

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 30, 2017**

NRG ENERGY, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-15891
(Commission File Number)

41-1724239
(IRS Employer Identification No.)

804 Carnegie Center, Princeton, New Jersey 08540
(Address of principal executive offices, including zip code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

On October 30, 2017, GenOn Energy, Inc. (“GenOn”) and GenOn Americas Generation LLC (“GAG”) and certain of their directly and indirectly-owned subsidiaries (collectively, the “Debtors”) entered into a Consent Agreement (the “Consent Agreement”) with certain holders of (i) GenOn’s outstanding senior unsecured notes (collectively, the “Consenting GenOn Noteholders”) and (ii) GAG’s outstanding senior unsecured notes (collectively, the “Consenting GAG Noteholders”) and together with the Consenting GenOn Noteholders, the “Consenting Holders”) signatory thereto, whereby the Debtors and the Consenting Holders have agreed to extend the milestones in that certain Restructuring Support and Lock-Up Agreement, dated as of June 12, 2017, (as amended, the “Restructuring Support Agreement”), by which the Debtors’ Second Amended Joint Plan of Reorganization (as may be amended or supplemented, the “Plan”) must become effective (the “Effective Date”). Specifically, the Consent Agreement extends the Effective Date milestone to June 30, 2018 or September 30, 2018, if regulatory approvals are still pending (such dates, the “Extended Effective Dates”). The Consenting Holders’ consent to the Extended Effective Dates is contingent upon entry of an order as described in the Consent Agreement.

The foregoing description of the Consent Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Consent Agreement, which is attached hereto as Exhibit 10.1.

Item 8.01. Other Events.

In parallel, over the course of the past several weeks, both the principals and advisors of NRG Energy, Inc. (“NRG”) and GenOn have been engaged in lengthy in-person negotiations in an effort to settle certain items that remained open and unresolved after the pre-petition Restructuring Support Agreement negotiations. These arms-length discussions included key topics such as: (i) timeline and transition; (ii) cooperation and co-development matters; (iii) OPEB and pension benefits; (iv) tax matters; and (v) intercompany balances. The agreements reached on these topics will be incorporated into definitive documents

for GenOn's emergence from Chapter 11. A summary of the terms of this settlement is included in the attached Settlement Term Sheet (the "Settlement Term Sheet"), as may be amended or supplemented in accordance with the Restructuring Support Agreement.

The Settlement Term Sheet reflects the latest agreement in principle between the Debtors and NRG and does not reflect the views of, or agreement by, the Consenting Noteholders. Therefore, the definitive documentation remains subject to review, revision, and further negotiation between the Consenting Noteholders, the Debtors and NRG, each of whom have various consent rights pursuant to the Plan and the Restructuring Support Agreement. The Settlement Term Sheet and the Plan supplements may be amended, modified, supplemented and revised in accordance with those ongoing negotiations.

The foregoing description of the Settlement Term Sheet does not purport to be complete and is qualified in its entirety by reference to the complete text of the Settlement Term Sheet, which is attached hereto as Exhibit 99.1.

Cautionary Note Regarding Forward-Looking Information

Certain of the statements included in this Current Report on Form 8-K and in the exhibits attached hereto constitute "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In particular, they include statements relating to future actions and strategies of NRG, GenOn and their respective subsidiaries. These forward-looking statements are based on current expectations and projections about future events. Readers are cautioned that forward-looking statements are not guarantees of future operating and financial performance or results and involve substantial risks and uncertainties that cannot be predicted or quantified, and, consequently, the actual performance of NRG, GenOn and their respective subsidiaries may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, factors described from time to time in NRG's and GenOn's reports filed with the Securities Exchange Commission.

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Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Consent Agreement, by and among GenOn, GAG and the Consenting Holders, dated as of October 30, 2017.</u>
99.1	<u>Settlement Term Sheet.</u>

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SIGNATURES

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

October 31, 2017

NRG Energy, Inc.
(Registrant)

By: /s/ Brian E. Curci
Brian E. Curci
Corporate Secretary

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CONSENT AGREEMENT

This consent agreement (this “**Agreement**”), dated as of October 30, 2017, by and among (i) GenOn Energy, Inc. (“**GenOn**”), GenOn Americas Generation LLC (“**GAG**”), and certain of their directly and indirectly-owned subsidiaries listed on the signature pages hereto (collectively, the “**Debtors**”) and (ii) the undersigned Required Consenting Noteholders(1) (such undersigned Required Consenting Noteholders and the Debtors, collectively the “**Parties**”).

