CIMAREX ENERGY CO
Form 4/A
June 03, 2015

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
PRICE FLOYD R

(Last) (First) (Middle)

C/O CIMAREX ENERGY CO., 1700 LINCOLN STREET, SUITE 3700

(Street)

DENVER, CO 80203

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CIMAREX ENERGY CO [XEC]

3. Date of Earliest Transaction (Month/Day/Year)
06/03/2015

4. If Amendment, Date Original Filed(Month/Day/Year)
06/02/2015

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								7,825 (1)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PRICE FLOYD R C/O CIMAREX ENERGY CO. 1700 LINCOLN STREET, SUITE 3700 DENVER, CO 80203				

Signatures

Francis B. Barron, as Attorney-in-Fact	06/03/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Form 4 filed 6-2-2015 reported an incorrect number of service-based restricted stock. The Direct beneficial ownership includes 3,783 shares subject to service-based vesting.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

9

Comprehensive income/(loss) attributable to NRG Energy, Inc.
158

88

(47

)

(246
)

(47
)
Dividends for preferred shares
—

—

5

—

5

Comprehensive income/(loss) available for common stockholders
$
158

$
88

$
(52
)

$
(246
)

$
(52
)
(a) All significant intercompany transactions have been eliminated in consolidation.

41

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
June 30, 2012

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[(a)]	Consolidated Balance
	(In millions)				
ASSETS					
Current Assets					
Cash and cash equivalents	$694	$ 58	$397	$ —	$ 1,149
Funds deposited by counterparties	135	—	—	—	135
Restricted cash	9	181	18	—	208
Accounts receivable, net	947	53	—	—	1,000
Inventory	408	8	—	—	416
Derivative instruments	3,673	—	—	(3)	3,670
Cash collateral paid in support of energy risk management activities	71	—	—	—	71
Prepayments and other current assets	146	408	52	—	606
Total current assets	6,083	708	467	(3)	7,255
Net property, plant and equipment	10,194	5,047	96	(19)	15,318
Other Assets					
Investment in subsidiaries	324	11	16,552	(16,887)	—
Equity investments in affiliates	33	613	12	—	658
Notes receivable – affiliate and capital leases, less current portion	3	78	393	(393)	81
Goodwill	1,886	—	—	—	1,886
Intangible assets, net	1,183	81	30	(38)	1,256
Nuclear decommissioning trust fund	448	—	—	—	448
Derivative instruments	562	—	—	—	562
Other non-current assets	63	122	207	—	392
Total other assets	4,502	905	17,194	(17,318)	5,283
Total Assets	$20,779	$ 6,660	$17,757	$ (17,340)	$ 27,856
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Current portion of long-term debt and capital leases	$—	$ 54	$17	$ —	$ 71
Accounts payable	(1,328)	540	2,138	—	1,350
Derivative instruments	3,202	19	16	(3)	3,234
Deferred income taxes	455	(50)	(290)	—	115
Cash collateral received in support of energy risk management activities	135	—	—	—	135
Accrued expenses and other current liabilities	359	212	222	—	793
Total current liabilities	2,823	775	2,103	(3)	5,698

Other Liabilities					
Long-term debt and capital leases	273	3,030	7,575	(393)	10,485
Nuclear decommissioning reserve	345	—	—	—	345
Nuclear decommissioning trust liability	263	—	—	—	263
Deferred income taxes	1,115	220	(188)	—	1,147
Derivative instruments	611	109	—	—	720
Out-of-market commodity contracts	193	6	—	(31)	168
Other non-current liabilities	564	199	115	—	878
Total non-current liabilities	3,364	3,564	7,502	(424)	14,006
Total liabilities	6,187	4,339	9,605	(427)	19,704
3.625% convertible perpetual preferred stock	—	—	249	—	249
Stockholders' Equity	14,592	2,321	7,903	(16,913)	7,903
Total Liabilities and Stockholders' Equity	$20,779	$ 6,660	$17,757	$ (17,340)	$ 27,856

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

42

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2012

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[a]	Consolidated Balance
	(In millions)				
Cash Flows from Operating Activities					
Net income	$237	$ 118	$44	$ (346)	$ 53
Adjustments to reconcile net income to net cash provided/(used) by operating activities:					
Distributions and equity in losses/(earnings) of unconsolidated affiliates and consolidated subsidiaries	15	(12)	346	(350)	(1)
Depreciation and amortization	430	28	6	—	464
Provision for bad debts	17	—	—	—	17
Amortization of nuclear fuel	16	—	—	—	16
Amortization of financing costs and debt discount/premiums	—	5	12	—	17
Loss on debt extinguishment	—	—	1	—	1
Amortization of intangibles and out-of-market commodity contracts	80	1	—	—	81
Amortization of unearned equity compensation	—	—	18	—	18
Changes in deferred income taxes and liability for uncertain tax benefits	126	(95)	(176)	—	(145)
Changes in nuclear decommissioning trust liability	17	—	—	—	17
Changes in derivative instruments	65	8	1	—	74
Changes in collateral deposits supporting energy risk management activities	240	—	—	—	240
Cash (used)/provided by changes in other working capital	(742)	118	(335)	692	(267)
Net Cash Provided/(Used) by Operating Activities	501	171	(83)	(4)	585
Cash Flows from Investing Activities					
Intercompany loans to subsidiaries	320	—	(80)	(240)	—
Capital expenditures	(127)	(1,431)	(35)	—	(1,593)
Increase in restricted cash, net	(1)	(58)	1	—	(58)
Decrease in restricted cash - U.S. DOE projects	—	108	34	—	142
Increase in notes receivable	—	(21)	—	—	(21)
Investments in nuclear decommissioning trust fund securities	(236)	—	—	—	(236)
Proceeds from sales of nuclear decommissioning trust fund securities	220	—	—	—	220
Proceeds from renewable energy grants	—	35	—	—	35
Other	8	(41)	(11)	—	(44)
Net Cash Provided/(Used) by Investing Activities	184	(1,408)	(91)	(240)	(1,555)
Cash Flows from Financing Activities					

Proceeds from intercompany loans	—	80	(320)	240	—
Payment of dividends to preferred stockholders	—	—	(5)	—	(5)
Payments of intercompany dividends	—	(4)	—	4	—
Net payments for settlement of acquired derivatives that include financing elements	(44)	—	—	—	(44)
Sale proceeds and other contributions from noncontrolling interest in subsidiaries	—	270	—	—	270
Proceeds from issuance of long-term debt	9	917	1	—	927
Payment of debt issuance costs	—	(11)	(1)	—	(12)
Payments for short and long-term debt	—	(41)	(80)	—	(121)
Net Cash (Used)/Provided by Financing Activities	(35)	1,211	(405)	244	1,015
Effect of exchange rate changes on cash and cash equivalents	—	(1)	—	—	(1)
Net Increase/(Decrease) in Cash and Cash Equivalents	650	(27)	(579)	—	44
Cash and Cash Equivalents at Beginning of Period	44	85	976	—	1,105
Cash and Cash Equivalents at End of Period	$694	$ 58	$397	$ —	$ 1,149

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

43

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Three Months Ended June 30, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[a]	Consolidated Balance
	(In millions)				
Operating Revenues					
Total operating revenues	$2,185	$90	$—	$3	$2,278
Operating Costs and Expenses					
Cost of operations	1,545	59	1	3	1,608
Depreciation and amortization	210	8	4	—	222
Selling, general and administrative	93	7	67	—	167
Development costs	—	—	12	—	12
Total operating costs and expenses	1,848	74	84	3	2,009
Operating Income/(Loss)	337	16	(84)	—	269
Other Income/(Expense)					
Equity in earnings of consolidated subsidiaries	6	(8)	175	(173)	—
Equity in losses of unconsolidated affiliates	6	6	—	—	12
Impairment charge on investment	(11)	—	—	—	(11)
Other income, net	—	1	2	—	3
Loss on debt extinguishment	—	—	(115)	—	(115)
Interest expense	(17)	(14)	(136)	—	(167)
Total other expense	(16)	(15)	(74)	(173)	(278)
Income/(Loss) Before Income Taxes	321	1	(158)	(173)	(9)
Income tax expense/(benefit)	148	1	(779)	—	(630)
Net Income/(Loss) attributable to NRG Energy, Inc.	$173	$—	$621	$(173)	$621

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

44

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[(a)]	Consolidated Balance
			(In millions)		
Operating Revenues					
Total operating revenues	$4,089	$194	$—	$ (10)	$4,273
Operating Costs and Expenses					
Cost of operations	2,798	131	6	(3)	2,932
Depreciation and amortization	402	18	7	—	427
Selling, general and administrative	174	12	124	—	310
Development costs	—	(1)	22	—	21
Total operating costs and expenses	3,374	160	159	(3)	3,690
Operating Income/(Loss)	715	34	(159)	(7)	583
Other Income/(Expense)					
Equity in earnings of consolidated subsidiaries	15	(9)	97	(103)	—
Equity in earnings of unconsolidated affiliates	6	4	—	—	10
Impairment charge on investment	(492)	—	—	—	(492)
Other income, net	—	5	3	—	8
Loss on debt extinguishment	—	—	(143)	—	(143)
Interest expense	(26)	(27)	(287)	—	(340)
Total other expense	(497)	(27)	(330)	(103)	(957)
Income Before Income Taxes	218	7	(489)	(110)	(374)
Income tax expense/(benefit)	112	3	(850)	—	(735)
Net Income/(Loss) attributable to NRG Energy, Inc.	$106	$4	$361	$ (110)	$361

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

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the Three Months Ended June 30, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[(a)]	Consolidated Balance
	(In millions)				
Net Income/(Loss)	$173	$—	$621	$(173)	$621
Other comprehensive (loss)/income, net of tax					
Unrealized (loss)/gain on derivatives, net	(52)	(5)	(59)	49	(67)
Foreign currency translation adjustments, net	—	8	2	—	10
Available-for-sale securities, net	—	—	(1)	—	(1)
Other comprehensive (loss)/income	(52)	3	(58)	49	(58)
Comprehensive income/(loss) attributable to NRG Energy, Inc.	121	3	563	(124)	563
Dividends for preferred shares	—	—	3	—	3
Comprehensive income/(loss) available for common stockholders	$121	$3	$560	$(124)	$560

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

46

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the Six Months Ended June 30, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[a]	Consolidated Balance
	(In millions)				
Net Income/(Loss)	$106	$4	$361	$(110)	$361
Other comprehensive (loss)/income, net of tax					
Unrealized (loss)/gain on derivatives, net	(138)	(2)	(128)	119	(149)
Foreign currency translation adjustments, net	—	20	2	—	22
Available-for-sale securities, net	—	—	(1)	—	(1)
Defined benefit plan	1	—	—	—	1
Other comprehensive (loss)/income	(137)	18	(127)	119	(127)
Comprehensive (loss)/income attributable to NRG Energy, Inc.	(31)	22	234	9	234
Dividends for preferred shares	—	—	5	—	5
Comprehensive (loss)/income available for common stockholders	$(31)	$22	$229	$9	$229

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

47

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
December 31, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[a]	Consolidated Balance
	(In millions)				
ASSETS					
Current Assets					
Cash and cash equivalents	$44	$ 85	$976	$ —	$ 1,105
Funds deposited by counterparties	258	—	—	—	258
Restricted cash	8	231	53	—	292
Accounts receivable-trade, net	789	45	—	—	834
Inventory	300	8	—	—	308
Derivative instruments	4,222	—	—	(6)	4,216
Cash collateral paid in support of energy risk management activities	311	—	—	—	311
Prepayments and other current assets	1,229	28	(983)	(1)	273
Total current assets	7,161	397	46	(7)	7,597
Net Property, Plant and Equipment	10,456	3,116	67	(18)	13,621
Other Assets					
Investment in subsidiaries	225	491	16,169	(16,885)	—
Equity investments in affiliates	33	607	—	—	640
Capital leases and notes receivable, less current portion	1	341	172	(172)	342
Goodwill	1,886	—	—	—	1,886
Intangible assets, net	1,340	84	33	(38)	1,419
Nuclear decommissioning trust fund	424	—	—	—	424
Derivative instruments	450	—	—	—	450
Other non-current assets	55	72	209	—	336
Total other assets	4,414	1,595	16,583	(17,095)	5,497
Total Assets	$22,031	$ 5,108	$16,696	$ (17,120)	$ 26,715
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities					
Current portion of long-term debt and capital leases	$—	$ 72	$15	$ —	$ 87
Accounts payable	(407)	122	1,093	—	808
Derivative instruments	3,712	23	22	(6)	3,751
Deferred income taxes	534	(51)	(356)	—	127
Cash collateral received in support of energy risk management activities	258	—	—	—	258
Accrued expenses and other current liabilities	371	23	247	(1)	640
Total current liabilities	4,468	189	1,021	(7)	5,671
Other Liabilities					
Long-term debt and capital leases	264	1,999	7,654	(172)	9,745
Nuclear decommissioning reserve	335	—	—	—	335

