure, the Company values these contracts based on various techniques including, but not limited to, internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of September 30, 2023 March 31, 2024, aggregate credit risk exposure managed by NRG to these counterparties was approximately $1.0 billion $896 million for the next five years.

Retail Customer Credit Risk

The Company is exposed to retail credit risk through the Company's retail electricity and gas providers as well as through Vivint Smart Home, which serve both Home and Business customers. Retail credit risk results in losses when a customer fails to pay for services rendered. The losses may result from both non-payment of customer accounts receivable and the loss of in-the-money forward value. The Company manages retail credit risk through the use of established credit policies, which include monitoring of the portfolio and the use of credit mitigation measures such as deposits or prepayment arrangements.

As of September 30, 2023 March 31, 2024, the Company's retail customer credit exposure to Home and Business customers was diversified across many customers and various industries, as well as government entities. Current economic conditions may affect the Company's customers' ability to pay their bills in a timely manner or at all, which could increase customer delinquencies and may lead to an increase in credit losses.

Liquidity Risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of the Company's assets and liabilities. The Company is currently exposed to additional collateral posting if natural gas prices decline, primarily due to the long natural gas equivalent position at various exchanges used to hedge NRG's retail supply load obligations.

Based on a sensitivity analysis for power and gas positions under marginable contracts as of September 30, 2023 March 31, 2024, a $0.50 per MMBtu decrease in natural gas prices across the term of the marginable contracts would cause an increase in margin collateral posted of approximately $1.2 billion and a 1.00 MMBtu/MWh decrease in heat rates for heat rate positions would result in an increase in margin collateral posted of approximately $296 million $204 million. This analysis uses simplified assumptions and is calculated based on portfolio composition and margin-related contract provisions as of September 30, 2023 March 31, 2024.

Interest Rate Risk

NRG is exposed to fluctuations in interest rates through its issuance of variable rate debt. Exposures to interest rate fluctuations may be mitigated by entering into derivative instruments known as interest rate swaps, caps, collars and put or call options. These contracts reduce exposure to interest rate volatility and result in primarily fixed rate debt obligations when taking into account the combinations of the variable rate debt and the interest rate derivative instrument. NRG's management policies allow the Company to reduce interest rate exposure from variable rate debt obligations. In the first quarter of 2023, 2024, the Company entered into interest rate swaps with a total nominal value of $700 million extending through 2029 to hedge the floating rate of the Term Loans, which closed in April 2024. Additionally, as of March 31, 2024, the Company had $1.0 billion of interest rate swaps extending through 2027 to hedge the floating rate on the Vivint Term Loan acquired with the Vivint Smart Home acquisition. Additionally, the Company has entered into interest rate swaps to hedge the floating rate on the Revolving Credit Facility extending through 2024, with $300 million outstanding as of September 30, 2023. Loans.

As of September 30, 2023 March 31, 2024, the fair value and related carrying value of the Company's debt was $10.6 billion $10.7 billion and $11.7 billion $10.7 billion, respectively. NRG estimates that a 1% decrease in market interest rates would have increased the fair value of the Company's long-term debt as of September 30, 2023 March 31, 2024 by $848 million $405 million.

Currency Exchange Risk

NRG is subject to transactional exchange rate risk from transactions with customers in countries outside of the United States, primarily within Canada, as well as from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than the Company's functional currency or the functional currency of an applicable subsidiary. NRG hedges a portion of its forecasted currency transactions with foreign exchange forward contracts. As of September 30, 2023 March 31, 2024, NRG is exposed to changes in foreign currency primarily associated with the purchase of U.S. dollar denominated natural gas for its Canadian business and entered into foreign exchange contracts with a notional amount of $566 million $499 million.

The Company is subject to translation exchange rate risk related to the translation of the financial statements of its foreign operations into U.S. dollars. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, the Company is exposed to movements in the exchange rates of various currencies against the U.S. dollar, primarily the Canadian and Australian dollars. A hypothetical 10% appreciation in major currencies relative to the U.S. dollar as of September 30, 2023 March 31, 2024 would have resulted in a decrease of $23 million $5 million to net income within the Consolidated Statement consolidated statement of Operations. operations.

ITEM 4 — CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of NRG's management, including its principal executive officer, principal financial officer and principal accounting officer, NRG conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act. Based on this evaluation, the Company's principal executive officer, principal financial officer and principal accounting officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes in NRG's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred in the quarter ended September 30, 2023 March 31, 2024 that materially affected, or are reasonably likely to materially affect, NRG's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

For a discussion of material legal proceedings in which NRG was involved through September 30, 2023 March 31, 2024, see Note 16, 14, *Commitments and Contingencies*, to this Form 10-Q.

ITEM 1A — RISK FACTORS

During the three months ended September 30, 2023 March 31, 2024, there were no material changes to the Risk Factors disclosed in Part II, I, Item 1A, *Risk Factors*, of the Company's Quarterly Report on 2023 Form 10-Q for the quarter ended March 31, 2023, filed with the SEC on May 4, 2023. 10-K.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth the information with respect to purchases made by or on behalf of NRG or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act), of NRG's common stock during the quarter ended September 30, 2023 March 31, 2024.

For the three months ended September 30, 2023	Total Number of Shares Purchased	Average Price Paid per Share (b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) (a)(c)
Month #1				
(July 1, 2023 to July 31, 2023)	1,322,141	$ 37.82	1,322,141	$ 2,650
Month #2				
(August 1, 2023 to August 31, 2023)	—	$ —	—	$ 2,650
Month #3				
(September 1, 2023 to September 30, 2023)	—	$ —	—	$ 2,650
Total at September 30, 2023	1,322,141	$ 37.82	1,322,141	

For the three months ended March 31, 2024	Total Number of Shares Purchased	Average Price Paid per Share		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)	
Month #1						
(January 1, 2024 to January 31, 2024)	770,205		(a)	770,205	$	1,550
Month #2						
(February 1, 2024 to February 29, 2024)	—	$	—	—	$	1,550
Month #3						
(March 1, 2024 to March 31, 2024)	393,025		(a)	393,025	$	1,550
Total at March 31, 2024	1,163,230			1,163,230		

(a) In June 2023, as part of Represents shares delivered under the revised capital allocation framework, November 6, 2023 ASR agreements. Under the ASR agreements, the Company announced received in 2023 and 2024 a total of 18,839,372 shares at an increase to its share repurchase authorization to $2.7 billion to be executed through 2025. The Company began executing under the $2.7 billion authorization in July 2023

(b) The average price paid of $50.43 per share, which excludes excise taxes and commissions per share paid tax incurred. See Note 9, *Changes in connection with Capital Structure* for additional information on the open market share repurchases

(c) Includes commissions of $0.01 per share paid in connection with the open market share repurchases ASR agreements

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 — MINE SAFETY DISCLOSURES

There have been no events that are required to be reported under this Item.