RECITALS

WHEREAS, the Milestones set forth in Section 4 of the Restructuring Support Agreement may be extended if agreed to in writing by counsel to the Debtors and the Required Consenting GenOn Noteholders; *provided*, that any extension of the Milestone relating to the Backstop Approval Order shall require the agreement in writing of counsel to the Backstop Parties; *provided, further*, that any extension of the Milestones set forth in Sections 4(a)(i), (iii), (vi), and (viii) shall require the agreement in writing by counsel to the Required Consenting GAG Noteholders; and

WHEREAS, the Parties desire to extend the Milestones consistent with Section 4 of the Restructuring Support Agreement.

WHEREAS, the Parties desire and commit to seek entry of each of the Confirmation Order and the 9019 Order (as defined below) on a substantially contemporaneous basis and the Parties acknowledge that entry of each of the Confirmation Order and the 9019 Order are intended to be contingent upon the substantially contemporaneous entry of the other, unless the GenOn Steering Committee consents to the 9019 Order being entered earlier than the Confirmation.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. Agreements. The Parties hereby agree to extend the Milestones as follows:

1.01. section 4(a)(viii) shall be extended as follows:

“the effective date of the Plan (the “**Plan Effective Date**”) shall have occurred no later than June 30, 2018 (the “**Extended Plan Effective Date**”); *provided*, that, if regulatory approvals associated with the Restructuring Transactions remain pending as of such date, the Plan Effective Date shall have occurred no later than

(1) Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in that certain Restructuring Support and Lock-Up Agreement, dated as of June 12, 2017 (including the Restructuring Term Sheet exhibited thereto, and, as amended by the First Amendment to Restructuring Support and Lock-Up Agreement, this Amendment, and as may be further amended, supplemented, or otherwise modified from time to time, the “**Restructuring Support Agreement**”).

September 30, 2018 (the “**Extended Outside Date**” and together with the Extended Plan Effective Date, the “**Extended Effective Dates**”); *provided*, that each of the Consenting GenOn Noteholders’ and the Consenting GAG Noteholders’ consent to the Extended Effective Dates is contingent upon the Bankruptcy Court’s entry of (i) the 9019 Order substantially contemporaneously with the Confirmation Order no later than December 14, 2017 and (ii) entry of the Confirmation Order substantially contemporaneously with the 9019 Order, *provided, further*, the 9019 Order may be entered at any time prior to the Confirmation Order if the GenOn Steering Committee consents to such earlier entry.”

As used herein, the term “9019 Order” shall mean as follows:

An order (the “**9019 Order**”), pursuant to a motion that the Debtors have filed no later than November 6, 2017, that shall be approved by the Bankruptcy Court on or before December 14, 2017 that:

(A) grants the Holders of Allowed GAG Note Claims an Administrative Claim against Debtor GenOn Energy, Inc. in an amount equal to the value of the treatment afforded to Holders of Allowed Class 5 GAG Notes Claims under the Plan with an amendment to subpart (b) of the definition of GAG Notes Cash Pool contained in the Plan as follows: (b) beginning on the date that is 180 days after the Petition Date, liquidated damages accruing at an annual rate of 9% of the aggregate principal amount of GAG Notes outstanding plus accrued interest as of the Petition Date (the “**GAG Payment**”), which amounts shall be payable monthly in cash in advance by no later than the first business day of each month (provided that any such liquidated damages accrued in the month of December 2017 shall be paid on January 2, 2018) (the “**GAG Administrative Claim**”), which GAG Administrative Claim shall be allowed irrespective of whether the Plan is consummated; *provided, however*, that such GAG Administrative Claim shall be deemed satisfied in full upon receipt by such Holders of GAG Notes Claims of the treatment afforded to Holders of Allowed Class 5 GAG Notes Claims under the Plan, provided that the liquidated damages described in this paragraph were paid pursuant to the 9019 Order (such payment, the “**GAG Payment in Full**”), whether upon consummation of the Plan or at any time before the Effective Date, and from any source, with such payment to be made by the Debtors, in consultation with the GenOn Steering Committee;

(B) requires the Debtors to pay the Holders of Allowed Class 5 GAG Notes Claims the GAG Payment monthly in cash in advance by no later than the first business day of each month (provided that any such liquidated damages accrued in the month of December 2017 shall be paid on January 2, 2018); and

