

NRG ENERGY, INC.  
Form S-4/A  
October 05, 2012

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As filed with the Securities and Exchange Commission on October 5, 2012

No. 333-183334

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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Amendment No. 2  
to  
**FORM S-4**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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### NRG ENERGY, INC.

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**4911**  
(Primary Standard Industrial  
Classification Code Number)  
**211 Carnegie Center**  
**Princeton, New Jersey 08540**  
**(609) 524-4500**

**41-1724239**  
(I.R.S. Employer  
Identification No.)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**Brian Curci**  
**Corporate Secretary and Assistant General Counsel**  
**211 Carnegie Center**  
**Princeton, New Jersey 08540**  
**(609) 524-4500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Copies of all communications, including communications sent to agent for service, should be sent to:

**Thomas W. Christopher, Esq.**  
**Gerald T. Nowak, P.C., Esq.**  
**Kirkland & Ellis LLP**  
**601 Lexington Avenue**  
**New York, New York 10022**

**Michael L. Jines**  
**Executive Vice President,**  
**General Counsel and Chief Compliance Officer**  
**GenOn Energy, Inc.**  
**1000 Main Street**

**Michael P. Rogan, Esq.**  
**Frank E. Bayouth, Esq.**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
**1440 New York Avenue, N.W.**  
**Washington, D.C. 20005**

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(212) 446-4800

Houston, Texas 77002  
(832) 357-3000

(202) 371-7000

**Approximate date of commencement of proposed sale to the public:**

**As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed merger contemplated by the Agreement and Plan of Merger, dated as of July 20, 2012, described in the enclosed joint proxy statement/prospectus, have been satisfied or waived.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Takeover offer)

Exchange Act Rule 14d-1(d) (Cross-Border Issuer Takeover offer)

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value \$0.01 per share	97,877,014 shares(1)	Not Applicable	\$2,153,133,324(2)	\$248,679.25(3)

(1) The number of shares of common stock of the registrant being registered is based upon an estimate of the maximum number of shares of common stock, par value \$0.001 per share, of GenOn Energy, Inc. ("GenOn") presently outstanding or issuable or expected to be issued in connection with the merger of GenOn with a wholly owned subsidiary of the registrant, including (i) shares of GenOn common stock issuable upon the exercise of GenOn options and restricted stock units that will be assumed by the registrant in the merger and (ii) shares of GenOn common stock to be issued pursuant to the reserve created under Mirant Corporation's plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code, multiplied by the exchange ratio of 0.1216 shares of common stock, par value \$0.01 per share, of the registrant, for each such share of common stock of GenOn.

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended (the "Securities Act"), and calculated pursuant to Rule 457(f) under the Securities Act. The proposed maximum aggregate offering price for the common stock is the product of (x) \$2.675, the average of the high and low sales prices of GenOn common stock, as quoted on the New York Stock Exchange, on October 4, 2012, and (y) 804,909,654, the estimated maximum number of shares of GenOn common stock that may be exchanged for the shares of common stock of the registrant being registered.

(3) Includes \$236,602.39 previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant**

to said Section 8(a), may determine.

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**The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer, solicitation or sale is not permitted.**

**PRELIMINARY, SUBJECT TO COMPLETION, DATED OCTOBER 5, 2012**

**&**

**TRANSACTION PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders:

Each of the boards of directors of NRG Energy, Inc. and GenOn Energy, Inc. has approved a strategic merger, combining NRG and GenOn and bringing together two organizations with complementary electric generating assets and a history of operating excellence to create a stronger, larger and more geographically diverse organization that will be well positioned to create greater value for all of our stockholders.

NRG and GenOn entered into an agreement and plan of merger on July 20, 2012. Subject to stockholder approvals and certain other customary closing conditions, NRG and GenOn will combine their businesses through the merger of GenOn with a newly formed, wholly owned subsidiary of NRG, with GenOn thereupon becoming a wholly owned subsidiary of NRG.

If the merger is completed, GenOn stockholders will receive 0.1216 shares of NRG common stock for each share of GenOn common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing. NRG stockholders will continue to own their existing shares and the NRG common stock will not be affected by the merger. Upon completion of the merger, former GenOn stockholders will own approximately 29% of the then outstanding NRG common stock, based on the number of shares and equity awards of NRG and GenOn outstanding on July 18, 2012. The value of the merger consideration to be received in exchange for each share of GenOn common stock will fluctuate with the market value of NRG common stock until the merger is completed.

Based on the closing sale price for NRG common stock on July 20, 2012, the last trading day before public announcement of the merger, the 0.1216 exchange ratio represented a 20.6% premium to GenOn stockholders.

The common stock of NRG and GenOn are listed on the New York Stock Exchange under the symbols "NRG" and "GEN," respectively. We urge you to obtain current market quotations for the shares of common stock of NRG and GenOn.

**Your vote is very important.** The merger cannot be completed unless NRG stockholders approve the issuance of NRG common stock in the merger and the amendment to NRG's certificate of incorporation, and GenOn stockholders adopt the merger agreement. Each of GenOn and NRG is holding a special meeting of its stockholders to vote on the proposals necessary to complete the merger. Information about these meetings, the merger, the share issuance, the amendment to NRG's certificate of incorporation and the other business to be considered by stockholders at each of the special meetings is contained in this joint proxy statement/prospectus. We urge you to read this joint proxy statement/prospectus carefully. **You should also carefully consider the risks that are described in the "Risk Factors" section beginning on page 34.**

**Whether or not you plan to attend your company's special meeting of stockholders, please submit your proxy as soon as possible to make sure that your shares are represented at that meeting.**

**The NRG board of directors recommends that NRG stockholders vote "FOR" the proposal to approve the issuance of NRG common stock in the merger and "FOR" the proposal to amend NRG's certificate of incorporation, which is necessary to complete the merger.**

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**The GenOn board of directors recommends that GenOn stockholders vote "FOR" the proposal to adopt the merger agreement, which is necessary to complete the merger.**

David Crane  
*President and Chief Executive Officer*  
*NRG Energy, Inc.*

Edward R. Muller  
*Chairman, President and Chief Executive Officer*  
*GenOn Energy, Inc.*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or the other transactions described in this joint proxy statement/prospectus or the securities to be issued in connection with the merger or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated [            ], 2012, and is first being mailed to stockholders of NRG and GenOn on or about [            ], 2012.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON FRIDAY, NOVEMBER 9, 2012**

To the Stockholders of NRG Energy, Inc.:

A special meeting of stockholders of NRG Energy, Inc. will be held at Princeton Marriott at Forrestal, 100 College Road East, Princeton, NJ 08540, on November 9, 2012 at 9:00 a.m., Eastern Time, for the following purposes:

1. To approve the issuance of NRG common stock, par value \$0.01 per share, pursuant to the Agreement and Plan of Merger, dated as of July 20, 2012, by and among NRG Energy, Inc., Plus Merger Corporation and GenOn Energy, Inc., as the same may be amended from time to time, a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice (the "Share Issuance" proposal).
2. To approve an amendment to NRG's amended and restated certificate of incorporation to fix the maximum number of directors that may serve on NRG's board of directors at 16 directors (the "Charter Amendment" proposal).
3. To approve any motion to adjourn the NRG special meeting, if necessary, to solicit additional proxies (the "NRG Adjournment" proposal).

Approval of the Share Issuance proposal and the Charter Amendment proposal is required to complete the merger.

NRG will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The accompanying joint proxy statement/prospectus further describes the matters to be considered at the NRG special meeting.

The NRG board of directors has set October 5, 2012 as the record date for the NRG special meeting. Only holders of record of NRG common stock at the close of business on October 5, 2012 will be entitled to notice of and to vote at the NRG special meeting and any adjournments or postponements thereof. Any stockholder entitled to attend and vote at the NRG special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of NRG common stock.

**Your vote is very important. To ensure your representation at the NRG special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the NRG special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the NRG special meeting.

**The NRG board of directors has approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" the Share Issuance proposal, "FOR" the Charter Amendment proposal and "FOR" the NRG Adjournment proposal.**

By Order of the Board of Directors,  
Brian Curci  
*Corporate Secretary and Assistant General Counsel*  
Princeton, New Jersey  
[ ], 2012

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL MACKENZIE PARTNERS, INC. AT (800) 322-2885 (TOLL-FREE) OR (212) 929-5500 (COLLECT).**

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON FRIDAY, NOVEMBER 9, 2012**

To the Stockholders of GenOn Energy, Inc.:

A special meeting of stockholders of GenOn Energy, Inc. will be held at GenOn's corporate headquarters, 1000 Main Street, Houston, Texas 77002, on November 9, 2012 at 8:00 a.m., Central Time, for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of July 20, 2012, by and among NRG Energy, Inc., Plus Merger Corporation and GenOn Energy, Inc. as the same may be amended from time to time, a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice (the "Merger" proposal).
2. To conduct an advisory vote on the merger-related compensation arrangements of our named executive officers (the "Merger-Related Compensation" proposal).
3. To approve any motion to adjourn the GenOn special meeting, if necessary, to solicit additional proxies (the "GenOn Adjournment" proposal).

Approval of the Merger proposal is required for completion of the merger.

GenOn will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The GenOn board of directors has set October 5, 2012 as the record date for the GenOn special meeting. Only holders of record of shares of GenOn common stock at the close of business on October 5, 2012 will be entitled to notice of and to vote at the GenOn special meeting and any adjournments or postponements thereof.

**Your vote is very important. To ensure your representation at the GenOn special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please vote promptly whether or not you expect to attend the GenOn special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the GenOn special meeting.

**The GenOn board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote "FOR" the Merger proposal, "FOR" the Merger-Related Compensation proposal and "FOR" the GenOn Adjournment proposal.**

By Order of the Board of Directors,  
Michael L. Jines  
*Executive Vice President,  
General Counsel and Corporate Secretary  
and Chief Compliance Officer  
Houston, Texas*  
[ ], 2012

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL INNISFREE M&A INCORPORATED TOLL-FREE AT (877) 800-5187 (BANKS AND BROKERS CALL COLLECT AT (212) 750-5833).**

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about NRG and GenOn from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, see "Where You Can Find More Information" beginning on page 170.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from MacKenzie Partners, Inc., NRG's proxy solicitor, or Innisfree M&A Incorporated, GenOn's proxy solicitor, at the following addresses and telephone numbers:

**For NRG Stockholders:**

MacKenzie Partners, Inc.  
105 Madison Avenue  
New York, New York 10016  
(800) 322-2885 (toll-free)  
(212) 929-5500 (collect)  
Email: proxy@mackenziepartners.com

**For GenOn Stockholders:**

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, New York 10022  
(877) 800-5187 (toll-free)  
(212) 750-5833 (collect)

**To receive timely delivery of the documents in advance of the special meetings, you should make your request no later than November 2, 2012.**

You may also obtain any of the documents incorporated by reference into this joint proxy statement/prospectus without charge through the Securities and Exchange Commission, which is referred to as the SEC, website at [www.sec.gov](http://www.sec.gov). In addition, you may obtain copies of documents filed by NRG with the SEC by accessing NRG's website at [www.nrgenergy.com](http://www.nrgenergy.com) under the tab "Investors" and then under the heading "SEC Filings." You may also obtain copies of documents filed by GenOn with the SEC by accessing GenOn's website at [www.genon.com](http://www.genon.com) under the tab "Investor Relations" and then under the heading "SEC Filings & Financials."

We are not incorporating the contents of the websites of the SEC, NRG, GenOn or any other entity into this joint proxy statement/prospectus. We are providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites only for your convenience.



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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS**

*The following questions and answers briefly address some commonly asked questions about the NRG and GenOn special meetings. They may not include all the information that is important to stockholders of NRG and GenOn. Stockholders should carefully read this entire joint proxy statement/prospectus, including the annexes and the other documents referred to herein.*

**Q: What is the merger?**

A: NRG Energy, Inc., which is referred to as NRG, and GenOn Energy, Inc., which is referred to as GenOn, have entered into an Agreement and Plan of Merger, dated as of July 20, 2012, which is referred to as the merger agreement. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. The merger agreement contains the terms and conditions of the proposed business combination of NRG and GenOn. Under the merger agreement, Plus Merger Corporation, a direct wholly owned subsidiary of NRG, will merge with and into GenOn, with GenOn continuing as the surviving entity and a wholly owned subsidiary of NRG, in a transaction which is referred to as the merger.

**Q: Why am I receiving these materials?**

A: NRG and GenOn are sending these materials to their respective stockholders to help them decide how to vote their shares of NRG or GenOn common stock, as the case may be, with respect to the merger and other matters to be considered at their respective special meetings.

The merger cannot be completed unless NRG stockholders approve the issuance of NRG common stock in the merger and the amendment to NRG's certificate of incorporation, and GenOn stockholders adopt the merger agreement. Each of NRG and GenOn is holding a special meeting of its stockholders to vote on the proposals necessary to complete the merger. Information about these special meetings, the merger and the other business to be considered by stockholders at each of the special meetings is contained in this joint proxy statement/prospectus.

This joint proxy statement/prospectus constitutes both a joint proxy statement of NRG and GenOn and a prospectus of NRG. It is a joint proxy statement because each of the boards of directors of NRG and GenOn are soliciting proxies from their respective stockholders. It is a prospectus because NRG will issue shares of its common stock in exchange for outstanding shares of GenOn common stock in the merger.

**Q: What will GenOn stockholders receive in the merger?**

A: In the merger, GenOn stockholders will receive 0.1216 shares of NRG common stock for each share of GenOn common stock, which is referred to as the exchange ratio, and will receive cash in lieu of fractional shares of NRG common stock. This exchange ratio is fixed and will not be adjusted to reflect changes in the stock price of either company before the merger is completed. NRG stockholders will continue to own their existing shares of NRG common stock and the NRG common stock will not be affected by the merger.

**Q: What will happen to the preferred share purchase rights attached to GenOn common stock?**

A: Prior to the completion of the merger, GenOn will terminate the rights agreement by and between GenOn and Computershare Trust Company, N.A., which is referred to as the GenOn Rights Agreement. In connection with such termination, all of the rights to purchase Series A Preferred Stock of GenOn will be cancelled without any consideration therefor.

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**Q: When do GenOn and NRG expect to complete the merger?**

A: NRG and GenOn are working to complete the merger as soon as practicable. We currently expect that the merger will be completed by the first quarter of 2013. Neither NRG nor GenOn can predict, however, the actual date on which the merger will be completed because it is subject to conditions beyond each company's control, including federal and state regulatory approvals. See "The Merger Agreement Conditions to Completion of the Merger" beginning on page 109.

**Q: What am I being asked to vote on and why is this approval necessary?**

A: NRG stockholders are being asked to vote on the following proposals:

1. to approve the issuance of NRG common stock, par value \$0.01 per share, pursuant to the merger agreement, which is referred to as the "Share Issuance" proposal;
2. to approve an amendment to NRG's amended and restated certificate of incorporation to fix the maximum number of directors that may serve on NRG's board of directors at 16 directors, which is referred to as the "Charter Amendment" proposal; and
3. to approve any motion to adjourn the NRG special meeting, if necessary, to solicit additional proxies, which is referred to as the "NRG Adjournment" proposal.

Approval of the Share Issuance proposal and the Charter Amendment proposal by NRG stockholders is required to complete the merger.

GenOn stockholders are being asked to vote on the following proposals:

1. to adopt the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus, which is referred to as the "Merger" proposal;
2. to conduct an advisory vote on the merger-related compensation arrangements of our named executive officers, which is referred to as the "Merger-Related Compensation" proposal; and
3. to approve any motion to adjourn the GenOn special meeting, if necessary, to solicit additional proxies, which is referred to as the "GenOn Adjournment" proposal.

Approval of the Merger proposal by GenOn stockholders is required for completion of the merger.

The Share Issuance proposal, the Charter Amendment proposal and the Merger proposal are collectively referred to as the "Merger-Related" proposals.

**Q: What vote is required to approve each proposal at the NRG Special Meeting?**

A: *The Share Issuance proposal:* The affirmative vote of a majority of the votes cast by NRG stockholders is required to approve the Share Issuance proposal, provided that the total votes cast on such proposal (including abstentions) represent a majority of total number of shares of NRG common stock outstanding on the record date for the NRG special meeting.

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*The Charter Amendment proposal:* The affirmative vote of a majority of the shares of NRG common stock outstanding on the record date for the NRG special meeting is required to approve the Charter Amendment proposal.

*The NRG Adjournment proposal:* The affirmative vote of a majority of the shares of NRG common stock represented (in person or by proxy) and entitled to vote on the proposal is required to approve the NRG Adjournment proposal.

**Q:**

**What vote is required to approve each proposal at the GenOn Special Meeting?**

**A:**

*The Merger proposal:* The affirmative vote of a majority of the shares of GenOn common stock outstanding on the record date for the GenOn special meeting is required to approve the Merger proposal.

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*The Merger-Related Compensation proposal:* The affirmative vote of a majority of the shares of GenOn common stock represented (in person or by proxy) at the GenOn special meeting and entitled to vote on such proposal is required to approve the Merger-Related Compensation proposal. Because the vote on the Merger-Related Compensation proposal is advisory only, it will not be binding on either GenOn or NRG. Accordingly, if the merger agreement is adopted and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of GenOn's stockholders.

*The GenOn Adjournment proposal:* The affirmative vote of a majority of the shares of GenOn common stock represented (in person or by proxy) at the GenOn special meeting and entitled to vote on such proposal is required to approve the GenOn Adjournment proposal.

**Q: What constitutes a quorum?**

A: The representation of holders of at least a majority of the total number of shares of common stock outstanding as of the record date at the NRG special meeting or GenOn special meeting, as applicable, whether present in person or represented by proxy, is required in order to conduct business at each special meeting. This requirement is called a quorum. Abstentions, if any, which are described below, will be treated as present for the purposes of determining the presence or absence of a quorum for each special meeting.

**Q: How do the boards of directors of NRG and GenOn recommend that I vote?**

A: The board of directors of NRG, which is referred to as the NRG Board, recommends that holders of NRG common stock vote "**FOR**" the Share Issuance proposal, "**FOR**" the Charter Amendment proposal and "**FOR**" the NRG Adjournment proposal.

The board of directors of GenOn, which is referred to as the GenOn Board, recommends that GenOn stockholders vote "**FOR**" the Merger proposal and "**FOR**" the GenOn Adjournment proposal. In addition, the GenOn Board recommends that holders of GenOn common stock vote "**FOR**" the Merger-Related Compensation proposal to approve, on an advisory (non-binding) basis, any "golden parachute" compensation arrangement that may be paid or become payable, to GenOn's named executive officers that is based on or otherwise relates to the merger or contemplated by the merger agreement.

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote your shares as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

**Please do not submit your GenOn stock certificates at this time. If the merger is completed, you will receive instructions for surrendering your GenOn stock certificates in exchange for shares of NRG common stock from the exchange agent.**

**Q: How do I vote?**

A: If you are a stockholder of record of NRG as of October 5, 2012, which is referred to as the NRG record date, or a stockholder of GenOn as of October 5, 2012, which is referred to as the GenOn record date, you may submit your proxy before your respective company's special meeting in one of the following ways:

use the toll-free number shown on your proxy card;

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visit the website shown on your proxy card to vote via the Internet; or

complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

Stockholders of record may also cast your vote in person at your respective company's special meeting.

If your shares are held in "street name," through a broker, trustee or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. "Street name" stockholders who wish to vote at the meeting will need to obtain a "legal proxy" form from their broker, trustee or other nominee.

**Q: When and where are the NRG and GenOn special meetings of stockholders? What must I bring to attend the special meeting?**

**A:** The special meeting of NRG stockholders will be held at Princeton Marriott at Forrestal 100 College Road East, Princeton, NJ 08540 at 9:00 a.m., Eastern Time, on November 9, 2012. Subject to space availability, all NRG stockholders as of the NRG record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m., Eastern Time.

The special meeting of GenOn stockholders will be held at GenOn's corporate headquarters, 1000 Main Street, Houston, Texas 77002 at 8:00 a.m., Central Time, on November 9, 2012. Subject to space availability, all GenOn stockholders as of the GenOn record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 7:30 a.m., Central Time.

If you wish to attend your respective company's special meeting, you must bring photo identification. If you hold your shares through a bank, broker, custodian or other record holder, you must also bring proof of ownership such as the voting instruction form from your broker or other nominee or an account statement.

**Q: If my shares are held in "street name" by a broker, trustee or other nominee, will my broker, trustee or other nominee vote my shares for me?**

**A:** If your shares are held in "street name" in a stock brokerage account or by a bank, trustee or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker, trustee or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to NRG or GenOn or by voting in person at your respective company's special meeting unless you provide a "legal proxy," which you must obtain from your broker, trustee or other nominee. Your broker, trustee, or nominee is obligated to provide you with a voting instruction card for you to use.

Under the rules of the New York Stock Exchange, which is referred to as the NYSE, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE determines to be "non-routine" without specific instructions from the beneficial owner. It is expected that all proposals to be voted on at the NRG special meeting and the GenOn special meeting are such "non-routine" matters. Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power.



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If you are an NRG stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Share Issuance proposal, which broker non-votes will have no effect on the vote count for such proposal, but will make it more difficult to meet the NYSE requirement that the total votes cast on such proposal represent a majority of total number of shares of NRG common stock outstanding on the record date for the NRG special meeting;

your broker, bank or other nominee may not vote your shares on the Charter Amendment proposal, which broker non-votes will have the same effect as a vote "AGAINST" such proposal; and

your broker, bank or other nominee may not vote your shares on the NRG Adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

If you are a GenOn stockholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the Merger proposal, which broker non-votes will have the same effect as a vote "AGAINST" this proposal; and

your broker, bank or other nominee may not vote your shares on the Merger-Related Compensation and GenOn Adjournment proposals, which broker non-votes will have no effect on the vote count for either of these proposals.

**Q:**  
**What if I fail to vote or abstain?**

**A:**  
For purposes of each of the NRG special meeting and the GenOn special meeting, an abstention occurs when a stockholder attends the applicable special meeting in person and does not vote or returns a proxy with an "abstain" vote.

***NRG***

*Share Issuance proposal:* An abstention will have the same effect as a vote cast "AGAINST" the Share Issuance proposal. If an NRG stockholder is not present in person at the NRG special meeting and does not respond by proxy, it will have no effect on the vote count for the Share Issuance proposal, but it will make it more difficult to meet the NYSE requirement that the total votes cast on such proposal (including abstentions) represent a majority of the shares of NRG common stock outstanding as of the NRG record date.

*Charter Amendment proposal:* An abstention or failure to vote will have the same effect as a vote cast "AGAINST" the Charter Amendment proposal.

*NRG Adjournment proposal:* An abstention will have the same effect as a vote cast "AGAINST" the NRG Adjournment proposal. If an NRG stockholder is not present in person at the NRG special meeting and does not respond by proxy, it will have no effect on the vote count for the NRG Adjournment proposal (assuming a quorum is present).

***GenOn***

*Merger proposal:* An abstention or failure to vote will have the same effect as a vote cast "AGAINST" the Merger proposal.

*Merger-Related Compensation proposal:* An abstention will have the same effect as a vote cast "AGAINST" the Merger-Related Compensation proposal. If a GenOn stockholder is not present in person at the GenOn special meeting and does not respond by proxy, it will have no effect on the vote count for the Merger-Related Compensation proposal (assuming a quorum is present).



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*GenOn Adjournment proposal:* An abstention will have the same effect as a vote cast "AGAINST" the GenOn Adjournment proposal. If a GenOn stockholder is not present in person at the GenOn special meeting and does not respond by proxy, it will have no effect on the vote count for the GenOn Adjournment proposal (assuming a quorum is present).

**Q: What will happen if I return my proxy or voting instruction card without indicating how to vote?**

A: If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the NRG common stock represented by your proxy will be voted as recommended by the NRG Board with respect to that proposal or the GenOn common stock represented by your proxy will be voted as recommended by the GenOn Board with respect to that proposal. Unless an NRG stockholder or a GenOn stockholder, as applicable, checks the box on its proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on other matters relating to the NRG special meeting or GenOn special meeting, as applicable.

**Q: What if I hold shares of both NRG common stock and GenOn common stock?**

A: If you are a stockholder of both NRG and GenOn, you will receive two separate packages of proxy materials. A vote as a GenOn stockholder will not constitute a vote as an NRG stockholder and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from NRG or GenOn, or vote as both an NRG stockholder and as a GenOn stockholder by Internet or telephone.

**Q: May I change my vote after I have delivered my proxy or voting instruction card?**

A: Yes. If you are a record holder, you may change your vote at any time before your proxy is voted at the NRG or GenOn special meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of NRG or GenOn, as applicable;

by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so;

by sending a completed proxy card bearing a later date than your original proxy card; or

by attending the NRG or GenOn special meeting, as applicable, and voting in person.

If you choose any of the first three methods, you must take the described action no later than the beginning of the applicable special meeting.

If your shares are held in an account at a broker, bank or other nominee and you have delivered your voting instruction card to your broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

**Q: What are the material U.S. federal income tax consequences of the merger?**

A: It is a condition to the obligation of GenOn to complete the merger that GenOn receive a written opinion from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to GenOn, which is referred to as Skadden, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the Code, and that NRG receive a written opinion from Kirkland &

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Ellis LLP, counsel to NRG, which is referred to as Kirkland & Ellis, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

It is a condition to the obligation of NRG to effect the merger that NRG receive a written opinion from Kirkland & Ellis, dated as of the closing date, to the effect that for U.S. federal income tax

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purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that GenOn receive a written opinion from Skadden, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

Provided that the merger so qualifies, a holder of GenOn common stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of the holder's shares of GenOn common stock for shares of NRG common stock in the merger, except with respect to cash received in lieu of a fractional share of NRG common stock.

**Q: Do I have appraisal rights in connection with the merger?**

A: No. Under Delaware law, neither GenOn stockholders nor NRG stockholders will be entitled to exercise any appraisal rights in connection with the merger or the other transactions contemplated by the merger agreement.

**Q: What if I hold GenOn stock options or restricted stock units?**

A: Upon completion of the merger:

GenOn stock options (other than stock options granted in 2012) will vest in full and be converted into options with respect to NRG common stock based on the exchange ratio, and remain outstanding subject to the same terms and conditions (other than vesting conditions) as otherwise applicable to such stock options prior to the merger.

GenOn stock options granted in 2012 will be converted into options in respect of NRG common stock based on the exchange ratio, and remain outstanding subject to the same terms and conditions (including vesting conditions) as otherwise applicable to such stock options prior to the merger.

GenOn restricted stock units (other than restricted stock units granted in 2012) will vest in full and be converted into NRG common stock based on the exchange ratio (with cash paid in lieu of fractional shares).

GenOn restricted stock units granted in 2012 will be converted into NRG restricted stock units based on the exchange ratio, and remain outstanding subject to the same terms and conditions as otherwise applicable to such restricted stock units prior to the merger, except that the extent of attainment of performance targets with respect to such restricted stock units will be determined by the GenOn Board (or a committee thereof) on an appropriate basis before closing.