ITEM 5 — OTHER INFORMATION

During the three months ended September 30, 2023 March 31, 2024, no director or officer of the Company adopted or terminated a 'Rule 10b5-1 trading arrangement' or 'non-Rule 10b5-1 trading arrangement,' as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6 — EXHIBITS

Number	Description	Method of Filing
4.1 10.1	Facility Eighth Amendment to Second Amended and Restated Credit Agreement, dated August 29, 2023 as of April 16,2024, by and among NRG Energy, Inc., the guarantors its subsidiaries party thereto, Alexander Funding Trust II Citicorp North America, Inc., as administrative agent and Deutsche Bank Trust Company Americas, as the notes trustee collateral agent, and certain financial institutions, as lenders.	Incorporated herein by reference to Exhibit 4.1 10.1 to the Registrant's current report on Form 8-K filed on August 29, 2023 April 17, 2024.
4.2 10.2	Letter of Ninth Amendment to Second Amended and Restated Credit Facility Agreement, dated August 29, 2023 as of April 22, 2024, by and among NRG Energy, Inc., the financial institutions from time to time its subsidiaries party thereto, as letter of credit issuers, the consenting revolving lender party thereto, and Deutsche Bank Trust Company Americas, Citicorp North America, Inc., as administrative agent and as collateral agent agent.	Incorporated herein by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed on August 29, 2023. Filed herewith.
4.3 10.3	Amendment No. 2 to the Second Amended and Restated Declaration Credit Agreement, dated as of Trust April 10, 2024, by and between, among others, APX Group, Inc., as borrower, Bank of Alexander Funding Trust II, dated August 29, 2023 America, N.A., among NRG Energy, Inc. as depositor administrative agent and in its own capacity, Deutsche Bank Trust Company Americas, certain financial institutions, as trustee, and Deutsche Bank Trust Company Delaware, as Delaware trustee	Incorporated herein by reference to Exhibit 4.3 to the Registrant's current report on Form 8-K filed on August 29, 2023.
4.4	Indenture, dated August 29, 2023, between NRG Energy, Inc. and Deutsche Bank Trust Company Americas, as trustee, pertaining to the Notes lenders.	Incorporated herein by reference to Exhibit 4.4 to the Registrant's current report on Form 8-K filed on August 29, 2023.
4.5	Supplemental Indenture, dated August 29, 2023, among NRG Energy, Inc., the guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, pertaining to the Notes	Incorporated herein by reference to Exhibit 4.5 to the Registrant's current report on Form 8-K filed on August 29, 2023.
4.6	Form of 7.467% Senior Secured First Lien Notes due 2028	Incorporated herein by reference to Exhibit 4.6 to the Registrant's current report on Form 8-K filed on August 29, 2023. Filed herewith.
22.1	List of Guarantor Subsidiaries	Filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) certification of Mauricio Gutierrez. Lawrence S. Coben.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Woo-Sung Chung.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of Emily Picarello. G. Alfred Spencer.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
101 INS	Inline XBRL Instance Document.	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101 SCH	Inline XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	Inline XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	Inline XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.
104	Cover Page Interactive Data File (the cover page interactive data file does not appear in Exhibit 104 because it's Inline XBRL tags are embedded within the Inline XBRL document).	Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NRG ENERGY, INC.
(Registrant)

/s/ MAURICIO GUTIERREZ LAWRENCE S. COBEN

Mauricio Gutierrez Lawrence S. Coben
Interim President and Chief Executive Officer
(Principal Executive Officer)

/s/ WOO-SUNG CHUNG

Woo-Sung Chung
Chief Financial Officer
(Principal Financial Officer)

/s/ EMILY PICARELLO G. ALFRED SPENCER

Emily Picarello G. Alfred Spencer
Corporate Controller Chief Accounting Officer
(Principal Accounting Officer)

Date: November 2, 2023 May 7, 2024

Exhibit 10.2

EXECUTION VERSION

NINTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

NINTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT,dated as of April 22, 2024, among NRG Energy, Inc., a Delaware corporation (the "Borrower"), each Subsidiary Guarantor party hereto, the Consenting Revolving Lender (as defined below) and Citicorp North America, Inc., as administrative agent (in such capacity and together with its successors, the "Administrative Agent") and as collateral agent (in such capacity and together with its successors, the "Collateral Agent"), which shall constitute the Ninth Amendment (this "Ninth Amendment") to the Second Amended and Restated Credit Agreement, dated as of June 30, 2016 (as amended by the First Amendment Agreement, dated as of January 24, 2017, the Second Amendment Agreement, dated as of March 21, 2018, the Third Amendment Agreement, dated as of May 7, 2018, the Joinder Agreement, dated as of November 8, 2018, the Fourth Amendment, dated as of May 28, 2019, the Fifth Amendment Agreement, dated as of August 20, 2020, the Sixth Amendment, dated as of February 14, 2023, the Seventh Amendment, dated as of March 13, 2023, the Eighth Amendment, dated as of April 16, 2024, and as further amended, restated, amended and restated, supplemented and/or otherwise modified from time to time prior to the Amendment Effective Date (as defined below), the "Credit Agreement", and the Credit Agreement, as amended by this Ninth Amendment, the "Amended Credit Agreement"), among, *inter alios*, the Borrower, the lenders and issuing banks from time to time party thereto, the Administrative Agent and the Collateral Agent.

RECITALS

A. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement or Amended Credit Agreement, as applicable.

B. The Borrower, the Administrative Agent, the Collateral Agent and Truist Bank (the "Consenting Revolving Lender"), among others, are party to the Credit Agreement.

C. The Borrower has requested that the Credit Agreement be amended to (i) provide additional Tranche C Revolving Commitments thereunder in an aggregate amount of $194,920,000 and (ii) make certain other changes thereto, in each case, as more fully set forth herein.

D. The Consenting Revolving Lender is willing to provide Tranche C Revolving Commitments to the Borrower on the Amendment Effective Date, on the terms, and subject to the conditions, set forth herein and in the Amended Credit Agreement.

E. Upon executing and delivering a signature page to this Ninth Amendment, the Consenting Revolving Lender, as a Revolving Lender will, by the fact of such execution and delivery, be deemed, upon the Amendment Effective Date, to have irrevocably (i) agreed to the terms of this Ninth Amendment and the Amended Credit Agreement and (ii) committed to provide Tranche C Revolving Commitments (and make Revolving Loans and participate in Letters of Credit with respect thereto) to the Borrower on and after the Amendment Effective Date, in each case, on the terms and subject to the conditions to availability of such Tranche C Revolving Commitments set forth herein and in the Amended Credit Agreement.

F. Upon executing and delivering a signature page to this Ninth Amendment, each of the Administrative Agent and the Collateral Agent will, by the fact of such execution and delivery, be deemed, upon the Amendment Effective Date, to have irrevocably agreed to the terms of this Ninth Amendment and the Amended Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

Article I

AMENDMENTS TO CREDIT AGREEMENT

Subject to the satisfaction of the conditions set forth in Section 4.1 hereof, effective as of the Amendment Effective Date, the Administrative Agent, the Collateral Agent and the Consenting Revolving Lender agree that:

Section 1.1 Amendments to Credit Agreement. The Credit Agreement shall hereby be amended as follows:

(a) The definition of "Tranche A Revolving Commitment" appearing in Section 1.01 of the Credit Agreement is hereby amended by deleting the last sentence thereof and inserting the following text "As of the Ninth Amendment Effective Date, the Tranche A Revolving Commitments of the Tranche A Revolving Lenders aggregate $100,000,000." in lieu thereof.

(b) The definition of "Tranche C Revolving Commitment" appearing in Section 1.01 of the Credit Agreement is hereby amended by deleting the last sentence thereof and inserting the following text "As of the Ninth Amendment Effective Date, the Tranche C Revolving Credit Commitments of the Tranche C Revolving Lenders aggregate $4,204,920,000." in lieu thereof.

(c) Section 1.01 of the Credit Agreement is hereby further amended by adding the following definitions in appropriate alphabetical order:

"Ninth Amendment" shall mean the Ninth Amendment to Second Amended and Restated Credit Agreement, dated as of the Ninth Amendment Effective Date, among the Borrower, each Subsidiary Guarantor, the Administrative Agent, the Collateral Agent and Truist Bank, as a Lender.

"Ninth Amendment Effective Date" shall mean April 22, 2024.

Section 1.2Amendment to Schedule 1.01(e). Existing Schedule 1.01(e) to the Credit Agreement shall hereby be amended and restated in its entirety in the form attached hereto as Exhibit A.