Nuclear decommissioning trust liability	254	—	—	—	254
Deferred income taxes	950	273	166	—	1,389
Derivative instruments	394	66	4	—	464
Out-of-market commodity contracts	208	6	—	(31)	183
Other non-current liabilities	544	96	116	—	756
Total non-current liabilities	2,949	2,440	7,940	(203)	13,126
Total liabilities	7,417	2,629	8,961	(210)	18,797
3.625% Preferred Stock	—	—	249	—	249
Stockholders' Equity	14,614	2,479	7,486	(16,910)	7,669
Total Liabilities and Stockholders' Equity	$22,031	$5,108	$16,696	$(17,120)	$26,715

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

48

NRG ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011

	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	NRG Energy, Inc. (Note Issuer)	Eliminations[(a)]	Consolidated Balance
	(In millions)				
Cash Flows from Operating Activities					
Net income	$ 106	$ 4	$ 361	$ (110)	$ 361
Adjustments to reconcile net income to net cash provided/(used) by operating activities:					
Distributions and equity in (earnings)/losses of unconsolidated affiliates and consolidated subsidiaries	(21)	15	(93)	99	—
Depreciation and amortization	402	18	7	—	427
Provision for bad debts	20	—	—	—	20
Amortization of nuclear fuel	20	—	—	—	20
Amortization of financing costs and debt discount/premiums	—	3	13	—	16
Loss on debt extinguishment	—	—	26	—	26
Amortization of intangibles and out-of market commodity contracts	92	—	—	—	92
Amortization of unearned equity compensation	—	—	14	—	14
Changes in deferred income taxes and liability for uncertain tax benefits	111	3	(862)	—	(748)
Changes in nuclear decommissioning trust liability	13	—	—	—	13
Changes in derivative instruments	(167)	1	—	—	(166)
Changes in collateral deposits supporting energy risk management activities	67	2	—	—	69
Impairment charge on investment	481	—	—	—	481
Cash (used)/provided by changes in other working capital	(273)	7	(57)	7	(316)
Net Cash Provided/(Used) by Operating Activities	851	53	(591)	(4)	309
Cash Flows from Investing Activities					
Intercompany loans to subsidiaries	(869)	(14)	(352)	1,235	—
Acquisition of business, net of cash acquired	—	(68)	—	—	(68)
Capital expenditures	(197)	(599)	(43)	—	(839)
Increase in restricted cash, net	(1)	(41)	—	—	(42)
Increase in restricted cash - U.S. DOE projects	—	—	(70)	—	(70)
Decrease in notes receivable	—	20	—	—	20
Investments in nuclear decommissioning trust fund securities	(165)	—	—	—	(165)
Proceeds from sales of nuclear decommissioning trust fund securities	152	—	—	—	152
Other	(7)	(30)	(10)	—	(47)
Net Cash (Used)/Provided by Investing Activities	(1,087)	(732)	(475)	1,235	(1,059)

Cash Flows from Financing Activities					
Proceeds from intercompany loans	38	314	883	(1,235)	—
Payment of dividends to preferred stockholders	—	—	(5)	—	(5)
Payment of intercompany dividends	—	(4)	—	4	—
Payment for treasury stock	—	—	(130)	—	(130)
Net payment for settlement of acquired derivatives that include financing elements	(46)	—	—	—	(46)
Proceeds from issuance of long-term debt	96	502	3,200	—	3,798
Increase in restricted cash supporting funded letter of credit	—	(1)	—	—	(1)
Proceeds from issuance of common stock	—	—	1	—	1
Payment of debt issuance and hedging costs	—	(18)	(34)	—	(52)
Payments for short and long-term debt	—	(71)	(3,762)	—	(3,833)
Net Cash Provided/(Used) by Financing Activities	88	722	153	(1,231)	(268)
Effect of exchange rate changes on cash and cash equivalents	—	6	—	—	6
Net (Decrease)/Increase in Cash and Cash Equivalents	(148)	49	(913)	—	(1,012)
Cash and Cash Equivalents at Beginning of Period	168	111	2,672	—	2,951
Cash and Cash Equivalents at End of Period	$20	$ 160	$1,759	$ —	$ 1,939

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

49

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

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 six months ended June 30, 2012, and 2011. Also refer to NRG's Annual Report on Form 10-K for the year ended December 31, 2011, or 2011 Form 10-K, which includes detailed discussions of various items impacting the Company's business, results of operations and financial condition, including: Introduction and Overview section which provides a description of NRG's business segments; Strategy section; Business Environment section, including how regulation, weather, and other factors affect NRG's business; and Critical Accounting Policies and Estimates section. As described in Note 12, Segment Reporting, NRG updated its segment structure to reflect how management currently makes its financial decisions and allocates resources, based on the Retail businesses, conventional power generation, alternative energy businesses and corporate activities.

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;
- Financial condition, addressing liquidity position, sources and uses of liquidity, capital resources and requirements, commitments, and off-balance sheet arrangements; and
- Known trends that may affect NRG’s results of operations and financial condition in the future.

Executive Summary

Introduction and Overview

NRG Energy, Inc., or NRG or the Company, is an integrated wholesale power generation and retail electricity company that aspires to be a leader in the way the industry and consumers think about, use, produce and deliver energy and energy services in major competitive power markets in the United States. First, NRG is a wholesale power generator engaged in the ownership and operation of power generation facilities; the trading of energy, capacity and related products; and the transacting in and trading of fuel and transportation services. Second, NRG is a retail electricity company engaged in the supply of electricity, energy services, and cleaner energy products to retail electricity customers in deregulated markets through its Retail businesses. Finally, NRG is focused on the deployment and commercialization of potential disruptive technologies, like electric vehicles, Distributed Solar and smart meter technology, which have the potential to change the nature of the power supply industry.

NRG's Business Strategy

NRG's business strategy is intended to maximize stockholder value through the production and sale of safe, reliable and affordable power to its customers in the markets served by the Company, while aggressively positioning the Company to meet the market's increasing demand for sustainable and low carbon energy solutions. This strategy is designed to enhance the Company's core business of competitive power generation and mitigate the risk of declining power prices. The Company expects to become a leading provider of sustainable energy solutions that promotes national energy security, while utilizing the Company's Retail businesses to complement and advance both initiatives.

The Company's core business is focused on: (i) excellence in safety and operating performance of its existing assets; (ii) serving the energy needs of end-use residential, commercial and industrial customers in the Company's core markets with a retail energy product that is differentiated either by premium service (Reliant), sustainability (Green Mountain Energy) or loyalty/affinity programs (Energy Plus); (iii) optimal hedging of baseload generation and retail load operations, while retaining optionality on the Company's peaking facilities; (iv) repowering of power generation assets at premium sites; (v) investment in, and deployment of, alternative energy technologies both in its wholesale and, particularly, in and around its Retail businesses and their customers; (vi) pursuing selective acquisitions, joint ventures, divestitures and investments; and (vii) engaging in a proactive capital allocation plan focused on achieving the regular return of and on stockholder capital within the dictates of prudent balance sheet management.

Moreover, the Company believes that the American energy industry is going to be increasingly impacted by the long-term societal trend towards sustainability which is both generational and irreversible. This trend is further influenced by the information technology-driven revolution, which has enabled greater and easier personal choice in other sectors of the consumer economy and will do the same in the American energy sector over the years to come. As a result, energy consumers will have increasing personal control over from whom they buy their energy, how that energy is generated and used and what environmental impact these individual choices will have. The Company's initiatives in this area of future growth are focused on: (i) renewables, with a concentration in solar development; (ii) electric vehicle ecosystems; (iii) customer-facing energy products and services including smart grid services, nationwide retail green electricity, unique retail sales channels involving loyalty and affinity programs and custom design; and (iv) the construction of other forms of on-site clean power generation. The Company's advances in each of these areas are driven by select acquisitions, joint ventures, and investments that are more fully described in Item 1, Business - New and On-going Company Initiatives and Development Projects of the Company's 2011 Form 10-K, and this Form 10-Q.

Pending Acquisition

On July 20, 2012, the Company entered into an agreement, or the Merger Agreement, to acquire GenOn Energy, Inc., or GenOn. GenOn, a generator of wholesale electricity, has baseload, intermediate and peaking power generation facilities using coal, natural gas and oil, totaling approximately 22,700 MW. The Company will issue, as consideration for the acquisition, 0.1216 shares of NRG common stock for each outstanding share of GenOn, including restricted stock units outstanding, on the acquisition date, except for fractional shares which will be paid in cash. The acquisition is expected to close by the first quarter of 2013.

The Merger Agreement contains customary representations, warranties and covenants of NRG and GenOn, including, among others, covenants (a) to conduct their respective businesses in the ordinary course during the interim period between the execution of the Merger Agreement and completion of the merger, (b) not to engage in certain material transactions during the interim period except with the consent of the other party, (c) that NRG will convene and hold a meeting of its stockholders to consider and vote upon the approval of the issuance of NRG common stock in the merger and the approval and adoption of the charter amendment to allow the size of NRG's Board of Directors to be increased to16 members in connection with the closing, (d) that GenOn will convene and hold a meeting of its stockholders to consider and vote upon the adoption of the Merger Agreement, and (e) that the parties use their respective reasonable best efforts to take all actions necessary to obtain all governmental and regulatory approvals and consents.

The combined company, which will retain the name NRG Energy, Inc., will become the largest competitive power generation company in the United States with approximately 47,000 MW of fossil fuel, nuclear, solar and wind capacity across the merit order in major competitive energy markets across the United States. In 2011, the combined fleet generated approximately 105 terawatt-hours of electricity. Expected synergies include cost and operational efficiency synergies, interest savings, reduced liquidity and collateral requirements, and a greater operational scale, which will enhance the combined company's ability to revitalize its generation fleet and optimize portfolio value.

Environmental Matters

Environmental Regulatory Landscape

In 2011, a number of U.S. EPA air regulations were finalized providing more clarity to the impact on electric generating units. A number of regulations with the potential for impact are still in development or under review by the U.S. EPA: New Source Performance Standards, or NSPS, for Greenhouse Gases, or GHGs, National Ambient Air Quality Standards, or NAAQS, revisions, coal combustion byproducts, and once-through cooling. While most of these regulations have been considered for some time, the outcomes and any resulting impact on NRG cannot be fully predicted until the rules are finalized. The timing and stringency of these regulations will contribute to a framework for the retrofit of existing fossil plants and deployment of new, cleaner technologies in the next decade. See discussion below for more detail.

Air — The U.S. EPA released the Cross-State Air Pollution Rule, or CSAPR, on July 7, 2011, with additional proposed updates on October 6, 2011. CSAPR was scheduled to replace the Clean Air Interstate Rule, or CAIR, on January 1, 2012. It was designed to bring states into attainment with PM 2.5 and ozone NAAQS, reducing SO_2 and NO_x emissions from power plants. The U.S. Court of Appeals for the District of Columbia Circuit stayed the rule on December 30, 2011, pending resolution of the numerous petitions for judicial review and leaving CAIR in effect during the stay. On February 8, 2012, the U.S. EPA finalized the incremental state allowance budgets and resulting company allocations proposed in October 2011 and added additional allowance in certain states under the Direct Final Rule. NRG benefited from both rounds of allocation increases. The Company is unable to predict the final outcome of the court proceeding. There is no material impact to NRG related to the stay.

On February 16, 2012, the U.S. EPA finalized MATS, to control emissions of hazardous air pollutants from coal and oil fired electric generating units. Requirements include meeting the standards for mercury, acid gases, and certain metals (such as particulate matter) by April 16, 2015 on a plant wide basis with the potential for a one year extension. In April 2012, the rule was challenged on a number of issues by some states and industrial representatives. The appeal will be heard before the D.C. Circuit. NRG does not anticipate any plant impairments or capital expenditures beyond the current environmental capital expenditures schedule.

The U.S. EPA published the proposed New Source Performance Standards, or NSPS, for GHGs on April 13, 2012. The new standard, 1,000 tons of CO_2 per MWh gross, applies only to new electric generating units greater than 25 MW and provides averaging options for new units expected to install carbon capture. An exclusion for existing units minimizes the impact to NRG's coal plants.

On July 3, 2012, the EPA finalized the continued use of modified trigger levels through 2016 for GHG emissions in the Tailoring Rule. This rule maintains the current level at which projects must be permitted. While most repowering projects still trigger the permitting, the higher limit provides relief to smaller projects like the installation of back-end controls to meet other regulations.

Regulatory Matters

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

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

Texas Region

NRC Task Force Report — On March 11, 2012, the NRC issued Tier 1 requirements in response to the Near-Term Task Force report. Specifically, the NRC issued rules governing installation of spent fuel pool instrumentation and established mitigation strategies for beyond-design-basis external events. Additionally, the NRC issued requests for information regarding the re-evaluation of seismic and flooding hazards and the development of staffing strategies necessary for responding to an extended station blackout multi-unit event. The Company has submitted the required contingency plans and the NRC accepted the proposals. The Company anticipates being able to comply in a timely manner with all announced requirements.

ERCOT System-Wide Offer Caps — At its June 26, 2012, meeting, the PUCT approved an amendment to raise the ERCOT system-wide energy and ancillary service offer cap from $3,000 to $4,500 per MWh beginning August 1, 2012. A second proposed PUCT rule change is pending that would raise the system-wide offer cap on June 1, 2013 to $5,000 per MWh, escalating to $9,000 per MWh on June 1, 2015. The PUCT is expected to take action on this second proposed rule at its September 28, 2012 meeting. The ERCOT ISO is expected to shift the Power Balance Penalty Curve, or PBPC, to match these offer cap levels. An increase in the cap on electricity prices could have a material impact on NRG's retail and wholesale operations. This is expected to be overall positive to NRG as it will potentially result in increased wholesale revenues.