Notwithstanding the foregoing, GenOn outstanding stock options and restricted stock units granted in 2012 will vest (to the extent not already fully vested) at the holder's termination date if the termination occurs within two years of completion of the merger under certain qualifying circumstances.

**Q: Whom should I contact if I have any questions about the proxy materials or voting?**

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact the proxy solicitation agent for the company in which you hold shares.

If you are an NRG stockholder, you should contact MacKenzie Partners, Inc., the proxy solicitation agent for NRG, at (800) 322-2885 (toll-free) or (212) 929-5500 (collect). If you are a GenOn stockholder, you should contact Innisfree M&A Incorporated, the proxy solicitation agent for GenOn, at (877) 800-5187 (toll-free) or (212) 750-5833 (collect).



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**SUMMARY**

*This summary highlights selected information contained in this joint proxy statement/prospectus and does not contain all the information that may be important to you. NRG and GenOn urge you to read carefully this joint proxy statement/prospectus in its entirety, including the annexes. Additional, important information, which NRG and GenOn also urge you to read, is contained in the documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information" beginning on page 170. Unless stated otherwise, all references in this joint proxy statement/prospectus to NRG are to NRG Energy, Inc., all references to GenOn are to GenOn Energy, Inc. and all references to the merger agreement are to the Agreement and Plan of Merger, dated as of July 20, 2012, by and among NRG, Plus Merger Corporation and GenOn, a copy of which is attached as Annex A to this joint proxy statement/prospectus.*

**The Parties**

***NRG***

NRG 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. Finally, NRG is focused on the deployment and commercialization of potential disruptive technologies, like electric vehicles, certain solar power projects and smart meter technology, which have the potential to change the nature of the power supply industry.

For the year ended December 31, 2011, NRG had total revenues of approximately \$9.1 billion and net income of approximately \$197 million.

NRG's principal offices are located at 211 Carnegie Center, Princeton, New Jersey 08540, and its telephone number is (609) 524-4500. NRG common stock is listed on the New York Stock Exchange, which is referred to as the NYSE, trading under the symbol "NRG."

***GenOn***

GenOn is principally a wholesale power generator engaged in the ownership and operation of power generation facilities in competitive energy markets. GenOn also operates integrated asset management and proprietary trading operations. GenOn's customers are principally independent system operators, regional transmission organizations and investor-owned utilities.

For the year ended December 31, 2011, GenOn had total revenues of approximately \$3.6 billion and a net loss of approximately \$189 million.

GenOn's principal offices are located at 1000 Main Street, Houston, Texas 77002 and its telephone number is (832) 357-3000. GenOn common stock is listed on the NYSE, trading under the symbol "GEN."

***Merger Sub***

Plus Merger Corporation, or Merger Sub, a wholly owned subsidiary of NRG, is a Delaware corporation formed on July 18, 2012, for the purpose of effecting the merger. Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by

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the merger agreement, including the preparation of applicable regulatory filings in connection with the merger.

**The Merger**

NRG and GenOn have entered into the merger agreement, which provides that, subject to the terms and conditions of the merger agreement and in accordance with the Delaware General Corporation Law, which is referred to as the DGCL, Merger Sub will merge with and into GenOn, with GenOn continuing as the surviving entity and a direct wholly owned subsidiary of NRG.

**Consideration to be Received in the Merger by GenOn Stockholders**

In the merger, each share of GenOn common stock that is issued and outstanding immediately prior to the effective time of the merger (other than any shares of GenOn common stock owned or held directly or indirectly by NRG, GenOn, Merger Sub or any of their respective subsidiaries that will be cancelled upon completion of the merger) will be converted into the right to receive 0.1216 shares of NRG common stock, which is referred to as the exchange ratio. The exchange ratio will be adjusted appropriately to fully reflect the effect of any reclassification, stock split or combination, exchange or readjustment of shares, or any stock dividend or distribution with respect to the shares of either NRG common stock or GenOn common stock with a record date prior to completion of the merger. No fractional shares of NRG common stock will be issued in connection with the merger, and holders will be entitled to receive cash in lieu thereof. NRG stockholders will continue to own their existing shares, which will not be affected by the merger.

**Treatment of Stock Options and Restricted Stock Units**

*GenOn*

Upon completion of the merger, all outstanding GenOn stock options will be converted into stock options with respect to NRG common stock (with the number of shares subject to such options and the per share exercise price appropriately adjusted based on the exchange ratio) and remain outstanding, subject to the same terms and conditions as otherwise applicable to such stock options prior to the merger, except that all GenOn stock options other than those granted in 2012 will become vested upon the completion of the merger. GenOn stock options granted in 2012 will not be subject to accelerated vesting solely by reason of the completion of the merger and will remain subject to the vesting conditions applicable to such stock options prior to the merger.

All outstanding GenOn restricted stock units (other than restricted stock units granted in 2012) will immediately vest and be exchanged for the merger consideration upon completion of the merger (with cash paid in lieu of fractional shares). GenOn restricted stock units granted in 2012 will be converted into NRG restricted stock units (with the number of shares subject to such restricted stock units appropriately adjusted based on the exchange ratio and extent of performance goal attainment) and otherwise remain outstanding in accordance with their terms.

Notwithstanding the foregoing, GenOn outstanding stock options and restricted stock units granted in 2012 will vest (to the extent not already fully vested) at the holder's termination date if the termination is as a result of the merger and occurs within two years of completion of the merger under certain qualifying circumstances.

For a more complete discussion of the treatment of GenOn options and other stock-based awards, see "The Merger Agreement Treatment of GenOn Stock Options and Restricted Stock Units" on page 106. For further discussion of the treatment of GenOn options and other stock-based awards held by directors and executive officers of GenOn, see "The Merger Interests of Directors and Executive



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Officers in the Merger Interests of Directors and Executive Officers of GenOn in the Merger" beginning on page 85.

**NRG**

The merger will not affect NRG's stock options, restricted stock or other equity awards of NRG. All such awards will remain outstanding subject to the same terms and conditions that are applicable prior to the merger.

**Governance of NRG Following Completion of the Merger; Amendments to NRG's Certificate of Incorporation and Bylaws**

*Board of Directors.* The parties have agreed that, immediately following completion of the merger:

The board of directors of NRG will have 16 members, consisting of (a) all 12 directors from the NRG Board, including Mr. Howard Cosgrove, the current Chairman of the NRG Board, and Mr. David Crane, the current President and Chief Executive Officer of NRG, and (b) four directors from the GenOn Board, consisting of Mr. Edward R. Muller, the current Chairman, President and Chief Executive Officer of GenOn, and Messrs. E. Spencer Abraham, Terry G. Dallas and Evan J. Silverstein.

Mr. Cosgrove will continue as the Chairman of the NRG Board.

Mr. Muller will become Vice Chairman of the NRG Board and hold such position until at least the 2014 annual meeting of NRG stockholders.

*Management.* GenOn and NRG expect that immediately following completion of the merger, the corporate leadership team of NRG will consist of Mr. Crane as President and Chief Executive Officer, Mr. Kirk Andrews as Chief Financial Officer, Mr. Mauricio Gutierrez as Chief Operating Officer, and Ms. Anne Cleary as the Chief Integration Officer.

*Amendment to NRG's Certificate of Incorporation.* In connection with the merger, Article Seven of NRG's amended and restated certificate of incorporation will be amended to fix the maximum number of directors that may serve on the NRG Board at 16 directors.

*Amendment to NRG's Bylaws.* In connection with the merger, NRG's bylaws will be amended and restated as of completion of the merger to reflect the governance arrangements contemplated by the merger agreement. The form of the amended and restated bylaws is included as Exhibit B to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

For a more complete discussion of the directors and executive officers of the combined company, see "The Merger Governance of NRG Following Completion of the Merger; Amendments to NRG's Certificate of Incorporation and Bylaws" beginning on page 84.

**Headquarters**

Upon completion of the merger, (i) the executive offices and commercial and financial headquarters of NRG will be located in Princeton, New Jersey, and (ii) the operations headquarters of NRG will be located in Houston, Texas.

**Recommendations of the NRG Board of Directors**

After careful consideration, the NRG Board recommends that holders of NRG common stock vote "FOR" the Share Issuance proposal, the Charter Amendment proposal and the NRG Adjournment proposal.



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For a more complete description of NRG's reasons for the merger and the recommendations of the NRG Board, see "The Merger Rationale for the Merger" and "The Merger NRG Board of Directors' Recommendations and Its Reasons for the Merger" beginning on pages 48 and 50, respectively.

**Recommendations of the GenOn Board of Directors**

After careful consideration, the GenOn Board recommends that holders of GenOn common stock vote "**FOR**" the Merger proposal and the GenOn Adjournment proposal.

After careful consideration, the GenOn Board recommends that holders of GenOn common stock vote "**FOR**" the Merger-Related Compensation proposal to approve, on an advisory (non-binding) basis, any "golden parachute" compensation arrangement that may be paid or become payable, to GenOn's named executive officers that is based on or otherwise relates to the merger or contemplated by the merger agreement.

For a more complete description of GenOn's reasons for the merger and the recommendation of the GenOn Board, see "The Merger Rationale for the Merger" and "The Merger GenOn Board of Directors' Recommendation and Its Reasons for the Merger" beginning on pages 48 and 54, respectively.

**Opinions of Financial Advisors**

*NRG's Financial Advisors*

In connection with the merger, the NRG Board received separate written opinions, dated July 20, 2012, from NRG's financial advisors, Credit Suisse Securities (USA) LLC, referred to as Credit Suisse, and Morgan Stanley & Co. LLC, referred to as Morgan Stanley, as to the fairness, from a financial point of view and as of the date of such opinion, to NRG of the exchange ratio provided for in the merger. The full texts of Credit Suisse's and Morgan Stanley's respective written opinions, each dated July 20, 2012, are attached to this joint proxy statement/prospectus as Annex B and Annex C, respectively, and set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Credit Suisse and Morgan Stanley in connection with such opinions. **The opinions were provided for the benefit of the NRG Board (in its capacity as such) in connection with, and for the purpose of, its evaluation of the exchange ratio from a financial point of view to NRG and did not address any other aspect of the merger. In addition, the opinions did not in any manner address the prices at which shares of NRG common stock or GenOn common stock would trade at any time, or any compensation or compensation agreements arising from the merger which benefit any officer, director or employee of NRG or GenOn, or any class of such persons. The opinions are addressed to the NRG Board and do not constitute advice or a recommendation to any stockholder as to how to vote or act with respect to the merger.** For a more complete description of Credit Suisse's and Morgan Stanley's respective opinions, see "The Merger Opinions of NRG's Financial Advisors" beginning on page 58. See also Annex B and Annex C to this joint proxy statement/prospectus.

*GenOn's Financial Advisor*

At a meeting of the GenOn Board held on July 20, 2012, J.P. Morgan Securities LLC, which is referred to as J.P. Morgan, delivered its opinion to the GenOn Board as to the fairness, from a financial point of view and as of such date, of the exchange ratio to holders of GenOn common stock. The full text of the written opinion of J.P. Morgan, dated July 20, 2012, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the opinion and the review undertaken in connection with rendering its opinion, is included as Annex D to this proxy statement/prospectus. **J.P. Morgan's written opinion was provided to the GenOn Board (solely in its capacity as such) in connection with its evaluation of the merger and**

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**addressed only the fairness, from a financial point of view, of the exchange ratio and no other matters. The opinion does not constitute a recommendation to any stockholder as to how any stockholder should vote with respect to the proposed merger or any other matter.** For a more complete description of J.P. Morgan's opinion, see "The Merger Opinion of GenOn's Financial Advisor" beginning on page 73. See also Annex D to this proxy statement/prospectus.

**Interests of Directors and Executive Officers in the Merger**

You should be aware that some of the directors and executive officers of NRG and GenOn have interests in the merger that are different from, or are in addition to, the interests of stockholders generally, including without limitation the following:

*For GenOn's Directors and Executive Officers:* Treatment of equity-based compensation awards held by directors and executive officers of GenOn in the merger; the appointment of Edward R. Muller, currently GenOn's Chairman, President and Chief Executive Officer, as Vice Chairman of the NRG Board; the appointment of Mr. Muller and three other directors of GenOn as directors of NRG following the merger; the continued service of certain officers as officers of NRG following the merger; change-in-control severance arrangements covering certain executive officers of GenOn; and the indemnification of GenOn's directors and officers by NRG.

*For NRG's Directors and Executive Officers:* Mr. David Crane, currently NRG's President and Chief Executive Officer, will continue in those positions immediately following the completion of the merger; Mr. Howard E. Cosgrove, currently Chairman of the NRG Board, will continue in that position immediately following the completion of the merger; Mr. Crane, Mr. Cosgrove and ten other directors of NRG will continue to serve as directors of NRG immediately following the completion of the merger.

The NRG Board and the GenOn Board were aware of these additional interests by their respective directors and executive officers and considered these potential interests, among other matters, in evaluating and negotiating the merger agreement and the merger, in approving the merger agreement and in recommending the applicable Merger-Related proposals.

For a further discussion of the interests of GenOn and NRG directors and executive officers in the merger, see "The Merger Interests of Directors and Executive Officers in the Merger" beginning on page 85.

**Material U.S. Federal Income Tax Consequences of the Merger**

It is a condition to the obligation of GenOn to complete the merger that GenOn receive a written opinion from Skadden, counsel to GenOn, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that NRG receive a written opinion from Kirkland & Ellis, counsel to NRG, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the obligation of NRG to effect the merger that NRG receive a written opinion from Kirkland & Ellis, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and that GenOn receive a written opinion from Skadden, dated as of the closing date, to the effect that for U.S. federal income tax purposes the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. In addition, in connection with the Registration Statement of which this joint proxy statement/prospectus is a part being declared effective, each of Skadden and Kirkland & Ellis will deliver an opinion to GenOn and NRG, respectively, to the same effect as the opinions described above and to the effect that holders of GenOn common stock whose shares of GenOn common stock

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are exchanged in the merger for shares of NRG common stock will not recognize gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of NRG common stock.

The discussion of material U.S. federal income tax consequences of the merger contained in this joint proxy statement/prospectus is intended to provide only a general summary and is not a complete analysis or description of all potential U.S. federal income tax consequences of the merger. The discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws.

**GenOn stockholders are strongly urged to consult with their tax advisors regarding the tax consequences of the merger to them, including the effects of U.S. federal, state, local, foreign and other tax laws.**

For a more complete description of the material U.S. federal income tax consequences of the merger, see "The Merger Material U.S. Federal Income Tax Consequences" beginning on page 102.

**Accounting Treatment of the Merger**

The merger will be accounted for as an acquisition of GenOn by NRG under the acquisition method of accounting in accordance with accounting principles generally accepted in the U.S., or U.S. GAAP.

**No Appraisal Rights**

Under Section 262 of the DGCL, neither the holders of GenOn common stock nor the holders of NRG common stock have appraisal rights in connection with the merger.

**Regulatory Matters**

To complete the merger, GenOn and NRG must make filings with and obtain authorizations, approvals or consents from federal and state public utility, antitrust and other regulatory authorities. The material United States federal and state approvals, consents and filings include the following:

the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, and the related rules and regulations;

approval of the merger by the Federal Energy Regulatory Commission, which is referred to as the FERC, under the Federal Power Act;

approval of the merger by the New York Public Service Commission, which is referred to as the NYPS&C;

approval of the merger by the Public Utility Commission of Texas, which is referred to as the PUCT;

notice to the California Public Utilities Commission and the lapse of the associated notice period; and

a threshold determination from the Nuclear Regulatory Commission, which is referred to as the NRC, that the merger does not require the prior approval of the NRC under the Atomic Energy Act of 1954.

For a more complete discussion of regulatory matters relating to the merger, see "The Merger Regulatory Approvals Required for the Merger" beginning on page 95.



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**Litigation Related to the Merger**

GenOn, members of the GenOn Board, NRG and Merger Sub are named defendants in three pending lawsuits, each purportedly brought on behalf of all of the public stockholders of GenOn. The complaints allege, among other things, that members of the GenOn Board have breached their fiduciary duties by failing to take steps to maximize the value of GenOn to its public stockholders, that the joint proxy statement contains incomplete and misleading disclosures, and that NRG and Merger Sub have aided and abetted GenOn directors' breaches of their fiduciary duties. The plaintiffs in these lawsuits seek, among other things, (i) a declaration that the merger agreement was entered into in breach of GenOn directors' fiduciary duties, (ii) an injunction enjoining the GenOn Board from consummating the merger, (iii) an order directing the GenOn Board to exercise their duties to obtain a transaction which is in the best interests of GenOn's stockholders, (iv) an order granting the class members any benefits allegedly improperly received by the defendants, (v) a rescission of the merger, in the event that it is consummated, and/or (vi) an order directing additional disclosure regarding the merger. NRG and GenOn believe the allegations of the complaints are without merit and intend to defend these lawsuits vigorously.

**Conditions to Completion of the Merger**

The parties expect to complete the merger after all of the conditions to the merger in the merger agreement are satisfied or waived, including after NRG and GenOn receive stockholder approvals at their respective special meetings and receive all required regulatory approvals. The parties currently expect to complete the merger by the first quarter of 2013. However, it is possible that factors outside of each company's control could require them to complete the merger at a later time or not to complete it at all.

The obligations of NRG and GenOn to complete the merger are each subject to the satisfaction (or waiver) of the following conditions:

approval by NRG stockholders of the Share Issuance proposal and Charter Amendment proposal;

approval by GenOn stockholders of the Merger proposal;

absence of any law or injunction prohibiting the consummation of the merger;

receipt of all required regulatory approvals, provided that none of these approvals (or any order issued, imposed or otherwise put into effect in connection with any of these approvals) constitutes or would reasonably be expected to constitute, cause or result in a material adverse effect on NRG or GenOn;

authorization of the listing of the shares of NRG common stock to be issued in connection with the merger or reserved for issuance in connection with the merger on the NYSE, subject to official notice of issuance;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose;

accuracy of the other party's representations and warranties in the merger agreement, subject to certain exceptions;

the prior performance by the other party, in all material respects, of its obligations under the merger agreement;

receipt of a certificate executed by an executive officer of the other party as to the satisfaction of the conditions described in the preceding two bullets; and





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receipt of a legal opinion from its counsel to the effect that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and receipt of a copy of the legal opinion of counsel to the other party to the same effect.

The conditions set forth in the merger agreement may be waived by NRG or GenOn, subject to the agreement of the other party in certain circumstances. For a more complete discussion of the conditions to the merger, see "The Merger Agreement Conditions to Completion of the Merger" beginning on page 109.

**Treatment of GenOn's Existing Debt; Financing**

There are no financing conditions to the merger and the merger is not conditioned upon the completion of the Change in Control Offers, the NRG Debt Offers or the funding of the financing contemplated by the commitment letters, each as described herein.

In connection with the merger, the parties intend to terminate GenOn's existing senior secured term loan facility and revolving credit facility. In addition, at NRG's request and subject to the terms and conditions of the merger agreement, GenOn will commence a "change of control" tender offer for each series of GenOn's outstanding notes due 2014, 2017, 2018 and 2020 (the "Notes"), conditioned on the completion of the merger. We refer to these offers as the "Change in Control Offers." Further, subject to the terms and conditions 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 GenOn's outstanding Notes, conditioned on the completion of the merger. We refer to these offers as the "NRG Debt Offers." Also, NRG may, subject to the terms and conditions of the merger agreement, elect to undertake a consent solicitation to alter the terms of any of GenOn's Notes that remain outstanding after completion of the Change in Control Offers and the NRG Debt Offers.

NRG intends to finance the Change in Control Offers, the NRG Debt Offers, and the related fees, commissions and expenses with a combination of funds available at each of NRG and GenOn (including funds available under NRG's existing credit facilities) and, to the extent necessary, new financing. NRG has obtained commitment letters from Credit Suisse AG, Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. 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 Change in Control Offers and the NRG Debt Offers.

The parties do not expect the merger to have any impact on the debt existing at GenOn's subsidiaries.

In addition to the Change in Control Offers and the NRG Debt Offers, NRG may otherwise pursue a refinancing of all or a portion of GenOn's existing indebtedness, provided that GenOn and its subsidiaries will not be required to incur any obligation with respect to such refinancing before the completion of the merger and such refinancing will not delay the completion of the merger.

For further information regarding the contemplated financing, see "The Merger Treatment of GenOn's Existing Debt; Financing" beginning on page 98 and "The Merger Agreement Financing" on page 121.

**Timing of the Merger**

The merger is expected to be completed by the first quarter of 2013.

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**No Solicitation of Other Offers**

In the merger agreement, each of NRG and GenOn has agreed that it will not directly or indirectly:

solicit, initiate, seek or knowingly encourage or facilitate any proposal that constitutes or would reasonably be expected to lead to an alternative acquisition proposal (as described in the section entitled "The Merger Agreement Non-Solicitation of Alternative Acquisition Proposals" beginning on page 115);

furnish any non-public information, or afford access to properties, books and records in connection with or in response to an alternative acquisition proposal;

engage or participate in any discussions or negotiations with any person regarding an alternative acquisition proposal; or

adopt or approve any alternative acquisition proposal or enter into any letter of intent, memorandum of understanding, merger agreement or any other agreement providing for any alternative acquisition proposal.

The merger agreement does not, however, prohibit either party from considering an unsolicited acquisition proposal from a third party if certain specified conditions are met. For a discussion of the prohibition on solicitation of acquisition proposals from third parties, see "The Merger Agreement Non-Solicitation of Alternative Acquisition Proposals" beginning on page 115.

**Termination of the Merger Agreement; Termination Fee and Expense Reimbursement**

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to completion of the merger, including after the required NRG stockholder approval or GenOn stockholder approval is obtained, as specified below:

by mutual written consent of NRG and GenOn;

by either party, if:

the merger has not been completed on or prior to March 30, 2013, which is referred to as the end date; provided that each party has the right to extend such end date up to July 31, 2013 if the only unsatisfied conditions to completion of the merger are those regarding the receipt of required regulatory approvals described above under "Summary Regulatory Matters;"

a law or order has been entered permanently restraining, enjoining or otherwise prohibiting completion of the merger and such injunction becomes final and non-appealable, provided that the party seeking to terminate the merger agreement for this reason has complied in all material respects with its obligation to use reasonable best efforts to obtain the required regulatory approvals;

in connection with any required regulatory approval, any governmental entity has issued any order that constitutes or would reasonably be expected to constitute, cause or result in a material adverse effect on NRG or GenOn, and such order becomes final and non-appealable;

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the requisite approvals by the stockholders of NRG or GenOn have not been obtained at the respective stockholders' meeting (or at any adjournment or postponement thereof);

the other party has breached any representation, covenant or other agreement in the merger agreement in a way that the related condition to closing would not be satisfied, and this breach is either not cured within 30 days of notice or cannot be cured prior to the end date;

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the other party's board of directors changes its recommendation that its stockholders vote for, in the case of NRG, the Share Issuance proposal and the Charter Amendment proposal or, in the case of GenOn, the Merger proposal;

the other party has breached its non-solicitation obligations under the merger agreement in any material respect;

prior to obtaining approval by its stockholders, subject to compliance with certain conditions, such party terminates the merger agreement in order to enter into a definitive agreement with respect to a superior offer and concurrently pays the required termination fee to the other party; or

the other party's board of directors or any committee of the board (a) fails to recommend against any alternative acquisition proposal within 10 business days after the commencement of such alternative acquisition proposal, provided that the terminating party must exercise such terminating right within five business days after the end of such 10 business day period; (b) fails to publicly reaffirm its recommendation, in the case of NRG, for the Share Issuance proposal and/or the Charter Amendment Proposal or, in the case of GenOn, the Merger proposal, in each case within 10 business days following written request by the terminating party, provided that the terminating party must exercise this termination right within five business days after the end of such 10 business day period; (c) grants any waiver under or terminates any standstill provision in any confidentiality or similar agreement with a third party; (d) approves any transaction under, or any third party becoming an "interested stockholder" under, Section 203 of the DGCL; or (e) in the case of GenOn only, renders certain restrictions set forth in GenOn's certificate of incorporation inapplicable to any alternative transaction, or renders the GenOn Rights Agreement inapplicable to any alternative transaction or exempts any third party from becoming an "acquiring person" for purposes of the GenOn Rights Agreement, or resolves, agrees or publicly announces an intention to take any of the actions referred to in the foregoing clauses (a) through (e).

The merger agreement provides that, upon a termination of the merger agreement under specified circumstances, GenOn is required to pay a termination fee of \$60 million to NRG and, alternatively, NRG is required to pay a termination fee of \$120 million to GenOn. In addition, if the merger agreement is terminated due to the failure to obtain the required stockholder approval of the Share Issuance proposal, the Charter Amendment proposal or the Merger proposal, then NRG or GenOn, as applicable, will be required to reimburse the other for its reasonable out-of-pocket fees and expenses incurred in connection with the merger agreement, subject to a cap of \$10 million if no alternative acquisition proposal has been publicly announced and no third party has publicly announced or communicated an intention to make an alternative acquisition proposal prior to the stockholders' meeting, or \$25 million in all other circumstances. Any termination fee payable by either party will be reduced by the amount of any expense reimbursement paid by such party prior to the payment of the termination fee.

For a more detailed discussion of each party's termination rights and the related termination fee and/or expense reimbursement obligations, see "The Merger Agreement Termination of the Merger Agreement" beginning on page 124 and "The Merger Agreement Effect of Termination; Termination Fees and Expense Reimbursement" beginning on page 125.

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**Matters to be Considered at the Special Meetings**

***NRG***

At the NRG special meeting, NRG stockholders will be asked to consider and vote upon:

the Share Issuance proposal;

the Charter Amendment proposal; and

the NRG Adjournment proposal.

Stockholder approval of both the Share Issuance proposal and the Charter Amendment proposal is required to complete the merger.

The affirmative vote of a majority of the votes cast by NRG stockholders is required to approve the Share Issuance proposal, provided that the total votes cast on such proposal (including abstentions) represent a majority of total number of shares of NRG common stock outstanding on the record date for the NRG special meeting.

The affirmative vote of a majority of the shares of NRG common stock outstanding on the record date for the NRG special meeting is required to approve the Charter Amendment proposal.

The affirmative vote of a majority of the shares of NRG common stock represented (in person or by proxy) and entitled to vote on the proposal is required to approve the NRG Adjournment proposal.

The NRG Board recommends that NRG stockholders vote "**FOR**" all of the proposals set forth above, as more fully described under "NRG Proposals" beginning on page 134.

***GenOn***

At the GenOn special meeting, GenOn stockholders will be asked to consider and vote upon:

the Merger proposal;

the Merger-Related Compensation proposal; and

the GenOn Adjournment proposal.

Approval of the Merger proposal is required for completion of the merger.

The affirmative vote of a majority of the shares of GenOn common stock outstanding on the record date for the GenOn special meeting is required to approve the Merger proposal.