Article II

TRANCHE C REVOLVING COMMITMENTS; LETTER OF CREDIT; ADMINISTRATIVE AGENT AUTHORIZATION

Section 1.1 Tranche C Revolving Commitments.

(a) Subject to the terms and conditions set forth herein (including Section 2.1(b) hereof) and in the Amended Credit Agreement, on (and after) the effectiveness of this Ninth Amendment on the Amendment Effective Date, the Consenting Revolving Lender hereby irrevocably (i) agrees to the terms of this Ninth Amendment and the Amended Credit Agreement, (ii) commits to provide the Converted Tranche C Revolving Commitments (as defined below) in an aggregate amount equal to its existing Tranche A Revolving Commitments immediately prior to giving effect to this Ninth Amendment on the Amendment Effective Date and (iii) agrees to make Revolving Loans and participate in Letters of Credit with respect to its Tranche C Revolving Commitments (after giving effect to this Ninth Amendment on the Amendment Effective Date). Upon the effectiveness of this Ninth Amendment on the Amendment Effective Date, the Tranche C Revolving Commitments of the Consenting Revolving Lender shall be in the amount set forth across from its name on Exhibit A hereto. For the avoidance of doubt, after giving effect to this Ninth Amendment, the Consenting Revolving Lender's Tranche A Revolving Commitments shall be reduced to zero as set forth on Exhibit A hereto. The Consenting Revolving Lender's Converted Tranche C Revolving Commitments result in the Consenting Revolving Lender having Tranche C Revolving Commitments of $194,920,000 as set forth on Exhibit A hereto.

(b) Immediately and automatically (and without further action by any Person) upon the effectiveness of this Ninth Amendment on the Amendment Effective Date, the Tranche A Revolving Commitments and the outstanding Tranche A Revolving Loans of the Consenting Revolving Lender shall be converted to Tranche C Revolving Commitments and outstanding Tranche C Revolving Loans, respectively (such converted Revolving Commitments, collectively, the "Converted Tranche C Revolving Commitments").

(c) The commitments and undertakings of the Consenting Revolving Lender with respect to the Tranche C Revolving Commitments are several and the Consenting Revolving Lender shall not be responsible for any other Lender's failure to provide Tranche C Revolving Commitments.

(d) The parties hereto acknowledge and agree that, as of the Amendment Effective Date, (i) the Consenting Revolving Lender shall be a "Lender", a "Revolving Lender" and a "Tranche C Revolving Lender" under, and for all purposes of, the Amended Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender, Revolving Lender and a Tranche C Revolving Lender, as applicable, thereunder and (ii) the Tranche C Revolving Commitments established hereby shall constitute, and become a part of the same existing Class of, Tranche C Revolving Commitments and Revolving Commitments under, and for all purposes of, the Amended Credit Agreement and the other Loan Documents.

(e) The Consenting Revolving Lender represents and warrants that it is sophisticated with respect to decisions to provide assets of the type represented by the Tranche C Revolving Commitments

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established hereby and either it, or the Person exercising discretion in making its decision to provide its Tranche C Revolving Commitments, if any, is experienced in providing assets of such type.

(f) The Consenting Revolving Lender represents and warrants that it has received a copy of the Credit Agreement and the other Loan Documents and has received or has been afforded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.04 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Ninth Amendment and to provide its Tranche C Revolving Commitments.

Section 1.2 Letters of Credit. Notwithstanding anything in the Credit Agreement to the contrary, any Letter of Credit outstanding under the Credit Agreement on the Amendment Effective Date shall be deemed to be outstanding under the Amended Credit Agreement as of the Amendment Effective Date.

Section 1.3 Administrative Agent Authorization. The Borrower and the Consenting Revolving Lender authorize the Administrative Agent to (i) determine all amounts, percentages and other information with respect to the Commitments and Loans of the Consenting Revolving Lender, which amounts, percentages and other information may be determined only upon receipt by the Administrative Agent of the signature pages of the Consenting Revolving Lender and (ii) enter and complete all such amounts, percentages and other information in the Amended Credit Agreement, as appropriate. The Administrative Agent's determination and entry and completion shall be conclusive and shall be conclusive evidence of the existence, amounts, percentages and other information with respect to the obligations of the Borrower under the Amended Credit Agreement, in each case, absent clearly demonstrable error. For the avoidance of doubt, the provisions of Article VIII and Section 9.05 of each of the Credit Agreement and the Amended Credit Agreement shall apply to any determination, entry or completion made by the Administrative Agent pursuant to this Section 2.3.

Article III

REPRESENTATIONS AND WARRANTIES.

Section 1.1 To induce the Administrative Agent, the Collateral Agent and the Consenting Revolving Lender to enter into this Ninth Amendment, the Borrower and each Subsidiary Guarantor represent and warrant to the Consenting Revolving Lender, the Administrative Agent and the Collateral Agent that, as of the Amendment Effective Date:

(a) Each of the Borrower and the Subsidiary Guarantors has all requisite power and authority, and the legal right, to enter into this Ninth Amendment, and to carry out the transactions contemplated by, and perform its obligations under, this Ninth Amendment, the Amended Credit Agreement and the other Loan Documents.

(b) This Ninth Amendment has been duly authorized, executed and delivered by the Borrower and each Subsidiary Guarantor. This Ninth Amendment and the Amended Credit Agreement (i) constitute the Borrower's and, with respect to this Ninth Amendment only, each Subsidiary Guarantor's legal, valid and binding obligation, enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other laws now or

hereafter in effect affecting creditors' rights generally and (including with respect to specific performance) subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and to the discretion of the court before which any proceeding therefor may be brought, (ii) will not violate (A) any applicable provision of any material law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of the Borrower or any Subsidiary Guarantor, (B) any order of any Governmental Authority or arbitrator or (C) after giving effect to the transactions contemplated by this Ninth Amendment, any provision of any indenture or any material agreement or other material instrument to which the Borrower or any Subsidiary Guarantor is a party or by which any of them or any of their property is or may be bound, (iii) after giving effect to the transactions contemplated by this Ninth Amendment, will not be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture or material agreement or other material instrument and (iv) will not result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Borrower or any other Loan Party (other than Liens created under the Security Documents).

(c) No action, consent or approval of, registration or filing with, notice to, or any other action by, any Governmental Authority is or will be required in connection with this Ninth Amendment or the Amended Credit Agreement except for (i) the filing of UCC financing statements and filings with the United States Patent and Trademark Office and the United States Copyright Office, if any, (ii) recordation of modifications of the Mortgages, if any, (iii) actions specifically described in Section 3.19 of the Credit Agreement or any of the Security Documents, if any, (iv) any immaterial actions, consents, approvals, registrations or filings or (v) such as have been made or obtained and are in full force and effect.

(d) The representations and warranties set forth in the Amended Credit Agreement and each other Loan Document are true and correct in all material respects on and as of the Amendment Effective Date, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier is not applicable to any representations and warranties that already are qualified or modified by materiality (or Material Adverse Effect) in the text thereof.

(e) Immediately after the consummation of the transactions on the Amendment Effective Date and immediately following the making of any Loan (or other extension of credit under the Amended Credit Agreement) and after giving effect to the application of the proceeds of any Loans (or other extension of credit under the Amended Credit Agreement), in each case, on and as of the Amendment Effective Date, (a) the fair value of the assets of the Loan Parties, taken as a whole, at a fair valuation, taking into account the effect of any indemnities, contribution or subrogation rights, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of the Loan Parties, taken as a whole, taking into account the effect of any indemnities, contribution or subrogation rights, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Loan Parties, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Loan Parties, taken as a whole, will not have unreasonably small capital

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with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Amendment Effective Date.