Over the past several months, ERCOT has implemented a number of measures intended to ensure that real-time energy prices accurately reflect supply scarcity conditions. Specific changes include requiring that energy from reliability services (such as responsive reserves and reliability unit commitments) be offered at the system-wide offer cap, implementing floor prices during the deployment of non-spinning reserve services, and shifting 500 MWs of non-spinning reserves to responsive reserves procurement by the ISO.

On June 1, 2012, the Brattle Group issued an ERCOT sponsored report on resource adequacy. The Brattle Report recommends the adoption of a $9,000 ERCOT system-wide offer cap, along with other broader market design recommendations designed to incent investment in ERCOT generation. The PUCT has initiated a new proceeding to evaluate the recommendations.

ERCOT Voluntary Mitigation Plan — On June 18, 2012, NRG submitted a Voluntary Mitigation Plan, or VMP, which had been agreed to by PUCT Staff, and the ERCOT Independent Market Monitor. The VMP establishes a safe harbor for energy offers from NRG's units in ERCOT's real-time market. The VMP was approved by the PUCT on July 13, 2012.

Northeast Region

New England
Forward Capacity Market — On January 19, 2012, the FERC issued an order largely denying rehearing of its prior decision addressing proposed amendments submitted by ISO New England Inc., or ISO-NE, to its Forward Capacity Market, or FCM, design, as well as two pending complaints. On March 16, 2012, the Company and other generators with interests in New England appealed the FERC's decision to the DC Circuit Court of Appeals. Briefing is currently underway.

New York
New Financial Reporting Rules in New York — On March 23, 2012, the New York Public Service Commission, or NYPSC, issued an order addressing its policy of applying “lightened” regulation to wholesale generators. The order proposed to subject wholesale generators, which would include NRG entities operating in New York, to more

stringent financial reporting rules, including a requirement for generators to make an annual submission of “receipts and expenditures” to the NYPSC. The NYPSC extended the date for comments on the proposed financial reporting forms to July 30, 2012.

Dunkirk Power LLC Reliability Service — On March 14, 2012, Dunkirk Power LLC, or Dunkirk Power, filed a notice with the New York Department of Public Service, or DPS, of its intent to mothball the Dunkirk Station no later than September 10, 2012. The effects of the mothball on electric system reliability were reviewed by Niagara Mohawk Power Corporation, d/b/a National Grid, or NG. As a result of those studies, NG determined that the mothball of the Dunkirk Station would have a negative impact on the reliability of the New York transmission system and that portions of the Dunkirk Station may be retained for reliability purposes via a non-market compensation arrangement. On July 12, 2012, Dunkirk Power filed a Reliability Must Run, or RMR, agreement, with the FERC. On July 20, 2012, NG and Dunkirk Power agreed on the material terms for a bilateral reliability support services agreement and submitted those terms to the NYPSC for rate recovery in NG's rates. The parties have requested that the NYPSC approve the reliability services agreement at its next open meeting, currently scheduled for August 16, 2012. Pending approval of the reliability services agreement, Dunkirk Power has requested that the FERC defer consideration of its RMR agreement.

53

New York City Mitigation Order — On June 21, 2012, the FERC issued the first of two anticipated orders on the New York Independent System Operator's, or NYISO's, implementation of mitigation rules designed to prevent the exercise of buyer-side market power in the In-City capacity market. The order related primarily to the appropriate modeling assumptions that the NYISO should use in determining whether new entrants are subject to mitigation and, if so, what offer floor should apply to their capacity market bids. The FERC directed the NYISO to conduct its mitigation determinations using modeling parameters comparable to those used in the demand-curve reset process. The FERC also agreed with NRG and other generators that the NYISO needs to make its mitigation determination process more transparent and ordered appropriate changes. Finally, the FERC directed the NYISO IMM to provide a report on the effectiveness of the capacity market buyer-side market power mitigation program. The order did not rule on whether the NYISO had properly applied its mitigation rules to any specific market participant, instead deferring specific mitigation determinations to a future order in Docket No. EL11-50, which remains pending at the FERC.

Hudson Transfer Partners Capacity Market Mitigation Complaint — On August 3, 2012, Hudson Transfer Partners, or HTP, filed a complaint at FERC regarding the ability of its transmission cable from New Jersey to New York City to participate in the NYISO capacity markets. HTP raises two primary allegations. First, HTP alleges that the NYISO inappropriately determined that its capacity sales in the NYISO monthly spot capacity auction should be subject to a bid floor. Second, HTP asserts that even if its mitigated bid does not clear the monthly spot auction, it should still receive separate reliability compensation because the emergency transfer capacity of its cable decreases the Statewide Installed Reserve Margin, providing the NYISO an alleged reliability benefit for which HTP believes it deserves compensation. HTP's unmitigated entry into the NYISO market could have a material negative impact on NRG's existing fleet in New York City by decreasing capacity prices or by decreasing the locational capacity requirement in New York City.

CFTC — Dodd-Frank Act Developments

On July 11, 2012, the CFTC voted to adopt final rules for the definition of a “swap” and for the end-user exemption under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act. The Company is reviewing these and other final and proposed rules that the CFTC, SEC and other federal regulators have issued or will issue under the Dodd-Frank Act, including, without limitation, position limit rules, margin rules and the definitions of “swap dealer” and “major swap participant.” The Company is also evaluating whether and how any of the rules may apply to its business. The Company does not expect that its commercial activity will result in its exceeding any position limits or its being designated as either a swap dealer or major swap participant. Major swap participants and swap dealers must comply with, among other things, margin, capital, reporting, business conduct and compliance requirements.

Changes in Accounting Standards

See Note 2, Summary of Significant Accounting Policies, to this Form 10-Q as found in Item 1 for a discussion of recent accounting developments.

Consolidated Results of Operations

The following table provides selected financial information for the Company:

	Three months ended June 30,			Six months ended June 30,		
(In millions except otherwise noted)	2012	2011	Change %	2012	2011	Change %
Operating Revenues						
Energy revenue [a]	$543	$529	3 %	$977	$1,127	(13)%
Capacity revenue [a]	189	183	3	363	368	(1)
Retail revenue	1,520	1,464	4	2,716	2,644	3
Mark-to-market for economic hedging activities	(121)	69	N/A	(81)	68	N/A
Contract amortization	(28)	(44)	36	(59)	(91)	35
Other revenues [b]	63	77	(18)	112	157	(29)
Total operating revenues	2,166	2,278	(5)	4,028	4,273	(6)
Operating Costs and Expenses						
Generation cost of sales [a]	517	608	(15)	961	1,164	(17)
Retail cost of sales [a]	738	683	8	1,350	1,292	4
Mark-to-market for economic hedging activities	(261)	26	N/A	(56)	(108)	(48)
Contract and emissions credit amortization [c]	12	11	9	19	21	(10)
Other cost of operations	313	280	12	618	563	10
Total cost of operations	1,319	1,608	(18)	2,892	2,932	(1)
Depreciation and amortization	234	222	5	464	427	9
Selling, general and administrative	207	167	24	428	310	38
Development costs	9	12	(25)	17	21	(19)
Total operating costs and expenses	1,769	2,009	(12)	3,801	3,690	3
Operating Income	397	269	48	227	583	(61)
Other Income/(Expense)						
Equity in earnings of unconsolidated affiliates	14	12	17	22	10	120
Impairment charge on investment	—	(11)	(100)	(1)	(492)	(100)
Other income, net	2	3	(33)	4	8	(50)
Loss on debt extinguishment	—	(115)	(100)	—	(143)	(100)
Interest expense	(167)	(167)	—	(332)	(340)	(2)
Total other expense	(151)	(278)	(46)	(307)	(957)	(68)
Income/(Loss) before income tax expense	246	(9)	N/A	(80)	(374)	(79)
Income tax benefit	(13)	(630)	(98)	(133)	(735)	(82)
Net Income	259	621	(58)	53	361	(85)
Less: Net income attributable to noncontrolling interest	8	—	N/A	9	—	N/A
Net Income Attributable to NRG Energy, Inc.	$251	$621	(60)	$44	$361	(88)
Business Metrics						
Average natural gas price — Henry Hub ($/MMBtu)	$2.22	$4.31	(48)%	$2.48	$4.21	(41)%

(a) Includes realized gains and losses from financially settled transactions.

(b) Includes unrealized trading gains and losses.

(c) Includes amortization of SO_2 and NO_x credits and excludes amortization of Regional Greenhouse Gas Initiative, or RGGI, credits.

N/A - Not Applicable

55

Management's discussion of the results of operations for the three months ended June 30, 2012, and 2011

Income/(Loss) before income tax expense — The pre-tax income of $246 million for the three months ended June 30, 2012, compared to a pre-tax loss of $9 million for the three months ended June 30, 2011, primarily reflects:

- in the current year, a $52 million increase in Retail gross margin, a $36 million increase in Conventional Generation gross margin and a $25 million increase in Alternative Energy gross margin; and
- in the prior year, a $115 million loss on debt extinguishment of the 2016 Senior Notes.

Net income — The decrease in net income of $362 million primarily reflects the drivers discussed above offset by an income tax benefit for the three months ended June 30, 2012, of $13 million, which reflects the impact of the ITC for Agua Caliente, compared with an income tax benefit of $630 million in the comparable period, which reflects the resolution of the federal tax audit in June 2011 and the related recognition of previously uncertain tax benefits.

Conventional Generation gross margin

The following is a discussion of gross margin for NRG's Conventional Generation businesses, adjusted to eliminate intersegment activity, primarily with the Retail businesses.

	Three months ended June 30, 2012								
	Conventional Generation								
(In millions except otherwise noted)	Texas	Northeast	South Central	West	Other	Subtotal	Alternative Energy	Eliminations/Corporate	Consolidated Total
Energy revenue	$620	$ 100	$129	$20	$18	$887	$ 39	$ (383)	$ 543
Capacity revenue	19	70	61	31	18	199	—	(10)	189
Other revenue	12	3	—	3	65	83	—	(20)	63
Generation revenue	651	173	190	54	101	1,169	39	$ (413)	$ 795
Generation cost of sales	(254)	(83)	(123)	(14)	(47)	(521)	—	$ 4	$ (517)
Generation gross margin	$397	$ 90	$67	$40	$54	$648	$ 39		
Business Metrics									
MWh sold (in thousands)	12,551	1,606	4,551	384			490		
MWh generated (in thousands)	10,527	1,247	3,996	384			490		
Average on-peak market power prices ($/MWh) (a)(b)	$31.07	$ 38.15	$27.28	$28.48			N/A		

56

	Three months ended June 30, 2011								
	Conventional Generation								
(In millions except otherwise noted)	Texas	Northeast	South Central	West	Other	Subtotal	Alternative Energy	Eliminations/Corporate	Consolidated Total
Energy revenue	$673	$ 145	$118	$4	$16	$956	$ 13	$ (440)	$ 529
Capacity revenue	5	75	61	27	18	186	—	(3)	183
Other revenue	15	14	5	2	46	82	1	(6)	77
Generation revenue	693	234	184	33	80	1,224	14	$ (449)	$ 789
Generation cost of sales	(321)	(128)	(114)	(3)	(46)	(612)	—	$ 4	$ (608)
Generation gross margin	$372	$ 106	$70	$30	$34	$612	$ 14		
Business Metrics									
MWh sold (in thousands)	12,544	2,344	3,628	33			378		
MWh generated (in thousands)	11,971	1,879	3,662	33			378		
Average on-peak market power prices ($/MWh) (a)(b)	$41.07	$ 54.09	$40.81	$34.88			N/A		

(a) Average on-peak market power prices calculated based on average settled market prices in the following zones: for Texas region, in ERCOT - Houston and ERCOT - North; for Northeast region, in NYISO - West, NYISO - New York City, ISO - NE - Mass Hub, PJM - West Hub and PJM - DPL; and for West region, in CAISO - NP15 and CAISO - SP15.
(b) Average on-peak market power prices for South Central region are calculated based on average day ahead market prices for "into Entergy" as published in the Platts Megawatt Daily report.

	Three months ended June 30,			
Weather Metrics	Texas	Northeast	South Central	West
2012				
CDDs (c)	1,092	163	613	120
HDDs (c)	30	687	201	476
2011				
CDDs	1,183	164	653	68
HDDs	63	723	247	660
30 year average				
CDDs	854	105	458	150
HDDs	83	841	299	556

(c) 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.

57

Explanation of Responses:

Conventional Generation gross margin — increased by $36 million, including intercompany sales, during the three months ended June 30, 2012, compared to the same period in 2011, due to:

Increase in Texas region	$25
Decrease in Northeast region	(16)
Decrease in South Central region	(3)
Increase in West region	10
Other [(a)]	20
	$36

(a) Other gross margin primarily represents revenues from the maintenance services business, which are eliminated in consolidation.