The affirmative vote of a majority of the shares of GenOn common stock represented (in person or by proxy) at the GenOn special meeting and entitled to vote on such proposal is required to approve the Merger-Related Compensation proposal and the GenOn Adjournment proposal.

The GenOn Board recommends that GenOn stockholders vote "**FOR**" all of the proposals set forth above, as more fully described under "GenOn Proposals" beginning on page 140.

**Voting by NRG and GenOn Directors and Executive Officers**

As of the NRG record date, directors and executive officers of NRG and their affiliates owned and were entitled to vote 3,580,068 shares of NRG common stock, representing approximately 1.57% of the total voting power of the shares of NRG common stock outstanding on that date. As of the GenOn record date, directors and executive officers of GenOn and their affiliates owned and were entitled to vote 2,427,694 shares of GenOn common stock, representing approximately 0.31% of the total voting power of the shares of GenOn common stock outstanding on that date.

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**SELECTED HISTORICAL FINANCIAL DATA**

The following selected historical financial information is being provided to assist you in your analysis of the financial aspects of the merger.

The NRG annual historical information is derived from the audited consolidated financial statements of NRG as of and for each of the years in the five-year period ended December 31, 2011.

The GenOn annual historical information is derived from the audited consolidated financial statements of GenOn as of and for each of the years in the five-year period ended December 31, 2011. On December 3, 2010, Mirant and RRI Energy completed a merger, accounted for as a reverse acquisition with Mirant as the accounting acquirer. As such, the selected historical financial information included below of GenOn includes the results of Mirant, from January 1, 2007 through December 3, 2010, and includes the results of the combined entities for the period from December 3, 2010 through December 31, 2011. The per share data has been retroactively adjusted to give effect to the applicable exchange ratio.

The data as of and for the six months ended June 30, 2012 and 2011 has been derived from the unaudited interim financial statements of both NRG and GenOn and, in the opinion of each company's management, includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the interim period.

The information is only a summary and should be read in conjunction with each company's historical consolidated financial statements and related notes contained in the NRG and GenOn annual reports on Form 10-K for the year ended December 31, 2011 and quarterly reports on Form 10-Q for the period ended June 30, 2012, which have been incorporated by reference into this joint proxy statement/prospectus, as well as other information that has been filed with the SEC. See "Where You Can Find More Information" beginning on page 170 of this joint proxy statement/prospectus for information on where you can obtain copies of this information. The historical results included below and elsewhere in this joint proxy statement/prospectus are not necessarily indicative of the future performance of NRG, GenOn or the combined company.

Table of Contents**NRG Selected Historical Financial Information**

(in millions, except per share data)	Six Months Ended		As of and for the				
	June 30,		Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(unaudited)						
<b>Statement of operations data:</b>							
Total operating revenues	\$ 4,028	\$ 4,273	\$ 9,079	\$ 8,849	\$ 8,952	\$ 6,885	\$ 5,989
Income from continuing operations, net	53	361	197	476	941	1,053	556
Income from discontinued operations, net						172	17
Net income attributable to NRG Energy, Inc.	44	361	197	477	942	1,225	573
<b>Per share data:</b>							
Income attributable to NRG from continuing operations basic	\$ 0.17	\$ 1.45	\$ 0.78	\$ 1.86	\$ 3.70	\$ 4.25	\$ 2.09
Income attributable to NRG from continuing operations diluted	0.17	1.44	0.78	1.84	3.44	3.80	1.90
Net income attributable to NRG basic	0.17	1.45	0.78	1.86	3.70	4.98	2.16
Net income attributable to NRG diluted	0.17	1.44	0.78	1.84	3.44	4.43	1.96
<b>Balance sheet data:</b>							
Total assets	\$ 27,856		\$ 26,715	\$ 26,896	\$ 23,378	\$ 24,808	\$ 19,274
Long-term debt, including current maturities, capital leases, and funded letter of credit	10,556		9,832	10,511	8,418	8,161	8,346
3.625% convertible perpetual preferred stock	249		249	248	247	247	247
Total stockholders' equity	7,903		7,669	8,072	7,697	7,123	5,519



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(In millions, except per share data)	Six Months Ended		As of and for the				
	June 30,		Year Ended December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(unaudited)						
<b>Statement of operations data:</b>							
Total operating revenues	\$ 1,242	\$ 1,626	\$ 3,614	\$ 2,270	\$ 2,309	\$ 3,188	\$ 2,019
(Loss)/income from continuing operations	(260)	(249)	(189)	(233)	493	1,214	432
Net (loss)/income	(260)	(249)	(189)	(233)	493	1,264	1,994
<b>Per share data:</b>							
(Loss)/income from continuing operations basic	\$ (0.34)	\$ (0.32)	\$ (0.24)	\$ (0.53)	\$ 1.20	\$ 2.30	\$ 0.60
(Loss)/income from continuing operations diluted	(0.34)	(0.32)	(0.24)	(0.53)	1.20	2.15	0.55
<b>Balance sheet data:</b>							
Total assets	\$ 12,018		\$ 12,269	\$ 15,199	\$ 9,528	\$ 10,688	\$ 10,538
Current portion of long-term debt	10		10	2,061	75	46	142
Long-term debt and capital leases, net of current portion	4,267		4,122	4,020	2,556	2,630	2,953
Total stockholders' equity	4,856		5,117	5,434	4,302	3,750	5,299

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FINANCIAL INFORMATION**

The merger will be accounted for under the acquisition method of accounting, which means the assets and liabilities of GenOn will be recorded, as of the completion of the merger, at their respective fair values and added to those of NRG. For a more detailed description of the acquisition method of accounting, see "The Merger Accounting Treatment" on page 95 of this joint proxy statement/prospectus.

We have presented below selected unaudited pro forma combined consolidated financial information that reflects the acquisition method of accounting and gives effect to the merger, in the case of the statement of operations information, as though the merger had occurred as of January 1, 2011 and, in the case of the balance sheet information, as though the merger had occurred as of June 30, 2012.

The unaudited pro forma combined consolidated financial information has been prepared giving effect to the issuance of 0.1216 shares of NRG common stock in exchange for each share of GenOn common stock.

The unaudited pro forma combined consolidated financial information would have been different had the companies actually been combined as of January 1, 2011. For example, the selected unaudited pro forma combined consolidated financial information does not reflect cost savings that may result from the merger. The combined pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or of the future consolidated results of operations or of the financial position of the combined company. The following selected unaudited pro forma combined consolidated financial information has been derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Consolidated Financial Statements and related notes beginning on page 142 of this joint proxy statement/prospectus.

	<b>Six Months Ended June 30, 2012</b>	<b>Year Ended December 31, 2011</b>
	<b>(In millions, except per share data)</b>	
<b>Combined Consolidated Statement of Operations Information:</b>		
Operating revenues	\$ 5,270	\$ 12,693
Operating income	240	1,042
Net (loss)/income attributable to common stock	(131)	182
(Loss)/earnings per share		
Basic	\$ (0.41)	\$ 0.54
Diluted	(0.41)	0.54
Weighted average shares outstanding		
Basic	323	334
Diluted	323	335

	<b>As of June 30, 2012 (In millions, except per share data)</b>
<b>Combined Consolidated Balance Sheet Information:</b>	
Cash and cash equivalents	\$ 1,783
Total assets	36,684
Current portion of long-term debt	76
Long-term debt and capital leases, net of current portion	14,335
Total liabilities	25,428
3.625% convertible perpetual preferred stock	249
Total noncontrolling interest	430
Total stockholders' equity	11,007
Book value per common share	34.15

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**COMPARATIVE HISTORICAL AND UNAUDITED  
PRO FORMA COMBINED PER SHARE INFORMATION**

The following table sets forth selected historical per share information of NRG and GenOn and unaudited pro forma combined consolidated per share information reflecting the merger between NRG and GenOn, under the acquisition method of accounting, and the issuance of 0.1216 shares of NRG common stock in exchange for each share of GenOn common stock. You should read this information in conjunction with the selected historical financial information, included elsewhere in this joint proxy statement/prospectus, and the historical financial statements of NRG and GenOn and related notes contained in the NRG and GenOn annual reports on Form 10-K for the year ended December 31, 2011 and the quarterly reports on Form 10-Q for the period ended June 30, 2012, which have been incorporated by reference into this joint proxy statement/prospectus. The unaudited NRG pro forma combined consolidated per share information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Consolidated Financial Statements and related notes beginning on page 142 of this joint proxy statement/prospectus. The historical per share information is derived from audited financial statements of NRG and GenOn as of and for the year ended December 31, 2011 and the unaudited financial statements for the six months ended June 30, 2012.

The unaudited pro forma combined consolidated per share information does not purport to represent what the actual results of operations of NRG and GenOn would have been had the companies been combined during the periods presented, nor to project NRG's and GenOn's results of operations that may be achieved after completion of the merger.

	As of and for the	
	Six Months Ended June 30, 2012	Year Ended December 31, 2011
<b>Unaudited Pro Forma NRG Combined</b>		
(Loss)/income from continuing operations per share basic	\$ (0.41)	\$ 0.54
(Loss)/income from continuing operations per share diluted	(0.41)	0.54
Book value per share(a)	34.15	
<b>NRG Historical</b>		
Income from continuing operations per share basic	\$ 0.17	\$ 0.78
Income from continuing operations per share diluted	0.17	0.78
Book value per share(b)	34.70	
<b>GenOn Historical</b>		
Loss from continuing operations per share basic	\$ (0.34)	\$ (0.24)
Loss from continuing operations per share diluted	(0.34)	(0.24)
Book value per common share(b)	6.28	
<b>Unaudited Pro Forma GenOn Equivalents Combined</b>		
(Loss)/income from continuing operations per share basic(c)	\$ (0.05)	\$ 0.07
(Loss)/income from continuing operations per share diluted(c)	(0.05)	0.07
Book value per common share(a)(c)	4.15	

- (a) Pro forma book value per share represents the total pro forma stockholders' equity as of June 30, 2012 divided by the pro forma combined number of shares of NRG common stock that would have been outstanding as of June 30, 2012 had the merger been completed on that date.
- (b) Book value per share represents the total stockholders' equity as of June 30, 2012 divided by the number of shares of NRG or GenOn stock outstanding.
- (c) The unaudited pro forma GenOn per share equivalents are calculated by multiplying the unaudited pro forma NRG combined per share amounts by the exchange ratio of 0.1216.

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The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share of NRG common stock and GenOn common stock, both of which trade on the NYSE under the symbols "NRG" and "GEN," respectively.

	Common Stock	
	High	Low
<b>NRG common stock</b>		
<b>2010</b>		
First Quarter	\$ 25.70	\$ 20.20
Second Quarter	25.19	20.49
Third Quarter	23.81	20.02
Fourth Quarter	21.64	18.22
<b>2011</b>		
First Quarter	\$ 21.95	\$ 19.09
Second Quarter	25.54	21.05
Third Quarter	25.66	19.98
Fourth Quarter	22.61	17.47
<b>2012</b>		
First Quarter	\$ 18.46	\$ 15.53
Second Quarter	17.49	14.29
Third Quarter	22.92	16.66
Fourth Quarter (through October 4, 2012)	22.67	21.36

	Common Stock	
	High	Low
<b>GEN common stock</b>		
<b>2010</b>		
First Quarter	\$ 6.21	\$ 3.57
Second Quarter	4.91	3.50
Third Quarter	4.30	3.35
Fourth Quarter	4.04	3.46
<b>2011</b>		
First Quarter	\$ 4.35	\$ 3.62
Second Quarter	4.10	3.51
Third Quarter	4.14	2.60
Fourth Quarter	3.18	2.30
<b>2012</b>		
First Quarter	\$ 2.70	\$ 2.03
Second Quarter	2.29	1.24
Third Quarter	2.73	1.52
Fourth Quarter (through October 4, 2012)	2.71	2.53

On July 20, 2012, the last trading day before the public announcement of the signing of the merger agreement, the closing sale price per share of NRG common stock was \$18.05 and the closing sale price per share of GenOn common stock was \$1.82, in each case on the NYSE. On October 4, 2012, the latest practicable date before the date of this joint proxy statement/prospectus, the closing sale price per share of NRG common stock was \$22.62 and the closing sale price per share of GenOn common stock was \$2.70, in each case on the NYSE. The table below sets forth the equivalent market

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value per share of GenOn common stock on July 20, 2012 and October 4, 2012, as determined by multiplying the closing prices of shares of NRG common stock on those dates by the exchange ratio of 0.1216. Although the exchange ratio is fixed, the market prices of NRG common stock and GenOn common stock will fluctuate before the special meetings and before the merger is completed. The market value of the merger consideration ultimately received by GenOn stockholders will depend on the closing price of NRG common stock on the day such stockholders receive their shares of NRG common stock.

	NRG Common Stock	GenOn Common Stock	Equivalent Per Share of GenOn Common Stock
July 20, 2012	\$ 18.05	\$ 1.82	\$ 2.195
October 4, 2012	\$ 22.62	\$ 2.70	\$ 2.751

**Dividends and Other Distributions**

NRG declared its first-ever quarterly dividend of nine cents per share of NRG common stock payable on August 15, 2012 to stockholders of record as of August 1, 2012. GenOn has not paid or declared any dividends on its common stock in the last three years and does not anticipate paying any cash dividends prior to completion of the merger. After the completion of the merger, the NRG Board intends to continue the dividend announced by NRG on February 28, 2012.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking information about NRG, GenOn and the combined company that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this joint proxy statement/prospectus or may be incorporated by reference to other documents and may include statements for the period after completion of the merger. These forward-looking statements relate to outlooks or expectations for earnings, revenues, expenses, asset quality or other future financial or business performance, strategies or expectations, or the effect of legal, regulatory or supervisory matters on business, results of operations or financial condition, and include, among others:

statements relating to the benefits of the merger, including anticipated synergies and cost savings estimated to result from the merger;

statements relating to future business prospects, revenue, income, liquidity and financial condition; and

statements preceded by, followed by or that include the words "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "think," "view," "seek," "target" or similar expressions.

Forward-looking statements reflect managements' judgment based on currently available information and involve a number of factors, risks and uncertainties that could cause actual results to differ. With respect to these forward-looking statements, each of NRG management and GenOn management has made assumptions regarding, among other things, future demand and market prices for electricity, capacity, fuel and emission allowances, operating, general and administrative costs, financial and economic market conditions and legislative, regulatory and/or market developments. The future and assumptions about the future cannot be ensured. Actual results may differ materially from those in the forward-looking statements. Some factors, risks and uncertainties that could cause actual results to differ include:

the ability to obtain stockholder and regulatory approvals for the merger on the proposed terms or on the anticipated schedule;

diversion of management attention on merger-related matters;

impact of the merger on relationships with customers, suppliers and employees;

the ability to finance the businesses of the combined company post-closing and the terms on which such financing may be available;

the financial performance of the combined company following completion of the merger;

the ability to successfully integrate the businesses of NRG and GenOn;

the ability to realize anticipated benefits of the proposed transaction (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected;

legislative, regulatory and/or market developments, the outcome of pending or threatened lawsuits, regulatory or tax proceedings or investigations;

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the effects of competition or regulatory intervention, financial and economic market conditions, access to capital;

the timing and extent of changes in law and regulation (including environmental), commodity prices, prevailing demand and market prices for electricity, capacity, fuel and emissions

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allowances, weather conditions, operational constraints or outages, fuel supply or transmission issues, hedging ineffectiveness; and

those set forth in or incorporated by reference into this joint proxy statement/prospectus in the section entitled "Risk Factors" beginning on page 34.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus, or in the case of a document incorporated by reference, as of the date of that document. Except as required by law, neither NRG nor GenOn undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date that they were made or to reflect the occurrence of unanticipated events.

Additional factors, risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in reports filed with the SEC by NRG and GenOn. See "Where You Can Find More Information" beginning on page 170 for a list of the documents incorporated by reference.



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**RISK FACTORS**

*In addition to the other information included or incorporated by reference in this joint proxy statement/prospectus, including the matters addressed in "Cautionary Note Regarding Forward-Looking Statements" on page 32, you should carefully consider the following risks before deciding how to vote.*

**Risks Related to the Merger**

***Because the exchange ratio is fixed and the market price of shares of NRG common stock will fluctuate, GenOn stockholders cannot be sure of the value of the merger consideration they will receive.***

Upon completion of the merger, each outstanding share of GenOn common stock will be converted into the right to receive 0.1216 shares of NRG common stock. The number of shares of NRG common stock to be issued pursuant to the merger agreement for each share of GenOn common stock is fixed and will not change to reflect changes in the market price of NRG or GenOn common stock. Because the exchange ratio will not be adjusted to reflect any changes in the market value of NRG common stock or GenOn common stock, the market value of the NRG common stock issued in connection with the merger and the GenOn common stock surrendered in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from, among other things, changes in the business, operations or prospects of NRG or GenOn prior to or following the merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of NRG and GenOn. The market price of NRG common stock at the time of completion of the merger may vary significantly from the market prices of NRG common stock on the date the merger agreement was executed, the date of this joint proxy statement/prospectus and the date of the respective special stockholder meetings. Accordingly, at the time of the GenOn special stockholder meeting, you will not know or be able to calculate the market value of the merger consideration you will receive upon completion of the merger. Neither NRG nor GenOn is permitted to terminate the merger agreement solely because of changes in the market price of either company's common stock.

***Current NRG and GenOn stockholders will have a reduced ownership and voting interest after the merger.***

NRG will issue or reserve for issuance approximately 98 million shares of NRG common stock for issuance to GenOn stockholders in the merger (including shares of NRG common stock to be issued in connection with outstanding GenOn equity awards). As a result of these issuances, current NRG and GenOn stockholders are expected to hold approximately 71% and 29%, respectively, of the combined company's outstanding common stock immediately following completion of the merger.

NRG and GenOn stockholders currently have the right to vote for their respective directors and on other matters affecting the applicable company. When the merger occurs, each GenOn stockholder that receives shares of NRG common stock will become a stockholder of NRG with a percentage ownership of the combined company that will be smaller than the stockholder's percentage ownership of GenOn. Correspondingly, each NRG stockholder will remain a stockholder of NRG with a percentage ownership of the combined company that will be smaller than the stockholder's percentage of NRG prior to the merger. As a result of these reduced ownership percentages, NRG stockholders will have less voting power in the combined company than they now have with respect to NRG, and former GenOn stockholders will have less voting power in the combined company than they now have with respect to GenOn.

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***The merger agreement limits each of NRG's and GenOn's ability to pursue alternatives to the merger, which could discourage a potential acquirer of either GenOn or NRG from making an alternative transaction proposal and, in certain circumstances, could require NRG or GenOn to pay to the other a significant termination fee.***

Under the merger agreement, NRG and GenOn are restricted, subject to limited exceptions, from pursuing or entering into alternative transactions in lieu of the merger. In general, unless and until the merger agreement is terminated, both NRG and GenOn are restricted from, among other things, soliciting, initiating, seeking, knowingly encouraging or facilitating a competing acquisition proposal from any person. Each of the NRG Board and the GenOn Board is limited in its ability to change its recommendation with respect to the merger-related proposals. NRG or GenOn may terminate the merger agreement and enter into an agreement with respect to a superior offer only if specified conditions have been satisfied, including compliance with the non-solicitation provisions of the merger agreement, the expiration of certain waiting periods that may give the other party an opportunity to amend the merger agreement so the superior offer is no longer a superior offer and the payment of the required termination fee. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of NRG or GenOn from considering or proposing such an acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the consideration proposed to be received or realized in the merger, or might result in a potential acquirer proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable. As a result of these restrictions, neither NRG nor GenOn may be able to enter into an agreement with respect to a more favorable alternative transaction without incurring potentially significant liability to the other. See "The Merger Agreement Non-Solicitation of Alternative Acquisition Proposals" beginning on page 115.

***NRG and GenOn will be subject to various uncertainties and contractual restrictions while the merger is pending that could adversely affect their financial results.***

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on NRG and/or GenOn. These uncertainties may impair NRG's and/or GenOn's 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 who deal with NRG or GenOn to seek to change existing business relationships with NRG or GenOn. Employee retention and recruitment may be particularly challenging prior to completion of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration of the two companies may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of NRG, GenOn and/or the combined company.

In addition, the merger agreement restricts each of NRG and GenOn, without the other's consent, from making certain acquisitions and dispositions and taking other specified actions while the merger is pending. These restrictions may prevent NRG and/or GenOn from pursuing attractive business opportunities and making other changes to their respective businesses prior to completion of the merger or termination of the merger agreement. See "The Merger Agreement Conduct of Business Prior to Closing" beginning on page 113.

***If completed, the merger may not achieve its intended results, and NRG and GenOn may be unable to successfully integrate their operations.***

NRG and GenOn entered into the merger agreement with the expectation that the merger will result in various benefits, including, among other things, cost savings and operating efficiencies.

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Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether the businesses of NRG and GenOn can be integrated in an efficient and effective manner.

It is possible that the integration process could take longer than anticipated and could result in the loss of valuable employees, the disruption of each company's ongoing businesses, processes and systems or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect the combined company's ability to achieve the anticipated benefits of the merger. The combined company's results of operations could also be adversely affected by any issues attributable to either company's operations that arise or are based on events or actions that occur prior to the closing of the merger. The companies may have difficulty addressing possible differences in corporate cultures and management philosophies. The integration process is subject to a number of uncertainties, and no assurance can be given that the anticipated benefits will be realized or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect the combined company's future business, financial condition, operating results and prospects.

***Pending litigation against NRG and GenOn could result in an injunction preventing completion of the merger, the payment of damages in the event the merger is completed and/or may adversely affect the combined company's business, financial condition or results of operations following the merger.***

In connection with the merger, purported stockholders of GenOn have filed putative stockholder class action lawsuits against GenOn and its directors, NRG and Merger Sub. Among other remedies, the plaintiffs seek to enjoin the merger. See "Litigation Relating to the Merger" on page 101. In addition, one of the conditions to the closing of the merger is that no injunction, order or decree issued by any court of competent jurisdiction or other legal restraint or prohibition shall be in effect restraining, enjoining or otherwise prohibiting the consummation of the merger. Consequently, if one of the plaintiffs is successful in obtaining an injunction prohibiting GenOn or NRG from consummating the merger on the agreed-upon terms, then the injunction may prevent the merger from being completed within the expected timeframe, or at all. Furthermore, if the defendants are not able to resolve these lawsuits, the lawsuits could result in substantial costs to NRG and GenOn, including any costs associated with the indemnification of directors. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is completed may adversely affect the combined company's business, financial condition or results of operations.

***NRG and GenOn may be unable to obtain the regulatory approvals required to complete the merger or, in order to do so, NRG and GenOn may be required to comply with material restrictions or conditions that may negatively affect the combined company after the merger is completed or cause them to abandon the merger. Failure to complete the merger could negatively affect the future business and financial results of NRG and GenOn.***

Completion of the merger is contingent upon, among other things, the receipt of certain required regulatory approvals, including the expiration or termination of the applicable HSR Act waiting period and required regulatory approvals from FERC, PUCT and NYPSC, as well as a determination from the NRC that approval is not needed. The receipt of these regulatory approvals without the imposition of any condition that would constitute or be reasonably likely to cause or result in a material adverse effect with respect to either NRG or GenOn is a condition to each party's obligation to complete the merger. NRG and GenOn can provide no assurance that all required regulatory authorizations, approvals or consents will be obtained or that the authorizations, approvals or consents will not contain terms, conditions or restrictions that would be detrimental to the combined company after completion of the merger. See "The Merger Regulatory Approvals Required for the Merger" beginning on page 95.

The special meetings of NRG and GenOn stockholders at which the merger-related proposals will be considered may take place before all of the required regulatory approvals have been obtained and

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before all conditions to such approvals, if any, are known. In this event, if the merger-related proposals are approved, NRG and GenOn may subsequently agree to conditions without further seeking stockholder approval, even if such conditions could have an adverse effect on NRG, GenOn or the combined company.

***Delays in completing the merger may substantially reduce the expected benefits of the merger***

Satisfying the conditions to, and completion of, the merger may take longer than, and could cost more than, NRG and GenOn expect. Any delay in completing or any additional conditions imposed in order to complete the merger may materially adversely affect the synergies and other benefits that NRG and GenOn expect to achieve from the merger and the integration of their respective businesses. In addition, each of NRG and GenOn may terminate the merger agreement if the merger is not completed by March 30, 2013, except that such date may be extended to July 31, 2013 if the only unsatisfied conditions to the completion of the merger are those regarding the receipt of required regulatory approvals.

***Failure to complete the merger could negatively affect the share prices and the future businesses and financial results of NRG and GenOn.***

Completion of the merger is not assured and is subject to risks, including the risks that approval of the transaction by stockholders of NRG and GenOn or by governmental agencies will not be obtained or that certain other closing conditions will not be satisfied. If the merger is not completed, the ongoing businesses and financial results of NRG or GenOn may be adversely affected and NRG and GenOn will be subject to several risks, including:

having to pay certain significant costs relating to the merger without receiving the benefits of the merger, including, in certain circumstances, a termination fee of \$120 million in the case of NRG and a termination fee of \$60 million in the case of GenOn;

the potential loss of key personnel during the pendency of the merger as employees may experience uncertainty about their future roles with the combined company;

NRG and GenOn will have been subject to certain restrictions on the conduct of their businesses which may have prevented them from making certain acquisitions or dispositions or pursuing certain business opportunities while the merger was pending;

the share price of NRG and/or GenOn may decline to the extent that the current market prices reflect an assumption by the market that the merger will be completed; and

each of NRG and GenOn may be subject to litigation related to any failure to complete the merger.

In addition, eleven purported class action lawsuits have been filed against GenOn, members of the GenOn Board, NRG and Merger Sub, seeking, among other things, an injunction prohibiting the consummation of the merger. While we believe these lawsuits are without merit, neither NRG nor GenOn can make any assurances as to the outcome of these lawsuits.

***The pro forma financial statements included in this joint proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger.***

The pro forma financial statements contained in this joint proxy statement/prospectus are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the merger for several reasons. See "Unaudited Pro Forma Condensed Combined

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Consolidated Financial Statements" beginning on page 142. The actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

***The merger may not be accretive to EBITDA and may cause dilution to NRG's EBITDA per share, which may negatively affect the market price of NRG's common stock.***

NRG currently anticipates that the merger will be accretive to EBITDA in 2014, which is expected to be the first full year following completion of the merger. This expectation is based on preliminary estimates that are subject to change. NRG also could encounter additional transaction and integration-related costs, may fail to realize all of the benefits anticipated in the merger or be subject to other factors that affect preliminary estimates. Any of these factors could cause a decrease in NRG's EBITDA per share or decrease or delay the expected accretive effect of the merger and contribute to a decrease in the price of NRG's common stock.

***NRG and GenOn will incur substantial transaction fees and costs in connection with the merger.***

NRG and GenOn expect to incur non-recurring expenses totaling approximately \$215 million, which include \$60 million of transaction costs and \$155 million of restructuring or exit costs that may be incurred to achieve the desired cost savings from the merger. Additional unanticipated costs may be incurred in the course of the integration of the businesses of NRG and GenOn. The companies cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all.