Article IV

CONDITIONS TO EFFECTIVENESS OF THIS NINTH AMENDMENT.

Section 1.1 This Ninth Amendment shall become effective on the date (the "Amendment Effective Date") on which each of the following conditions has been satisfied:

(a) the Administrative Agent shall have received duly executed and delivered counterparts of this Ninth Amendment that, when taken together, bear the signatures of the Borrower, all Subsidiary Guarantors, the Administrative Agent, the Collateral Agent and the Consenting Revolving Lender;

(b) (i) the representations and warranties set forth in Article III of the Amended Credit Agreement shall be true and correct in all material respects on and as of the Amendment Effective Date, with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality (or Material Adverse Effect) in the text thereof, and (ii) at the time of and immediately after giving effect to this Ninth Amendment on the Amendment Effective Date, no Default or Event of Default shall have occurred and be continuing;

(c) the Administrative Agent shall have received a certificate, dated as of the Amendment Effective Date, duly executed by a Responsible Officer of the Borrower, confirming compliance with the conditions precedent set forth in Section 4.1(b) above;

(d) the Administrative Agent shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, that has been reasonably requested by the Administrative Agent or the Consenting Revolving Lender;

(e) the Administrative Agent shall have received, to the extent invoiced, reimbursement or other payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document or other agreement with the Borrower relating thereto; and

(f) the Consenting Revolving Lender shall have received, for its own account, an amendment fee equal to 0.10% of the aggregate dollar amount of its Converted Tranche C Revolving Commitments.

Article V

EFFECT OF AMENDED CREDIT AGREEMENT.

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Section 1.1 Except as expressly set forth herein or in the Amended Credit Agreement, neither this Ninth Amendment nor the Amended Credit Agreement shall by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Collateral Agent or the Issuing Banks under the Credit Agreement, the Amended Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or the Amended Credit Agreement or any other provision of the Credit Agreement, the Amended Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower, any Subsidiary Guarantor or any other Person to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement, the Amended Credit Agreement or any other Loan Document in similar or different circumstances.

Section 1.2 On the Amendment Effective Date, the provisions of this Ninth Amendment and the Amended Credit Agreement will become effective and binding upon, and enforceable against, the Borrower and each of the Administrative Agent, the Collateral Agent and the Consenting Revolving Lender. Upon and after the execution of this Ninth Amendment by each of the parties hereto, each reference in the Amended Credit Agreement to "this Agreement", "hereunder", herein," "hereinafter," "hereto," "hereof" and words of like import referring to the Amended Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

Section 1.3 This Ninth Amendment shall constitute a Loan Document for all purposes under the Amended Credit Agreement and shall be administered and construed pursuant to the terms of the Amended Credit Agreement.

Article VI

MISCELLANEOUS

Section 1.1 Counterparts. This Ninth Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Article V. Delivery of an executed signature page to this Ninth Amendment by electronic transmission (including ".pdf") shall be as effective as delivery of a manually signed counterpart of this Ninth Amendment. The words "execution," "execute", "signed," "signature," "delivery," and words of like import in or relating to this Ninth Amendment and any document to be signed in connection with this Ninth Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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Section 1.2 Applicable Law; Notices; Waiver of Jury Trial; Severability; Jurisdiction; Consent to Service of Process; Waivers. THIS NINTH AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE, PROCEEDING OR CAUSE OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE AND WHETHER AT LAW OR IN EQUITY) BASED UPON, ARISING OUT OF OR RELATING TO THIS NINTH AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. Sections 9.07, 9.11 and 9.15 of the Amended Credit Agreement are hereby incorporated by reference herein, mutatis mutandis.

Section 1.3 Headings. Headings used herein are for convenience of reference only, are not part of this Ninth Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this Ninth Amendment.

Section 1.4 Reaffirmation. The parties hereto acknowledge and agree that (i) this Ninth Amendment and any other Loan Document or other document or instrument executed and delivered in connection herewith do not constitute a novation or termination of the Guaranteed Obligations of the Borrower and the

Subsidiary Guarantors as in effect prior to the Amendment Effective Date and (ii) such Guaranteed Obligations are in all respects continuing (as amended by this Ninth Amendment) with only the terms thereof being modified to the extent provided in this Ninth Amendment. Each of the Borrower and the Subsidiary Guarantors hereby consents to the entering into of this Ninth Amendment and each of the transactions contemplated hereby, confirms its respective guarantees, pledges, grants of security interests, Liens and other obligations, as applicable, under and subject to the terms of the Security Documents to which it is a party and each of the other Loan Documents to which it is party, and agrees that, notwithstanding the effectiveness of this Ninth Amendment or any of the transactions contemplated hereby, such guarantees, pledges, grants of security interests, Liens and other obligations, and the terms of each of the other Security Documents to which it is a party and each of the other Loan Documents to which it is a party, are not impaired or affected in any manner whatsoever and shall continue to be in full force and effect and shall continue to secure all Guaranteed Obligations, as amended, reaffirmed and modified pursuant to this Ninth Amendment or any of the transactions contemplated thereby.

[*Signature pages follow*]

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IN WITNESS WHEREOF, the parties hereto have caused this Ninth Amendment to be duly executed by their respective officers as of the day and year first above written.

BORROWER:

NRG ENERGY, INC.

By: /s/ Jean-Pierre Breaux

Name: Jean-Pierre Breaux

Title: Vice President and Treasurer

GUARANTORS:

ASTORIA GAS TURBINE POWER LLC
CARBON MANAGEMENT SOLUTIONS LLC
DUNKIRK POWER LLC
ENERGY CHOICE SOLUTIONS LLC
HUNTLEY POWER LLC
INDIAN RIVER POWER LLC
NORWALK POWER LLC
NRG BUSINESS SERVICES LLC
NRG CEDAR BAYOU DEVELOPMENT COMPANY, LLC
NRG DISTRIBUTED ENERGY RESOURCES HOLDINGS LLC
NRG ECOKAP HOLDINGS LLC

NRG ENERGY SERVICES GROUP LLC
NRG HQ DG LLC
NRG INTERNATIONAL LLC
NRG RETAIL LLC
NRG RETAIL NORTHEAST LLC
NRG ROCKFORD ACQUISITION LLC
NRG WEST COAST LLC
SOMERSET POWER LLC
VIENNA POWER LLC

NRG ENERGY, INC., Sole Member

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

AIRTRON, INC.
AWHR AMERICA'S WATER HEATER RENTALS, L.L.C.
BOUNCE ENERGY, INC.
CPL RETAIL ENERGY L.P.
DIRECT ENERGY CONNECTED HOME US INC.
DIRECT ENERGY GP, LLC
DIRECT ENERGY HOLDCO GP LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

DIRECT ENERGY LEASING, LLC
DIRECT ENERGY MARKETING INC.
DIRECT ENERGY OPERATIONS, LLC
DIRECT ENERGY SERVICES, LLC
DIRECT ENERGY US HOLDINGS INC.
DIRECT ENERGY, LP
FIRST CHOICE POWER, LLC
GATEWAY ENERGY SERVICES CORPORATION
HOME WARRANTY HOLDINGS CORP.
MASTERS, INC.
RSG HOLDING CORP.
WTU RETAIL ENERGY L.P.
NRG BUSINESS MARKETING LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

ACE ENERGY, INC.
CABRILLO POWER I LLC

CABRILLO POWER II LLC
CIRRO ENERGY SERVICES, INC.
CIRRO GROUP, INC.
EASTERN SIERRA ENERGY COMPANY LLC
EL SEGUNDO POWER II LLC
EL SEGUNDO POWER, LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