The increase in gross margin in the Texas region was driven by:

Higher gross margin from a 9% increase in nuclear generation which related primarily to fewer outage hours in 2012 and includes business interruption proceeds received	$23
Higher revenue due to additional bi-lateral contracts with load serving entities	13
Lower gross margin from a decrease in average realized energy prices	(6)
Lower gross margin from a decrease in coal generation driven by higher outages in 2012	(5)
	$25

The decrease in gross margin in the Northeast region was driven by:

Lower gross margin from coal plants due to a 22% decrease in average realized energy prices	$(10)
Lower gross margin from coal plants due to a 47% decrease in generation, resulting from the region's power generation switching from coal to gas plants	(4)
Higher gross margin from favorable pricing on certain load-serving contracts, as well as additional load contracts with our Retail businesses	9
Decrease in unrealized trading activities and other	(11)
	$(16)

The decrease in gross margin in the South Central region was driven by:

Higher gross margin from higher utilization of gas generation due to lower gas prices and higher overall sales volumes	$52
Lower gross margin from a decrease in coal generation, as a result of lower gas prices	(18)
Lower gross margin from a decrease in average realized prices	(31)
Other	(6)
	$(3)

The increase in gross margin in the West region was driven by:

Higher gross margin from increased run time at Encina driven by competitor's plant outages in the region	$6
Higher capacity margin due to the recognition of contingent rent for Long Beach	5
Other	(1)
	$10

58

Retail gross margin

The following is a detailed discussion of retail gross margin for NRG's Retail business segment.

Selected Income Statement Data

	Three months ended June 30,	
(In millions except otherwise noted)	2012	2011
Operating Revenues		
Mass revenues	$971	$895
Commercial and Industrial revenues	511	534
Supply management revenues	39	37
Retail operating revenues [(a)(b)]	1,521	1,466
Retail cost of sales [(c)]	1,127	1,124
Retail gross margin	$394	$342
Business Metrics		
Electricity sales volume — GWh		
Mass	7,856	7,091
Commercial and Industrial [(d)]	7,452	7,316
Electricity sales volume — GWh		
Texas	14,104	14,192
All other regions	1,204	215
Average retail customers count (in thousands, metered locations)		
Mass [(e)]	2,021	1,746
Commercial and Industrial [(d)]	102	84
Retail customers count (in thousands, metered locations)		
Mass [(e)]	2,025	1,759
Commercial and Industrial [(d)]	105	85
Weather Metrics		
CDDs [(f)]	1,249	1,315
HDDs [(f)]	5	27

(a) Includes customers of the Texas General Land Office for which the Company provides services, as well as sales to utility partner customers.

(b) Includes intercompany sales of $1 million and $2 million, respectively, representing sales from Retail to the Texas region.

(c) Includes intercompany purchases of $389 million and $441 million, respectively.

(d) Includes customers of the Texas General Land Office for which the Company provides services.

(e) Excludes utility partner customers.

(f) The CDDs/HDDs amounts are representative of the Coast and North Central Zones within the ERCOT market in which Retail serves its customer base.

59

- Retail gross margin — Retail gross margin increased $52 million for the three months ended June 30, 2012, compared to the same period in 2011, driven by:

Acquisition of Energy Plus in September 2011	$35
Increase in usage and customer count	15
Increase from lower supply costs driven by lower natural gas prices, offset partially by lower revenues due to lower pricing on acquisitions and renewals consistent with competitive offers and lower rates on index-based customer	8
Unfavorable impact of lower volume from warmer weather in Texas in 2011	(6)
	$52

- Trends — Customer counts increased by approximately 30,000 since March 31, 2012, which was primarily due to expansion into new territories and marketing efforts. While cooling and heating degree days in both periods resulted in higher than normal customer usage, weather in 2011 was warmer than in 2012. The weather resulted in higher customer usage of 8% and 11% in 2012 and 2011, respectively, when compared to ten-year normal weather. In addition, there were increases in Texas in Transmission and Distribution Service Provider rates that will remain in effect for several years. These costs are passed through to Retail customers.

Alternative Energy gross margin

NRG's Alternative Energy business segment, which is comprised mainly of the solar and wind businesses, had gross margin of $39 million for the three months ended June 30, 2012, compared to gross margin of $14 million for the same period in 2011. The increase in gross margin primarily resulted in the addition of the Roadrunner facility, which began commercial operations in late 2011, the addition of the first six blocks of Agua Caliente, which reached commercial operations in the first six months of 2012, and an increase in gross margin from Distributed Solar.

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 and ineffectiveness on cash flow hedges. Total net mark-to-market results increased by $97 million during the three months ended June 30, 2012, compared to the same period in 2011.

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

	Three months ended June 30, 2012							
	Retail	Texas	Northeast	South Central	West	Alternative Energy	Elimination[(a)]	Total
	(In millions)							
Mark-to-market results in operating revenues								
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$(1)	$(140)	$3	$11	$1	$—	$ 22	$(104)
Net unrealized (losses)/gains on open positions related to economic hedges	(18)	(384)	—	4	1	(3)	383	(17)
Total mark-to-market (losses)/gains in operating revenues	$(19)	$(524)	$3	$15	$2	$(3)	$ 405	$(121)
Mark-to-market results in operating costs and expenses								
	$86	$3	$3	$—	$—	$—	$ (22)	$70

Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges								
Reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions	6	—	—	—	—	—	—	6
Net unrealized gains/(losses) on open positions related to economic hedges	583	(8)	2	(9)	—	—	(383)	185
Total mark-to-market gains/(losses) in operating costs and expenses	$675	$(5)	$5	$(9)	$—	$—	$ (405)	$261

(a) Represents the elimination of the intercompany activity between the Retail businesses and the Conventional Generation regions and Alternative Energy.

60

	Three months ended June 30, 2011						
	Retail	Texas	Northeast	South Central	West	Elimination[(a)]	Total
	(In millions)						
Mark-to-market results in operating revenues							
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$(1)	$(10)	$3	$7	$(1)	$12	$10
Net unrealized gains/(losses) on open positions related to economic hedges	5	126	9	(8)	4	(77)	59
Total mark-to-market gains/(losses) in operating revenues	$4	$116	$12	$(1)	$3	$(65)	$69
Mark-to-market results in operating costs and expenses							
Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges	$27	$1	$(2)	$—	$—	$(12)	$14
Reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions	30	—	—	—	—	—	30
Net unrealized (losses)/gains on open positions related to economic hedges	(157)	6	1	3	—	77	(70)
Total mark-to-market (losses)/gains in operating costs and expenses	$(100)	$7	$(1)	$3	$—	$65	$(26)

(a) Represents the elimination of the intercompany activity between the Retail businesses and the Conventional Generation regions.

Mark-to-market results consist of unrealized gains and losses. The settlement of these transactions is reflected in the same caption as the items being hedged.

For the three months ended June 30, 2012, the net gains on open positions were due to increases in forward natural gas and power prices and increases in ERCOT heat rates.

For the three months ended June 30, 2011, the net losses on open positions were due to a decrease in forward power and gas prices. The reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions were valued using forward prices on the acquisition dates. The roll-off amounts were offset by realized losses at the settled prices and higher costs of physical power which are reflected in operating costs and expenses during the same 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 June 30, 2012, and 2011. The realized and unrealized financial and physical trading results are included in operating revenue. The Company's trading activities are subject to limits within the Company's Risk Management Policy.

	Three months ended June 30,	
(In millions)	2012	2011
Trading gains		
Realized	$20	$18

Unrealized	8	22
Total trading gains	$28	$40

Contract Amortization Revenue

Contract amortization represents the roll-off of in-market customer contracts valued under purchase accounting and the favorable change of $16 million as compared to the prior period in 2011 related primarily to lower contract amortization for Reliant Energy and Green Mountain Energy of $11 million and $5 million, respectively.

61

Other Operating Costs

	Retail	Texas	Northeast	South Central	West	Other	Alternative Energy	Eliminations/Corporate	Total
	(In millions)								
Three months ended June 30, 2012	$60	$133	$58	$31	$17	$30	$6	$ (22)	$313
Three months ended June 30, 2011	$53	$121	$48	$24	$18	$18	$4	$ (6)	$280

Other operating costs increased by $33 million for the three months ended June 30, 2012, compared to the same period in 2011, due to:

Increase in Texas region operations and maintenance expense	$12
Increase in Retail operations and maintenance expense	6
Increase in South Central region operations and maintenance expense	7
Increase in property tax expense	13
Other	(5)
	$33

Texas operations and maintenance — increased primarily due to maintenance spending and outage work in 2012 at S.R. Bertron to return two units to service.

Retail operations and maintenance expense — increased primarily due to the acquisition of Energy Plus in September 2011 as well as increased customer billing costs from an increase in customer counts.

South Central operations and maintenance expense — increased due to the 2012 spring outage at Big Cajun 2 which did not occur in 2011.

Property tax expense — increased primarily for the Northeast region due to a reduction in property tax benefit from the New York State Empire Zone program. The reduction reflects the criteria in determining the amount of the tax credit and the annual reduction of 20% beginning in 2012 until the expiration of the program in 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $12 million for the three months ended June 30, 2012, compared to the same period in 2011. This was primarily due to additional depreciation related to solar facilities which commenced commercial operations in late 2011 and early 2012, as well as the amortization of the intangibles acquired in connection with the acquisition of Energy Plus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $40 million for the three months ended June 30, 2012, compared to the same period in 2011, which was due primarily to the following:

Selling, general and administrative costs of $18 million for Energy Plus which was acquired in September 2011;

Increase in marketing costs of $12 million associated with customer growth efforts and new market expansion by corporate and the Retail businesses; and

Increase in labor costs of $3 million for additional solar projects and acquired Distributed Solar businesses.

Equity in Earnings of Unconsolidated Affiliates

NRG's equity earnings from unconsolidated affiliates were $14 million for the three months ended June 30, 2012, compared to $12 million for the same period in 2011 primarily due to an increase in the earnings from GenConn, as the Middletown facility commenced commercial operations in June 2011.

62

Impairment Charge on Investment

As discussed in more detail in Note 4, Nuclear Innovation North America LLC Developments, Including Impairment Charge, of the Company's 2011 Form 10-K, the devastating March 2011 earthquake and tsunami in Japan, which in turn triggered a nuclear incident at the Fukushima Daiichi Nuclear Power Station, caused NRG to evaluate its investment in NINA for impairment. Consequently, NRG deconsolidated its investment in NINA and took an impairment charge in the first quarter of 2011 equal to the balance of its investment in NINA, or $481 million. To support NINA's ongoing work, NRG contributed an additional $11 million into NINA during the three months ended June 30, 2011, which NRG also expensed as an impairment charge.

Loss on Debt Extinguishment

A loss on debt extinguishment of the 2016 Senior Notes of $115 million was recorded in the three months ended June 30, 2011, which primarily consisted of the premiums paid on redemption and the write-off of previously deferred financing costs.

Interest Expense

NRG's interest expense was flat compared to the same period in 2011 due to the following:

Increase/(decrease) in interest expense	(In millions)	
Decrease for 2016 Senior Notes redeemed in May and June 2011	$(30	)
Decrease for capitalized interest	(28	)
Increase for 2019 and 2021 Senior Notes issued in May 2011	22	
Increase for project financings	14	
Increase in derivative interest expense primarily for the Alpine interest rate swaps	14	
Increase in amortization of deferred financing costs and other interest expense	8	
Total	$—	

Income Tax Benefit

For the three months ended June 30, 2012, NRG recorded an income tax benefit of $13 million on pre-tax income of $246 million. For the same period in 2011, NRG recorded an income tax benefit of $630 million on a pre-tax loss of $9 million. The effective tax rate was (5.3)% and 7000.0% for the three months ended June 30, 2012, and 2011, respectively.

For the three months ended June 30, 2012, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due to the generation of ITCs from the Company's Agua Caliente solar project in Arizona, the settlement of the Green Mountain IRS audit as well as the reduction in the valuation allowance.

For the three months ended June 30, 2011, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due to a benefit of $612 million resulting from the resolution of the federal tax audit. The benefit is predominantly due to the recognition of previously uncertain tax benefits that were effectively settled upon audit in June 2011 and that were mainly composed of net operating losses of $536 million which has been classified as capital loss carryforwards for financial statement purposes. In addition, a valuation allowance net decrease of $40 million increased the effective tax rate.

Management's discussion of the results of operations for the six months ended June 30, 2012, and 2011

Loss before income tax expense — The pre-tax loss of $80 million for the six months ended June 30, 2012, compared to a pre-tax loss of $374 million for the six months ended June 30, 2011, primarily reflects:

- in the current year, a decrease in operating income of $356 million as compared to the prior year period, which reflects:

  a decrease in net mark-to-market results for economic hedging activities of $201 million; and

  a $37 million decrease in Conventional Generation gross margin driven primarily by planned and unplanned outages, lower gas prices and lower economic dispatch; and

  increased operating costs of $206 million including operations and maintenance expense, depreciation and amortization and selling, general and administrative costs.

- offset in the prior year by:

  a $492 million loss on the impairment of NRG's investment in NINA, and

  a $143 million loss on the extinguishment of the 2014 Senior Notes and the 2016 Senior Notes.

Net income — The decrease in net income of $308 million primarily reflects the drivers discussed above offset by an income tax benefit for the six months ended June 30, 2012, of $133 million, which reflects the impact of the ITC for Agua Caliente, compared with an income tax benefit of $735 million in the comparable period, which reflects the resolution of the federal tax audit in June 2011 and the related recognition of previously uncertain tax benefits.