***NRG may need to obtain new financing in connection with the termination of GenOn's existing credit facilities, the "change in control" offers for GenOn's senior notes, or the refinancing of certain of GenOn's existing indebtedness, which new financing may be more costly or time-consuming to obtain than expected.***

In connection with the merger, the parties intend to terminate GenOn's existing senior secured term loan facility and revolving credit facility, and commence a "change of control" tender offer for each series of GenOn's outstanding Notes. In addition, 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 GenOn's outstanding Notes. NRG intends to finance the "change in control" tender offers or other transactions with respect to the Notes, and the related fees, commissions and expenses with a combination of funds available at each of NRG and GenOn (including funds available under NRG's existing credit facilities) and, to the extent necessary, new financing. While NRG has obtained commitment letters from Credit Suisse AG, Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. to fund up to \$1.6 billion under a new senior secured term loan facility, there is no assurance that the new financing will be obtained on desired terms and within a desired timeframe or will not contain terms, conditions or restrictions that would be detrimental to the combined company after the completion of the merger. There are no financing conditions to the merger and the merger is not conditioned upon the completion of the "change in control" offers or other transactions with respect to the Notes, or the funding of the financing contemplated by the financing commitments. In the event the financing contemplated by the financing commitments becomes unavailable, the merger agreement requires NRG to use reasonable best efforts to obtain alternative financing, but there is no assurance that such alternative financing will be available on reasonable terms.

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***Certain directors and executive officers of NRG and GenOn have interests in the merger that are different from, or in addition to, those of other NRG and GenOn stockholders, which could have influenced their decisions to support or approve the merger.***

In considering whether to approve the proposals at the special meetings, NRG and GenOn stockholders should recognize that certain directors and executive officers of NRG and GenOn have interests in the merger that differ from, or that are in addition to, their interests as stockholders of NRG and GenOn. These interests include, among others, ownership interests in the combined company, continued service as a director or an executive officer of the combined company, the accelerated vesting of certain equity awards and/or severance benefits as a result of termination of employment in connection with the merger. These interests, among others, may influence the directors and executive officers of NRG and/or GenOn to approve and/or recommend merger-related proposals. The NRG Board and the GenOn Board were aware of and considered these interests at the time each approved the merger agreement. See "The Merger Interests of Directors and Executive Officers in the Merger" beginning on page 85.

***The combined company's hedging activities may not be fully protected from fluctuations in commodity prices and cannot eliminate the risks associated with these activities.***

NRG currently enters into hedging agreements, including contracts to purchase or sell commodities at future dates and at fixed prices, in order to manage the commodity price risks inherent in its power generation operations. GenOn currently engages in hedging activities to manage the risks associated with volatility in prices for electricity, fuel and emissions allowances. NRG and GenOn expect that the combined company will use appropriate hedging strategies to manage this risk, including opportunistically hedging over multiple year periods to reduce the variability in realized gross margin from its expected generation. The combined company cannot provide assurance that these activities will be successful in managing its price risks or that they will not result in net losses as a result of future volatility in electricity, fuel and emissions markets. Actual power prices and fuel costs may differ from the combined company's expectations.

Furthermore, the hedging procedures that the combined company will have in place may not always be followed or may not always work as planned. If any of the combined company's employees were able to engage in unauthorized hedging and related activities, it could result in significant penalties and financial losses. As a result of these and other factors, we cannot predict the outcome that risk management decisions may have on the business, operating results or financial position of the combined company.

***Following the merger, GenOn stockholders will own equity interests in a company that owns a nuclear generating facility, which can present unique risks.***

GenOn currently does not own or operate any nuclear power facility, but NRG indirectly owns through its subsidiary NRG South Texas LP, which is referred to as NRG South Texas, a 44.0% interest in a two reactor unit nuclear generating facility, referred to as the South Texas Project or STP, and is subject to regulation by the NRC. There are unique risks associated with a nuclear power facility. These include liabilities related to: the handling, treatment, storage, disposal, transport, release and use of radioactive materials, particularly with respect to spent nuclear fuel; uncertainties regarding the ultimate, and potential exposure to, technical and financial risks associated with modifying, extending the life of, or decommissioning a nuclear facility; limitations on the amounts and types of insurance available to cover losses that might arise in connection with nuclear operations; and costs associated with NRC regulatory oversight. The NRC could impose fines in the event of non-compliance with NRC regulations. The NRC could require the shutdown of one or both STP units for safety reasons or refuse to permit restart of a unit after unplanned or planned outages. New or amended NRC safety and regulatory requirements may give rise to additional operation and maintenance costs and capital

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expenditures. STP may be obligated to continue storing spent nuclear fuel if the U.S. Department of Energy continues to fail to meet its contractual obligations to STP made pursuant to the U.S. Nuclear Waste Policy Act of 1982 to accept and dispose of STP's spent nuclear fuel. Costs associated with these risks could be substantial and have a material adverse effect on NRG's results of operations, financial condition or cash flow. In addition, to the extent that all or a part of STP is required by the NRC to permanently or temporarily shut down or modify its operations, or is otherwise subject to a forced outage, NRG may incur additional costs to the extent it is obligated to provide power from more expensive alternative sources either NRG's own plants, third party generators or the ERCOT to cover NRG's then existing forward sale obligations. Such shutdown or modification could also lead to substantial costs related to the storage and disposal of radioactive materials and spent nuclear fuel. As stockholders of NRG following the merger, GenOn stockholders may be adversely affected by these risks, to which they had no exposure prior to the merger.

***The shares of NRG common stock to be received by GenOn stockholders as a result of the merger will have different rights from the shares of GenOn common stock.***

Upon completion of the merger, GenOn stockholders will become NRG stockholders and their rights as stockholders will be governed by NRG's certificate of incorporation and by-laws. Certain of the rights associated with NRG common stock are different from the rights associated with GenOn common stock. Please see "Comparison of Rights of Stockholders of NRG and GenOn" beginning on page 160 for a discussion of the different rights associated with NRG common stock.

***The merger is expected to result in an ownership change for GenOn under Section 382 of the Code, substantially limiting the use of the NOL carryforwards and other tax attributes of GenOn to offset future taxable income of the combined company.***

At December 31, 2011, GenOn had approximately \$2.6 billion of net operating loss, which is referred to as NOL, carryforwards for U.S. federal income tax purposes and approximately \$5.2 billion of NOL carryforwards for state income tax purposes. The utilization of the combined company's NOL carryforwards depends on the timing and amount of taxable income earned in the future, which neither GenOn nor NRG is able to predict.

NRG anticipates that it will not be subject to a limitation under Section 382 of the Code for its \$600 million NOL balance as a result of the merger. However, the merger is expected to result in an ownership change for GenOn under Section 382 of the Code, substantially limiting the use of the NOL carryforwards of GenOn to offset future taxable income of the combined company for both federal and state income tax purposes. In addition, GenOn is expected to be in a net unrealized "built in loss" position which further restricts the utilization of immediate tax deductions the first five years subsequent to the merger. These tax attributes are subject to expiration at various times in the future to the extent that they have not been applied to offset the taxable income of the combined company. These limitations may affect the combined company's effective tax rate in the future.

***NRG cannot assure you that it will be able to continue paying dividends at the current rate.***

As noted elsewhere in this joint proxy statement/prospectus, NRG currently expects to continue to pay quarterly dividends. However, NRG may not continue to pay dividends at the current rate or at all, for reasons that may include any of the following factors:

NRG may not have enough cash to pay such dividends due to changes in NRG's cash requirements, capital spending plans, financing agreements, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the NRG Board, which reserves the right to change NRG's dividend practices at any time and for any reason; and

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NRG may not receive dividend payments from its subsidiaries, including GenOn and its subsidiaries, in the same level that it has historically. The ability of NRG's subsidiaries to make dividend payments to it is subject to factors similar to those listed above.

NRG's stockholders should be aware that they have no contractual or other legal right to dividends that have not been declared.

**Risks Relating to NRG and GenOn**

NRG and GenOn are, and will continue to be, subject to the risks described in the following periodic reports, each of which is incorporated by reference into this joint proxy statement/prospectus:

NRG's Annual Report on Form 10-K for the year ended December 31, 2011, which was filed by NRG on February 28, 2012 with the SEC;

NRG's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012, which were filed by NRG with the SEC on May 3, 2012 and August 8, 2012, respectively;

GenOn's Annual Report on Form 10-K for the year ended December 31, 2011, which was filed by GenOn on February 29, 2012 with the SEC; and

GenOn's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012 and June 30, 2012, which were filed by GenOn with the SEC on May 10, 2012 and August 9, 2012, respectively.

Please see "Where You Can Find More Information" beginning on page 170 for how you can obtain information incorporated by reference into this joint proxy statement/prospectus.



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**THE MERGER**

*The following is a discussion of the merger and the material terms of the merger agreement between NRG and GenOn. You are urged to read carefully the merger agreement in its entirety, a copy of which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference herein.*

**Background of the Merger**

The power generation industry is capital intensive and the ownership of competitive generation assets is fragmented. As a result, seeking opportunities to achieve combination efficiencies has been a key part of the long-term strategy of each of NRG and GenOn. In fact, GenOn is itself a result of the merger of RRI Energy, Inc. and Mirant Corporation in December 2010 to achieve such efficiencies. To that end, the respective boards of directors and senior managements of NRG and GenOn actively monitor and assess developments in the business and regulatory environment of the competitive power industry, and regularly consider and evaluate options for achieving their respective company's long-term strategic goals and enhancing stockholder value, including periodically assessing potential acquisitions and business combinations with other energy companies. In this regard, both NRG and GenOn regularly discuss internally the other participants in the industry and the issues facing each participant. In addition, both companies have regular conversations and communications with various investment banking firms regarding consolidation opportunities in the sector. As part of their respective ongoing consideration of such opportunities, NRG and GenOn's predecessor companies have had intermittent contact with each other over the past several years, including NRG's acquisition of its Texas retail business from GenOn (then Reliant Energy) in May 2009, but prior to the commencement of discussions in April 2012 that culminated in this transaction, NRG and GenOn had not engaged in discussions regarding a potential business combination with each other since the formation of GenOn in December 2010.

A core element of GenOn's long-term strategy has been to explore strategic transactions to realize stockholder value through cost savings. In discussions regarding such strategic transactions in August 2011, the GenOn Board of Directors (referred to as the GenOn Board), recognized that any resulting business combination would need to satisfy a number of criteria, including that the relative value proposition must make sense for both parties, the combined balance sheet must be sustainable and there must be confidence that required regulatory approvals could be obtained in a timely manner. Based on these criteria for determining whether a transaction was realistically achievable, and the fact that none of the other potential transaction partners that GenOn had periodically considered advanced beyond preliminary contacts, by March 2012, a potential business combination with NRG was viewed as the most realistic business combination transaction that was achievable. In coming to this view, GenOn took into account (i) the difficulty that any non-strategic acquirer would have in making an attractive offer and financing an all-cash transaction given GenOn's substantial indebtedness, refinancing costs and the commodity price environment, (ii) the lack of synergies in any transaction with any non-strategic buyer in an all-cash transaction, (iii) the complementary nature of GenOn's and NRG's generation assets (including diversification by geography and by fuel type) when compared to other potential strategic partners in the industry, (iv) market power/concentration assessments done with third party experts to consider potential regulatory impediments to transactions with a broad range of industry participants, (v) market views based on the outcomes of various industry divestitures and other strategic transactions (both successful and unsuccessful) and (vi) internal and third-party assessments of the financial condition and financing capability of, and operational issues facing, other potential strategic partners in the industry. On April 13, 2012, Mr. Edward R. Muller, GenOn's Chairman of the Board and Chief Executive Officer, called Mr. David Crane, NRG's President and Chief Executive Officer, and indicated GenOn's interest in exploring a potential business combination between the two companies. Mr. Crane, on behalf of NRG, expressed an interest in having such an exploratory discussion, and they agreed to meet in person in mid-May.

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Following the April 13th telephone conversation, the management of each of NRG and GenOn conducted reviews of the business and financial condition of the other company based on SEC filings and other publicly available information regarding the other company. In addition, NRG retained Kirkland & Ellis LLP (referred to as Kirkland & Ellis) as its legal advisor in connection with a potential transaction with GenOn and GenOn retained Skadden, Arps, Slate, Meagher & Flom LLP (referred to as Skadden) as its legal advisor in connection with a potential transaction with NRG.

On April 24, 2012, at a regularly scheduled meeting of the Board of Directors of NRG (referred to as the NRG Board), Mr. Crane updated the NRG Board on his conversation with Mr. Muller as well as management's review of GenOn's SEC filings and other publicly available information regarding GenOn. Mr. Crane also discussed with the NRG Board the strategic rationale for a potential transaction with GenOn and the potential capital structure for the combined company. At the conclusion of the meeting, the NRG Board authorized management to pursue discussions with GenOn regarding a potential business combination between the two companies.

On April 25, 2012, Mr. Muller informed Mr. Steven L. Miller, lead director of the GenOn Board of his conversation with Mr. Crane, and they agreed that Mr. Muller would update the full GenOn Board at the next scheduled meeting of the GenOn Board on May 9, 2012.

On May 9, 2012, at a regularly scheduled meeting of the GenOn Board, Mr. Muller briefed the GenOn Board on his April 13, 2012 discussion with Mr. Crane and the planned meeting with NRG on May 15, 2012. Mr. Muller and Mr. J. William Holden III, GenOn's Executive Vice President and Chief Financial Officer, described for the GenOn Board the status of GenOn's review of various issues pertaining to a potential transaction with NRG, including regulatory considerations. The GenOn Board agreed to have a follow up discussion regarding the potential transaction after the meeting with NRG senior management in mid-May.

On May 15, 2012, Mr. Crane, Mr. Kirk Andrews, NRG's Chief Financial Officer, and Mr. J. Andrew Murphy, NRG's Executive Vice President, Strategy and M&A, met with Mr. Muller, Mr. Holden and Mr. G. Gary Garcia, GenOn's Senior Vice President and Treasurer, in New York City. At the meeting, the parties discussed the strategic rationale for a potential business combination between the two companies and potential synergies that might be derived from combining the two companies. At the end of the meeting, the parties decided to enter into a confidentiality agreement to facilitate the exchange of certain financial information in order to conduct an initial phase of due diligence, which would primarily focus on confirming potential synergies of a business combination between the two companies as well as a relative value assessment to determine whether there was a basis to conduct more detailed due diligence.

On May 16, 2012, the GenOn Board had a special meeting, at which it received an update from Mr. Muller and Mr. Holden regarding the status of discussions with NRG, including the parties' preliminary views regarding potential synergies, NRG's criteria in evaluating the potential transaction, the timing of a potential transaction, governance matters, regulatory approvals, and the need for a confidentiality agreement with NRG to allow the companies to conduct reciprocal due diligence.

On May 22, 2012, NRG and GenOn entered into a mutual confidentiality agreement that contained customary standstill as well as confidentiality provisions. Following the signing of the confidentiality agreement, the managements of NRG and GenOn held several discussions regarding certain aspects of the potential transaction and the initial diligence phase, including forward commodity price curves and certain other assumptions common to each company's financial forecasts, potential transaction structures, treatment of existing debt and details of the potential synergies that could be realized by combining the two companies, as well as the anticipated timing of the potential business combination.

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On June 4, 2012 and again on June 11, 2012, management of NRG, including Messrs. Andrews and Murphy, Mr. Mauricio Gutierrez, NRG's Executive Vice President and Chief Operating Officer, Ms. Patti Helfer, NRG's Senior Vice President and Chief Administrative Officer, and Mr. Christopher Sotos, NRG's Senior Vice President and Treasurer, met with management of GenOn, including Messrs. Holden and Garcia, at Kirkland & Ellis's office in New York. During these meetings, the parties exchanged and reviewed financial data about the respective companies and engaged in extensive discussions regarding anticipated synergies, treatment of existing debt, integration matters and other aspects of the potential transaction.

On June 11, 2012, the NRG Board retained the law firm Potter, Anderson & Corroon LLP ("Potter Anderson") as counsel to the NRG Board in connection with the potential transaction with GenOn.

On June 14, 2012, the NRG Board held a special meeting to discuss the potential business combination with GenOn. At the meeting, NRG management gave the NRG Board a detailed update of various aspects of the potential transaction, including the proposed transaction structure, anticipated synergies, assumptions for valuation, the status of due diligence, an overview of historical exchange ratios, and required regulatory approvals. The NRG Board also discussed with NRG management the potential governance structure of the combined company. Upon the conclusion of the meeting, the NRG Board authorized NRG management to commence discussions with GenOn regarding exchange ratios and potential governance structure, engage financial advisors for the transaction and commence the preparation of a merger agreement for the potential transaction.

Following the June 14th NRG Board meeting, NRG retained Credit Suisse Securities (USA) LLC ("Credit Suisse") and Morgan Stanley & Co. LLC ("Morgan Stanley") as its financial advisors in connection with the potential transaction with GenOn. In addition, NRG's management worked with Kirkland & Ellis to prepare a draft merger agreement.

On June 18, 2012, GenOn retained J.P. Morgan Securities LLC ("J.P. Morgan") as its financial advisor in connection with the proposed transaction. In addition, on June 29, 2012, GenOn retained Talisman International (a nuclear consulting firm) to assist in due diligence with respect to NRG's ownership in a two reactor unit nuclear generating facility referred to as the South Texas Project.

On June 19, 2012, Messrs. Crane and Andrews from NRG met with Messrs. Muller and Holden from GenOn in Washington, D.C. During this meeting, the parties confirmed with each other certain findings from the initial due diligence phase and engaged in further discussions regarding the proposed transaction structure, anticipated synergies and integration matters. In addition, for the first time, the parties shared their respective views on valuation and potential governance structures for the combined company. The parties also discussed the process for conducting detailed due diligence and the contemplated timing for signing and announcing a transaction assuming successful completion of due diligence and agreement on the terms of a merger agreement.

On June 21, 2012, the GenOn Board had a special meeting to receive an update from Mr. Muller and other members of GenOn's senior management on the status of the discussions with NRG. Representatives of Skadden were also present at the meeting. At the meeting, GenOn management gave the GenOn Board a detailed update of various aspects of the potential transaction, including the status of negotiations with NRG, anticipated synergies, valuation assumptions, preliminary financial analyses regarding the combined company, integration matters, the potential governance structure of the combined company, an overview of the due diligence approach, and the required regulatory approvals. The GenOn Board also formally approved the engagement of J.P. Morgan as GenOn's financial advisor in connection with the potential transaction.

On June 25, 2012, the NRG Board held a special meeting to discuss the status of the potential transaction. Representatives of Potter Anderson, Credit Suisse and Morgan Stanley also attended the

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meeting. NRG management updated the NRG Board on the strategic rationale for the potential business combination with GenOn, anticipated synergies, the status of due diligence, contemplated terms of the proposed merger agreement, required regulatory and stockholder approvals, as well as a financing plan with respect to GenOn debt that might need to be repaid in connection with the transaction and the anticipated timing of the transaction. NRG management also reviewed its preliminary valuations of the companies with the NRG Board and explained the parameters for the exchange ratio, including the proposal that the transaction would be based on a fixed exchange ratio with no cap or collar. In connection with this discussion, the NRG Board gave management further guidance on its views of the potential governance structure of the combined company. Also at the meeting, representatives of Potter Anderson reviewed with the NRG Board its fiduciary duties in connection with the potential transaction with GenOn. Upon the conclusion of the meeting, the NRG Board directed management to advance to the next phase of due diligence, which would include legal due diligence as well as further business and financial due diligence and, in the meantime, to commence negotiations regarding the terms of the merger agreement with GenOn, with the goal of reaching a definitive agreement between the two parties on or about July 20, 2012. Also at this meeting, the NRG Board formally approved the retention of Credit Suisse and Morgan Stanley as NRG's financial advisors in connection with the potential transaction with GenOn.

Following the June 25th NRG Board meeting, NRG and GenOn, together with their respective advisors, commenced more in-depth business and financial due diligence as well as legal due diligence, and each party provided the other access to a virtual data room containing non-public information regarding their respective businesses and operations. The due diligence consisted of multiple conference calls conducted over several weeks between representatives of the two companies regarding various aspects of their respective businesses, operations and finances as well as integration matters, the exchange of due diligence inquiries and responses, and the review of information disclosed in each company's virtual data room.

On June 26, 2012, Mr. Crane, Mr. Howard Cosgrove, Chairman of the NRG Board, and Mr. Kirbyjon Caldwell, Chair of the Governance and Nominating Committee of the NRG Board, met with Mr. Muller and Mr. Miller in Houston, Texas, to discuss the potential structure and composition of the board of directors of the combined company, including the possibility that Mr. Muller would serve as vice chairman of the combined company.

On June 27, 2012, NRG sent an initial draft of the merger agreement to GenOn.

On June 29, 2012, the GenOn Board received an update from Mr. Muller and other members of senior management of GenOn and representatives from Skadden and J.P. Morgan on the status of the discussions with NRG. The Skadden representatives provided an overview of the initial draft of the merger agreement from NRG, including potential financing aspects of the transaction, and an update regarding regulatory issues, noting that each company had completed preliminary regulatory modeling and that neither had identified problematic issues. Representatives of J.P. Morgan reviewed financial aspects of the proposed transaction. The GenOn Board and senior management discussed the strategic rationale for the potential business combination with NRG, the status of due diligence and anticipated synergies. Mr. Miller provided a report regarding the June 26th meeting between Messrs. Miller and Muller and Messrs. Crane, Cosgrove and Caldwell.

Over the course of the following weeks, the parties and their respective legal advisors engaged in a series of negotiations concerning the terms of the merger agreement.

On July 10, 2012, in advance of a previously scheduled international trip, Mr. Terry G. Dallas, a member of the GenOn Board, had an update call with representatives of GenOn's management, Skadden and J.P. Morgan, regarding the status of due diligence on NRG, the merger agreement negotiations, required regulatory approvals and corporate governance of the combined company.

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On July 11, 2012, Mr. Cosgrove and Mr. Caldwell had a telephone call with Mr. Miller regarding the structure and composition of the board of directors of the combined company. The parties agreed that, immediately following the consummation of the merger, the NRG Board would consist of 16 directors, 12 of whom would be incumbent directors from the NRG Board and four of whom would be current directors from the GenOn Board and that Mr. Muller would be vice chairman of the board of directors of the combined company. The parties further agreed that the specific GenOn directors who would join the board of directors of the combined company would be determined after the execution of a definitive merger agreement.

On July 13, 2012, Mr. Crane called Mr. Muller to discuss the potential range for the exchange ratio and the methodology supporting the range. Messrs. Crane and Muller agreed that, in light of the target signing date of July 20, 2012, the exchange ratio would be determined based on the average closing prices of NRG common stock and GenOn common stock during the 10 and 20 trading day period ending July 18, 2012. Following this conversation, Mr. Andrews of NRG and Mr. Holden of GenOn worked with each other to refine the assumptions and methodologies for determining the exchange ratio and, in accordance with NRG's and GenOn's directives, representatives from Morgan Stanley and J.P. Morgan also engaged in discussions regarding the exchange ratio. While both parties expected that the final exchange ratio would result in a premium to GenOn's stockholders, the parties did not target an exchange ratio that would result in a specific premium or range of premiums to GenOn's stockholders.

Also on July 13, 2012, the GenOn Board held a special meeting, with representatives of GenOn management, Skadden and J.P. Morgan present. At the meeting, GenOn management reviewed the status of the negotiations with NRG and the results of the due diligence on NRG to date. Representatives of Skadden briefed the GenOn Board on the status of the principal open issues in the merger agreement, and the fiduciary duty aspects of the proposed transaction. Representatives of J.P. Morgan made a presentation to the GenOn Board on certain financial aspects of the proposed transaction. Mr. Miller also updated the GenOn Board on the status of his discussions with Mr. Cosgrove and Mr. Caldwell regarding the structure and composition of the board of directors of the combined company.

On July 16, 2012, Mr. Crane met with management of GenOn in Houston, Texas, and Messrs. Holden and Garcia met with management of NRG in Princeton, New Jersey, to discuss the potential business combination and certain related integration issues, including the planned senior leadership team of the combined company.

On July 17 and 18, 2012, the NRG Board held a regularly scheduled meeting to discuss, among other things, the status of the potential transaction with GenOn. Representatives of Kirkland & Ellis, Potter Anderson, Credit Suisse and Morgan Stanley also attended the meeting. At the meeting, NRG management reviewed with the NRG Board the expected synergies, valuations, proposed capital structure for the combined company, financing plan with respect to the GenOn debt that might need to be repaid in connection with the transaction, terms of the financing commitment from Credit Suisse AG, Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. with respect to such financing plan, terms of the merger agreement, an assessment of regulatory risks and findings from the due diligence investigation. Credit Suisse and Morgan Stanley each reviewed with the NRG Board financial aspects of the proposed transaction. In addition, representatives of Kirkland & Ellis and Potter Anderson discussed with the NRG Board the fiduciary duty aspects of the proposed transaction and the proposed governance structure of the combined company, and Kirkland & Ellis briefed the NRG Board on the status of the merger agreement negotiations and outstanding issues. At the end of the meeting, the NRG Board authorized management to continue the negotiation of the exchange ratio and the terms of the merger agreement with GenOn and its representatives with the goal of finalizing the terms of the transaction on July 20, 2012.

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On July 18, 2012, Mr. Crane and Mr. Muller had further discussions about the exchange ratio and agreed that they would seek the approval of their respective boards of directors based on an exchange ratio of 0.1216, which, as Mr. Crane and Mr. Muller had discussed on July 13, 2012, was determined based on the average closing prices of NRG common stock and GenOn common stock during the 10 and 20 trading day period ended on July 18, 2012, and applying the assumptions and methodologies previously discussed by the parties. Also on July 18, 2012, Mr. Miller held separate telephone conversations with Mr. Caldwell and Mr. Cosgrove regarding the structure and composition of the board of directors of the combined company.

Over the next two days, managements of NRG and GenOn and their respective legal advisors had a number of conference calls to resolve the remaining outstanding issues in the merger agreement and related transaction documents.

On July 20, 2012, the GenOn Board met at Skadden's offices in Houston, Texas, to consider the proposed business combination with NRG. Prior to the meeting, the GenOn Board was provided with a draft of the merger agreement and other materials related to the proposed transaction. At the meeting, GenOn's management updated the GenOn Board on the principal financial and other terms of the proposed transaction and the results of its due diligence on NRG, including the due diligence conducted by Talisman International, and reviewed the strategic rationale and the anticipated benefits of the proposed transaction to the GenOn stockholders. Skadden reviewed with the GenOn Board its fiduciary duties and then described to the GenOn Board the principal terms of the proposed merger agreement. J.P. Morgan reviewed with the GenOn Board J.P. Morgan's financial analysis performed in connection with the proposed merger and delivered to the GenOn Board an oral opinion (confirmed by delivery of a written opinion dated July 20, 2012), to the effect that, as of that date and based upon and subject to the factors and assumptions set forth therein, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of GenOn common stock. After considering and discussing the foregoing and the proposed terms of the merger agreement, and taking into consideration the factors described under " Rationale for the Merger" and " GenOn Board of Directors' Recommendation and Its Reasons for the Merger," the GenOn Board unanimously determined that the merger and the other transactions contemplated by the merger agreement were advisable and in the best interests of the GenOn stockholders, and adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and recommended that the GenOn stockholders adopt the merger agreement.