ALLIED HOME WARRANTY GP LLC
ALLIED WARRANTY LLC
DIRECT ENERGY BUSINESS, LLC
ENERGY PLUS HOLDINGS LLC
ENERGY PLUS NATURAL GAS LLC
EVERYTHING ENERGY LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

FORWARD HOME SECURITY, LLC
GCP FUNDING COMPANY, LLC
GREEN MOUNTAIN ENERGY COMPANY
GREGORY PARTNERS, LLC
INDEPENDENCE ENERGY ALLIANCE LLC
INDEPENDENCE ENERGY GROUP LLC
INDEPENDENCE ENERGY NATURAL GAS LLC
INDIAN RIVER OPERATIONS INC.
MERIDEN GAS TURBINES LLC
NEO CORPORATION
NEW GENCO GP, LLC
NRG AFFILIATE SERVICES INC.
NRG ARTHUR KILL OPERATIONS INC.
NRG ASTORIA GAS TURBINE OPERATIONS INC.
NRG CABRILLO POWER OPERATIONS INC.
NRG CALIFORNIA PEAKER OPERATIONS LLC
NRG CONNECTED HOME LLC
NRG CONTROLLABLE LOAD SERVICES LLC
NRG CURTAILMENT SOLUTIONS, INC.
NRG DEVELOPMENT COMPANY INC.
NRG DISPATCH SERVICES LLC
NRG DISTRIBUTED GENERATION PR LLC
NRG DUNKIRK OPERATIONS INC.
NRG EL SEGUNDO OPERATIONS INC.
NRG ENERGY LABOR SERVICES LLC
NRG GENERATION HOLDINGS INC.
NRG HOME & BUSINESS SOLUTIONS LLC
NRG HOME SERVICES LLC

NRG HOME SOLUTIONS LLC
NRG HOME SOLUTIONS PRODUCT LLC
NRG HOMER CITY SERVICES LLC
NRG HUNTLEY OPERATIONS INC.

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

NRG IDENTITY PROTECT LLC
NRG MEXTRANS INC.
NRG NORWALK HARBOR OPERATIONS INC.
NRG PORTABLE POWER LLC
NRG PROTECTS INC.
NRG RENTER'S PROTECTION LLC
NRG SAGUARO OPERATIONS INC.

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

NRG SECURITY LLC
NRG SERVICES CORPORATION
NRG SIMPLYSMART SOLUTIONS LLC
NRG TEXAS GREGORY LLC
NRG TEXAS HOLDING INC.
NRG TEXAS LLC
NRG TEXAS POWER LLC
NRG WARRANTY SERVICES LLC
NRG WESTERN AFFILIATE SERVICES INC.
RELIANT ENERGY NORTHEAST LLC
RELIANT ENERGY POWER SUPPLY, LLC
RELIANT ENERGY RETAIL HOLDINGS, LLC
RELIANT ENERGY RETAIL SERVICES, LLC
RERH HOLDINGS, LLC
SAGUARO POWER LLC
SGE ENERGY SOURCING, LLC
SGE TEXAS HOLDCO, LLC
SOMERSET OPERATIONS INC.
STREAM ENERGY COLUMBIA, LLC
STREAM ENERGY DELAWARE, LLC
STREAM ENERGY ILLINOIS, LLC
STREAM ENERGY MARYLAND, LLC
STREAM ENERGY NEW JERSEY, LLC
STREAM ENERGY NEW YORK, LLC
STREAM ENERGY PENNSYLVANIA, LLC
STREAM GEORGIA GAS SPE, LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

STREAM OHIO GAS & ELECTRIC, LLC
STREAM SPE GP, LLC
TEXAS GENCO GP, LLC
TEXAS GENCO HOLDINGS, INC.
TEXAS GENCO LP, LLC
TEXAS GENCO SERVICES, LP
US RETAILERS LLC
VIENNA OPERATIONS INC.
WCP (GENERATION) HOLDINGS LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

WEST COAST POWER LLC
XOOM ALBERTA HOLDINGS, LLC
XOOM ENERGY CALIFORNIA, LLC
XOOM ENERGY GLOBAL HOLDINGS LLC
XOOM ENERGY, LLC
XOOM ONTARIO HOLDINGS, LLC
XOOM SOLAR, LLC

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

STREAM SPE, LTD.
STREAM SPE GP, LLC, General Partner

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

XOOM BRITISH COLUMBIA HOLDINGS, LLC

XOOM ENERGY CONNECTICUT, LLC
XOOM ENERGY DELAWARE, LLC
XOOM ENERGY GEORGIA, LLC
XOOM ENERGY ILLINOIS, LLC
XOOM ENERGY INDIANA, LLC
XOOM ENERGY KENTUCKY, LLC
XOOM ENERGY MAINE, LLC
XOOM ENERGY MARYLAND, LLC
XOOM ENERGY MASSACHUSETTS, LLC
XOOM ENERGY MICHIGAN, LLC
XOOM ENERGY NEW HAMPSHIRE, LLC
XOOM ENERGY NEW JERSEY, LLC
XOOM ENERGY NEW YORK, LLC
XOOM ENERGY OHIO, LLC
XOOM ENERGY PENNSYLVANIA, LLC
XOOM ENERGY RHODE ISLAND, LLC
XOOM ENERGY TEXAS, LLC
XOOM ENERGY VIRGINIA, LLC
XOOM ENERGY WASHINGTON D.C., LLC

XOOM ENERGY LLC, Sole Member

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

NRG OPERATING SERVICES, INC.

By: /s/ Matthew Pistner
Name: Matthew Pistner
Title: President

ENERGY ALTERNATIVES WHOLESALE, LLC

By: /s/ Christine Zoino
Name: Christine Zoino
Title: Vice President and Secretary

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

NRG CONSTRUCTION LLC
NRG ENERGY SERVICES LLC
NRG MAINTENANCE SERVICES LLC
NRG RELIABILITY SOLUTIONS LLC

By: /s/ Linda Weigand
Name: Linda Weigand
Title: Treasurer

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

[Signature Page to Eighth Amendment to Second Amended and Restated Credit Agreement]

AMERICAS 126751691

CITICORP NORTH AMERICA, INC., as Administrative Agent and Collateral Agent

By: /s/ Ashwani Khubani
Name: Ashwani Khubani
Title: Managing Director and Vice President

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

Truist Bank, as the Consenting Revolving Lender

By: /s/ Justin Lien
Name: Justin Lien
Title: Director

[Signature Page to Ninth Amendment to Second Amended and Restated Credit Agreement]

Exhibit 10.3

Execution Version

AMENDMENT NO. 2 TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

AMENDMENT NO. 2 to the SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of April 10, 2024 (this "Amendment"), by and between APX GROUP, INC., a Delaware corporation (the "Borrower"), APX GROUP HOLDINGS, INC., a Delaware corporation ("Initial Holdings"), the other

Guarantors party hereto, each of the Lenders party hereto and BANK OF AMERICA, N.A., as Administrative Agent under the Existing Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Borrower, Initial Holdings, the other Guarantors party thereto from time to time, the Lenders party thereto from time to time, the L/C Issuers party thereto from time to time and BANK OF AMERICA, N.A., as Administrative Agent and Swing Line Lender, have entered into that certain Second Amended and Restated Credit Agreement, dated as of July 9, 2021 (as amended by Amendment No.1 to the Second Amended and Restated Credit Agreement, dated as of June 9, 2023, and as it may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof prior to the date hereof, the "Existing Credit Agreement"; and the Existing Credit Agreement, as amended by this Amendment, the "Amended Credit Agreement"; capitalized terms used herein but not otherwise defined herein have the meanings given such terms in the Amended Credit Agreement);