Conventional Generation gross margin

The following is a discussion of gross margin for NRG's Conventional Generation businesses, adjusted to eliminate intersegment activity, primarily with the Retail businesses.

	Six months ended June 30, 2012								
	Conventional Generation								
(In millions except otherwise noted)	Texas	Northeast	South Central	West	Other	Subtotal	Alternative Energy	Eliminations/Corporate	Consolidated Total
Energy revenue	$1,099	$ 187	$240	$42	$34	$1,602	$ 58	$ (683)	$ 977
Capacity revenue	37	127	122	60	35	381	—	(18)	363
Other revenue	20	9	(4)	—	126	151	1	(40)	112
Generation revenue	1,156	323	358	102	195	2,134	59	$ (741)	$ 1,452
Generation cost of sales	(446)	(165)	(237)	(28)	(93)	(969)	—	$ 8	$ (961)
Generation gross margin	$710	$ 158	$121	$74	$102	$1,165	$ 59		
Business Metrics									
	20,875	2,902	8,678	755			915		

MWh sold (in thousands)					
MWh generated (in thousands)	16,847	2,147	8,259	755	915
Average on-peak market power prices ($/MWh) [(a)(b)]	$28.19	$ 37.01	$25.85	$27.85	N/A

64

	Six months ended June 30, 2011								
	Conventional Generation								
(In millions except otherwise noted)	Texas	Northeast	South Central	West	Other	Subtotal	Alternative Energy	Eliminations/Corporate	Consolidated Total
Energy revenue	$1,267	$296	$230	$9	$30	$1,832	$22	$ (727)	$1,127
Capacity revenue	10	149	122	56	36	373	—	(5)	368
Other revenue	45	13	8	5	98	169	1	(13)	157
Generation revenue	1,322	458	360	70	164	2,374	23	$ (745)	$1,652
Generation cost of sales	(564)	(273)	(235)	(5)	(95)	(1,172)	—	$ 8	$(1,164)
Generation gross margin	$758	$185	$125	$65	$69	$1,202	$23		
Business Metrics									
MWh sold (in thousands)	23,628	4,902	7,474	55			663		
MWh generated (in thousands)	22,358	3,911	7,659	55			663		
Average on-peak market power prices ($/MWh) (a)(b)	$45.77	$56.00	$36.99	$35.12			N/A		

(a) Average on-peak market power prices calculated based on average settled market prices in the following zones: for Texas region, in ERCOT - Houston and ERCOT - North; for Northeast region, in NYISO - West, NYISO - New York City, ISO - NE - Mass Hub, PJM - West Hub and PJM - DPL; and for West region, in CAISO - NP15 and CAISO - SP15.
(b) Average on-peak market power prices for South Central region are calculated based on average day ahead market prices for "into Entergy" as published in the Platts Megawatt Daily report.

	Six months ended June 30,			
Weather Metrics	Texas	Northeast	South Central	West
2012				
CDDs (c)	1,249	163	665	120
HDDs (c)	816	3,196	1,522	1,892
2011				
CDDs	1,320	164	662	70
HDDs	1,171	3,892	2,113	2,141
30 year average				
CDDs	949	105	489	157
HDDs	1,215	3,968	2,213	1,990

(c) 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.

65

Conventional Generation gross margin — decreased by $37 million, including intercompany sales, during the six months ended June 30, 2012, compared to the same period in 2011, due to:

Decrease in Texas region	$(48)
Decrease in Northeast region	(27)
Decrease in South Central region	(4)
Increase in West region	9
Other [(a)]	33
	$(37)

(a) Other gross margin primarily represents revenues from the maintenance services business, which are eliminated in consolidation.

The decrease in gross margin in the Texas region was driven by:

Lower gross margin from a decrease in coal generation driven by higher outage hours in 2012	$(34)
Higher revenue due to additional bi-lateral contracts with load serving entities	27
Lower gross margin driven by lower average realized energy prices	(26)
Decrease in unrealized trading activities and other	(15)
	$(48)

The decrease in gross margin in the Northeast region was driven by:

Lower gross margin from coal plants due to a 19% decrease in realized energy prices	$(16)
Lower gross margin from coal plants due to a 56% decrease in generation, resulting from the region's power generation switching from coal to gas plants	(15)
Lower capacity revenue due to 11% lower realized prices, due mainly to lower cleared auction prices in PJM, and slightly lower volumes.	(19)
Higher gross margin from favorable pricing on certain load-serving contracts, as well as additional load contracts with our Retail businesses	28
Other	(5)
	$(27)

The decrease in gross margin in the South Central region was driven by:

Higher gross margin from higher utilization of gas generation due to lower gas prices and higher overall sales volumes	$91
Lower gross margin from a decrease in coal generation as a result of lower gas prices	(37)
Lower gross margin from a decrease in average realized merchant prices	(41)
Change in unrealized trading activities and other	(17)
	$(4)

The increase in gross margin in the West region was driven by:

Higher gross margin from increased run time at Encina driven by competitor's plant outages in the region	$12
Higher capacity margin due to the recognition of contingent rent for Long Beach	5
Decrease in unrealized trading activities and other	(8)
	$9

Retail gross margin

The following is a detailed discussion of retail gross margin for NRG's Retail business segment.

Selected Income Statement Data

	Six months ended June 30,	
(In millions except otherwise noted)	2012	2011
Operating Revenues		
Mass revenues	$1,701	$1,597
Commercial and Industrial revenues	952	983
Supply management revenues	65	66
Retail operating revenues [(a)(b)]	2,718	2,646
Retail cost of sales [(c)]	2,044	2,019
Retail gross margin	$674	$627
Business Metrics		
Electricity sales volume — GWh		
Mass	13,463	12,469
Commercial and Industrial [(d)]	13,964	13,507
Electricity sales volume — GWh		
Texas	25,210	25,664
All other regions	2,217	312
Average retail customers count (in thousands, metered locations)		
Mass [(e)]	2,005	1,737
Commercial and Industrial [(d)]	99	81
Retail customers count (in thousands, metered locations)		
Mass [(e)]	2,025	1,759
Commercial and Industrial [(d)]	105	85
Weather Metrics		
CDDs [(d)]	1,449	1,466
HDDs [(d)]	595	987

(a) Includes customers of the Texas General Land Office for which the Company provides services, as well as sales to utility partner customers.

(b) Includes intercompany sales of $2 million and $2 million, respectively, representing sales from Retail to the Texas region .

(c) Includes intercompany purchases of $694 million and $727 million, respectively.

(d) Includes customers of the Texas General Land Office for which the Company provides services.

(e) Excludes utility partner customers.

(f) The CDDs/HDDs amounts are representative of the Coast and North Central Zones within the ERCOT market in which Retail serves its customer base.

- Retail gross margin — Retail gross margin increased $47 million for the six months ended June 30, 2012, compared to the same period in 2011, driven by:

Acquisition of Energy Plus in September 2011	$64	
Unfavorable impact of lower volume from mild winter weather in Texas in 2012, as well as increased risk management activities in the first quarter of 2012	(29	)
Increase in usage and customer count	20	

Decrease from lower revenues due to lower pricing on acquisitions and renewals consistent with competitive offers and lower rates on index-based customers, partially offset by lower supply costs due to lower natural gas prices	(8)
	$47

- Trends — Customer counts increased by approximately 61,000 since December 31, 2011, which was primarily due to expansion into new territories and marketing efforts. While cooling and heating degree days in both periods resulted in higher than normal customer usage, weather in 2012 was milder than in 2011. The weather resulted in higher customer usage of 5% and 12% in 2012 and 2011, respectively, when compared to ten-year normal weather. In addition, there were increases in Texas in Transmission and Distribution Service Provider rates that will remain in effect for several years. These costs are passed through to Retail customers.

67

Alternative Energy gross margin

NRG's Alternative Energy business segment, which is comprised mainly of the solar and wind businesses, had gross margin of $59 million for the six months ended June 30, 2012, compared to gross margin of $23 million for the same period in 2011. The increase in gross margin primarily resulted in the addition of the Roadrunner facility, which began commercial operations in late 2011, the addition of the first six blocks of Agua Caliente, which reached commercial operations in the first six months of 2012, and an increase in gross margin from Distributed Solar.

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 and ineffectiveness on cash flow hedges. Total net mark-to-market results decreased by $201 million during the six months ended June 30, 2012, compared to the same period in 2011.
The breakdown of gains and losses included in operating revenues and operating costs and expenses by region was as follows:

	Six months ended June 30, 2012							
	Retail	Texas	Northeast	South Central	West	Alternative Energy	Elimination[(a)]	Total
	(In millions)							
Mark-to-market results in operating revenues								
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$(3)	$(328)	$1	$21	$2	$—	$84	$(223)
Net unrealized (losses)/gains on open positions related to economic hedges	(12)	(243)	—	(5)	(6)	(1)	409	142
Total mark-to-market (losses)/gains in operating revenues	$(15)	$(571)	$1	$16	$(4)	$(1)	$493	$(81)
Mark-to-market results in operating costs and expenses								
Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges	$215	$9	$6	$2	$—	$—	$(84)	$148
Reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions	20	—	—	—	—	—	—	20
Net unrealized gains/(losses) on open positions related to economic hedges	407	(56)	(11)	(43)	—	—	(409)	(112)
Total mark-to-market gains/(losses) in operating costs and expenses	$642	$(47)	$(5)	$(41)	$—	$—	$(493)	$56

(a) Represents the elimination of the intercompany activity between the Retail businesses and the Conventional Generation regions and Alternative Energy.

	Six months ended June 30, 2011						
	Retail	Texas	Northeast	South Central	West	Elimination[a]	Total
	(In millions)						
Mark-to-market results in operating revenues							
Reversal of previously recognized unrealized (gains)/losses on settled positions related to economic hedges	$(1)	$(69)	$11	$13	$(1)	$ 50	$3
Net unrealized gains/(losses) on open positions related to economic hedges	3	79	3	(6)	8	(22)	65
Total mark-to-market gains/(losses) in operating revenues	$2	$10	$14	$7	$7	$ 28	$68
Mark-to-market results in operating costs and expenses							
Reversal of previously recognized unrealized losses/(gains) on settled positions related to economic hedges	$72	$2	$(4)	$(1)	$—	$ (50)	$19
Reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions	71	—	—	—	—	—	71
Net unrealized (losses)/gains on open positions related to economic hedges	(32)	16	4	8	—	22	18
Total mark-to-market gains/(losses) in operating costs and expenses	$111	$18	$—	$7	$—	$ (28)	$108

(a) Represents the elimination of the intercompany activity between the Retail businesses and the Conventional Generation regions.

Mark-to-market results consist of unrealized gains and losses. The settlement of these transactions is reflected in the same caption as the items being hedged.

For the six months ended June 30, 2012, the net gains on open positions were due to an increase in ERCOT heat rates offset by decreases in forward natural gas, power and coal prices.

For the six months ended June 30, 2011, the net gains on open positions were due to a decrease in forward power and gas prices. The reversal of loss positions acquired as part of the Reliant Energy and Green Mountain Energy acquisitions were valued using forward prices on the acquisition dates. The roll-off amounts were offset by realized losses at the settled prices and higher costs of physical power which are reflected in operating costs and expenses during the same 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 six months ended June 30, 2012, and 2011. The realized and unrealized financial and physical trading results are included in operating revenue. The Company's trading activities are subject to limits within the Company's Risk Management Policy.

	Six months ended June 30,	
(In millions)	2012	2011
Trading gains		
Realized	$31	$15
Unrealized	6	36

Total trading gains	$37	$51

Contract Amortization Revenue

Contract amortization represents the roll-off of in-market customer contracts valued under purchase accounting and the favorable change of $32 million, as compared to the prior period in 2011, related primarily to lower contract amortization of $23 million and $10 million for Reliant Energy and Green Mountain Energy, respectively.

69

Other Operating Costs

	Retail	Texas	Northeast	South Central	West	Other	Alternative Energy	Eliminations/Corporate	Total
	(In millions)								
Six months ended June 30, 2012	$117	$277	$111	$51	$31	$57	$11	$ (37)	$618
Six months ended June 30, 2011	$100	$243	$107	$43	$36	$35	$7	$ (8)	$563

Other operating costs increased by $55 million for the six months ended June 30, 2012, compared to the same period in 2011, due to:

Increase in Texas region operations and maintenance expense	$35
Increase in Retail operations and maintenance expense	15
Increase in South Central region operations and maintenance expense	7
Decrease in Northeast region operations and maintenance expense	(7)
Decrease in West region operations and maintenance expense	(5)
Increase in property tax expense	15
Other	(5)
	$55

Texas operations and maintenance — increased primarily due to maintenance spending and outage work in 2012 at S.R. Bertron to return two units to service, as well as timing of planned and unplanned outages in the region.
Retail operations and maintenance expense — increased $8 million due to the acquisition of Energy Plus in September 2011 and increased due to additional customer billing costs from an increase in customer counts.
South Central region operations and maintenance expense — increased due to the 2012 spring outage at Big Cajun 2 which did not occur in 2011.
Northeast operations and maintenance expense — decreased in part because the prior year reflects incremental costs associated with headcount reductions.
West operations and maintenance expense — decreased due to additional work in 2011 at Long Beach due to a compressor outage.
Property tax expense — increased primarily for $11 million in the Northeast region due to a reduction in property tax benefit from the New York State Empire Zone program. The reduction reflects the criteria in determining the amount of the tax credit and the annual reduction of 20% beginning in 2012 until the expiration of the program in 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by $37 million for the six months ended June 30, 2012, compared to the same period in 2011. This was primarily due to additional depreciation related to solar facilities which commenced commercial operations in late 2011 and early 2012, as well as the amortization of the intangibles acquired in connection with the acquisition of Energy Plus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $118 million for the six months ended June 30, 2012, compared to the same period in 2011, which was due primarily to the following:

- Selling, general and administrative costs of $38 million for Energy Plus which was acquired in September 2011;
- Expected cash payment related to the CDWR settlement of $20 million expensed during the period;

Transaction costs of $9 million associated with the sale of 49% of Agua Caliente;
Increase in marketing costs of $23 million associated with customer growth efforts and new market expansion by corporate and the Retail businesses; and
Increase in labor costs of $6 million for additional solar projects and acquired Distributed Solar businesses.