Later in the afternoon of July 20, 2012, the NRG Board held a special meeting to consider the proposed business combination with GenOn. Prior to the meeting, the NRG Board was provided with a copy of the merger agreement and other materials related to the proposed transaction. At the meeting, Mr. Crane updated the NRG Board on his discussions with Mr. Muller regarding the exchange ratio and a representative of Kirkland & Ellis reviewed with the NRG Board the terms of the proposed merger agreement. Potter Anderson then reviewed with the NRG board the proposed governance structure of the combined company. Credit Suisse and Morgan Stanley separately reviewed with the NRG Board their respective financial analyses of the exchange ratio and delivered to the NRG Board an oral opinion, confirmed by delivery of a written opinion dated July 20, 2012, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations of the review undertaken as set forth in such opinion, the exchange ratio provided for in the merger was fair, from a financial point of view, to NRG. NRG management, Credit Suisse and Morgan Stanley also discussed with the NRG Board the contemplated terms of the financing with respect to the GenOn debt that might need to be repaid in connection with the transaction. Following discussions, and taking into consideration the factors described under " Rationale for the Merger" and " NRG Board of Directors' Recommendations and Its Reasons for the Merger," the NRG Board, among other things, approved and declared advisable the merger agreement, the merger and the other transactions contemplated by the merger agreement, authorized

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the execution, delivery and performance of the merger agreement, approved and declared advisable the amendment to NRG's certificate of incorporation to expand the size of the board to 16 members, directed that the approval of the issuance of shares of NRG common stock in the merger and the amendment to NRG's certificate of incorporation be submitted to NRG stockholders for their approval, resolved to recommend the approval by the NRG stockholders of the issuance of shares of NRG common stock in the merger and the amendment to NRG's certificate of incorporation to expand the size of the board to 16 members, and also authorized the execution of the commitment letter and related fee letter with respect to the proposed financing. During the period from April 13, 2012 through July 20, 2012, while NRG assessed potential asset acquisition opportunities from time to time, the board of directors and management of NRG were focused on the potential transaction with GenOn and did not consider or pursue any other strategic transaction partner.

Following the approvals of the NRG Board and the GenOn Board, NRG and GenOn executed the merger agreement. On July 22, 2012, NRG and GenOn issued a joint press release announcing execution of the merger agreement.

**Rationale for the Merger**

In the course of their discussions regarding a potential business combination, both NRG and GenOn recognized there were substantial potential strategic and financial benefits of the proposed merger. This section summarizes the principal potential strategies and financial benefits that the parties expect to realize in the merger and the other reasons that each party decided to approve the merger agreement and determined to recommend that their stockholders vote in favor of the merger. For a discussion of various factors that could prevent or limit the parties from realizing some or all of these benefits, see "Risk Factors" beginning on page 34.

Each of GenOn and NRG believes the merger will enhance stockholder value through, among other things, enabling NRG and GenOn to capitalize on the following strategic advantages and opportunities:

*Diversification and Scale.* NRG and GenOn believe the merger will create a combined company with greater scale and scope in energy generation and delivery than could be achieved in the near term by either company on a standalone basis, particularly given the complementary geographic footprints of their generating assets. The combined company is expected to 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, situated almost entirely in the three premier competitive energy markets in the United States. The combined fleet will generate more than 104 terawatt-hours (TWh) of electricity annually, will have increased diversity from a fuel, geography and revenue (significant increase in capacity revenues) perspective and will be strategically positioned with a significant presence across key regions.

*Synergies.* NRG and GenOn believe the merger will create significant synergies. Although no assurance can be given that any particular level of cost savings or other synergies will be achieved, NRG and GenOn currently expect that the transaction will result in approximately \$200 million per year in incremental EBITDA and, combined with approximately \$100 million of balance sheet efficiencies, will result in at least \$300 million of additional free cash flow by 2014, the first full year of combined operations. The approximately \$200 million per year in incremental EBITDA breaks down into approximately \$175 million per year in cost synergies, principally resulting from reduced G&A expenses, and approximately \$25 million per year of operational efficiency synergies under NRG's *FORNRG* program. In addition, as a result of interest savings through significant deleveraging and reduced liquidity and collateral requirements, the combined company is expected to realize an additional approximately \$100 million in reduced interest expense and collateral benefits. The transaction costs and total

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cash "cost to achieve" the synergies and other cash flow benefits will primarily be incurred during 2013 and are estimated to be approximately \$200 million.

*Anticipated Financial Strength and Increased Flexibility.* NRG and GenOn believe the increased scale and scope of the combined company will strengthen its balance sheet. Balance sheet efficiencies will permit the combined company to reduce indebtedness by at least \$1 billion, and increased EBITDA and funds from operations are expected to significantly improve key credit metrics. This will enhance the financial stability of the combined company, lower its average cost of debt and enable it to better navigate through industry cycles and commodity price fluctuations.

*Combination of Complementary Expertise.* NRG and GenOn believe that the merger will combine complementary areas of expertise, including with respect to operational, regulatory and nuclear matters, and the significant prior experience the two companies have had integrating merged businesses. The combined company is expected to draw upon the intellectual capital, technical expertise, and experience of a deeper and more diverse workforce.

*Immediately and Substantially Accretive.* The transaction is expected to be immediately accretive on an EBITDA basis and substantially accretive to both EBITDA and free cash flow (before growth investments) in 2014, the first full year of operation after the consummation of the transaction.

*Ability to Participate in Future Growth of the Combined Company.* Current NRG and GenOn stockholders are expected to hold approximately 71% and 29%, respectively, of the combined company's outstanding common stock upon completion of the merger. As a result, both NRG and GenOn stockholders will have the opportunity to benefit from the synergies expected to be realized from the business combination, any future earnings growth of the combined company and any future appreciation in the value of the combined company's common stock as a result of any economic, power demand and commodity price recovery. In particular, the transaction will significantly increase NRG's restricted payment capacity under its existing senior notes due 2017, which will enhance the combined company's ability to pay the 9 cents per share quarterly dividend (36 cents per share on an annual basis) previously announced by NRG, benefiting stockholders of both NRG and GenOn.

*Enables Expanded Wholesale-Retail Model.* An expanded core generation fleet will enable the combined company to duplicate in multiple markets (principally in the East) the successful integrated wholesale-retail business model NRG currently operates in ERCOT (the electric market operated by the Electric Reliability Council of Texas). NRG and GenOn believe this is the best business model across the price cycle, in an industry that is subject to commodity price volatility.

The actual synergistic benefits from the merger and costs of integration could be different from the foregoing estimates and these differences could be material. Accordingly, there can be no assurance that any of the potential benefits described above or included in the factors considered by the NRG Board described under "NRG Board of Directors' Recommendations and Its Reasons for the Merger" beginning on page 50 or by the GenOn Board described under "GenOn Board of Directors' Recommendation and Its Reasons for the merger" beginning on page 54 will be realized. See "Risk Factors" beginning on page 34 and "Cautionary Note Regarding Forward-Looking Statements" on page 32.



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**NRG Board of Directors' Recommendations and Its Reasons for the Merger**

At a meeting on July 20, 2012, the NRG Board (i) determined that it is in the best interest of NRG and its stockholders, and declared it advisable, to enter into the merger agreement, (ii) approved the merger agreement and the transactions contemplated thereby, including the merger, (iii) approved and declared the advisability of the Share Issuance, directed that the Share Issuance proposal be submitted to a vote at a meeting of NRG stockholders and recommended that NRG stockholders vote "**FOR**" the Share Issuance proposal, and (iv) approved and declared the advisability of the Charter Amendment, directed that the Charter Amendment proposal be submitted to a vote at a meeting of NRG stockholders and recommended that NRG stockholders vote "**FOR**" the Charter Amendment proposal.

In evaluating the merger agreement and the transactions contemplated thereby, including the Share Issuance and the Charter Amendment, the NRG Board consulted with NRG's management, as well as NRG's legal and financial advisors and, in reaching its determinations, considered a variety of factors with respect to the merger and the other transactions contemplated by the merger agreement, including the specific reasons described above under " Rationale for the Merger" and the factors listed below.

*Knowledge of NRG.* The NRG Board's knowledge of NRG's business, operations, financial condition, earnings and prospects, and of GenOn's business, operations, financial condition, earnings and prospects, taking into account the results of NRG's due diligence review of GenOn. In particular, the NRG Board focused on the quality of GenOn's assets, the compatibility of the two companies' operations and opportunities for synergies and future growth.

*Economic Conditions; Industry Trends.* The prevailing macroeconomic conditions, and the economic environment of, and the trends and competitive developments in, the industries in which NRG and GenOn operate, which the NRG Board viewed as supporting the rationale for seeking a strategic transaction intended to create a stronger, more diversified combined company that will be better positioned to benefit from future improvements in the United States and global economy in general and recovery in the power sector in particular.

*Financial Terms of the Merger.* The review by the NRG Board of the financial terms of the merger, including the value of the merger consideration based on the exchange ratio relative to the then-current market prices and historical trading prices of NRG common stock and GenOn common stock; the fact that stockholders of NRG will own approximately 71% of the common stock of the combined company following the closing of the merger; and the expectation that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

*Due Diligence.* The scope of the due diligence investigation of GenOn conducted by NRG's management and outside advisors, and the results of that investigation.

*Recommendation by Management.* NRG management's recommendation in favor of the merger, the Share Issuance proposal and the Charter Amendment proposal.

*Opinions of NRG's Financial Advisors.* The separate opinions of Credit Suisse and Morgan Stanley, each dated July 20, 2012, to the NRG Board as to the fairness, from a financial point of view and as of the date of the opinion, to NRG of the exchange ratio provided for in the merger, which opinions were based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken as more fully described below under the heading " Opinions of NRG's Financial Advisors" beginning on page 58.

*Transaction Structure; Impact on Existing Debt.* Upon the closing of the merger, GenOn is able to become an excluded project subsidiary of NRG, which is permitted under the indentures

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governing NRG's outstanding bonds and credit agreement and GenOn's outstanding bonds and therefore the merger will not require the approval of bondholders or first lien holders of either NRG or GenOn.

*Likelihood of Completion of the Merger.* The likelihood that the merger will be completed on a timely basis, including the likelihood that each of the Merger proposal, the Share Issuance proposal and the Charter Amendment proposal will receive the required stockholder approval, and the likelihood that all necessary regulatory approvals will be obtained on the anticipated schedule without the imposition of unacceptable conditions.

*Commitment of the Parties.* The commitment on the part of both parties to complete the merger pursuant to their respective obligations under the terms of the merger agreement.

*Terms of the Merger Agreement.* The terms of the merger agreement, including the representations, warranties, obligations and rights of the parties under the merger agreement, the conditions to each party's obligations to complete the merger, and the circumstances in which each party is permitted to terminate the merger agreement. See "The Merger Agreement" beginning on page 105. In particular, the NRG Board noted the following terms of the merger agreement:

*Ability to Fulfill Fiduciary Duties.* The fact that the merger agreement allows the NRG Board to engage in discussions with respect to, and provide information in connection with, a bona fide alternative transaction proposal that the NRG Board determines constitutes or is reasonably expected to result in a superior offer. In addition, the merger agreement allows the NRG Board to change or withdraw its recommendation with respect to the Share Issuance proposal and/or the Charter Amendment proposal in the event a superior offer is received or certain material developments or changes in circumstances occur after the execution of the merger agreement, and even to terminate the merger agreement in order to accept a superior offer if, in any of these cases, the NRG Board determines that a failure to change its recommendation or terminate the merger agreement, as applicable, would be reasonably likely to be inconsistent with the exercise of its fiduciary duties under applicable law, subject to compliance with the terms and conditions of the merger agreement, including the payment of a specified termination fee upon termination under certain circumstances.

*Termination Fee.* The fact that GenOn would be obligated to pay NRG a termination fee of \$60.0 million in connection with the termination of the merger agreement under certain circumstances. See "The Merger Agreement Effect of Termination; Termination Fees and Expense Reimbursement" beginning on page 125.

*Governance of the Combined Company.* The governance arrangements contained in the merger agreement and to be set forth in the bylaws of NRG immediately following the merger under which, after completion of the merger, (i) the board of directors of NRG will have 16 members, consisting of 12 directors from the current NRG Board (including the current Chairman of the NRG Board and the person who is currently the President and Chief Executive Officer of NRG) and four directors from the GenOn Board (including the person who is currently the Chairman and Chief Executive Officer of GenOn), (ii) the current Chairman of the NRG Board will continue as the Chairman of the NRG Board immediately following the merger, and (iii) the person who is currently the President and

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Chief Executive Officer of NRG will continue as the President and Chief Executive Officer of NRG immediately following the merger.

*Headquarters.* The fact the merger agreement provides that NRG will have dual headquarters, with its commercial and financial headquarters in Princeton, New Jersey, and its operations headquarters in Houston, Texas.

The NRG Board also considered potential risks and other negative factors concerning the merger in connection with its deliberations of the proposed transaction, including the following:

*Fixed Exchange Ratio.* The merger agreement provides for a fixed exchange ratio and thus the exchange ratio will not change based on changes in the trading prices of NRG or GenOn common stock or changes in the business performance or financial results of NRG or GenOn. Accordingly, if the value of GenOn's businesses declines relative to the value of NRG's businesses prior to completion of the Merger, GenOn stockholders' percentage ownership in the combined company may exceed GenOn's relative contribution to the combined company. However, the NRG Board determined that the method for determining the exchange ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of NRG and GenOn and the historic trading prices of NRG and GenOn common stock. The NRG Board also noted the inclusion in the merger agreement of certain structural protections, such as NRG's right to not complete the merger in the event of a material adverse change with respect to GenOn.

*Regulatory Approvals.* Various regulatory approvals are required to complete the merger, which present a risk that the applicable governmental authorities may condition their grant of required approvals or consents on the imposition of unfavorable terms or conditions or that such approvals and consents will not be able to be obtained at all.

*Change in Control Put Right under Certain GenOn Debt.* The merger will constitute a "change of control" under GenOn's existing credit facility and trigger a "change in control" put right on the part of holders of certain bonds issued by GenOn. NRG intends to terminate the credit facility and fund the put price payable to bondholders who exercise their put right with a combination of funds available at each of NRG and GenOn and, to the extent necessary, new financing. In connection with the execution of the merger agreement, NRG has obtained commitments from Credit Suisse AG, Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. to fund up to \$1.6 billion under a new senior secured term loan facility.

*Failure to Close.* There are risks and contingencies relating to the announcement and pendency of the merger and risks and costs to NRG if the closing of the merger is not timely, or if the merger does not close at all, including the potential impact on the relationships between NRG and its employees, customers, suppliers and other third parties, as well as the potential impact on the trading prices of NRG common stock. Additionally, there is the possibility that the merger may not be completed, or that completion may be unduly delayed, for reasons beyond the control of NRG and/or GenOn.

*Non-solicitation Obligation and Termination Fee.* The merger agreement prohibits each of NRG and GenOn from soliciting or engaging in discussions regarding any alternative transactions during the pendency of the merger, subject to limited exceptions. The merger agreement also requires the payment by NRG of a termination fee of \$120.0 million to GenOn if the merger agreement is terminated under certain circumstances. See "Description of the Merger Agreement Termination Fee." While these provisions could have the effect of discouraging alternative transaction proposals, these provisions would not preclude bona fide alternative transaction proposals, and the NRG Board determined that the size of the termination fee

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payable by NRG is reasonable in light of the size and benefits of the merger and not preclusive of a superior offer, if one were to emerge.

*"Ownership Change" under Section 382 of the Internal Revenue Code.* The merger is expected to result in an "ownership change" with respect to GenOn for purposes of Section 382 of the Internal Revenue Code, which would impose an annual limitation on the ability of the combined company to utilize GenOn's current net operating losses, approximately \$2.6 billion at December 31, 2011.

*Restrictions on Interim Operations.* The provisions of the merger agreement impose certain restrictions on the operations of NRG until completion of the merger. For further information, see "The Merger Agreement Interim Operating Covenants of NRG and GenOn."

*Transaction Costs.* Substantial costs will be incurred by both NRG and GenOn in connection with the merger, including legal fees, financial advisory fees and financing fees, as well as the costs of integrating the businesses of NRG and GenOn.

*Diversion of Focus; Integration.* There is a risk that management focus, employee attention and resources for other strategic opportunities, as well as employee attention to operational matters, could be diverted for an extended period of time while the parties work to complete the merger and integration process. In addition, there are challenges inherent in the combination of two business enterprises of this size, including the attendant risks that the anticipated cost savings and synergies and other benefits sought to be obtained from the merger might not be achieved in the time frame contemplated or at all.

*Interests of Directors and Officers.* The interests that certain executive officers and directors of NRG may have with respect to the merger in addition to their interests as stockholders of NRG. However, such additional interests are limited. See "The Merger Additional Interests of NRG's Directors and Executive Officers in the Merger."

*Corporate Governance.* The NRG Board considered the composition of the board of directors and management of the combined company and the potential for disagreement among directors and executive officers selected from two different organizations.

*Employment Matters.* There are differences between NRG's and GenOn's compensation practices and philosophies, which could present issues associated with the transition of GenOn employees to NRG's compensation and benefit plans. The NRG Board also noted the risk of loss of key GenOn employees and steps appropriate to retain those people through the completion of the merger and thereafter. The NRG Board also considered the fact that the parties expect to reduce the combined company's net headcount by about 500 employees across NRG's and GenOn's administrative functions and locations.

*GenOn Business Risks.* The NRG Board considered certain risks inherent in GenOn's business and operations.

*Other Risks Considered.* The NRG Board also considered the types and nature of the risks described under the section entitled "Risk Factors" beginning on page 34, and the matters described under "Cautionary Note Regarding Forward-Looking Statements" beginning on page 32.

In addition to the factors described above, the NRG Board reviewed the fees payable to Credit Suisse and Morgan Stanley in connection with the merger (including the contingent fee structure under which NRG would not be obligated to pay its financial advisors a portion of their fees unless the merger is completed) and considered the fee arrangements to be customary and appropriate for this type of transaction.

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In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the NRG Board did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the different factors it considered in reaching its decision. In addition, individual members of the NRG Board may have given different weight to different factors.

The NRG Board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the NRG Board conducted an overall review of the factors described above, including discussions with the senior management team and outside legal and financial advisors. In considering the factors described above, individual members of the NRG Board may have given different weight to different factors.

**GenOn Board of Directors' Recommendation and Its Reasons for the Merger**

At a meeting on July 20, 2012, the GenOn Board, by unanimous vote, (i) determined that it is in the best interest of GenOn and its stockholders, and declared it advisable, to enter into the merger agreement, (ii) approved the merger agreement and the transactions contemplated thereby, including the merger, and (iii) determined to recommend that the holders of GenOn common stock vote "**FOR**" the Merger proposal.

In evaluating the merger agreement and the transactions contemplated thereby, the GenOn Board consulted with GenOn's management, as well as GenOn's legal and financial advisors, and, in reaching its conclusion, considered a variety of factors with respect to the merger and the other transactions contemplated by the merger agreement, including the specific reasons described above under "Rationale for the Merger" and the factors listed below.

*Knowledge of GenOn.* The GenOn Board's knowledge of GenOn's business, operations, financial condition, earnings and prospects and of NRG's business, operations, financial condition, earnings and prospects, taking into account the results of GenOn's due diligence review of NRG. In particular, the GenOn Board focused on the quality of NRG's assets, the compatibility of the two companies' operations and opportunities for synergies and future growth.

*Economic Conditions; Industry Trends.* The prevailing macroeconomic conditions, and the economic environment of, and the trends and competitive developments in, the industries in which GenOn and NRG operate, which the GenOn Board viewed as supporting the rationale for seeking a strategic transaction intended to create a stronger, more diversified combined company that will be better positioned to benefit from future improvements in the United States and global economy in general and recovery in the power sector in particular.

*Financial Terms of the Merger.* The review by the GenOn Board, in consultation with GenOn's legal and financial advisors, of the structure of the merger and the financial and other terms and conditions of the merger agreement, including the value of the merger consideration based on the exchange ratio, which represents a premium to GenOn's stockholders relative to the then-current market price of GenOn common stock.

*Tax-Free Exchange.* The GenOn Board also took into account the fact that the merger is intended to be tax-free to the holders of GenOn common stock.

*Due Diligence.* The scope of the due diligence investigation conducted by GenOn's management and outside advisors, and the results of that investigation.

*Recommendation by Management.* GenOn management's recommendation in favor of the merger.

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*Opinion of GenOn's Financial Advisor.* The financial presentation and opinion of J.P. Morgan, dated July 20, 2012, to the GenOn Board as to the fairness, from a financial point of view and based upon and subject to the various considerations set forth in its opinion (attached to this joint proxy statement/prospectus as Annex D), to holders of GenOn common stock of the exchange ratio provided for in the merger agreement. See "Opinion of GenOn's Financial Advisor" beginning on page 73.

*Transaction Structure; Impact on Existing Debt.* Upon the closing of the merger, GenOn is able to become an excluded project subsidiary of NRG, which is permitted under the indentures governing NRG's outstanding bonds and credit agreement and GenOn's outstanding bonds and therefore will not require the approval of bondholders or first lien holders of either NRG or GenOn.

*Likelihood of Completion of the Merger.* The likelihood that the merger will be completed on a timely basis, including the likelihood that the Merger proposal will receive the required stockholder approval, and the likelihood that all necessary regulatory approvals will be obtained on the anticipated schedule without the imposition of unacceptable conditions.

*Commitment of the Parties.* The strong commitment on the part of both parties to complete the merger pursuant to their respective obligations under the terms of the merger agreement.

*Strategic Alternatives.* The trends and competitive developments in the industry and the range of strategic alternatives available to GenOn, including continuing to operate as a stand alone entity. To that end, the GenOn Board considered its expectations for further consolidation in the energy industry and believed it was important that, if GenOn were to be a participant in the industry consolidation, GenOn should be able to select and enter into a mutually agreeable transaction with a strategic partner that it believed offered the most significant strategic benefits. Further industry consolidation for which GenOn is not a participant could result in future market or competitive pressure to accept a strategic transaction with a less desirable strategic partner or on less desirable terms.

*Terms of the Merger Agreement.* The terms of the merger agreement, including the representations, warranties, obligations and rights of the parties under the merger agreement, the conditions to each party's obligation to complete the merger, and the circumstances in which each party is permitted to terminate the merger agreement. See "The Merger Agreement" beginning on page 105. In particular, the GenOn Board noted the following terms of the merger agreement:

*Ability to Fulfill Fiduciary Duties.* The fact that the merger agreement allows the GenOn Board to engage in discussions with respect to, and provide information in connection with, a bona fide alternative transaction proposal that the GenOn Board determines constitutes or is reasonably expected to result in a superior offer. In addition, the merger agreement allows the GenOn Board to change or withdraw its recommendation regarding the Merger proposal if a superior transaction proposal is received from a third party or in response to certain material developments or changes in circumstances, if in either case the GenOn Board determines that a failure to change its recommendation or terminate the merger agreement, as applicable, would be reasonably likely to be inconsistent with the exercise of its fiduciary duties under applicable law, subject to compliance with the terms and conditions of the merger agreement, including the payment of a specified termination fee upon termination under certain circumstances.

*Termination Fee.* The fact that NRG would be obligated to pay GenOn a termination fee of \$120.0 million in connection with the termination of the merger agreement under certain

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circumstances. See "The Merger Agreement Effect of Termination; Termination Fees" beginning on page 125.

*Governance of the Combined Company.* The governance arrangements contained in the merger agreement providing that, after completion of the merger, the board of directors of the combined company will initially consist of 16 directors, including Edward R. Muller, the current chairman, president and chief executive officer of GenOn, who will be the vice chairman of the combined company, and three current non-employee independent directors of GenOn, who have yet to be determined, one of whom will serve as co-chair and/or chair of a standing committee of the combined company, and that such arrangements are expected to continue until at least NRG's 2014 annual meeting of stockholders, thereby providing the combined company with directors who are familiar with GenOn's history, business and operations.

*Headquarters.* The fact the merger agreement provides that the combined company will have dual headquarters with its commercial and financial headquarters in Princeton, New Jersey, and its operations headquarters in Houston, Texas.

The GenOn Board also considered potential risks and other negative factors concerning the merger in connection with its deliberations of the proposed transaction, including the following:

*Fixed Exchange Ratio.* The merger agreement provides for a fixed exchange ratio and thus the exchange ratio will not adjust upward to compensate for declines, or downward to compensate for increases, in NRG's stock price prior to completion of the merger, and that the terms of the merger agreement did not include "collar" provisions or stock price-based termination rights that would be triggered by a decrease in the value of the merger consideration implied by the NRG stock price. However, the GenOn Board determined that the method for determining the exchange ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of NRG and GenOn and the historic trading prices of NRG and GenOn common stock. The GenOn Board also noted the inclusion in the merger agreement of certain structural protections, such as GenOn's ability to not complete the merger in the event of a material adverse change to NRG.

*Regulatory Approvals.* Various regulatory approvals are required to complete the merger, which present a risk that the applicable governmental authorities may condition their grant of required approvals or consents on the imposition of unfavorable terms or conditions or that such approvals and consents will not be able to be obtained at all.

*Change in Control Put Right under Certain GenOn Debt.* The merger will constitute a "change of control" under GenOn's existing credit facilities and trigger a "change in control" put right by holders of certain bonds issued by GenOn.

*Failure to Close.* There are risks and contingencies relating to the announcement and pendency of the merger and risks and costs to GenOn if the closing of the merger is not timely, or if the merger does not close at all, including the potential impact on the relationships between GenOn and its employees, customers, suppliers and other third parties, as well as the potential impact on the trading prices of GenOn common stock. Additionally, there is the possibility that the merger may not be completed, or that completion may be unduly delayed, for reasons beyond the control of GenOn and/or NRG.

*Non-solicitation Obligation and Termination Fee.* The merger agreement prohibits each of GenOn and NRG from soliciting or engaging in discussions of any alternative transactions during the pendency of the merger, subject to limited exceptions. The merger agreement also requires the payment by GenOn of a termination fee of \$60.0 million to NRG if the merger agreement is terminated under certain circumstances. See "Description of the Merger Agreement

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Termination Fee." While these provisions could have the effect of discouraging alternative transaction proposals, these provisions would not preclude bona fide alternative transaction proposals, and the size of the termination fee payable by GenOn is reasonable in light of the size and benefits of the merger and not preclusive of a superior offer, if one were to emerge.