WHEREAS, Initial Holdings, the Borrower, the Administrative Agent and each of the Lenders party hereto desire to amend the Existing Credit Agreement;

WHEREAS, each Term Lender holding Initial Term Loans outstanding immediately prior to the effectiveness of this Amendment on the Amendment No. 2 Effective Date (as defined below) will have agreed to the terms of this Amendment at the Amendment Effective Time (as defined below); and

WHEREAS, BofA Securities, Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd., Royal Bank of Canada and Truist Securities, Inc. are joint lead arrangers for this Amendment (collectively, the "Lead Arrangers").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

Amendments

Immediately after giving effect to the assignments and/or repayment of all Obligations relating to the applicable Initial Term Loans on the Amendment No. 2 Effective Date pursuant to Article IV of this Amendment (such time, the "Amendment Effective Time"), the Lenders party hereto, which

Lenders constitute (i) all the Term Lenders on the Amendment Effective Time and (ii) the Required Lenders (determined immediately prior to the Amendment Effective Time), hereby consent to amend the Existing Credit Agreement as follows:

(a) The following defined terms shall be added to Section 1.01 of the Existing Credit Agreement in alphabetical order:

"**Amendment No. 2**" means Amendment No. 2 to the Second Amended and Restated Credit Agreement, dated as of April 10, 2024, among the Borrower, Initial Holdings, the Lenders party thereto and the Administrative Agent.

"**Amendment No. 2 Effective Date**" has the meaning set forth in Amendment No. 2.

(b) Clause (a) of the definition of "Applicable Rate" in Section 1.01 of the Existing Credit Agreement is hereby amended by deleting such clause in its entirety and replacing it with the following:

"(a) with respect to the Initial Term Loans:

(i) until delivery of financial statements for the fiscal quarter ending December 31, 2021 pursuant to Section 6.01, a percentage per annum equal to (x) for Eurocurrency Rate Loans, 3.50% and (y) for Base Rate Loans, 2.50%;

(ii) at any time upon or after the delivery of the financial statements pursuant to Section 6.01 for the fiscal quarter ending December 31, 2021, and prior to the Amendment No. 2 Effective Date (but excluding such date), the following percentages per annum, based upon the Consolidated First Lien Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Applicable Rate			
Pricing Level	Consolidated First Lien Net Leverage Ratio	Term SOFR for Initial Term Loans	Base Rate for Initial Term Loans
1	> 1.50:1.00	3.50%	2.50%
2	≤ 1.50:1.00 and > 1.00:1.00	3.25%	2.25%
3	≤ 1.00:1.00	3.00%	2.00%

(iii) on and after the Amendment No. 2 Effective Date, a percentage per annum equal to (x) for Term SOFR Loans, 2.75% and (y) for Base Rate Loans, 1.75%"

(c) The definition of "Loan Documents" in Section 1.01 of the Existing Credit Agreement is hereby amended by deleting such clause in its entirety and replacing it with the following:

"**Loan Documents**" means, collectively, (i) this Agreement, (ii) the Notes, (iii) the Collateral Documents, (iv) each Intercreditor Agreement to the extent then in effect, (v) each Letter of

Credit Issuance Request and, (vi) any Refinancing Amendment, Incremental Amendment or Extension Amendment, (vii) Amendment No. 1 and (viii) Amendment No. 2."

(d) The definition of "Repricing Transaction" in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing the words "incurred on the Closing Date" appearing therein with the words "outstanding on the Amendment No. 2 Effective Date".

(e) The definition of "SOFR Adjustment" in Section 1.01 of the Existing Credit Agreement is hereby amended by deleting such definition in its entirety and replacing it with the following:

"**SOFR Adjustment**" means (a) with respect to a Revolving Credit Loan or a Swingline Loan, 0.11448% (11.448 basis points) for an Interest Period of one-month's duration (or a duration of less than one month), 0.26161% (26.161 basis points) for an Interest Period of three-month's duration, 0.42826% (42.826 basis points) for an Interest Period of six-month's duration and 0.71513% (71.513 basis points) for an Interest Period of twelve-month's duration and (b) with respect to any Loan (other than a Revolving Credit Loan or a Swingline Loan), 0.00%.

(f) Section 2.05(a)(iv) of the Existing Credit Agreement is hereby amended by replacing the words "the Closing Date" appearing in the first sentence and the second sentence of Section 2.05(a)(iv) of the Existing Credit Agreement, in each case, with the words "the Amendment No. 2 Effective Date".

(g) Section 10.07(q) of the Existing Credit Agreement is hereby amended by deleting such Section 10.07(q) of the Existing Credit Agreement in its entirety and replacing it with the following:

" (q) Any request for consent of the Borrower pursuant to Section 10.07(b)(i)(A) or Section 10.07(f) and related communications shall be delivered by the Administrative Agent simultaneously to any recipient that is Holdings or the Borrower, as designated in writing to the Administrative Agent by the Borrower from time to time (if any)."

ARTICLE II

Conditions to Effectiveness

This Amendment shall become effective on the date on which each of the following conditions is satisfied (such date, the "Amendment No. 2 Effective Date"):

(a) The Administrative Agent's receipt of the following:

(i) counterparts of this Amendment properly executed by a Responsible Officer of the Borrower and Initial Holdings;

(ii) a certificate, dated the Amendment No. 2 Effective Date and signed by a Responsible Officer of the Borrower, confirming satisfaction of the conditions set forth in clauses (f) and (g) of this Article II.

(b) The Lenders party to this Amendment, which collectively constitute (A) the Required Lenders (determined immediately prior to the Amendment Effective Time) and (B) all the Term Lenders on the Amendment Effective Time, have each consented to this Amendment by delivery to the Administrative Agent of (i) originals or pdf copies or other facsimiles (followed promptly by originals) of counterparts of this Amendment executed such Lender or (ii) a consent of such Lender to this Amendment.

(c) The Borrower shall have paid (or shall pay substantially concurrently with the effectiveness of this Amendment on the Amendment No. 2 Effective Date) all accrued and unpaid interest on the Initial Term Loans to, but not including, the Amendment No. 2 Effective Date, and, to the extent applicable, shall have submitted a Committed Loan Notice with respect to any Borrowing of Initial Term Loans on the Amendment No. 2 Effective Date in accordance with Section 2.02 of the Existing Credit Agreement.

(d) The fees and expenses due to the Administrative Agent, the Lead Arrangers and their Affiliates required to be paid on the Amendment No. 2 Effective Date and invoiced at least three Business Days before the Amendment No. 2 Effective Date (except as otherwise reasonably agreed by the Borrower) shall have been paid.

(e) The Administrative Agent shall have received at least three Business Days prior to the Amendment No. 2 Effective Date all documentation and other information about the Borrower and the Guarantors required under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act that has been requested by the Administrative Agent in writing at least ten Business Days prior to the Amendment No. 2 Effective Date. If the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Borrower shall have delivered to the Administrative Agent, at least three Business Days prior to the Amendment No. 2 Effective Date, a Beneficial Ownership Certification to the extent requested by the Administrative Agent at least ten Business Days prior to the Amendment No. 2 Effective Date.

(f) The representations and warranties of each Loan Party set forth in Article 5 of the Amended Credit Agreement and the representations and warranties of the Borrower set forth in Article III of this Amendment shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects as so qualified) on and as of the Amendment No. 2 Effective Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date.

(g) No Default shall exist or would result from this Amendment or the transactions contemplated by this Amendment.

Without limiting the generality of the provisions of Section 9.03(c) of the Amended Credit Agreement, for purposes of determining compliance with the conditions specified in this Article II, each Lender that has signed this Amendment shall be deemed to have consented to, approved, accepted or be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment No. 2 Effective Date specifying its objection thereto.