70

Equity in Earnings of Unconsolidated Affiliates

NRG's equity earnings from unconsolidated affiliates were $22 million for the six months ended June 30, 2012, compared to $10 million for the same period in 2011 primarily due to an increase in the earnings from Sherbino driven by favorable valuation of hedged positions and an increase in earnings from GenConn as the Middletown facility reached commercial operations in June 2011.

Impairment Charge on Investment

As discussed in more detail in Note 4, Nuclear Innovation North America LLC Developments, Including Impairment Charge, of the Company's 2011 Form 10-K, the March 2011 earthquake and tsunami in Japan, which in turn triggered a nuclear incident at the Fukushima Daiichi Nuclear Power Station, caused NRG to evaluate its investment in NINA for impairment. Consequently, NRG recorded an impairment charge of $492 million in the six months ended June 30, 2011.

Loss on Debt Extinguishment

A loss on debt extinguishment of the 2014 Senior Notes and the 2016 Senior Notes of $143 million was recorded in the six months ended June 30, 2011, which primarily consisted of the premiums paid on redemption and the write-off of previously deferred financing costs.

Interest Expense

NRG's interest expense decreased by $8 million for the six months ended June 30, 2012, compared to the same period in 2011 due to the following:

Increase/(decrease) in interest expense	(In millions)	
Decrease for 2016 Senior Notes redeemed in May and June 2011	$(74	)
Increase for 2019 and 2021 Senior Notes issued in May 2011	61	
Decrease for capitalized interest	(33	)
Increase for project financings	26	
Increase in derivative interest expense primarily for the Alpine interest rate swaps	15	
Decrease for 2014 Senior Notes redeemed in January and February 2011	(8	)
Increase for 2018 Senior Notes issued in January 2011	6	
Other	(1	)
Total	$(8	)

Income Tax Benefit

For the six months ended June 30, 2012, NRG recorded an income tax benefit of $133 million on a pre-tax loss of $80 million. For the same period in 2011, NRG recorded an income tax benefit of $735 million on a pre-tax loss of $374 million. The effective tax rate was 166.3% and 196.5% for the six months ended June 30, 2012, and 2011, respectively.

For the six months ended June 30, 2012, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due to the generation of ITCs from the Company's Agua Caliente solar project in Arizona.

For the six months ended June 30, 2011, NRG's overall effective tax rate was different than the statutory rate of 35% primarily due a benefit of $612 million resulting from the resolution of the federal tax audit. The benefit is predominantly due to the recognition of previously uncertain tax benefits that were effectively settled upon audit in June 2011 and that were mainly composed of net operating losses of $536 million which has been classified as capital loss carryforwards for financial statement purposes. In addition, a valuation allowance net decrease of $23 million increased the effective tax rate.

71

Liquidity and Capital Resources

Liquidity Position

As of June 30, 2012, and December 31, 2011, NRG's liquidity, excluding collateral received, was approximately $2.4 billion and $2.1 billion, respectively, comprised of the following:

(In millions)	June 30, 2012	December 31, 2011
Cash and cash equivalents	$1,149	$ 1,105
Funds deposited by counterparties	135	258
Restricted cash	208	292
Total	1,492	1,655
2011 Revolving Credit Facility availability	1,049	673
Total liquidity	2,541	2,328
Less: Funds deposited as collateral by hedge counterparties	(135)	(258)
Total liquidity, excluding collateral received	$2,406	$ 2,070

For the six months ended June 30, 2012, total liquidity, excluding collateral received, increased by $336 million due to higher 2011 Revolving Credit Facility availability, offset by lower restricted cash balances. The increase in the 2011 Revolving Credit Facility availability was primarily due to a $304 million reduction in letters of credit due to the sale of a 49% interest in Agua Caliente in January 2012 to MidAmerican, and the addition of the NRG Repowering credit facility in January 2012 as discussed in Note 8, Debt and Capital Leases, to this Form 10-Q. Changes in cash and cash equivalent balances are further discussed hereinafter under the heading Cash Flow Discussion. Cash and cash equivalents and funds deposited by counterparties at June 30, 2012 were predominantly held in money market funds invested in treasury securities, treasury repurchase agreements or government agency debt.

Included in restricted cash is $75 million of cash and cash equivalents held in controlled accounts as collateral to support the Company's equity funding obligations for the Ivanpah, Agua Caliente, and CVSR projects, as required by the U.S. DOE, which guarantees the Agua Caliente, Ivanpah, and CVSR debt. This collateral can be replaced, at the Company's discretion, with a letter of credit in order to utilize such cash for other purposes. The Company's total liquidity excluding such amounts is $2.3 billion.

The line item "Funds deposited by counterparties" represents the amounts that are held by NRG as a result of collateral posting obligations from the Company's counterparties due to positions in the Company's hedging program. These amounts are segregated into separate accounts that are not contractually restricted but, based on the Company's intention, are not available for the payment of NRG's general corporate obligations. Depending on market fluctuation 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 12 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.

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 to NRG's preferred stockholders, and other liquidity commitments.

72

SOURCES OF LIQUIDITY

The principal sources of liquidity for NRG's future operating and capital expenditures are expected to be derived from new and existing financing arrangements, existing cash on hand and cash flows from operations. As described in Note 8, Debt and Capital Leases, to this Form 10-Q and Note 12, Debt and Capital Leases, to the Company's 2011 Form 10-K, the Company's financing arrangements consist mainly of the 2011 Senior Credit Facility, the Senior Notes, and project-related financings.

In addition, NRG has granted first liens to certain counterparties on substantially all of the Company's assets. 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 hedge agreements for forward sales of power or MWh equivalents. To the extent that the underlying hedge positions for a counterparty are in-the-money to NRG, the counterparty would have no claim under the lien program. The lien program limits the volume that can be hedged, not the value of underlying out-of-the-money positions. The first lien program does not require NRG to post collateral above any threshold amount of exposure. Within the first lien structure, the Company can hedge up to 80% of its baseload capacity and 10% of its non-baseload assets with these counterparties for the first 60 months and then declining thereafter. Net exposure to a counterparty on all trades must be positively correlated to the price of the relevant commodity for the first lien to be available to that counterparty. 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 lien counterparties may have a claim on its assets to the extent market prices exceed the hedged prices. As of June 30, 2012, in aggregate, the hedge portfolio under the lien was in-the-money.

The following table summarizes the amount of MWs hedged against the Company's baseload assets and as a percentage relative to the Company's baseload capacity under the first lien structure as of June 30, 2012:

Equivalent Net Sales Secured by First Lien Structure [a]	2012	2013	2014	2015	2016
In MW [b]	1,449	1,657	1,516	519	593
As a percentage of total net baseload capacity [c]	21 %	24 %	23 %	8 %	9 %

(a) Equivalent Net Sales include natural gas swaps converted using a weighted average heat rate by region.
(b) 2012 MW value consists of August through December positions only.
(c) Net baseload capacity under the first lien structure represents 80% of the Company’s total baseload assets.

USES OF LIQUIDITY

The Company's requirements for liquidity and capital resources, other than for operating its facilities, can generally be categorized by the following: (i) commercial operations activities; (ii) debt service obligations; (iii) capital expenditures, including repowering and renewable development, and environmental; and (iv) corporate financial transactions including return of capital and dividend payments to stockholders.

Commercial Operations

NRG's commercial 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 (i.e. buying fuel before receiving energy revenues); (iv) initial collateral for large structured transactions; and (v) collateral for project development. As of June 30, 2012, commercial operations had total cash collateral outstanding of

$71 million, and $758 million outstanding in letters of credit to third parties primarily to support its commercial activities for both wholesale and retail transactions (includes a $51 million letter of credit relating to deposits at the PUCT that cover outstanding customer deposits and residential advance payments). As of June 30, 2012, total collateral held from counterparties was $135 million in cash, and $16 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 are dependent on NRG's credit ratings and general perception of its creditworthiness.

Capital Expenditures

The following tables and descriptions summarize the Company's capital expenditures, including accruals, for maintenance, environmental, and growth investments for the six months ended June 30, 2012, and the estimated capital expenditure and growth investments forecast for the remainder of 2012.

	Maintenance	Environmental	Growth Investments	Total
	(In millions)			
Northeast	$4	$22	$—	$26
Texas	71	—	—	71
South Central	16	1	—	17
West	3	—	110	113
Other Conventional	2	—	12	14
Retail	8	—	—	8
Alternative Energy	—	—	1,889	1,889
Corporate	4	—	—	4
Total capital expenditures for the six months ended June 30, 2012	108	23	2,011	2,142
Accrual impact, net	(6)	7	(550)	(549)
Total cash capital expenditures for the six months ended June 30, 2012	102	30	1,461	1,593
Other investments [(a)]	—	—	(80)	(80)
Funding from debt financing, net of fees	—	(9)	(907)	(916)
Funding from third party equity partners	—	—	(149)	(149)
Total capital expenditures and investments, net	$102	$21	$325	$448
Estimated capital expenditures for the remainder of 2012	$157	$18	$2,211	$2,386
Other investments [(a)]	—	—	(179)	(179)
Funding from debt financing, net of fees	—	(33)	(1,748)	(1,781)
Funding from third party equity partners	—	—	(139)	(139)
NRG estimated capital expenditures for the remainder of 2012, net of financings	$157	$(15)	$145	$287

(a) Other investments includes restricted cash activity and proceeds from cash grants.

- Maintenance and Environmental capital expenditures — For the six months ended June 30, 2012, the Company's environmental capital expenditures included $22 million related to a project to install selective catalytic reduction systems, scrubbers and fabric filters on Indian River Unit 4. The system was operational at year-end 2011 and is undergoing performance testing.

- Growth Investments capital expenditures — For the six months ended June 30, 2012, the Company's growth investment expenditures included $1,875 million for solar projects and $110 million for the Company's El Segundo project. In 2012, NRG will be continuing its efforts on the solar and El Segundo projects.

Environmental Capital Expenditures

Based on current rules, technology and plans, as well as preliminary plans based on proposed rules, NRG has estimated that environmental capital expenditures from 2012 through 2016 to meet NRG's environmental commitments will be approximately $553 million. These costs are primarily associated with mercury controls to satisfy MATS on the Company's Big Cajun II, W.A. Parish and Limestone facilities and a number of intake modification projects across the fleet under state or proposed federal 316(b) rules. NRG continues to explore cost effective compliance alternatives to reduce costs. While this estimate reflects anticipated schedules and controls related to the proposed 316(b) Rule, the full impact on the scope and timing of environmental retrofits from any new or revised regulations cannot be determined until these rules are final and any legal challenges are reviewed. However, NRG believes it is positioned to meet more stringent requirements through its planned capital expenditures, existing controls, and increasing generation from renewable resources.

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

2012 Capital Allocation Program

On February 28, 2012, the Company announced its intention to initiate an annual common stock dividend of $0.36 per share. On July 22, 2012, NRG announced a quarterly dividend on the Company's common stock of $0.09 per share, payable August 15, 2012, to shareholders of record as of August 1, 2012. The Company also paid $72 million for open market repurchases of the Company's Senior Notes, due 2021, during the second quarter of 2012 at an average price of 98.58% of face value.

As part of the 2012 program, the Company plans to invest approximately $265 million in maintenance and environmental capital expenditures in existing assets, and approximately $470 million in solar and other projects under development.

Pending Acquisition

Under the terms of the Merger Agreement entered into on July 20, 2012, in connection with the pending acquisition, should NRG request it, GenOn will commence a “change of control” tender offer for specified GenOn debt, conditioned on the completion of the merger, or the Change in Control Offers. In addition, under the terms of the Merger Agreement, NRG may, at its election following consultation with GenOn, commence a tender offer for cash or an exchange offer for securities for all or any portion of specified GenOn debt, conditioned on the completion of the merger, which together with the Change in Control Offers, are referred to as the Debt Offers. NRG may, under the terms of the Merger Agreement, elect to also undertake a consent solicitation to alter the terms of specified GenOn debt outstanding after such tender or exchange offers. NRG intends to fund the Debt Offers and the related fees, commissions and expenses with a combination of funds available at each company (including funds available under existing credit facilities) and, to the extent necessary, new financing. NRG has obtained commitment letters from two financial institutions to fund up to $1.6 billion under a new senior secured term loan facility, to the extent such funds are necessary to consummate the Debt Offers. NRG has agreed to use reasonable best efforts to obtain the financing, to the extent required, and GenOn has agreed to use reasonable best efforts to cooperate in NRG's efforts to obtain the financing. There are no financing conditions to the merger and the merger is not conditioned upon the completion of the Debt Offers or the funding of the financing.