*"Ownership Change" under Section 382 of the Internal Revenue Code.* The merger is expected to result in an "ownership change" with respect to GenOn for purposes of Section 382 of the Internal Revenue Code, which would impose an annual limitation on the ability of the combined company to utilize GenOn's current net operating losses, approximately \$2.6 billion at December 31, 2011.

*Restrictions on Interim Operations.* The provisions of the merger agreement place certain restrictions on the operations of GenOn until completion of the merger. For further information, see "The Merger Agreement Interim Operating Covenants of NRG and GenOn."

*Transaction Costs.* Substantial costs will be incurred by both GenOn and NRG in connection with the merger, including legal fees, financial advisory fees and financing fees, as well as the costs of integrating the businesses of NRG and GenOn.

*Diversion of Focus; Integration.* There is a risk that management focus, employee attention and resources for other strategic opportunities, as well as employee attention to operational matters, could be diverted for an extended period of time while the parties work to complete the merger and integration process. In addition, there are challenges inherent in the combination of two business enterprises of this size, including the attendant risks that the anticipated cost savings and synergies and other benefits sought to be obtained from the merger might not be achieved in the time frame contemplated or at all.

*Interests of Directors and Officers.* The interests of GenOn's executive officers and directors with respect to the merger apart from their interests as GenOn stockholders, and the risk that these interests might influence their decision with respect to the merger. See "Interest of Directors and Executive Officers in the Merger Interests of Directors and Executive Officers of GenOn in the Merger" beginning on page 86.

*Corporate Governance.* The GenOn Board considered the facts that (i) former GenOn directors will not constitute a majority of the combined company's board of directors, (ii) the composition of the management of the combined company, and (ii) the potential for disagreement among directors and executive officers selected from two different organizations. The GenOn Board also considered the fact that GenOn stockholders will hold approximately 29% of the common stock of the combined company upon completion of the merger and will therefore not control the combined company.

*Employment Matters.* There are differences between GenOn's and NRG's compensation practices and philosophies, which could present issues associated with the transition of GenOn employees to NRG's compensation and benefit plans. The GenOn Board considered the fact that the parties expect to reduce the combined company's net headcount by about 500 employees across GenOn's and NRG's administrative functions and locations. Additionally, the GenOn Board considered the risk that certain members of GenOn's senior management and certain key employees might choose not to remain employed with the combined company.

*Compensation of Financial Advisors.* The GenOn Board selected J.P. Morgan as financial advisor because of its expertise, reputation and familiarity with the industries in which GenOn operates, and because its investment banking professionals have substantial experience in transactions that are comparable to the merger. The GenOn Board considered the fact that the payment for J.P. Morgan's services is conditioned upon completion of the merger. However, after considering the



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qualifications and reputation of J.P. Morgan, the GenOn Board decided that it could rely on the opinion of J.P. Morgan, notwithstanding the contingent nature of its fees.

*NRG Business Risks.* The GenOn Board considered certain risks inherent in NRG's business and operations, including risks inherent in NRG's nuclear activity and its concentrated retail activity in the State of Texas.

*Other Risks Considered.* The GenOn Board also considered the type and nature of risks described under the section entitled "Risk Factors" beginning on page 34, and the matters described under "Cautionary Note Regarding Forward-Looking Statements" beginning on page 32.

In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the GenOn Board did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the different factors it considered in reaching its decision. In addition, the individual members of the GenOn Board may have given different weight to different factors.

The GenOn Board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the GenOn Board conducted an overall review of the factors described above, including discussions with the senior management team and outside legal and financial advisors. In considering the factors described above, individual members of the GenOn Board may have given different weight to different factors.

**Opinions of NRG's Financial Advisors**

*Credit Suisse Securities (USA) LLC*

NRG retained Credit Suisse to act as its financial advisor in connection with the merger. In connection with Credit Suisse's engagement, the NRG Board requested that Credit Suisse evaluate the fairness, from a financial point of view, to NRG of the exchange ratio provided for in the merger. On July 20, 2012, at a meeting of the NRG Board held to evaluate the proposed merger, Credit Suisse rendered to the NRG Board an oral opinion, confirmed by delivery of a written opinion dated July 20, 2012, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the review undertaken, the exchange ratio provided for in the merger was fair, from a financial point of view, to NRG.

**The full text of Credit Suisse's written opinion, dated July 20, 2012, to the NRG Board, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex B and is incorporated into this joint proxy statement/prospectus by reference in its entirety. The description of Credit Suisse's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's opinion. Credit Suisse's opinion was provided to the NRG Board (in its capacity as such) for its information in connection with its evaluation of exchange ratio from a financial point of view to NRG and did not address any other aspect of the proposed merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to NRG or the underlying business decision of NRG to proceed with the merger. The opinion does not constitute advice or a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the proposed merger or otherwise.**

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In arriving at its opinion, Credit Suisse reviewed an execution version, provided to Credit Suisse on July 20, 2012, of the merger agreement and certain publicly available business and financial information relating to NRG and GenOn. Credit Suisse also reviewed certain other information relating to NRG and GenOn, including financial forecasts relating to NRG and GenOn reflecting alternative natural gas and power pricing assumptions, provided to or discussed with Credit Suisse by NRG and GenOn, and met with the managements of NRG and GenOn to discuss NRG's and GenOn's respective businesses and prospects. Credit Suisse also considered certain financial and stock market data of NRG and GenOn and compared that data with similar data for other publicly held companies in businesses it deemed similar to those of NRG and GenOn, and Credit Suisse considered, to the extent publicly available, the financial terms of certain other business combinations and transactions which have been effected or announced. Credit Suisse also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the financial forecasts for NRG and GenOn that Credit Suisse utilized in its analyses, the managements of NRG and GenOn advised Credit Suisse, and Credit Suisse assumed, with NRG's consent, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of NRG and GenOn as to the future financial performance of NRG and GenOn, respectively, under the alternative assumptions reflected therein regarding natural gas and power prices, and Credit Suisse expressed no opinion with respect to such forecasts or the assumptions on which they were based. With respect to the estimates provided to Credit Suisse by the managements of NRG and GenOn regarding net cost savings and synergies anticipated to result from the merger and potential net operating loss carryforwards and other tax benefits expected to be utilized by NRG and GenOn, the managements of NRG and GenOn advised Credit Suisse, and Credit Suisse assumed, with NRG's consent, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of such managements and that such cost savings, synergies and tax benefits would be realized in the amounts and at the times indicated thereby. The financial forecasts for NRG and GenOn that Credit Suisse utilized reflect certain market trends and industry assumptions of the managements of NRG and GenOn, including assumptions as to future natural gas, power and relevant commodity prices, which are subject to significant volatility and which, if different than as assumed, could have an adverse impact on Credit Suisse's analyses or opinion. Credit Suisse also relied upon, with NRG's consent and without independent verification, the assessments of the managements of NRG and GenOn as to NRG's ability to integrate the businesses of NRG and GenOn and retain key employees of NRG and GenOn. Credit Suisse assumed, with NRG's consent, that there would be no developments with respect to any such matters that would be material to Credit Suisse's analyses or opinion. Credit Suisse also assumed, with NRG's consent, that the merger would qualify as a reorganization under Section 368(a) of the Code for federal income tax purposes. In addition, Credit Suisse assumed, with NRG's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on NRG, GenOn or the contemplated benefits of the merger, that the merger would be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement thereof, and no adverse effect would result in the event that the merger was effected through an alternative structure as permitted under the terms of the merger agreement. Representatives of NRG advised Credit Suisse, and Credit Suisse also assumed, that the terms of the merger agreement, when executed, would conform in all material respects to the terms reflected in the execution version of the merger agreement reviewed by Credit Suisse. In addition, Credit Suisse was not requested to make, and it did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of NRG or GenOn, nor was Credit Suisse furnished with any such evaluations or appraisals.

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Credit Suisse's opinion addressed only the fairness, from a financial point of view and as of the date of its opinion, to NRG of the exchange ratio provided for in the merger and did not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise, including, without limitation, the form or structure of the merger or the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the exchange ratio or otherwise. Furthermore, no opinion, counsel or interpretation was intended regarding matters that require legal, regulatory, accounting, tax or similar professional advice. It was assumed that such opinions, counsel, interpretations or advice had been or would be obtained from appropriate professional sources. The issuance of Credit Suisse's opinion was approved by Credit Suisse's authorized internal committee.

Credit Suisse's opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market and other conditions as they existed and could be evaluated on that date and upon certain assumptions regarding such financial, economic, market and other conditions. Credit Suisse did not express any opinion as to what the value of shares of NRG common stock actually would be when issued to the holders of GenOn common stock pursuant to the merger or the prices at which shares of NRG common stock or GenOn common stock would trade at any time.

In preparing its opinion to the NRG Board, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse's analyses described below is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. Credit Suisse arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of NRG and GenOn. No company, transaction or business used in Credit Suisse's analyses is identical to NRG, GenOn or the proposed merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse was not requested to, and it did not, recommend the specific consideration payable in the proposed merger, which exchange ratio was determined through negotiations between NRG and GenOn, and the decision to enter into the merger agreement was solely that of the NRG Board. Credit Suisse's opinion and financial analyses were only one of many factors considered by the NRG Board in

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its evaluation of the proposed merger and should not be viewed as determinative of the views of NRG's board of directors or management with respect to the merger or the exchange ratio.

The following is a summary of the material financial analyses reviewed with the NRG Board on July 20, 2012 in connection with Credit Suisse's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse's financial analyses.** For purposes of the financial analyses summarized below, the term "implied price per share" refers to the implied equity value per share for GenOn of \$2.20 based on the 0.1216 exchange ratio and NRG's closing stock price of \$18.10 per share on July 19, 2012.

*Selected Companies Analyses.* Credit Suisse performed separate selected companies analyses of NRG and GenOn utilizing financial and stock market data of NRG, GenOn and Calpine Corporation, referred to as Calpine. Credit Suisse reviewed, among other things, enterprise values, calculated as equity values based on closing stock prices on July 19, 2012 plus debt, leases, minority interest and preferred stock less cash, as a multiple of calendar years 2012, 2013 and 2014 estimated earnings before interest, taxes, depreciation and amortization, referred to as EBITDA. Based on publicly available research analysts' estimates, the overall low and high estimated EBITDA multiples observed for the selected companies for calendar year 2012 were 7.5x and 10.1x, respectively, for calendar year 2013 were 5.9x and 9.1x, respectively, and for calendar year 2014 were 6.2x and 8.9x, respectively.

*NRG.* In performing a selected companies analysis of NRG, Credit Suisse applied selected ranges of calendar years 2012, 2013 and 2014 EBITDA multiples of 7.0x to 8.0x, 7.0x to 8.0x and 8.0x to 8.5x, respectively, derived from the selected companies to corresponding data of NRG based on internal estimates of NRG's management, which indicated an approximate implied equity value per share reference range for NRG of \$16.02 to \$22.46, as compared to NRG's closing stock price of \$18.10 per share on July 19, 2012.

*GenOn.* In performing a selected companies analysis of GenOn, Credit Suisse applied selected ranges of calendar years 2012, 2013 and 2014 EBITDA multiples of 8.0x to 8.5x, 5.5x to 7.5x and 5.5x to 7.5x, respectively, derived from the selected companies to corresponding data of GenOn based on internal estimates of GenOn's management, which indicated an approximate implied equity value per share reference range for GenOn of \$1.63 to \$3.22, as compared to the \$2.20 implied price per share.

Based on the implied equity value per share reference ranges described above, Credit Suisse calculated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Merger Exchange Ratio
0.0728x - 0.2012x	0.1216

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*Selected Transactions Analysis.* Credit Suisse reviewed publicly available financial terms of the following nine publicly announced selected utility sector transactions:

Announcement Date	Acquiror	Target
4/28/2011	Exelon Corporation	Constellation Energy Group, Inc.
8/13/2010	The Blackstone Group L.P.	Dynegy Inc.
4/21/2010	Calpine Corporation	Conectiv, LLC
4/11/2010	RRI Energy, Inc.	Mirant Corporation
2/11/2010	FirstEnergy Corp.	Allegheny Energy, Inc.
10/19/2008	Exelon Corporation	NRG
2/25/2007	Texas Pacific Group and Kohlberg Kravis Roberts & Co.	TXU Corp.
5/30/2006	Mirant Corporation	NRG
10/5/2005	NRG	Texas GenCo LLC

Credit Suisse reviewed transactions values of the selected transactions, calculated as enterprise values of the target companies based on announced transaction equity prices plus debt, minority interest and preferred stock less cash, as a multiple of such target companies' latest 12 months EBITDA. Based on publicly available information at the time of announcement of the relevant transaction, the overall low, mean, median and high latest 12 months EBITDA multiples observed for the selected transactions were 5.8x, 7.5x, 7.5x and 8.9x, respectively. In calculating an implied equity value per share reference range for GenOn, Credit Suisse applied a selected range of latest 12 months EBITDA multiples of 7.5x to 9.0x derived from the selected transactions to GenOn's latest 12 months (as of March 31, 2012) EBITDA based on GenOn's public filings and estimates of GenOn's management, which indicated an approximate implied equity value per share reference range for GenOn of \$1.81 to \$2.80, as compared to the \$2.20 implied price per share. Based on the implied equity value per share reference range for GenOn described above and NRG's closing stock price of \$18.10 per share on July 19, 2012, Credit Suisse calculated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range	Merger Exchange Ratio
0.0998x - 0.1546x	0.1216

*Discounted Cash Flow Analyses.* Credit Suisse performed separate discounted cash flow analyses of NRG and GenOn based on internal estimates of the managements of NRG and GenOn reflecting alternative natural gas and power pricing assumptions for the terminal year, referred to as "case 1" and "case 2" projections, which cases were the same for calendar years 2013 through 2016 and, under the case 1 projections, reflected natural gas and power pricing estimates of such managements for the terminal year and, under the case 2 projections, reflected natural gas and power pricing estimates based on commodity price curves (as of May 22, 2012) for the terminal year. Credit Suisse also performed these discounted cash flow analyses before and after taking into account estimates of potential synergies to be realized upon consummation of the merger prepared by the managements of NRG and GenOn both assuming that cost synergies were allocated 72% to GenOn and 28% to NRG and asset optimization synergies were allocated 100% to GenOn per NRG management, referred to as the NRG management-allocated synergies, and that net synergies were allocated 29% to GenOn and 71% to NRG per the pro forma equity ownership split of the combined company following consummation of the merger based on the merger exchange ratio, referred to as ownership-allocated

synergies.

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*NRG.* In performing a discounted cash flow analysis of NRG, Credit Suisse calculated the estimated present value of the (a) standalone unlevered, after-tax free cash flows that NRG (excluding NRG's solar business) was forecasted to generate during fiscal years ending December 31, 2013 through December 31, 2016 and the terminal year, (b) net operating loss carryforwards and other tax benefits expected to be realized by NRG and (c) levered cash distributions and potential tax benefits to NRG that NRG's solar business was forecasted to generate during fiscal years ending December 31, 2013 through December 31, 2044. Credit Suisse calculated terminal values for NRG (excluding NRG's solar business) by applying to NRG's terminal year estimated EBITDA a selected range of EBITDA terminal value multiples of 7.0x to 8.0x. The present values (as of December 31, 2012) of the cash flows, terminal values and potential tax benefits were then calculated using discount rates ranging from 7.0% to 8.5%. The present values (as of December 31, 2012) of the cash distributions and tax benefits to NRG from NRG's solar business were calculated using discount rates ranging from 14% to 16%. This analysis indicated approximate implied equity value per share reference ranges for NRG based on the case 1 projections of \$36.98 to \$47.36 (without synergies), \$38.29 to \$48.90 (with NRG management-allocated synergies) and \$42.24 to \$53.59 (with ownership-allocated synergies) and based on the case 2 projections of \$17.65 to \$25.05 (without synergies), \$19.12 to \$26.70 (with NRG management-allocated synergies) and \$23.48 to \$32.61 (with ownership-allocated synergies), as compared to NRG's closing stock price of \$18.10 per share on July 19, 2012.

*GenOn.* In performing a discounted cash flow analysis of GenOn, Credit Suisse calculated the estimated present value of the (a) standalone unlevered, after-tax free cash flows that GenOn was forecasted to generate during fiscal years ending December 31, 2013 through December 31, 2016 and the terminal year and (b) net operating loss carryforwards and other tax benefits expected to be realized by GenOn. Credit Suisse calculated terminal values for GenOn by applying to GenOn's terminal year estimated EBITDA before rent (attributed to operating leases), referred to as EBITDAR, a selected range of EBITDAR terminal value multiples of 8.0x to 9.0x. The present values (as of December 31, 2012) of the cash flows, terminal values, environmental capital expenditures and potential tax benefits, less the present value (as of December 31, 2012) of operating leases, were then calculated using discount rates ranging from 8.5% to 9.5%. This analysis indicated approximate implied equity value per share reference ranges for GenOn based on the case 1 projections of \$3.86 to \$5.08 (without synergies), \$6.03 to \$7.53 (with NRG management-allocated synergies) and \$4.65 to \$5.96 (with ownership-allocated synergies) and based on the case 2 projections of \$1.34 to \$2.17 (without synergies), \$3.78 to \$4.90 (with NRG management-allocated synergies) and \$2.35 to \$3.29 (with ownership-allocated synergies), as compared to the \$2.20 implied price per share.

Based on the implied equity value per share reference ranges described above, Credit Suisse calculated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

<b>Implied Exchange Ratio Reference Ranges</b>			
<b>Case 1 Projections</b>			
<b>Without Synergies</b>	<b>With NRG Management-Allocated Synergies</b>	<b>With Ownership-Allocated Synergies</b>	<b>Merger Exchange Ratio</b>
0.0816x - 0.1375x	0.1232x - 0.1968x	0.0867x - 0.1411x	0.1216
<b>Case 2 Projections</b>			
<b>Without Synergies</b>	<b>With NRG Management-Allocated Synergies</b>	<b>With Ownership-Allocated Synergies</b>	
0.0535x - 0.1227x	0.1417x - 0.2564x	0.0720x - 0.1400x	

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*Other Information.* Credit Suisse also noted for the NRG Board certain additional factors that were not considered part of Credit Suisse's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

premiums paid in selected all-stock transactions announced between January 1, 2007 and July 19, 2012 involving pro forma equity ownership of the target companies upon consummation of such transactions of up to approximately 40% which, after applying a selected range of premiums based on the observed mean premiums of 22.6% and 30.8% derived from the closing stock prices of the target companies one-trading day and one week prior to public announcement of the relevant transactions to GenOn's closing stock prices on July 19, 2012 and July 13, 2012, respectively, indicated an approximate implied equity value per share reference range for GenOn of \$2.29 to \$2.34 and, based on such implied equity value per share reference range for GenOn and NRG's closing stock of \$18.10 per share on July 19, 2012, an implied exchange ratio reference range of 0.1267x to 0.1294x;

stock price targets for NRG common stock and GenOn common stock in publicly available Wall Street research analyst reports published following first quarter earnings results, which indicated low and high stock price targets for NRG of approximately \$17.00 to \$28.50 and for GenOn of approximately \$1.40 to \$4.25 and an implied exchange ratio reference range of 0.0491x to 0.2500x;

historical trading prices of NRG common stock and GenOn common stock during the 52-week period ended July 19, 2012, which reflected low and high stock prices for NRG of \$14.29 to \$25.66 per share and for GenOn of \$1.24 to \$4.10 per share;

relative financial contributions to the estimated financial performance of the pro forma combined company based on NRG's calendar years 2013 through 2016 and terminal year estimated EBITDA and GenOn's calendar years 2013 through 2016 and terminal year estimated EBITDAR utilizing the case 1 and case 2 projections both before and after taking into account NRG management-allocated synergies, which indicated aggregate equity ownership percentages in the combined company attributed to NRG of approximately 38.2% to 81.4% and to GenOn of approximately 18.6% to 61.8% and an overall implied exchange ratio reference range of 0.0674x to 0.4793x; and

an illustrative discounted cash flow analysis of the pro forma combined company based on the case 1 and case 2 projections including potential net synergies estimated by the managements of NRG and GenOn, performed as described above under the sub-heading "Discounted Cash Flow Analysis" except that Credit Suisse utilized a selected range of EBITDA terminal value multiples of 7.1x to 8.1x and discount rate range of 7.4% to 8.8%, which indicated approximate implied equity value per share reference ranges for the pro forma combined company of \$39.44 to \$50.39 (based on the case 1 projections) and \$20.92 to \$28.77 (based on the case 2 projections).

*Miscellaneous*

NRG selected Credit Suisse to act as its financial advisor in connection with the merger based on Credit Suisse's qualifications, experience, reputation and familiarity with NRG. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

NRG has agreed to pay Credit Suisse for its financial advisory services to NRG in connection with the proposed merger an aggregate fee of \$6 million, \$2 million of which was paid upon announcement of the merger, \$2 million of which is payable upon approval of the merger by the stockholders of NRG



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and GenOn and \$2 million of which is contingent upon completion of the merger. NRG also may, in its sole discretion, pay to Credit Suisse an additional fee of up to \$4 million upon completion of the merger. Credit Suisse or certain of its affiliates may provide financing services to NRG in respect of potential debt offers in connection with the merger, including acting as administrative agent, joint lead bookrunner and joint lead arranger for, and as a lender under, a proposed new \$1.6 billion senior secured term loan facility of NRG to the extent such funds are necessary to consummate such debt offers, and may act as a dealer manager for potential refinancings of certain debt obligations of NRG or GenOn in connection with or related to the merger, for which services Credit Suisse and such affiliates would expect to receive compensation. In addition, NRG has agreed to reimburse Credit Suisse for its expenses, including fees and expenses of legal counsel, and to indemnify Credit Suisse and related parties for certain liabilities and other items, including liabilities under the federal securities laws, arising out of or related to its engagement. Credit Suisse and its affiliates in the past have provided, currently are providing and in the future may provide investment banking and other financial services to NRG, GenOn and their respective affiliates, for which services Credit Suisse and its affiliates have received and would expect to receive compensation, including acting as (i) financial advisor to NRG in connection with certain divestiture transactions in 2012, (ii) joint lead bookrunner, joint lead arranger and documentation agent for, and/or as a lender under, an existing \$1.6 billion senior secured term loan facility and \$2.3 billion senior secured revolving credit facility of NRG, (iii) joint book-running manager for a \$2 billion senior secured notes offering of NRG in 2011, (iv) joint bookrunner, co-lead arranger and co-syndication agent for, and as a lender under, an existing \$700 million senior secured term loan facility and \$788 million senior secured revolving credit facility of GenOn and (v) initial purchaser for a senior notes exchange offer in 2011 and senior notes offering in 2010 of GenOn. Credit Suisse also acted as an initial purchaser in connection with NRG's \$990 million senior notes offering that closed on September 24, 2012, for which services Credit Suisse received compensation. During the past two years, NRG paid Credit Suisse aggregate fees of approximately \$9.6 million for such investment banking services provided to NRG unrelated to the merger. In addition, certain of Credit Suisse's affiliates hold all outstanding shares of NRG's 3.625% convertible preferred stock. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for Credit Suisse's and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of NRG, GenOn and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

*Morgan Stanley & Co. LLC*

Morgan Stanley was retained by NRG to act as its financial advisor and provide a financial opinion in connection with the proposed merger. The NRG Board selected Morgan Stanley to act as NRG's financial advisor based on Morgan Stanley's qualifications, experience and reputation and its knowledge of the business and affairs of NRG. On July 20, 2012, Morgan Stanley rendered its oral opinion, confirmed in writing, to the NRG Board to the effect that, as of that date and based upon and subject to the assumptions made, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its opinion, the exchange ratio provided for in the merger pursuant to the merger agreement was fair from a financial point of view to NRG.

**The full text of Morgan Stanley's written opinion to the NRG Board, dated July 20, 2012, is attached as Annex C to this joint proxy statement/prospectus. Holders of NRG common stock should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Morgan Stanley in rendering the opinion. This summary is qualified in its entirety by reference to the full text of such opinion. Morgan Stanley's opinion was directed to the NRG Board and addressed only the fairness from a financial point of view**

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**to NRG of the exchange ratio provided for in the merger pursuant to the merger agreement as of the date of the opinion and did not address any other aspects of the merger. In addition, Morgan Stanley's opinion did not in any manner address the prices at which shares of NRG common stock or GenOn common stock would trade at any time, or any compensation or compensation agreements arising from the merger which benefit any officer, director or employee of NRG or GenOn, or any class of such persons. The opinion is addressed to the NRG Board and does not constitute a recommendation to any stockholder of NRG on how to vote at any stockholders' meeting to be held in connection with the merger or take any other action with respect to the proposed merger.**

In arriving at its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of NRG and GenOn, respectively;

reviewed certain internal financial statements and other financial and operating data concerning NRG and GenOn, respectively;

reviewed certain financial projections reflecting alternative natural gas and power pricing assumptions prepared by the managements of NRG and GenOn, respectively;

reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger and potential net operating loss carryforwards and other tax benefits expected to be utilized by NRG and GenOn prepared by the managements of NRG and GenOn, respectively;

discussed the past and current operations and financial condition and the prospects of NRG and GenOn, including information relating to certain strategic, financial and operational benefits anticipated from the merger and potential net operating loss carryforwards and other tax benefits expected to be utilized by NRG and GenOn, with senior executives of NRG and GenOn;

reviewed the reported prices and trading activity for NRG common stock and GenOn common stock;

compared the financial performance of NRG and GenOn and the prices and trading activity of NRG common stock and GenOn common stock with that of certain other publicly-traded companies comparable with NRG and GenOn, respectively, and their securities;

reviewed the financial terms, to the extent publicly available, of certain comparable merger and acquisition transactions;

participated in discussions and negotiations among representatives of NRG and GenOn and their advisors;

reviewed an execution version of the merger agreement provided to Morgan Stanley on July 20, 2012; and

performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by NRG and GenOn, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they were reasonably prepared on bases reflecting the best

currently available estimates and judgments of the respective managements of NRG and GenOn of the future financial performance of NRG and GenOn,

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respectively, under the alternative assumptions reflected therein regarding natural gas and power prices. Morgan Stanley relied upon, without independent verification, the assessments of the managements of NRG and GenOn as to: (i) the strategic, financial and other operational benefits expected to result from the merger and potential net operating loss carryforwards and other tax benefits expected to be utilized by NRG and GenOn, including the timing and achievability thereof; (ii) the timing and risks associated with the integration of NRG and GenOn; (iii) the ability to retain key employees of NRG and GenOn, respectively, and (iv) certain market trends and industry assumptions included in the financial projections, including assumptions as to future natural gas, power and relevant commodity prices, which are subject to significant volatility and which, if different than as assumed, could have an adverse impact on Morgan Stanley's analyses or opinion. Morgan Stanley assumed that there would be no developments with respect to any of the foregoing that would be material to its analyses or opinion. In addition, Morgan Stanley assumed that the merger would be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the merger would be treated as a tax-free reorganization pursuant to the Code and no adverse effect would result in the event that the merger was effected through an alternative structure as permitted under the terms of the merger agreement. Morgan Stanley assumed that in connection with the receipt of all necessary governmental, regulatory or other approvals and consents required for the merger, no delays, limitations, conditions or restrictions would be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the merger.

Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessments of NRG and GenOn and their respective advisors with respect to legal, tax and regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of NRG's or GenOn's officers, directors or employees, or any class of such persons, relative to the exchange ratio provided for in the merger or otherwise. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of NRG or GenOn, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of its opinion. Events occurring after the date of its opinion may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with preparation of its opinion to the NRG Board. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's opinion.** For purposes of the financial analyses summarized below, the term "implied price per share" refers to the implied equity value per share for GenOn of \$2.20 based on the 0.1216 exchange ratio and NRG's closing stock price of \$18.10 per share on July 19, 2012.

*Latest 12 Months Trading Range and Historical Trading Ratios.* Morgan Stanley reviewed the historical trading ranges of NRG common stock and GenOn common stock for the latest 12 months ended July 19, 2012. Morgan Stanley noted that, as of July 19, 2012, the closing price of NRG common stock and GenOn common stock was \$18.10 and \$1.87 per share, respectively, and that, for the last

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12 months ended July 19, 2012, the low and high closing prices for NRG and GenOn was approximately \$14.29 and \$25.66 per share and \$1.24 and \$4.10 per share, respectively. Morgan Stanley also calculated the average historical trading ratios of closing prices of GenOn common stock to closing prices of NRG common stock during various periods ended July 19, 2012, which indicated an overall range of approximate average implied historical trading ratios of 0.097x to 0.131x. Morgan Stanley also calculated the low and high historical trading ratios of closing prices of GenOn common stock to closing prices of NRG common stock for the latest 12 months ended July 19, 2012, which indicated an implied exchange ratio reference range of 0.085x to 0.162x, as compared to the 0.1216 exchange ratio provided for in the merger.

*Equity Research Stock Price Targets.* Morgan Stanley reviewed stock price targets for NRG common stock and GenOn common stock prepared and published by equity research analysts. These targets reflected each analyst's estimate of the future public market trading price of NRG common stock and GenOn common stock and were not discounted to present value. Morgan Stanley noted a range of undiscounted stock price targets for NRG common stock and GenOn common stock as of July 19, 2012 of approximately \$17.00 to \$28.50 per share and \$1.40 to \$4.25 per share, respectively, which indicated an implied exchange ratio reference range of 0.049x to 0.250x, as compared to the 0.1216 exchange ratio provided for in the merger. The public market trading price targets published by securities research analysts do not necessarily reflect current market trading prices for NRG common stock and GenOn common stock and these estimates are subject to uncertainties, including the future financial performance of NRG and GenOn and future financial market conditions.

*Selected Public Companies Analyses.* Morgan Stanley reviewed and compared, using publicly available information, certain future financial information for NRG and GenOn corresponding to future financial information, ratios and public market multiples of each other and Calpine, which company shares similar business characteristics with NRG and GenOn. Morgan Stanley reviewed for comparative purposes, among other things, the ratio of the aggregate value, defined as market capitalization plus total debt, leases, preferred stock and minority interest less cash, to calendar years 2013 and 2014 estimated EBITDA excluding marked-to-market values of hedges, referred to as adjusted EBITDA. Based on publicly available research analysts' estimates, the overall low, mean, median and high estimated adjusted EBITDA multiples observed for the selected companies for calendar year 2013 were 5.9x, 7.6x, 7.8x and 9.0x, respectively, and for calendar year 2014 were 6.4x, 7.9x, 8.2x and 9.0x, respectively. Morgan Stanley applied representative ranges of financial multiples of 6.5x to 8.0x derived from the selected companies to NRG's and GenOn's respective calendar years 2013 and 2014 estimated adjusted EBITDA based on consensus Wall Street research analyst estimates, referred to as street consensus, and internal estimates of the managements of NRG and GenOn, referred to as management projections.

*NRG.* The selected companies analysis of NRG indicated approximate implied equity value per share reference ranges for NRG common stock based on calendar year 2013 estimated adjusted EBITDA of \$10.36 to \$21.91 (utilizing street consensus estimates) and \$10.81 to \$22.46 (utilizing management projections) and based on calendar year 2014 estimated adjusted EBITDA of \$7.95 to \$18.95 (utilizing street consensus estimates) and \$11.40 to \$23.19 (utilizing management projections), as compared to NRG's closing stock price of \$18.10 per share on July 19, 2012.

*GenOn.* The selected companies analysis of GenOn indicated approximate implied equity value per share reference ranges for GenOn common stock based on calendar year 2013 estimated adjusted EBITDA of \$2.35 to \$3.63 (utilizing street consensus estimates) and \$2.60 to \$3.95 (utilizing management projections) and based on calendar year 2014 estimated adjusted EBITDA of \$1.94 to \$3.13 (utilizing street consensus estimates) and \$3.12 to \$4.59 (utilizing management projections), as compared to the \$2.20 implied price per share.

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Based on the implied equity value per share reference ranges described above, Morgan Stanley calculated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

<b>Implied Exchange Ratio Reference Range Based on:</b>		
<b>2013 Adjusted EBITDA</b>	<b>2014 Adjusted EBITDA</b>	<b>Merger Exchange Ratio</b>
0.116x - 0.366x	0.135x - 0.403x	0.1216

No company utilized in this analysis is identical to NRG or GenOn. In evaluating the selected companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of NRG and GenOn, such as the impact of competition on the businesses of NRG and GenOn and on the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of NRG, GenOn or the industry or in the financial markets in general, which could affect the public trading value of the companies selected for comparison. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using selected company data.

*Selected Precedent Transactions Analysis and Premiums Paid.* Morgan Stanley reviewed the purchase prices paid and calculated the ratio of aggregate value to one fiscal year forward and two fiscal years forward adjusted EBITDA based on publicly available information in the following seven publicly announced selected utility sector transactions:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
4/28/11	Exelon Corporation	Constellation Energy Group, Inc.
8/13/10	The Blackstone Group L.P.	Dynegy Inc.
4/21/10	Calpine Corporation	Conectiv, LLC
4/11/10	RRI Energy, Inc.	Mirant Corporation
2/11/10	FirstEnergy Corp.	Allegheny Energy, Inc.
2/26/07	Texas Pacific Group and Kohlberg Kravis Roberts & Co.	TXU Corp.
10/2/05	NRG	Texas GenCo LLC

Based on publicly available information, the overall observed low, mean, median and high one fiscal year forward adjusted EBITDA multiples were 5.4x, 7.3x, 6.7x and 9.0x, respectively, and two fiscal years forward adjusted EBITDA multiples were 6.5x, 8.1x, 7.1x and 11.5x, respectively, for the selected transactions. Based on its review of these selected transactions utilizing public filings and other publicly available information, Morgan Stanley applied a representative range of financial multiples of one fiscal year forward adjusted EBITDA of 7.0x to 9.0x derived from the selected transactions to GenOn's calendar year 2013 estimated adjusted EBITDA based on internal estimates of GenOn's management. The selected precedent transactions analysis of GenOn indicated an approximate implied equity value per share reference range for GenOn common stock of \$2.41 to \$4.20, as compared to the \$2.20 implied price per share.

Morgan Stanley also reviewed the premiums paid to the target companies' closing stock prices one trading day prior to the announcement date for such selected precedent transactions. Based on publicly available information, the overall observed low, mean, median and high one trading-day premiums paid in such selected transactions were 4.4%, 25.2%, 15.4% and 62.0%, respectively. Morgan Stanley applied a selected premium range of 20% to 30% to GenOn's closing stock price on July 19, 2012, which indicated an approximate implied equity value per share reference range for GenOn common stock of \$2.24 to \$2.43, as compared to the \$2.20 implied price per share.



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No company or transaction utilized in this analysis is identical to GenOn or the merger. In evaluating the selected precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of GenOn, such as the impact of competition on the business of GenOn or the industry generally, industry growth and the absence of any material adverse change in the financial condition and prospects of GenOn or the industry or in the financial markets in general, which could affect the public trading value of the companies and the value of the transactions selected for comparison. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using selected transaction data.

*Discounted Cash Flow Analysis.* Morgan Stanley performed a discounted cash flow analysis of each of NRG and GenOn, which is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and terminal value of the company. Morgan Stanley calculated a range of implied equity values per share for NRG common stock and GenOn common stock based on estimates of future cash flows for calendar years 2013 through 2016 and the terminal year utilizing internal estimates of the managements of NRG and GenOn reflecting alternative natural gas and power pricing assumptions for the terminal year, referred to as the "case 1" and "case 2" projections, which cases were the same for calendar years 2013 through 2016 and, under the case 1 projections, reflected natural gas and power pricing estimates of such managements for the terminal year and, under the case 2 projections, reflected natural gas and power pricing estimates based on commodity price curves (as of May 22, 2012) for the terminal year.

*NRG.* In performing a discounted cash flow analysis of NRG, Morgan Stanley first calculated the estimated unlevered free cash flows of NRG's generation and retail businesses and net operating loss carryforwards and other tax benefits expected to be realized by NRG and then calculated a terminal value for NRG's generation and retail businesses by applying to terminal year estimated adjusted EBITDA for such businesses a selected range of EBITDA terminal value multiples of 7.0x to 8.0x. These values and potential tax benefits were then discounted to present value as of December 31, 2012 utilizing a range of discount rates of 7.5% to 8.5%. Morgan Stanley also calculated the present values (as of December 31, 2012) of the levered cash distributions and tax benefits to NRG from NRG's solar business using a discount rate of 15%. This analysis indicated approximate implied equity value per share reference ranges for NRG common stock of \$38.97 to \$48.80 (based on the case 1 projections) and \$19.99 to \$26.28 (based on the case 2 projections), as compared to NRG's closing stock price of \$18.10 per share on July 19, 2012.

*GenOn.* In performing a discounted cash flow analysis of GenOn, Morgan Stanley first calculated GenOn's estimated unlevered free cash flows and net operating loss carryforwards and other tax benefits expected to be realized by GenOn and then calculated a terminal value for GenOn by applying to GenOn's terminal year estimated adjusted EBITDA a selected range of EBITDA terminal value multiples of 7.5x to 8.5x. These values and potential tax benefits were then discounted to present value as of December 31, 2012 utilizing a range of discount rates of 8.5% to 9.5%. This analysis indicated approximate implied equity value per share reference ranges for GenOn common stock of \$4.01 to \$5.28 (based on the case 1 projections) and \$1.36 to \$2.18 (based on the case 2 projections), as compared to the \$2.20 implied price per share.

Based on the implied equity value per share reference ranges described above, Morgan Stanley calculated the following implied exchange ratio reference ranges both before and after taking into account estimates of potential synergies to be realized upon consummation of the merger prepared by



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the managements of NRG and GenOn assuming that such synergies were allocated equally to NRG and GenOn, as compared to the exchange ratio provided for in the merger:

<b>Implied Exchange Ratio Reference Ranges</b>		
<b>Case 1 Projections</b>		
<b>Without Synergies</b>	<b>With Synergies</b>	<b>Merger Exchange Ratio</b>
0.082x - 0.135x	0.097x - 0.155x	0.1216

<b>Case 2 Projections</b>	
<b>Without Synergies</b>	<b>With Synergies</b>
0.052x - 0.109x	0.083x - 0.148x

*Pro Forma Discounted Cash Flow Analysis.* Morgan Stanley performed a discounted cash flow analysis of the pro forma combined company based on the case 1 and case 2 projections including potential net synergies estimated by the managements of NRG and GenOn, which was performed as described above under the sub-heading "Discounted Cash Flow Analysis NRG" and indicated approximate implied equity value per share reference ranges for the pro forma combined company of \$41.34 to \$52.18 (based on the case 1 projections) and \$21.72 to \$29.00 (based on the case 2 projections), as compared to NRG's closing stock price of \$18.10 per share on July 19, 2012.

*Relative Contributions.* Morgan Stanley reviewed relative financial contributions to the estimated financial performance of the pro forma combined company based on NRG's and GenOn's respective calendar years 2013 through 2016 estimated adjusted EBITDA utilizing internal estimates of the managements of NRG and GenOn before taking into account estimates of potential synergies, which indicated aggregate equity ownership percentages in the combined company attributed to NRG of approximately 70% to 79% and to GenOn of approximately 21% to 30% and indicated an overall implied exchange ratio reference range of 0.079x to 0.124x. Morgan Stanley also reviewed the relative contributions after taking into account estimates of potential synergies to be realized upon consummation of the merger prepared by the managements of NRG and GenOn without allocation between NRG and GenOn, which indicated aggregate equity ownership percentages in the combined company attributed to NRG of approximately 63% to 71%, to GenOn of 19% to 27% and to such estimated synergies of 8% to 10%.

*General*

Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of NRG or GenOn. In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business, regulatory, economic, market and financial conditions and other matters. Many of these assumptions are beyond the control of NRG and GenOn. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

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Morgan Stanley conducted the analyses described above in connection with its opinion to the NRG Board as to the fairness from a financial point of view to NRG of the exchange ratio provided for in the merger pursuant to the merger agreement. These analyses do not purport to be appraisals or to reflect prices at which the NRG common stock or GenOn common stock might actually trade.

The exchange ratio was determined through negotiations between NRG and GenOn and was approved by the NRG Board. Morgan Stanley acted as financial advisor to NRG during these negotiations. Morgan Stanley did not, however, recommend any specific exchange ratio to NRG or that any specific exchange ratio constituted the only appropriate consideration for the merger.

Morgan Stanley's opinion and its presentation to the NRG Board were one of many factors taken into consideration by the NRG Board in its evaluation of the proposed merger. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the NRG Board with respect to the exchange ratio or whether the NRG Board would have been willing to recommend a different exchange ratio or other merger consideration.

Morgan Stanley acted as financial advisor to NRG in connection with the merger and will receive an aggregate fee of \$6 million, \$2 million of which was paid upon announcement of the merger, \$2 million of which is payable upon approval of the merger by the stockholders of NRG and GenOn and \$2 million of which is contingent upon completion of the merger. NRG also may, in its sole discretion, pay to Morgan Stanley an additional fee of up to \$4 million upon completion of the merger. Morgan Stanley or certain of its affiliates may provide financing services to NRG in respect of potential debt offers in connection with the merger, including acting as administrative agent, joint lead bookrunner and joint lead arranger for, and as a lender under, a proposed new \$1.6 billion senior secured term loan facility of NRG to the extent such funds are necessary to consummate such debt offers, and may act as a dealer manager for potential refinancings of certain debt obligations of NRG or GenOn in connection with or related to the merger, for which services Morgan Stanley and such affiliates would expect to receive compensation. In addition to the fees described above, NRG also has agreed to reimburse Morgan Stanley for its expenses incurred in performing its services, including fees, disbursements and other charges of counsel. In addition, NRG has agreed to indemnify Morgan Stanley and its affiliates, their respective officers, directors, employees and agents and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement. Morgan Stanley and its affiliates in the past have provided, currently are providing and in the future may provide investment banking and other financial services to NRG, GenOn and their respective affiliates, for which services Morgan Stanley and its affiliates have received and would expect to receive compensation, including acting as: (i) financial advisor to NRG in connection with certain divestiture transactions in 2012, (ii) joint lead bookrunner, joint lead arranger and documentation agent for, and as a lender under, an existing \$1.6 billion senior secured term loan facility and \$2.3 billion senior secured revolving credit facility of NRG in 2011, (iii) joint lead bookrunner for a \$2 billion senior secured notes offering of NRG in 2011, (iv) financial advisor to RRI Energy, Inc. in connection with its merger with Mirant Corporation in 2010 through which GenOn Energy was formed, and (v) joint bookrunner, co-lead arranger and co-syndication agent for, and as a lender under, an existing \$700 million senior secured term loan facility, \$1.225 billion senior unsecured notes offering and \$788 million senior secured revolving credit facility of GenOn in 2010 and 2011. Morgan Stanley also acted as an initial purchaser in connection with NRG's \$990 million senior notes offering that closed on September 24, 2012, for which services Morgan Stanley received compensation. During the past two years, NRG paid Morgan Stanley aggregate fees of approximately \$18.1 million for such investment banking services provided to NRG unrelated to the merger. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors

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and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of NRG, GenOn or any other company, or any currency or commodity, that may be involved in this transaction, or any related derivative instrument.

**Opinion of GenOn's Financial Advisor**

*Opinion of J.P. Morgan Securities LLC*

In connection with the merger, GenOn retained J.P. Morgan to act as GenOn's financial advisor and to provide a financial opinion to the GenOn Board. At a meeting of the GenOn Board held on July 20, 2012, J.P. Morgan rendered to the GenOn Board an oral opinion, confirmed by delivery of a written opinion, dated July 20, 2012, to the effect that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the exchange ratio provided in the merger was fair, from a financial point of view, to holders of GenOn common stock. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The full text of the written opinion of J.P. Morgan, dated July 20, 2012, which sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on the opinion and the review undertaken in connection with rendering its opinion, is attached as Annex D to this proxy statement/prospectus and is incorporated herein by reference. **J.P. Morgan's written opinion was provided to the GenOn Board (solely in its capacity as such) in connection with its evaluation of the merger and addressed only the fairness, from a financial point of view, of the exchange ratio and no other matters. The opinion does not constitute a recommendation to any stockholder as to how any stockholder should vote with respect to the proposed merger or any other matter. The summary of the opinion of J.P. Morgan set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion.**

In arriving at its opinion, J.P. Morgan, among other things:

reviewed the merger agreement;

reviewed certain publicly available business and financial information concerning GenOn and NRG and the industries in which they operate;

compared the proposed financial terms of the merger with the publicly available financial terms of certain transactions involving companies that J.P. Morgan deemed relevant and the consideration paid for such companies;

compared the financial and operating performance of GenOn and NRG with publicly available information that J.P. Morgan deemed relevant and reviewed the current and historical market prices of GenOn common stock and the NRG common stock;

reviewed certain internal financial analyses and forecasts prepared by the managements of GenOn and NRG relating to their respective businesses, as well as the estimated amount and timing of the cost savings and related expenses and synergies expected to result from the merger (the "Synergies"); and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan also held discussions with certain members of the management of GenOn and NRG with respect to certain aspects of the merger, and the past and current business operations of GenOn and NRG, the financial condition and future prospects and operations of GenOn and NRG, the effects of the merger on the financial condition and future prospects of GenOn and NRG, and certain other matters that J.P. Morgan believed necessary or appropriate to its inquiry.



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In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by GenOn or NRG or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan did not independently verify (nor has J.P. Morgan assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan did not conduct and was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of GenOn or NRG under any state or federal laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, including the Synergies, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of GenOn or NRG to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts (including the Synergies) or the assumptions on which they were based. J.P. Morgan also assumed that the merger and the other transactions contemplated by the merger agreement would qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the merger agreement. J.P. Morgan also assumed that the representations and warranties made by GenOn or NRG in the merger agreement and the related agreements are and will be true and correct in all respects material to J.P. Morgan's analysis. J.P. Morgan is not a legal, regulatory or tax expert and has relied on the assessments made by advisors to GenOn with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger would be obtained without any adverse effect on GenOn or NRG or on the contemplated benefits of the proposed merger.

J.P. Morgan's opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of its opinion. J.P. Morgan opinion notes that subsequent developments may affect J.P. Morgan's opinion and that J.P. Morgan does not have any obligation to update, revise, or reaffirm its opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, to the holders of GenOn common stock of the exchange ratio in the proposed merger and J.P. Morgan expresses no opinion as to the fairness of any consideration to be paid in connection with the merger to the holders of any other class of securities, creditors or other constituencies of GenOn or as to the underlying decision by GenOn to engage in the proposed merger. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the merger, or any class of such persons relative to the exchange ratio applicable to the holders of GenOn common stock in the merger or with respect to the fairness of any such compensation. J.P. Morgan expresses no opinion herein as to the price at which GenOn common stock or the NRG common stock will trade at any future time. In connection with J.P. Morgan's engagement with respect to the merger, J.P. Morgan was not authorized to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of GenOn or any other alternative transaction.

The terms of the merger agreement, including the consideration to be received by holders of GenOn common stock in the merger, were determined through negotiation between GenOn and NRG, and the decision to enter into the merger agreement was solely that of the GenOn Board and the NRG Board. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the GenOn Board in its evaluation of the proposed merger and should not be viewed as determinative of the views of the GenOn Board or management with respect to the proposed merger or the exchange ratio, the value of GenOn or NRG or whether the GenOn Board would have been willing to agree to different or other forms of consideration.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodologies in connection with its opinion. The following is a summary of the material financial analyses used by J.P. Morgan in connection with providing its opinion and does not purport to be a complete description of the analyses or data presented by J.P. Morgan. **Some of the**

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summaries of the financial analyses include information presented in tabular format. To fully understand the financial analyses, the tables should be read together with the text of each summary. Considering the data set forth in the tables without considering the narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses. In connection with J.P. Morgan's financial analyses described below, J.P. Morgan was provided with financial forecasts relating to GenOn and NRG prepared by the managements of GenOn and NRG based on May 22, 2012 forward commodity price curves.

*Discounted Cash Flow Financial Analyses*

*GenOn Discounted Cash Flow Analysis.* J.P. Morgan performed a discounted cash flow analysis to estimate the present value of the unlevered free cash flows that GenOn is projected to generate for fiscal years 2013 through 2016. Unlevered cash flows for GenOn were based on estimated earnings before interest taxes, depreciation, amortization and operating lease expenses, referred to as EBITDAR, excluding the value of hedge positions, referred to as Open EBITDAR, adjusted for the cash value of realized hedges, capital expenditures and changes in working capital. In performing its analysis of GenOn, J.P. Morgan relied on estimates provided by GenOn management both (i) increasing terminal EBITDAR for incremental PJM capacity payments expected to be fully realized by 2018/2019 PJM auction and decreasing firm value to account for the phase in of the incremental capacity payments between 2016 and 2018/2019, which is referred herein as the GenOn base case, and (ii) without such adjustment to terminal EBITDAR and firm value, which is referred herein as the GenOn downside case.

J.P. Morgan calculated a range of terminal values for GenOn by applying a selected range of terminal value multiples of 7.5x to 8.5x to GenOn's estimated terminal year Open EBITDAR, which was based on a 2.0% escalation of the 2016 projection. The unlevered free cash flows and range of terminal values were then discounted to present value as of January 1, 2013 using a selected range of discount rates of 8.5% to 9.5%. J.P. Morgan then subtracted out the net present value of estimated environmental capital expenditures for 2018-2021 and out-of-the-money gas transportation contracts, and added the net present value of net operating loss, or NOL, usage for all years, in each case using a discount rate of 9.0%, to calculate a firm value for GenOn. After subtracting debt and the present value of operating leases using a 9.0% discount rate, and adding cash and cash equivalents, this analysis implied the following approximate per share equity value reference ranges for GenOn, as compared to GenOn's closing stock price of \$1.82 on July 20, 2012:

	Implied per Share Equity Value	Per Share Price of GenOn as of close of market on July 20, 2012
<b>GenOn Base Case</b>	\$2.95 - \$4.00	\$ 1.82
<b>GenOn Downside Case</b>	\$1.90 - \$2.75	\$ 1.82

*NRG Discounted Cash Flow Analysis.* Given the different nature of the businesses in which NRG participates, J.P. Morgan analyzed NRG as the sum of its constituent businesses, or as the "sum-of-the-parts," and performed a discounted cash flow analysis on each of NRG's constituent business segments. In performing its analysis of NRG, J.P. Morgan utilized both a base case and downside case derived from NRG management estimates. In the NRG base case, J.P. Morgan, in accordance with guidance from GenOn management, increased terminal earnings before interest, taxes, depreciation and taxes, which we refer herein to as EBITDA, for incremental PJM capacity payments expected to be fully realized by 2018/2019 PJM auction and decreased firm value to account for the phase in of the incremental capacity payments between 2016 and 2018/2019. In the NRG downside case, J.P. Morgan (i) did not include any adjustments to NRG's terminal EBITDA and firm value with respect to incremental PJM capacity payments, and (ii) decreased EBITDA attributable to NRG's retail business for years 2013-2016 and the terminal year per guidance provided by GenOn management.

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For the NRG sum-of-the-parts analysis, J.P. Morgan performed discounted cash flow analyses on the following business units with the noted assumptions and considerations:

*Generation.* J.P. Morgan performed a discounted cash flow analysis to estimate the present value of the unlevered free cash flows that the generation business unit is projected to generate for fiscal years 2013 through 2016. Unlevered cash flows for the generation business unit were based on estimated Open EBITDA, adjusted for the cash value of realized hedges, capital expenditures and changes in working capital. J.P. Morgan calculated a range of terminal values for the generation business unit by applying a selected range of terminal value multiples of 7.5x to 8.5x to NRG's estimated terminal year Open EBITDA, which was based on a 2.0% escalation of the 2016 projection. The unlevered free cash flows and range of terminal values were then discounted to present value as of January 1, 2013 using a selected range of discount rates of 7.5% to 8.5%.

*Retail.* J.P. Morgan performed a discounted cash flow analysis to estimate the present value of the unlevered free cash flows that the retail business unit is projected to generate for fiscal years 2013 through 2016. Unlevered cash flows for the retail business unit were based on estimated EBITDA, adjusted for capital expenditures and changes in working capital. J.P. Morgan calculated a range of terminal values for the retail business unit by applying a selected range of terminal value multiples of 5.5x to 6.5x to NRG's retail business unit estimated terminal year EBITDA, which was based on 2.0% escalation of the 2016 projection. The unlevered free cash flows and range of terminal values were then discounted to present value as of January 1, 2013 using a selected range of discount rates of 8.75% to 10.25%.

*Solar.* J.P. Morgan performed a discounted cash flow analysis to estimate the present value of project lifecycle cash flows to equity that the solar business unit is projected to generate for the next 32 years. Unlevered cash flows to equity for the retail business unit were based on estimated EBITDA, adjusted for financing, third party contributions and distributions, and solar tax benefit adjustments. These cash flows to equity were then discounted to present value as of January 1, 2013 using a selected cost of equity range of 8.5% to 9.5%.