ARTICLE III

Representations and Warranties.

To induce each Lender party hereto to enter into this Amendment, the Borrower represents and warrants that:

(a) Organization; Power. The Borrower (i) is duly organized or incorporated, validly existing and, to the extent such concept is applicable in the corresponding jurisdiction, in good standing under the laws of the jurisdiction of its organization or incorporation and (ii) has all requisite organizational or constitutional power and authority to execute and deliver this Amendment and perform its obligations under the Amended Credit Agreement, and the other Loan Documents to which it is a party, except, in the case of clause (i), where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Authorization; Enforceability. This Amendment has been duly authorized by all necessary corporate, shareholder or other organizational action by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) Loan Document Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained in Article 5 of the Amended Credit Agreement or any other Loan Document, are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" is true and correct in all respects as so qualified) on and as of the Amendment No. 2 Effective Date and except that the representations and warranties which by their terms are made as of an earlier date are true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects as so qualified) only as of such specified date.

(d) No Default. At the time of and immediately after giving effect to this Amendment, no Default has occurred and is continuing.

ARTICLE IV

Replacement of Non-Consenting Lenders

On the Amendment No. 2 Effective Date, concurrently with the effectiveness of this Amendment, the Borrower shall (i) be deemed to have exercised its rights under Section 3.07(a)(x) of the Existing Credit Agreement to require each Term Lender that is a Non-Consenting Lender in respect of this Amendment to assign its Initial Term Loans that are listed on Schedule 1 to this Amendment to Bank of America, N.A., and by its execution of this Amendment, the Administrative Agent agrees to accept such assignments and Bank of America, N.A. agrees to accept such assignments and approves this Amendment in its capacity as assignee of any such Initial Term Loans and an "Initial Term Lender" hereunder and (ii) repay under Section 3.07(a)(y) all Obligations of the Borrower owing to any Term

Lender that is a Non-Consenting Lender in respect of this Amendment relating to the Initial Term Loans of such Term Lender that are listed on Schedule 2 to this Amendment.

ARTICLE V

Miscellaneous

Section 1.1. Effect of Amendment.

(a) On and after the date hereof, each reference in the Amended Credit Agreement to "*this Agreement*", "*hereunder*", "*hereof*" or words of like import referring to the Amended Credit Agreement, and each reference in the other Loan Documents to the "*Credit Agreement*", "*thereunder*", "*thereof*" or words of like import referring to the Amended Credit Agreement, mean and are a reference to the Amended Credit Agreement as modified by this Amendment. This Amendment is a Loan Document executed pursuant to the Amended Credit Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

(b) The Existing Credit Agreement, as specifically amended by this Amendment, and each of the other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. Without limiting the generality of the foregoing, the Collateral Documents and all of the Collateral described therein do and shall continue to secure the payment of all of the respective Obligations of Holdings and the Borrower under the Loan Documents, in each case as the Existing Credit Agreement is amended by this Amendment.

(c) The execution, delivery and effectiveness of this Amendment does not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents nor constitute a waiver of any provision of any of the Loan Documents. This Amendment shall not constitute a novation of the Existing Credit Agreement.

Section 1.2. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment shall be binding upon and inure to the benefit of the parties hereto and to the other Loan Documents and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Amendment. Any signature to this Amendment may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law.

Section 1.3. GOVERNING LAW, ETC. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF

NEW YORK. The provisions of Sections 10.15(b) and 10.16 of the Amended Credit Agreement are incorporated herein and apply to this Amendment *mutatis mutandis*.

Section 1.4. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or be taken into consideration in interpreting, this Amendment.

Section 1.5. Reaffirmation. Each of Initial Holdings and the Borrower, on behalf of itself and each other Loan Party, hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the date hereof, (i) the covenants and agreements of each Loan Party contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby and (ii) the guarantee of each Loan Party of the Guaranteed Obligations under each Guaranty to which it is a party and the grant of Liens by each Loan Party on the Collateral to secure the applicable Obligations pursuant to the Collateral Documents.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first above written.

APX GROUP, INC.,
as Borrower

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux Title: Vice President and Treasurer

APX GROUP HOLDINGS, INC.,
as Initial Holdings

By: /s/ Jean-Pierre Breaux
Name: Jean-Pierre Breaux
Title: Vice President and Treasurer

[Signature Page to Amendment No. 2]

Accepted and Acknowledged:

BANK OF AMERICA, N.A.,
as Administrative Agent

/s/ Don B. Pinzon
Name: Don B. Pinzon
Title: Vice President

[Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A.,
as a Lender

/s/ Christopher J. Heitker
Name: Christopher J. Heitker
Title: Director

[Signature Page to Amendment No. 2]

SCHEDULE 1

Assigned Initial Term Loans of Non-Consenting Lenders

Term Lender	**Initial Term Loan**
Ontario Teachers' Pension Plan	$14,796,880.65
SEIX	$13,394,342.23
Investcorp S.A.	$10,334,557.74
FS Investment Advisor	$4,409,640.52
Fidelity	$1,964,735.51
BARINGS LLC	$1,885,225.98
Thrivent Financial	$1,651,730.06
Wintrust Bank, N.A.	$959,927.89
Eaton Vance	$3,472.55

SCHEDULE 2

Repaid Initial Term Loans of Non-Consenting Lenders

None.

EXHIBIT 22.1

LIST OF GUARANTOR SUBSIDIARIES

The following subsidiaries of NRG Energy, Inc. were guarantors of the Company's outstanding registered senior notes of $375 million of the 2027 Senior Notes and $821 million of the 2028 Senior Notes:

ENTITY NAME	JURISDICTION
Ace Energy, Inc.	New York
Airtron, Inc.	Delaware
Allied Home Warranty GP LLC	Delaware
Allied Warranty LLC	Texas
Astoria Gas Turbine Power LLC	Delaware
AWHR America's Water Heater Rentals, L.L.C.	Delaware
Bounce Energy, Inc.	Delaware
Cabrillo Power I LLC	Delaware
Cabrillo Power II LLC	Delaware
Carbon Management Solutions LLC	Delaware
Cirro Energy Services, Inc.	Texas
Cirro Group, Inc.	Texas
CPL Retail Energy L.P.	Delaware
Direct Energy Business, LLC	Delaware
Direct Energy Connected Home US Inc.	Delaware
Direct Energy GP, LLC	Delaware
Direct Energy HoldCo GP LLC	Delaware
Direct Energy Leasing, LLC	Delaware
Direct Energy Marketing Inc.	Delaware
Direct Energy Operations, LLC	Delaware
Direct Energy Services, LLC	Delaware
Direct Energy US Holdings Inc.	Delaware
Direct Energy, LP	Texas
Dunkirk Power LLC	Delaware
Eastern Sierra Energy Company LLC	California
El Segundo Power II LLC	Delaware
El Segundo Power, LLC	Delaware
Energy Alternatives Wholesale, LLC	Delaware
Energy Choice Solutions LLC	Texas
Energy Plus Holdings LLC	Delaware
Energy Plus Natural Gas LLC	Delaware
Everything Energy LLC	Delaware
First Choice Power, LLC	Texas
Forward Home Security, LLC	Texas
Gateway Energy Services Corporation	New York
GCP Funding Company, LLC	Delaware
Green Mountain Energy Company	Delaware
Gregory Partners, LLC	Delaware
Gregory Power Partners LLC	Delaware
Home Warranty Holdings Corp.	Delaware
Huntley Power LLC	Delaware
Independence Energy Alliance LLC	Delaware
Independence Energy Group LLC	Delaware
Independence Energy Natural Gas LLC	Delaware