75

Cash Flow Discussion

The following table reflects the changes in cash flows for the comparative six month periods:

Six months ended June 30,	2012	2011	Change
	(In millions)		
Net cash provided by operating activities	$585	$309	$276
Net cash used by investing activities	(1,555)	(1,059)	(496)
Net cash provided/(used) by financing activities	1,015	(268)	1,283

Net Cash Provided By Operating Activities

Changes to net cash provided by operating activities were driven by:

	(In millions)
Increase in operating income adjusted for non-cash charges	$48
Change in cash paid in support of risk management activities, including option premium collected/paid, primarily related to margin posted for retail supply positions	219
Other changes in working capital	9
	$276

Net Cash Used By Investing Activities

Changes to net cash used by investing activities were driven by:

	(In millions)
Increase in capital expenditures due to increased spending on maintenance and RepoweringNRG, primarily for solar projects under construction	$(754)
Decrease in restricted cash, which was mainly to support equity requirements for U.S. DOE funded projects	196
Decrease in cash paid for acquisitions, which primarily reflects the acquisition of Ivanpah in 2011	68
Increase in notes receivable	(41)
Proceeds from renewable energy grants	35
Reclassification of cash for Schkopau to assets held for sale	(41)
Proceeds from insurance claims	11
Other	30
	$(496)

Net Cash Provided By Financing Activities

Changes in net cash provided by financing activities were driven by:

	(In millions)
Net increase in borrowings, primarily related to financing arrangements for solar projects in construction	$841
Cash paid for repurchases of treasury stock in 2011	130
Proceeds from the sale of noncontrolling interest and other contributions from noncontrolling interests	270
Decrease in payments for debt issuance costs, primarily related to the issuance of the 2018, 2019 and 2021 Senior Notes in 2011	40
Other	2
	$1,283

76

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

For the six months ended June 30, 2012, the Company had a total domestic pre-tax book loss of $98 million and foreign pre-tax book income of $18 million. For the six months ended June 30, 2012, the Company generated net operating losses, or NOLs, of $64 million. As of June 30, 2012, the Company has cumulative domestic NOL carryforwards of $339 million for financial statement purposes. In addition, NRG has cumulative foreign NOL carryforwards of $314 million, of which $74 million will expire starting 2012 through 2019 and of which $240 million do not have an expiration date.

In addition to these amounts, the Company has $175 million of tax effected uncertain tax benefits. As a result of the Company's tax position, and based on current forecasts, NRG anticipates income tax payments, primarily due to foreign, state and local jurisdictions, of up to $40 million in 2012.

However, as the position remains uncertain for the $175 million of tax effected uncertain tax benefits, the Company has recorded a non-current tax liability of $65 million and may accrue the remaining balance as an increase to non-current liabilities until final resolution with the related taxing authority. The $65 million non-current tax liability for uncertain tax benefits is primarily from positions taken on various state returns, including accrued interest.

The Company continues to be under examination for various state and foreign jurisdictions for multiple years.

New and On-going Company Initiatives and Development Projects

NRG has a comprehensive set of initiatives and development projects that supports its strategy focused on: (i) excellence in safety and enhanced operating performance; (ii) earning a margin by selling electricity to end-use customers; (iii) development of new renewable and conventional power generation projects and repowering of power generation assets at existing sites; (iv) empowering retail customers with distinctive products and services; (v) engaging in a proactive capital allocation plan; and (vi) pursuing selective acquisitions, joint ventures, divestitures and investments in new and existing energy-related businesses and new technologies in order to enhance the Company's asset mix.

Renewable Development and Acquisitions

As part of its core strategy, NRG intends to continue to invest in the development and acquisition of renewable energy projects, primarily solar. NRG's renewable strategy is intended to capitalize on first mover advantage in a high growth segment of NRG's business, the Company's existing presence in regions with attractive renewable resources and the prevalence, in the Company's core markets, of state-mandated renewable portfolio standards. A brief description of the Company's development efforts with respect to solar renewable technology follows.

Solar

NRG has acquired and is developing a number of solar projects utilizing photovoltaic, or PV, as well as solar thermal technologies. The following table is a brief summary of the Company's major Utility Scale Solar projects as of June 30, 2012, that are under construction.

NRG Owned Projects	Location	PPA	MW (a)	Expected COD	Status
Ivanpah (b)	Ivanpah, CA	20 - 25 year	392	2013	Under Construction
Agua Caliente (c)	Yuma County, AZ	25 year	290	2012 - 2014	Partially In-Service
CVSR	San Luis Obispo, CA	25 year	250	2012 - 2013	Under Construction

Alpine	Lancaster, CA	20 year	66	2012	Under Construction
Borrego	Borrego Springs, CA	25 year	26	2012	Under Construction
Avra Valley	Pima County, AZ	20 year	25	2012	Under Construction

(a) Represents total project size.

(b) NRG owns a 50.1% stake in the Ivanpah solar project.

(c) NRG indirectly owns a 51% stake in the 290 MW Agua Caliente project which includes 200 MW that reached commercial operations from January through July of 2012.

Below is a summary of recent developments related to solar projects:

Ivanpah — In 2011, NRG acquired 50.1% of the 392 MW Ivanpah solar project, or Ivanpah, in Ivanpah, CA. The first unit of the Ivanpah project is expected to be completed and producing power in early April of 2013. The second and third units are expected be completed in the third and fourth quarters of 2013. Power generated from Ivanpah will be sold to Southern California Edison and Pacific Gas and Electric, under multiple 20 to 25 year PPAs.

Agua Caliente — In 2011, NRG acquired 100% of the 290 MW Agua Caliente solar project, or Agua Caliente, in Yuma, AZ. On January 18, 2012, the Company completed the sale of a 49% interest in NRG Solar AC Holdings LLC, the indirect owner of Agua Caliente, to MidAmerican. Operations are scheduled to commence in phases through the first quarter of 2014, with 200 MW achieving commercial operations from January through July of 2012. On April 12, 2012, the Company received permission from the U.S. DOE to accelerate the block completion schedule. The impact of this decision will permit the Company to bring 228 MW on-line during 2012 and shortens the commercial operations date of the entire project by three months to March 2014. The acceleration will result in greater earnings earlier than originally anticipated, along with acceleration of payments under the Engineering, Procurement and Construction, or EPC, agreement which will be funded with earlier draw downs under the Agua Caliente Financing Agreement, as well as equity support by the partners. Power generated from Agua Caliente is being sold to Pacific Gas and Electric under a 25 year PPA.

CVSR — NRG owns 100% of the 250 MW CVSR project in eastern San Luis Obispo County, California. During the quarter, the Company met the conditions necessary to permit loan disbursements under the CVSR Financing Agreement, as discussed in Note 8, Debt and Capital Leases, to this Form 10-Q. Operations are expected to commence in phases beginning in the third quarter of 2012 through the fourth quarter of 2013. Power generated from CVSR will be sold to Pacific Gas and Electric under a 25 year PPA.

Alpine — Alpine, located in Lancaster, CA, is a 66 MW facility utilizing First Solar thin film solar modules. The project, which is anticipated to reach commercial operations in the fourth quarter of 2012, obtained financing during the first quarter of 2012, as discussed in Note 8, Debt and Capital Leases, to this Form 10-Q. Power generated from Alpine will be sold to Pacific Gas and Electric under a 20 year PPA.

Distributed Solar

NRG's installation of solar power generating systems at MetLife Stadium, Gillette Stadium and Patriot Place is continuing, with construction at MetLife and Gillette Stadium anticipated being complete by the end of the third quarter of 2012. Additionally, in February 2012, NRG announced that it will install a solar power generating system at Lincoln Financial Field, which is anticipated to be completed by the end of 2012. All of the Company's Distributed Solar projects in operation or under construction are supported by long-term PPAs.

Conventional Power Development

Projects Under Construction

The Company's El Segundo Energy Center LLC, or ESEC, is continuing construction at its El Segundo Power Generating Station, a 550 MW fast start, gas turbine combined cycle generating facility in El Segundo, California. The facility is being constructed pursuant to a 10 year, 550 MW PPA with Southern California Edison Company, or SCE. The Company expects a commercial operation date of August 1, 2013.

Retail Growth Initiatives

The Company's Retail businesses are expanding in the Northeast through a combination of new sales channels, partner marketing programs, and new product offerings. NRG grew its Northeast customer base by 25% during the first half of 2012, and the Retail businesses are currently operating in 12 states.

Also, the Company continues to grow its renewable customer base. At the end of the first half of 2012, about 300,000 of its retail electricity customers were on a 100% “green” electric product. Plus, Green Mountain Energy gained an iconic commercial customer by being selected as the official green energy provider of Super Bowl XLVI and this year's Pro Bowl, with the Company offsetting the carbon emissions from each event. Green Mountain Energy also expanded in the Northeast by launching its Pennsylvania business, and celebrated its first commercial customer in New Jersey, Lord & Taylor, in June.

78

NRG also continues to expand its Reliant eSense™ product offerings. eSense is a suite of technology solutions that uses the advanced meter system network (smart meters) that is being rolled out to customers in ERCOT. Through June 30, 2012, Reliant had 650,000 customers using one of these products that provide customers with energy insights, choices and convenience solutions.

Reliant also continues to expand its Home Solutions℠ business with 315,000 customers utilizing home services products including protection products such as surge protection, in home power line protection, HVAC maintenance and energy efficiency products like air filter delivery and solar panel leasing.

Electric Vehicle Infrastructure Development

NRG, through its subsidiary eVgo, continues its build out of the Houston and Dallas/Fort Worth Metroplex, or DFW, EV ecosystems, and the Company is on track to be the first company to equip an entire major market with the privately funded infrastructure needed for successful EV adoption and integration. As of June 30, 2012, eVgo had 12 public fast charging Freedom Station sites operational in Houston, and 6 in DFW. In addition, eVgo had 8 sites in Houston and 12 sites in DFW under construction or in permitting. These two ecosystems are the largest privately-funded comprehensive direct current fast-charging networks in the nation. eVgo offers consumers a subscription-based plan that locks in all charging requirements for EVs at a competitive monthly fee. Based upon the successful launch of its subscription-based business model in Texas, eVgo has entered the Washington, DC/Baltimore market.

Additionally, eVgo has entered into an agreement with the CPUC to build at least 200 public fast charging Freedom Station sites and wiring and associated work to prepare 10,000 commercial and multi-family parking spaces for electric vehicle charging in California. The agreement is part of a legal settlement, as discussed in detail in Note 14, Commitments and Contingencies, of this Form 10-Q, and is pending FERC approval.

W.A. Parish Peaking Unit and Post-combustion Carbon Capture Project

On May 3, 2012, NRG entered into a financing arrangement in the form of a $54 million tax-exempt bond financing, with the proceeds of the bonds to be used in the construction of a peaking unit at the W.A. Parish plant, with one or more components of a commercial scale carbon capture, utilization and storage system, or CCUS, which is sponsored in part by the U.S. DOE, as discussed in Note 8, Debt and Capital Leases, of this Form 10-Q. In preparation for construction, NRG, through its wholly owned subsidiary, Petra Nova Power I LLC, acquired a gas turbine in late June 2012 and anticipates constructing the 75 MW peaking unit (prior to its use as a cogeneration facility dedicated to the CCUS) with a commercial operations date of May 1, 2013.

Construction of the CCUS is intended to allow NRG, through its wholly owned subsidiary Petra Nova LLC, or Petra Nova, to utilize the captured CO_2 in enhanced oil recovery operations in oil fields on the Texas Gulf Coast. During the second quarter of 2012, Petra Nova completed surveying the pipeline route to the West Ranch oil field and submitted the draft Environmental Impact Statement to the U.S. DOE for review under the National Environmental Policy Act.

Off-Balance Sheet Arrangements

Obligations under Certain Guarantee Contracts

NRG and certain of its subsidiaries enter into guarantee arrangements in the normal course of business to facilitate commercial transactions with third parties. These arrangements include financial and performance guarantees, stand-by letters of credit, debt guarantees, surety bonds and indemnifications.

Retained or Contingent Interests

NRG does not have any material retained or contingent interests in assets transferred to an unconsolidated entity.

Derivative Instrument Obligations

The Company's 3.625% Preferred Stock includes a feature which is considered an embedded derivative per ASC 815. Although it is considered an embedded derivative, it is exempt from derivative accounting as it is excluded from the scope pursuant to ASC 815. As of June 30, 2012, based on the Company's stock price, the embedded derivative was out-of-the-money and had no redemption value.

79

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — As of June 30, 2012, NRG has several investments with an ownership interest percentage of 50% or less in energy and energy-related entities that are accounted for under the equity method of accounting. Several of these investments are variable interest entities for which NRG is not the primary beneficiary. See also Note 9, Variable Interest Entities, or VIEs, to this Form 10-Q.