J.P. Morgan then subtracted from the aggregated firm values of the business units calculated above the net present value of estimated 2017 environmental capital expenditures and certain recoveries of capital expenditures from co-ops after 2016 net of taxes, and added the net present value of NOL usage for all years, in each case using a discount rate of 8.0%, to calculate a firm value for NRG. After subtracting debt and preferred stock and adding cash, this analysis implied the following approximate per share equity value reference ranges for NRG, as compared to NRG's closing stock price of \$18.05 of July 20, 2012:

	<b>Implied per Share Equity Value</b>	<b>Per Share Price of NRG as of close of market on July 20, 2012</b>
Base Case	\$25.30 - \$33.05	\$ 18.05
Downside Case	\$16.15 - \$22.15	\$ 18.05

*Relative Valuation Considerations*

*GenOn/NRG Discounted Cash Flow Analyses.* J.P. Morgan compared the relative implied per share equity value reference ranges for GenOn and NRG derived from the discounted cash flow analyses described above. J.P. Morgan then calculated an implied exchange ratio reference range by (i) dividing the (x) low to high ends of the implied per share equity value reference range for GenOn based on the GenOn base case by (y) the high to low ends of the implied per share equity value reference range for NRG derived from the NRG base case, which is referred to herein as the discounted cash flow, or DCF, base case, and (ii) dividing the (x) low to high ends of the implied per share equity value reference range for GenOn based on the GenOn downside case (y) by the high to

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low ends of the implied per share equity value reference range for NRG based on the NRG downside case, which is referred to herein as the DCF downside case. This analysis resulted in the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger agreement.

	Implied Exchange Ratio Reference Range	Merger Exchange Ratio
<b>DCF Base Case</b>	0.0899x - 0.1592x	0.1216
<b>DCF Downside Case</b>	0.0849x - 0.1697x	0.1216

J.P. Morgan also calculated the implied relative equity ownership percentage of the GenOn stockholders in the combined company immediately upon completion of the merger based on the implied exchange ratio reference ranges for the DCF base case and the DCF downside case described above. This calculation indicated an implied pro forma equity ownership percentage range for the GenOn stockholders of approximately 23.3% to 35.0% in the DCF base case and 22.3% to 36.4% in the DCF downside case, in each case, as compared to the pro forma equity ownership percentage of GenOn's stockholders of 29.1% in the combined company based on the exchange ratio in the merger.

*Additional Analyses*

*Potential Pro Forma Value Creation.* J.P. Morgan reviewed the implied equity values of GenOn and NRG on a standalone basis derived from the midpoints of the per share equity value reference ranges derived for GenOn and NRG from the respective base case and the downside case discounted cash flow analyses described above. J.P. Morgan added to such implied equity values the net present value of the Synergies estimated by GenOn's management to result from the merger and subtracted the loss of a portion of GenOn's NOLs to calculate the pro forma equity value of the combined company. J.P. Morgan then calculated the value attributable to the proportionate interest of the GenOn stockholders in such implied equity values based on the exchange ratio provided for in the merger agreement. This analysis indicated a potential pro forma value creation for the GenOn stockholders, using the base cases, of approximately 10.4% (relative to the midpoint of the implied equity value of GenOn derived from the GenOn base case discounted cash flow analysis) and, using the downside cases, of approximately 14.5% (relative to the midpoint of the implied equity value of GenOn derived from the GenOn downside case discounted cash flow analysis).

J.P. Morgan also reviewed for informational purposes the implied equity values of GenOn and NRG on a standalone basis derived from their respective closing stock prices on July 20, 2012. J.P. Morgan added to such implied equity values the estimated value of the Synergies estimated by GenOn's management to result from the merger. J.P. Morgan then calculated the value attributable to the proportionate interest of the GenOn stockholders in such implied equity value based on the exchange ratio provided for in the merger agreement. This analysis indicated a pro forma value creation for the GenOn stockholders of approximately 39.1% (relative to the implied equity value of GenOn derived from its closing stock price on July 20, 2012).

*Other Factors.* J.P. Morgan also reviewed for informational purposes certain other factors, including the following:

historical trading prices during the three-month, six-month and twelve-month periods ended July 20, 2012 of \$1.28 to \$2.20, \$1.28 to \$2.62 and \$1.28 to \$4.09, respectively, for GenOn common stock and \$14.84 to \$18.10, \$14.34 to \$18.10 and \$14.34 to \$25.41, respectively, for NRG common stock;

the implied exchange ratio reference range derived from the low to low ends and high to high ends of the historical trading prices of GenOn common stock NRG common stock for the three-month period from April 20 through July 20, 2012 of 0.0863x to 0.1215x;



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Wall street analysts' price targets, based on equity research reports published from May 2012 onwards, for GenOn common stock of \$1.40 to \$4.25 and for NRG common stock of \$17.00 to \$28.50;

Publicly available financial terms of the following eight selected precedent transactions involving merchant and hybrid utilities:

<b>Announcement date</b>	<b>Acquiror</b>	<b>Target</b>
04/28/11	Exelon Corporation	Constellation Energy
04/11/10	RRI Energy	Mirant Corporation
07/02/09	Exelon Corporation	NRG Energy
09/18/08	MidAmerican Energy	Constellation Energy
02/25/07	TPG and KKR	TXU Energy
05/30/06	Mirant Corporation	NRG Energy
12/19/05	FPL Group	Constellation Energy
12/20/04	Exelon Corporation	Public Service Enterprise Group

When applying a selected range of such multiples of 7.5x-8.5x to GenOn's latest 12 months Adjusted EBITDA, referred to as LTM EBITDA, (based on 2012 estimate of GenOn's management), indicated an implied per share equity reference range for GenOn of approximately \$2.00 to \$2.55; and

selected future financial information of NRG and GenOn to illustrate NRG's and GenOn's relative contribution to the combined company after the merger.

### *Miscellaneous*

The summary above of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions thereof, or focusing on information in tabular format, without considering all of its analyses and the narrative description of the analyses, could create an incomplete view of the processes underlying its analyses and opinion. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the results of all of its analyses as a whole and made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses.

Analyses based on forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be bought or sold. None of the selected companies reviewed as described in the above summary is identical to GenOn or NRG, and none of the selected transactions reviewed as described in the above summary was identical to the merger. However, the companies selected were chosen because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of GenOn or NRG. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to GenOn or NRG and the transactions compared to the merger.

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As part of its investment banking and financial advisory business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. J.P. Morgan was selected by GenOn as its financial advisor with respect to the merger on the basis of such experience and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions.

J.P. Morgan has acted as financial advisor to GenOn with respect to the merger and will receive a fee of approximately \$15 million for its services, the entire amount of which is contingent upon completion of the merger. In addition, GenOn has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and to indemnify J.P. Morgan and its affiliates for certain liabilities arising out of its engagement. J.P. Morgan may provide lending and/or investment banking services to the combined company in the future, including in connection with the refinancing transactions contemplated by the merger agreement. During the past two years, J.P. Morgan and its affiliates have had commercial or investment banking relationships with GenOn and NRG. More recently, J.P. Morgan acted as an initial purchaser in connection with NRG's \$990 million senior notes offering that closed on September 24, 2012, for which services J.P. Morgan received compensation. During the past two years, J.P. Morgan and its affiliates have received customary compensation totalling approximately \$49 million in the aggregate. Such services during such period have included acting as (i) Mirant Corporation's financial advisor on its merger with RRI Energy, Inc. to form GenOn in December 2010, (ii) GenOn's bookrunner in its issuance and sale of \$675 million in aggregate principal amount of 9.5% senior unsecured notes due in 2018 and \$550 million in aggregate principal amount of 9.875% senior unsecured notes due in 2020, in each case, in September 2010, (iii) NRG's co-manager in its issuance and sale of \$1.1 billion aggregate principal amount of 8.25% senior notes due 2020 in August 2010, (iv) NRG's bookrunner in its issuance and sale of \$1.2 billion aggregate principal amount of 7.625% senior notes due 2018 in January 2011 and (v) NRG's bookrunner in its issuance and sale of \$2.4 billion aggregate principal amount of 7.375% senior notes due 2016 in May 2011. In addition, J.P. Morgan's commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of GenOn and NRG, for which it receives customary compensation or other financial benefits. In the ordinary course of J.P. Morgan's businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of GenOn and NRG for J.P. Morgan's account or for the accounts of customers and, accordingly, J.P. Morgan may at any time hold long or short positions in such securities.

**Unaudited Financial Forecasts**

NRG and GenOn are including in this joint proxy statement/prospectus certain financial forecasts that NRG and GenOn prepared for their respective boards in connection with the proposed merger. These financial forecasts also were provided to NRG's and GenOn's respective financial advisors. See "The Merger Opinion of NRG's Financial Advisors" beginning on page 58 and "Opinion of GenOn's Financial Advisor" beginning on page 73. The financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP. The inclusion of this information in this joint proxy statement/prospectus should not be regarded as an indication that any of NRG, GenOn or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. The inclusion of the financial forecasts in this joint proxy statement/prospectus shall not be deemed an admission or representation by NRG or GenOn that such information is material.

The financial forecasts of NRG and GenOn included in this joint proxy statement/prospectus were prepared by, and are the responsibility of, NRG management and GenOn management, respectively,

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and are unaudited. Neither NRG's nor GenOn's independent registered public accounting firm, nor any other independent auditors, have compiled, examined or performed any procedures with respect to the prospective financial information contained in the financial forecasts, nor have they expressed any opinion or given any form of assurance on the financial forecasts or their achievability. Furthermore, the financial forecasts:

are based on May 22, 2012 forward curves;

make numerous assumptions, as further described below, many of which are beyond the control of NRG and GenOn and may not prove to be accurate;

do not necessarily reflect revised prospects for NRG's and GenOn's businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than as set forth below; and

should not be regarded as a representation that the financial forecasts will be achieved.

These financial forecasts were prepared by the respective managements of NRG and GenOn based on information they had at the time of preparation and are not a guarantee of future performance. These financial forecasts were, in general, prepared solely for use by NRG's and GenOn's respective boards and financial advisors and are subjective in many respects and thus subject to interpretation. Neither NRG nor GenOn can assure you that their respective financial forecasts will be realized or that their respective future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years and such information by its nature becomes less predictive with each successive year.

The financial forecasts do not take into account any circumstances or events occurring after the date they were prepared. NRG and GenOn do not intend to update or revise the financial forecasts. The financial forecasts are forward-looking statements. For more information on factors which may cause NRG's and GenOn's future financial results to materially vary from those projected in the financial forecasts, see "Cautionary Note Regarding Forward-Looking Statements" beginning on page 32 and "Risk Factors" beginning on page 34.

***NRG Financial Forecasts (Unaudited)***

In the course of their mutual due diligence, NRG provided GenOn with non-public financial forecasts for the years ending December 31, 2013, 2014, 2015 and 2016, which forecasts are collectively referred to as the NRG management case. In addition, the NRG management case, with adjustments as described below, was provided to the NRG Board to assist the NRG Board in its evaluation of the strategic rationale for the merger and was furnished to and used by NRG's financial advisors in connection with their respective financial analyses as described in the section entitled "The Merger Opinions of NRG's Financial Advisors" beginning on page 58. The NRG management case as so adjusted is referred to as the NRG adjusted management case.

The key drivers of NRG's performance are: (1) electric generation supply and demand fundamentals in the regions in which it operates as well as the spread between power and natural gas and coal prices; (2) retail electricity load and margins; and (3) the construction of its solar projects.

Electric generation supply and demand the market's view of supply and demand fundamentals is reflected in power prices which are most affected by the price of natural gas and heat rates. NRG has set forth the ERCOT Houston Zone power prices in the table below as the largest portion of its energy sales occur in ERCOT and best reflected by the prices in and around Houston, Texas. This table also

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includes natural gas and average coal expenditures across the NRG fleet reflecting the market's view on dark spreads.

Retail electricity load and margins the forecasts for NRG's retail businesses are based on current load levels and NRG's forecasted growth for Mass and Commercial & Industrial, or C&I, retail customers. These forecasts are consistent with NRG's realized growth and include sufficient costs to reflect the necessary marketing and operational expenditures to support such growth.

Solar projects consistent with NRG's current investments, these projections include the growth of NRG's solar platform for those projects which we have disclosed publicly that NRG is constructing. These forecasts do not assume any additional solar projects.

For purposes of presentation to GenOn management, NRG management assumed the sale of NRG's remaining interests in the Agua Caliente project and the sell-down of 49% of its interest in the CVSR project.

*NRG Management Case*

	Year Ended December 31,			
	2013E	2014E	2015E	2016E
	(\$ in millions, except for forward price data)			
<b>NRG:</b>				
Adjusted EBITDA <sup>(1)</sup>	\$ 1,689	\$ 1,685	\$ 1,914	\$ 2,055
Capital expenditures, excluding growth investments	393	486	369	227
Growth investments, net of financings <sup>(2)</sup>	207	50	39	33
<b>Forward prices as of May 22, 2012</b>				
NYMEX (\$/mmbtu) <sup>(3)</sup>	\$ 3.62	\$ 3.97	\$ 4.17	\$ 4.37
Coal (\$/mmbtu) <sup>(4)</sup>	\$ 2.22	\$ 2.38	\$ 2.74	\$ 2.84
<b>ERCOT Houston Zone:</b>				
On-peak (5*16)/(\$/MWh)	\$ 47.89	\$ 49.68	\$ 50.81	\$ 51.39
Off-peak (\$/MWh)	\$ 28.21	\$ 29.40	\$ 30.33	\$ 31.17

(1) Adjusted EBITDA is defined as EBITDA (earnings before interest expense, tax, depreciation and amortization) adjusted to exclude certain hedging and certain non-recurring items.

(2) Growth investments include all capital expenditures for NRG's solar and conventional growth platforms, less debt financings and third party equity.

(3) Based on the May 22, 2012 forward curve.

(4) Based on the weighted average cost for all NRG coal plants.

*GenOn's Adjustments to NRG's Management Case*

GenOn's management made adjustments to the financial forecasts provided by NRG. The NRG management case described above under "NRG Financial Forecasts (Unaudited)" was revised to be consistent with GenOn's definition of Adjusted EBITDA and excluded interest income. In addition, a downside case scenario was prepared that decreased estimated Adjusted EBITDA attributable to NRG's retail business by \$7 million in 2013, \$105 million in 2014, \$210 million in 2015 and \$418 million in 2016.

Table of Contents**NRG Adjusted Management Case**

NRG management adjusted the NRG management case in the following primary areas to create the NRG adjusted management case: (a) to assume that NRG would retain its 51% ownership in Agua Caliente and sell-down only 24.5% of its interest in the CVSR project; (b) to reduce NRG's Mass and C&I load growth assumptions in markets NRG provides retail services; and (c) to include NRG management's fundamental view of results for the terminal year which assume markets reach an equilibrium whereby the cost of entry for new generating plants would be achieved, referred to as case 1, and market views for the terminal year based on the May 22, 2012 forward curve, referred to as case 2, resulting in approximately \$2.8 billion (case 1) or \$1.9 billion (case 2) of Adjusted EBITDA in the terminal year. The NRG adjusted management case was prepared for the NRG Board and NRG's financial advisors, and was not provided to GenOn.

	Year Ended December 31,			
	2013E	2014E	2015E	2016E
	(\$ in millions, except for forward price data)			
<b>NRG:</b>				
Adjusted EBITDA <sup>(1)</sup>	\$ 1,802	\$ 1,823	\$ 1,948	\$ 2,031
Capital expenditures, excluding growth investments	393	486	369	227
Growth Investments, net of financings <sup>(2)</sup>	280	67	10	32
<b>Forward prices as of May 22, 2012</b>				
NYMEX (\$/mmbtu) <sup>(3)</sup>	\$ 3.62	\$ 3.97	\$ 4.17	\$ 4.37
Coal (\$/mmbtu) <sup>(4)</sup>	\$ 2.22	\$ 2.38	\$ 2.74	\$ 2.84
<b>ERCOT Houston Zone:</b>				
On-peak (5*16)(\$/MWh)	\$ 47.89	\$ 49.68	\$ 50.81	\$ 51.39
Off-peak (\$/MWh)	\$ 28.21	\$ 29.40	\$ 30.33	\$ 31.17

- (1) Adjusted EBITDA is defined as EBITDA (earnings before interest expense, tax, depreciation and amortization) adjusted to exclude certain hedging and certain non-recurring items.
- (2) Growth investments include all capital expenditures for NRG's solar and conventional growth platforms, less debt financings and third party equity.
- (3) Based on the May 22, 2012 forward curve.
- (4) Based on the weighted average cost for all NRG coal plants.

**GenOn Financial Forecasts (Unaudited)**

In the course of their mutual due diligence, GenOn provided NRG with non-public financial projections for the years ending December 31, 2013, 2014, 2015 and 2016, which projections are collectively referred to as the GenOn management case. The GenOn management case was prepared to assist the GenOn Board in its evaluation of the strategic rationale for the merger and was furnished to and used by J.P. Morgan in connection with the preparation of its opinion as described in the section entitled "The Merger Opinion of GenOn's Financial Advisors" beginning on page 73. The key drivers of GenOn's performance are supply and demand fundamentals in the regions in which it operates as well as the spread between natural gas and coal prices. The market's view of supply and demand fundamentals is reflected in power prices and heat rates. GenOn has set forth the PJM West power prices in the table below as most of its energy sales occur in PJM. This table also includes natural gas and coal prices reflecting the market's view on spreads. All of these prices are as of May 22, 2012 and represented the most relevant, up-to-date, available forward market prices at the time GenOn prepared its management case. In addition, in developing the GenOn management case, GenOn management assumed that capacity prices for the Mid-Atlantic Area Council (MAAC) locational deliverability area

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(LDA), eastern MAAC LDA and regional transmission organization (RTO) area would be \$185 megawatt-day, \$185 megawatt-day and \$150 megawatt-day, respectively for the planning period 2016/2017. MAAC LDA, eastern MAAC LDA and RTO are zones in the PJM Market's reliability pricing model auctions. GenOn's capacity sales occur primarily through these auctions. At the time GenOn prepared its management case, base residual auctions were completed for planning periods 2013/2014, 2014/2015 and 2015/2016 and those clearing prices were used in the management case. The assumed capacity prices for planning periods 2016/2017 are consistent with the historical average base residual auction clearing prices.

**GenOn Management Case**

	Year Ended December 31,			
	2013E	2014E	2015E	2016E
	(\$ in millions, except for forward price data)			
<b>GEN:</b>				
Open EBITDA <sup>(1)</sup>	325	481	429	563
Adjusted EBITDA <sup>(2)</sup>	703	766	548	608
Capital expenditures, excluding growth investments <sup>(3)</sup>	273	260	149	168
Growth investments, net of financings	18			
<b>Forward prices as of May 22, 2012</b>				
NYMEX (\$/mmbtu) <sup>(4)</sup>	\$ 3.62	\$ 3.97	\$ 4.17	\$ 4.37
Coal (\$/mmbtu) Central Appalachian	\$ 2.62	\$ 2.91	\$ 3.20	\$ 3.50
<b>PJM West:</b>				
On-peak (5*16)/(\$/MWh)	\$ 45.92	\$ 48.14	\$ 50.49	\$ 52.52
Off-peak (\$/MWh)	\$ 32.12	\$ 34.36	\$ 36.47	\$ 38.58

- (1) Open EBITDA is defined as EBITDA (earnings before interest, tax, depreciation and amortization) adjusted to exclude the financial impact of hedges and certain non-recurring items.
- (2) Adjusted EBITDA is defined as EBITDA (earnings before interest, tax, depreciation and amortization) adjusted to exclude certain hedging and certain non-recurring items.
- (3) Growth investments are defined as capital expenditures made for Marsh Landing.
- (4) Based on the May 22, 2012 forward curve.

In order to assist the NRG Board in its evaluation of the strategic rationale for the merger, NRG management provided the GenOn management case to the NRG Board, with certain adjustments as set forth below based on NRG management's view of expected generation in 2015 and 2016, referred to as the GenOn adjusted management case. NRG management also furnished to NRG's financial advisors the GenOn adjusted management case as well as NRG management's fundamental view for the terminal year, which assumes that markets reach an equilibrium whereby the cost of entry for new generating plants would be achieved, referred to as case 1, and market views for the terminal year based on the May 22, 2012 forward curve, referred to as case 2, resulting in approximately \$1,000 million (case 1) or \$700 million (case 2) of Adjusted EBITDA in the terminal year.

Table of Contents**GenOn Adjusted Management Case**

	Year Ended December 31,			
	2013E	2014E	2015E	2016E
	(\$ in millions, except for forward price data)			
<b>GEN:</b>				
Open EBITDA <sup>(1)</sup>	325	481	398	529
Adjusted EBITDA <sup>(2)</sup>	703	766	517	574

**Notes:**

- (1) Open EBITDA is defined as EBITDA (earnings before interest, tax, depreciation and amortization) adjusted to exclude the financial impact of hedges and certain non-recurring items.
- (2) Adjusted EBITDA is defined as EBITDA (earnings before interest, tax, depreciation and amortization) adjusted to exclude certain hedging and certain non-recurring items.

**Governance of NRG Following Completion of the Merger; Amendment to NRG's Certificate of Incorporation and Bylaws**

**Board of Directors** The parties have agreed that immediately following the completion of the merger:

The NRG Board will have 16 members, consisting of (a) all 12 directors from the current NRG Board, including Mr. Howard Cosgrove, the current Chairman of the NRG Board, and Mr. David Crane, the current President and Chief Executive Officer of NRG, and (b) four directors from the GenOn Board, consisting of Mr. Edward R. Muller, the current Chairman, President and Chief Executive Officer of GenOn, and Messrs. E. Spencer Abraham, Terry G. Dallas and Evan J. Silverstein.

Mr. Cosgrove will continue as the Chairman of the NRG Board.

Mr. Muller will become Vice Chairman of the NRG Board and hold such position until at least the 2014 annual meeting of NRG stockholders.

If the merger is completed before the 2013 annual meeting of NRG stockholders, one of the GenOn directors who becomes a director of NRG will serve as the co-chairman of one of the standing committees of the NRG Board from the completion of the merger until the 2013 annual meeting of NRG stockholders, and as the chairman of such board committee from the 2013 annual meeting until at least the 2014 annual meeting of NRG stockholders. If the merger is completed after the 2013 annual meeting of NRG stockholders, one of the GenOn directors who becomes a director of NRG will serve as the chairman of one of the standing committees of the NRG Board from the completion of the merger until at least the 2014 annual meeting of NRG stockholders.

For discussion of the material interests of directors of NRG and GenOn in the merger that may be in addition to, or different from, their interests as stockholders, see "Interests of Directors and Executive Officers in the Merger" beginning on page 85.

**Management** Upon completion of the merger, assuming no change in the individuals serving as directors and senior management of each company prior to the completion of the merger, the corporate leadership team of NRG will include Mr. Crane as President and Chief Executive Officer, Mr. Kirk Andrews as Chief Financial Officer, Mr. Mauricio Gutierrez as Chief Operating Officer, and





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Ms. Anne Cleary as Chief Integration Officer. For a further discussion of the material interests of executive officers of NRG and GenOn in the merger that may be in addition to, or different from, their interests as stockholders, see "Interests of Directors and Executive Officers in the Merger" beginning on page 85.

***Certificate of Incorporation***

In connection with the merger, Article Seven of NRG's amended and restated certificate of incorporation will be amended to fix the maximum number of directors that may serve on NRG's board of directors at 16 directors. Please see "NRG Proposals Item 2. The Charter Amendment Proposal" beginning on page 134 for the complete text of the amendment to NRG's amended and restated certificate of incorporation.

***Bylaws***

In connection with the merger, NRG's bylaws will be amended and restated as of completion of the merger in the form included as Exhibit B to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus, to reflect the governance arrangement contemplated by the merger agreement.

**Headquarters**

Upon completion of the merger, (i) the executive offices and commercial and financial headquarters for the combined company will be located in Princeton, New Jersey and (ii) the operations headquarters will be located in Houston, Texas.

**Interests of Directors and Executive Officers in the Merger**

***Interests of Directors and Executive Officers of NRG in the Merger***

In considering the recommendations of the NRG Board with respect to its approval of the merger agreement, NRG stockholders should be aware that NRG's directors and executive officers have interests in the merger that are different from, or in addition to, those of the NRG stockholders generally. The NRG Board was aware of these interests and considered them, among other matters, in approving the merger agreement and making its recommendation that the NRG stockholders vote "**FOR**" the proposals set forth in this joint proxy statement/prospectus. See "The Merger Rationale for the Merger" and "The Merger NRG Board of Directors' Recommendations and Its Reasons for the Merger." These interests are described below.

all 12 members of the NRG Board, including Mr. Howard Cosgrove and Mr. David Crane, will remain on the NRG Board;

Mr. Howard Cosgrove, the Chairman of the NRG Board, will remain as the Chairman of the NRG Board;

Mr. David Crane, the President and Chief Executive Officer of NRG, will remain as President and Chief Executive Officer of NRG;

Mr. Kirk Andrews, the Chief Financial Officer of NRG, will remain as the Chief Financial Officer of NRG; and

Mr. Mauricio Gutierrez, the Chief Operating Officer of NRG, will remain as the Chief Operating Officer of NRG.

Table of Contents***Interests of Directors and Executive Officers of GenOn in the Merger***

In considering the recommendation of the GenOn Board that GenOn stockholders vote "**FOR**" the Merger proposal, GenOn stockholders should be aware that GenOn's directors and executive officers have interests in the merger that may be different from, or in addition to, those of GenOn stockholders generally. The GenOn Board was aware of these interests, as applicable, and considered them, among other matters, in approving the merger agreement and making its recommendation that GenOn stockholders approve the merger agreement.

***Equity Compensation Awards***

Please see "The Merger Treatment of GenOn Stock Options and Restricted Stock Units" for a description of the treatment in the merger of equity compensation awards held by GenOn executive officers and non-employee directors.

The table below sets forth for each of GenOn's "named executive officers" (Messrs. Muller, Holden, Jines and Gaudette and Ms. Cleary), for the two other GenOn executive officers as a group, and for each of the non-employee directors of GenOn (i) the number of shares subject to stock options held by them that are vested and exercisable (referred to as Exercisable Options), (ii) the number of shares subject to stock options held by them that would become vested solely by reason of completion of the merger (referred to as Single-Trigger Options), (iii) the number of shares subject to stock options held by them that would become vested upon a qualifying termination of employment within two years following completion of the merger (referred to as Double-Trigger Options), (iv) the number of shares subject to stock units that have already vested (referred to as Vested Units), (v) the number of shares subject to restricted stock units held by executives that would become vested solely by reason of completion of the merger (referred to as Single-Trigger RSUs), and (vi) the number of shares subject to restricted stock units held by executives that would become vested (assuming a target level of performance) upon a qualifying termination of employment within two years following completion of the merger (referred to as Double-Trigger RSUs), in each case as of December 31, 2012 based on awards outstanding as of the date hereof and assuming continued employment through December 31, 2012.

<b>Name</b>	<b>Exercisable Options (#)</b>	<b>Single-Trigger Options (#)</b>	<b>Double-Trigger Options (#)</b>	<b>Vested Units (#)</b>	<b>Single-Trigger RSUs (#)</b>	<b>Double-Trigger RSUs (#)</b>
<b>Executive Officers</b>						
Edward R. Muller	4,101,102	496,428	1,166,823	1,519,423	597,984	1,023,362
J. William Holden, III	342,308	140,857	331,075		169,675	290,370
Michael L. Jines	440,029	100,266	240,967		120,780	211,340
Robert J. Gaudette	84,791	61,392	144,246		73,953	126,556
Anne M. Cleary	232,146					