Independence Energy Natural Gas LLC	Delaware
Indian River Operations Inc.	Delaware
Indian River Power LLC	Delaware
Masters, Inc.	Maryland
Meriden Gas Turbines LLC	Delaware
NEO Corporation	Minnesota
New Genco GP, LLC	Delaware
Norwalk Power LLC	Delaware
NRG Affiliate Services Inc.	Delaware
NRG Arthur Kill Operations Inc.	Delaware
NRG Astoria Gas Turbine Operations Inc.	Delaware
NRG Business Marketing LLC	Delaware
NRG Business Services LLC	Delaware
NRG Cabrillo Power Operations Inc.	Delaware
NRG California Peaker Operations LLC	Delaware
NRG Cedar Bayou Development Company, LLC	Delaware
NRG Connected Home LLC	Delaware
NRG Construction LLC	Delaware
NRG Controllable Load Services LLC	Delaware
NRG Curtailment Solutions, Inc.	New York
NRG Development Company Inc.	Delaware
NRG Dispatch Services LLC	Delaware
NRG Distributed Energy Resources Holdings LLC	Delaware
NRG Distributed Generation PR LLC	Delaware
NRG Dunkirk Operations Inc.	Delaware
NRG ECOKAP Holdings LLC	Delaware
NRG El Segundo Operations Inc.	Delaware
NRG Energy Labor Services LLC	Delaware
NRG Energy Services Group LLC	Delaware
NRG Energy Services LLC	Delaware
NRG Generation Holdings Inc.	Delaware
NRG Home & Business Solutions LLC	Delaware
NRG Home Services LLC	Texas
NRG Home Solutions LLC	Delaware
NRG Home Solutions Product LLC	Delaware
NRG Homer City Services LLC	Delaware
NRG HQ DG LLC	Delaware
NRG Huntley Operations Inc.	Delaware
NRG Identity Protect LLC	Delaware
NRG International LLC	Delaware
NRG Maintenance Services LLC	Delaware
NRG Mextrans Inc.	Delaware
NRG Norwalk Harbor Operations Inc.	Delaware
NRG Operating Services, Inc.	Delaware
NRG Portable Power LLC	Delaware
NRG Protects Inc. (IL)	Illinois
NRG Reliability Solutions LLC	Delaware
NRG Renter's Protection LLC	Delaware
NRG Retail LLC	Delaware
NRG Retail Northeast LLC	Delaware
NRG Rockford Acquisition LLC	Delaware

NRG Rockford Acquisition LLC	Delaware
NRG Saguaro Operations Inc.	Delaware
NRG Security LLC	Delaware
NRG Services Corporation	Delaware
NRG SimplySmart Solutions LLC	Delaware
NRG South Texas LP	Texas
NRG Texas Gregory LLC	Delaware
NRG Texas Holding Inc.	Delaware
NRG Texas LLC	Delaware
NRG Texas Power LLC	Delaware
NRG Warranty Services LLC	Delaware
NRG West Coast LLC	Delaware
NRG Western Affiliate Services Inc.	Delaware
Reliant Energy Northeast LLC	Delaware
Reliant Energy Power Supply, LLC	Delaware
Reliant Energy Retail Holdings, LLC	Delaware
Reliant Energy Retail Services, LLC	Delaware
RERH Holdings, LLC	Delaware
RSG Holding Corp.	Delaware
Saguaro Power LLC	Delaware
SGE Energy Sourcing, LLC	Delaware
SGE Texas Holdco, LLC	Texas
Somerset Operations Inc.	Delaware
Somerset Power LLC	Delaware
Stream Energy Columbia, LLC	Delaware
Stream Energy Delaware, LLC	Delaware
Stream Energy Illinois, LLC	Delaware
Stream Energy Maryland, LLC	Delaware
Stream Energy New Jersey, LLC	Delaware
Stream Energy New York, LLC	Delaware
Stream Energy Pennsylvania, LLC	Delaware
Stream Georgia Gas SPE, LLC	Georgia
Stream Ohio Gas & Electric, LLC	Ohio
Stream SPE GP, LLC	Texas
Stream SPE, Ltd.	Texas
Texas Genco GP, LLC	Texas
Texas Genco Holdings, Inc.	Texas
Texas Genco LP, LLC	Delaware
Texas Genco Services, LP	Texas
US Retailers LLC	Delaware
Vienna Operations Inc.	Delaware
Vienna Power LLC	Delaware
WCP (Generation) Holdings LLC	Delaware
West Coast Power LLC	Delaware
WTU Retail Energy L.P.	Delaware
XOOM Alberta Holdings, LLC	Delaware
XOOM British Columbia Holdings, LLC	Delaware
XOOM Energy California, LLC	California
XOOM Energy Connecticut, LLC	Connecticut
XOOM Energy Delaware, LLC	Delaware
XOOM Energy Georgia, LLC	Georgia
XOOM Energy Global Holdings, LLC	Delaware

XOOM Energy Georgia, LLC	Georgia
XOOM Energy Global Holdings, LLC	Delaware
XOOM Energy Illinois LLC	Illinois
XOOM Energy Indiana, LLC	Indiana
XOOM Energy Kentucky, LLC	Kentucky
XOOM Energy Maine, LLC	Maine
XOOM Energy Maryland, LLC	Maryland
XOOM Energy Massachusetts, LLC	Massachusetts
XOOM Energy Michigan, LLC	Michigan
XOOM Energy New Hampshire, LLC	New Hampshire
XOOM Energy New Jersey, LLC	New Jersey
XOOM Energy New York, LLC	New York
XOOM Energy Ohio, LLC	Ohio
XOOM Energy Pennsylvania, LLC	Pennsylvania
XOOM Energy Rhode Island, LLC	Rhode Island
XOOM Energy Texas, LLC	Texas
XOOM Energy Virginia, LLC	Virginia
XOOM Energy Washington D.C., LLC	District of Columbia
XOOM Energy, LLC	Delaware
XOOM Ontario Holdings, LLC	Delaware
XOOM Solar, LLC	Delaware

EXHIBIT 31.1

CERTIFICATION

I, Mauricio Gutierrez, Lawrence S. Coben, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NRG Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MAURICIO GUTIERREZ LAWRENCE S. COBEN

Mauricio Gutierrez Lawrence S. Coben
Interim President and Chief Executive Officer

(Principal Executive Officer)

Date: November 2, 2023 May 7, 2024

EXHIBIT 31.2

CERTIFICATION

I, Woo-Sung Chung, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NRG Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ WOO-SUNG CHUNG

Woo-Sung Chung
Chief Financial Officer
(Principal Financial Officer)

Date: November 2, 2023 May 7, 2024

EXHIBIT 31.3

CERTIFICATION

I, Emily Picarello, G. Alfred Spencer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NRG Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ EMILY PICARELLO G. ALFRED SPENCER

Emily Picarello G. Alfred Spencer
Corporate Controller Chief Accounting Officer
(Principal Accounting Officer)

Date: November 2, 2023 May 7, 2024

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NRG Energy, Inc. on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-Q.

Date: November 2, 2023 May 7, 2024

/s/ MAURICIO GUTIERREZ LAWRENCE S. COBEN
Mauricio Gutierrez Lawrence S. Coben
Interim President and Chief Executive Officer
(Principal Executive Officer)

/s/ WOO-SUNG CHUNG
Woo-Sung Chung
Chief Financial Officer
(Principal Financial Officer)

/s/ EMILY PICARELLO G. ALFRED SPENCER
Emily Picarello G. Alfred Spencer
Corporate Controller Chief Accounting Officer
(Principal Accounting Officer Officer))

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NRG Energy, Inc. and will be retained by NRG Energy, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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