NRG's pro-rata share of non-recourse debt held by unconsolidated affiliates was approximately $239 million as of June 30, 2012. This indebtedness may restrict the ability of these subsidiaries to issue dividends or distributions to NRG. See also Note 16, Investments Accounted for by the Equity Method and Variable Interest Entities, to the Company's 2011 Form 10-K.

Contractual Obligations and Commercial Commitments

NRG has a variety of contractual obligations and other commercial commitments that represent prospective cash requirements in addition to the Company's capital expenditure programs, as disclosed in the Company's 2011 Form 10-K. See also Note 8, Debt and Capital Leases, and Note 14, Commitments and Contingencies, to this Form 10-Q for a discussion of new commitments and contingencies that also include contractual obligations and commercial commitments that occurred during the six months ended June 30, 2012.

Fair Value of Derivative Instruments

NRG may enter into long-term 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 generation facilities or retail load obligations. In addition, in order to mitigate interest rate risk associated with the issuance of the Company's variable rate and fixed rate debt, NRG enters into interest rate swap agreements. The following disclosures about fair value of derivative instruments provide an update to, and should be read in conjunction with, Fair Value of Derivative Instruments in Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's 2011 Form 10 K.

The tables below 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, or ASC 820. Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values at June 30, 2012, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at June 30, 2012.

Derivative Activity Gains/(Losses)	(In millions)
Fair value of contracts as of December 31, 2011	$451
Contracts realized or otherwise settled during the period	(121)
Changes in fair value	(52)
Fair value of contracts as of June 30, 2012	$278

Fair value hierarchy gains/(losses)	Fair Value of Contracts as of June 30, 2012				
	Maturity Less Than	Maturity	Maturity	Maturity in Excess	Total Fair

	1 Year	1-3 Years	4-5 Years	4-5 Years	Value
	(In millions)				
Level 1	$99	$32	$(8)	$—	$123
Level 2	180	(62)	(116)	(18)	(16)
Level 3	157	14	—	—	171
Total	$436	$(16)	$(124)	$(18)	$278

80

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 paid 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 Value at Risk, or 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 assets and liability position is a better indicator of NRG's hedging activity. As of June 30, 2012, NRG's net derivative asset was $278 million, a decrease to total fair value of $173 million as compared to December 31, 2011. This decrease was primarily driven by the roll-off of trades that settled during the period in addition to losses in fair value due to the decreases in coal, gas and power prices and increases in ERCOT heat rates.

Based on a sensitivity analysis using simplified assumptions, the impact of a $.50 per MMBtu increase in natural gas prices across the term of the derivative contracts would result in a decrease of approximately $69 million in the net value of derivatives as of June 30, 2012. The impact of a $0.50 per MMBtu decrease in natural gas prices across the term of derivative contracts would result in an increase of approximately $37 million in net value of derivatives as of June 30, 2012.

Critical Accounting Policies and Estimates

NRG's discussion and analysis of the financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these financial statements and related disclosures in compliance with U.S. 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 these policies necessarily 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.

On an ongoing basis, NRG evaluates these estimates, 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 policies as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and that require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain. NRG's critical accounting policies include derivative instruments, income taxes and valuation allowance for deferred tax assets, impairment of long lived assets, goodwill and other intangible assets, and contingencies.

81

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 merchant power generation or with an existing or forecasted financial or commodity transaction. The types of market risks the Company is exposed to are commodity price risk, interest rate risk, liquidity risk, credit 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 2011 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 merchant generation operations and load serving obligations by entering into various derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted sales and purchases of electricity 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 Value at Risk, or VaR. NRG uses a Monte Carlo simulation based VaR model to estimate the potential loss in the fair value of the Company's energy assets and liabilities, which includes generation assets, load obligations, and bilateral physical and financial transactions.

As of June 30, 2012, the VaR for NRG's commodity portfolio, including generation assets, load obligations and bilateral physical and financial transactions calculated using the VaR model was $80 million.

The following table summarizes average, maximum and minimum VaR for NRG for the three months ended June 30, 2012, and 2011:

(In millions)	2012	2011
VaR as of June 30	$80	$65
Three months ended June 30:		
Average	$63	$56
Maximum	87	65
Minimum	52	47
Six months ended June 30:		
Average	$48	$53
Maximum	87	65
Minimum	24	44

In order to provide additional information for comparative purposes to NRG's peers, 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 as of June 30, 2012, for the entire term of these instruments entered into for both asset management and trading, was $30 million primarily driven by asset-backed transactions.

Interest Rate Risk

NRG is exposed to fluctuations in interest rates through the Company's issuance of fixed rate and 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 combination of the variable rate debt and the interest rate derivative instrument. NRG's risk management policies allow the Company to reduce interest rate exposure from variable rate debt obligations.

NRG entered into interest rate swaps, which became effective on April 1, 2011, and are intended to hedge the risks associated with floating interest rates. For the interest rate swaps, the Company will pay its counterparty the equivalent of a fixed interest payment on a predetermined notional value, and NRG receives the monthly equivalent of a floating interest payment based on the 1-month LIBOR calculated on the same notional value. All interest rate swap payments by NRG and its counterparties are made monthly and the LIBOR is determined in advance of each interest period. The total notional amount of the swaps, which mature on February 1, 2013, is $900 million.

82

In addition to those discussed above, the Company's project subsidiaries enter into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. See Note 12, Debt and Capital Leases, of the Company's 2011 Form 10-K, as well as Note 8, Debt and Capital Leases of this Form 10-Q, for more information on the Company's interest rate swaps.

If all of the above swaps had been discontinued on June 30, 2012, the Company would have owed the counterparties $113 million. Based on the investment grade rating of the counterparties, NRG believes its exposure to credit risk due to nonperformance by counterparties to its hedge contracts to be insignificant.

As part of the CVSR financing, the Company entered into swaptions with a notional value of $686 million in order to hedge the project interest rate risk. If the swaptions were discontinued on June 30, 2012, the counterparty would have owed the Company approximately $9 million.

NRG has both long and short-term debt instruments that subject the Company to the risk of loss associated with movements in market interest rates. As of June 30, 2012, a 1% change in interest rates would result in an $11 million change in interest expense on a rolling twelve month basis.

As of June 30, 2012, the fair value of the Company's debt was $10.8 billion and the related carrying amount was $10.6 billion. NRG estimates that a 1% decrease in market interest rates would have increased the fair value of the Company's long-term debt by $822 million.

Liquidity Risk

Liquidity risk arises from the general funding needs of NRG'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, a $0.50 per MMBtu change in natural gas prices across the term of the marginable contracts would cause a change in margin collateral posted of approximately $98 million as of June 30, 2012, and a 1 MMBtu/MWh change in heat rates for heat rate positions would result in a change in margin collateral posted of approximately $47 million as of June 30, 2012. This analysis uses simplified assumptions and is calculated based on portfolio composition and margin-related contract provisions as of June 30, 2012.

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. See Note 5, Fair Value of Financial Instruments, to this Form 10-Q for discussions regarding counterparty credit risk and retail customer credit risk, and Note 7, Accounting for Derivative Instruments and Hedging Activities, to this Form 10-Q for discussion regarding credit risk contingent features.

Currency Exchange Risk

In connection with the sale of Schkopau, as described in Note 3, Business Acquisitions and Dispositions to this Form 10-Q, NRG entered into a foreign currency swap contract to hedge the impact of exchange rate fluctuations on the sale proceeds of €140 million. As of June 30, 2012, NRG recognized approximately $1 million of losses related to the swap, which was recorded within Other income (loss), net in the statement of operations. The Company received cash consideration, net of selling expenses, of $174 million, which included $4 million related to the swap contract that was recorded as a gain within Other income (loss), net in the third quarter.

NRG's foreign earnings and investments may be subject to foreign currency exchange risk, which NRG generally does not hedge. As these earnings and investments are not material to NRG's consolidated results, the Company's foreign currency exposure is limited.

83

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 Securities Exchange Act of 1934, as amended, or 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 report on Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal controls over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred in the second quarter of 2012 that materially affected, or are reasonably likely to materially affect, the Company'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 June 30, 2012, see Note 14, Commitments and Contingencies, to this Form 10-Q.

ITEM 1A — RISK FACTORS
Information regarding risk factors appears in Part I, Item 1A, Risk Factors Related to NRG Energy, Inc., in the Company's 2011 Form 10-K. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our 2011 Form 10-K. Except as presented below, there have been no material changes in our risk factors since those reported in our 2011 Form 10-K. Further information concerning the proposed merger with GenOn Energy, Inc. will be included in a joint proxy statement/prospectus contained in the registration statement on Form S-4 to be filed by NRG with the SEC.

Risks related to the proposed merger with GenOn Energy, Inc.

We may be unable to obtain the approvals required to complete the merger with GenOn Energy, Inc. or, in order to do so, the combined company may be required to comply with material restrictions or conditions.

On July 22, 2012, we announced the execution of a merger agreement with GenOn Energy, Inc., or GenOn. Before the merger may be completed, both NRG and GenOn will need to obtain stockholder approval in connection with the proposed transaction. In addition, various filings must be made with FERC and various regulatory, antitrust and other authorities in the United States. These governmental authorities may impose conditions on the completion, or require changes to the terms, of the merger, including restrictions or conditions on the business, operations or financial performance of the combined company following completion of the merger. These conditions or changes, including potential litigation brought in connection with the proposed merger, could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, which could have a material adverse effect on the financial results of the combined company and/or cause either NRG or GenOn to abandon the merger.

If we are unable to complete the merger, we still will incur and will remain liable for significant transaction costs, including legal, accounting, filing, printing and other costs relating to the merger. Also, depending upon the reasons for not completing the merger, we may be required to pay GenOn a termination fee of $120 million.

If completed, our merger with GenOn may not achieve its intended results.

We entered into the merger agreement with the expectation that the merger would result in various benefits, including, among other things, cost savings and operating efficiencies. Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether the businesses of NRG and GenOn are integrated in an efficient and effective manner. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues generated by the combined company and diversion of management's time and energy and could have an adverse effect on the combined company's business, financial results and prospects.

We will be subject to business uncertainties and contractual restrictions while the merger with GenOn is pending that could adversely affect our financial results.

Uncertainty about the effect of the merger with GenOn on employees, customers and suppliers may have an adverse effect on our business. Although we intend to take steps designed to reduce any adverse effects, these uncertainties may impair our ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers, suppliers and others that deal with us to seek to change existing business relationships.

Employee retention and recruitment may be particularly challenging prior to the completion of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company. If, despite our retention and recruiting efforts, key employees depart or fail to accept employment with us because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, our financial results could be affected.

The pursuit of the merger and the preparation for the integration of NRG and GenOn may place a significant burden on management and internal resources. The diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could affect our business, results of operations and financial condition.

In addition, we are restricted under the merger agreement, without GenOn's consent, from making certain acquisitions and taking other specified actions until the merger occurs or the merger agreement terminates. These restrictions may prevent us from pursuing otherwise attractive business opportunities and making other changes to our business prior to completion of the merger or termination of the merger agreement.

Risks related to proposed regulation under the Dodd-Frank Act

NRG cannot fully assess at this time the impact of the ongoing efforts by the CFTC and other federal regulators to implement the Dodd-Frank Act and to write rules and regulations that will increase the regulation of over-the-counter derivatives, including those related to energy commodities. The CFTC's rules and regulations will ultimately increase the number and types of derivatives that must be centrally cleared and increase the standardization of contracts and products, collateral and credit standards, and capital requirements. Such changes could negatively impact NRG's ability to hedge its portfolio and optimize its assets in an efficient, cost-effective manner by, among other things, limiting NRG's ability to utilize liens as collateral, increasing its transaction costs and decreasing liquidity in the forward commodity markets.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS
None.

ITEM 3 — DEFAULTS UPON SENIOR SECURITIES
None.
ITEM 4 — MINE SAFETY DISCLOSURES
Not applicable.
ITEM 5 — OTHER INFORMATION
None.

86

ITEM 6 — EXHIBITS

Exhibits

4.1	Fifty-Eighth Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.1 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.2	Fifty-Ninth Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.2 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.3	Sixtieth Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.3 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.4	Sixty-First Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.4 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.5	Sixty-Second Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.5 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.6	Sixty-Third Supplemental Indenture, dated as of April 5, 2012, among NRG Energy, Inc., the existing guarantors named therein, the guaranteeing subsidiaries named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.6 of Form 8-K dated April 5, 2012 and filed on April 6, 2012).
4.7	Sixty-Fourth Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.1 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
4.8	Sixty-Fifth Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.2 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
4.9	Sixty-Sixth Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.3 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
4.10	Sixty-Seventh Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.4 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
4.11	Sixty-Eighth Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.5 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
4.12	Sixty-Ninth Supplemental Indenture, dated as of May 9, 2012, among NRG Energy, Inc., the guarantors named therein and Law Debenture Trust Company of New York (incorporated by reference to Exhibit 4.6 of Form 8-K dated May 9, 2012 and filed on May 11, 2012).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.3	

	Certification of Chief Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32	Certification of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, filed herewith.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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/ DAVID W. CRANE
David W. Crane
Chief Executive Officer
(Principal Executive Officer)

/s/ KIRKLAND B. ANDREWS
Kirkland B. Andrews
Chief Financial Officer
(Principal Financial Officer)

/s/ RONALD B. STARK
Ronald B. Stark
Chief Accounting Officer
(Principal Accounting Officer)

Date: August 8, 2012

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89