(C) orders that, notwithstanding anything to the contrary in any other agreement or order, (i) upon entry of the 9019 Order, any consent, approval, amendment, waiver, consultation or termination rights under the Plan or the Restructuring Support Agreement granted to the Holders of GAG Notes (including, without

limitation, in their capacity as Consenting GAG Noteholders, the GAG Steering Committee or the Requisite Consenting Noteholders, and solely with respect to their GAG Notes Claims) shall be limited to events, occurrences, or omissions in connection with or related to, including any motion filed by the Debtors or the GenOn Steering Committee seeking, (a) any alteration of the treatment afforded to Holders of Allowed Class 5 GAG Notes Claims under the Plan or the timing of the payment of any such treatment, (b) the invalidation, disallowance, subordination, or untimely payment of the liquidated damages portion, of the GAG Administrative Claim or (c) any alteration or modification to the Extended Effective Dates, (ii) the Debtors are authorized, in consultation with the GenOn Steering Committee, to make the GAG Payment in Full, upon consummation of the Plan or at any time before the Effective Date and (iii) upon the GAG Payment in Full, (x) the Holders of GAG Notes (including, without limitation, in their capacity as Consenting GAG Noteholders, the GAG Steering Committee or the Requisite Consenting Noteholders, and solely with respect to their GAG Notes Claims) shall have no further consent, approval, amendment, waiver, consultation or termination rights under the Plan or the Restructuring Support Agreement, and (y) the GAG Escrow Amount shall be released.

Section 2. Backstop Extension. The Parties acknowledge and agree that, to the extent that the maturity date of the Backstop Commitment Letter is extended beyond November 30, 2017, the terms of such extension shall be on otherwise substantially identical terms and allocations as those set forth in the Backstop Commitment Letter.

Section 3. Effectiveness of This Agreement. This Agreement shall become effective on the date (such date, the "**Effective Date**") on which counsel to the Debtors has received signature pages from the parties that comprise the Parties.

Section 4. Execution of Agreement. This Agreement may be executed and delivered in any number of counterparts and by way of electronic signature and delivery, each such counterpart, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[Remainder of page intentionally left blank.]

Debtor Signature Pages to the Consent Agreement

On behalf of Debtor GenOn Energy, Inc. and its Debtor subsidiaries

By: /s/ Mark A. McFarland
Name: Mark A. McFarland
Title: Chief Executive Officer

On behalf of Debtor GenOn Americas Generation, LLC and its Debtor subsidiaries

By: /s/ Mark A. McFarland
Name: Mark A. McFarland
Title: Chief Executive Officer

Consenting Noteholder Signature Pages to the Consent Agreement

*Signature pages of the Consenting Noteholders on file with the Debtors.

[NAME]

Name:
Title:

Address:

E-mail address(es):
Telephone:
Facsimile:

Settlement Term Sheet(1)

Topic	Terms
Timeline and Transition	<ul style="list-style-type: none"> · GenOn and NRG to replace the Services Agreement with a new transition services agreement (the “<u>Transition Services Agreement</u>”) that would include the following terms: <ul style="list-style-type: none"> · <i>Shared Services</i>: Scope of services to be the same as provided under the Services Agreement (at prepetition service levels in accordance with prudent industry practices) and to include reasonable assistance on the current asset sale processes, any financing process undertaken while in chapter 11, and reasonable administrative separation services. · <i>Fee</i>: \$7 million per month, plus reimbursement of all of NRG’s actual third-party expenses (third-party expenses subject to GenOn’s written prior consent) incurred in connection with the provisions of services under the Transition Services Agreement. GenOn will receive two free months of services after the Plan Effective Date; <i>provided</i>, that such two free months will not result in an extension of the Shared Services Term. · <i>Duration</i>: Through June 30, 2018, with one three-month extension at GenOn’s option to September 30, 2018 (the “<u>Shared Services Term</u>”), which extension must be exercised by GenOn in writing no later than May 1, 2018. · <i>Services Reduction</i>: GenOn may, upon no less than 60 days prior notice to NRG, reduce any services under the Transition Services Agreement, with a resulting price adjustment as determined by future agreement of the parties or pursuant to a schedule attached to the Transition Services Agreement (the “<u>Schedule</u>”), <i>provided, however</i>, that GenOn and NRG may consensually agree that such reduction in services shall not be effective until the date that is the first or last day of any calendar month following such notice.(2) The Schedule shall include long-term target milestones for a reduction in services and resulting price adjustments. · <i>Early Transition Credit</i>: In the event that GenOn terminates the Shared Services Term and the scope of services under the Transition Services Agreement is reduced in full (other than with respect to continuing administrative separation services, as described below) prior to September 30, 2018, GenOn shall be entitled to earn from NRG a credit equal to the sum of \$1 million per month for every month (including a pro-rated credit for any partial month) terminated prior to September 30, 2018. Such early transition credit shall be applied against any of NRG’s allowed claims under the Plan on the Plan Effective Date. This early transition

- (1) Terms used herein but not defined shall have the meanings ascribed in that certain restructuring support agreement dated June 12, 2017, as may be amended or supplemented in accordance therewith (the “Restructuring Support Agreement”).
- (2) **Note to Draft:** The administrative convenience of services being reduced on either the first or last day of any calendar month shall not affect GenOn’s receipt of a pro-rated early transition fee. Such fee shall start accruing on the day that is 60 days from when GenOn gives NRG notice.

credit shall not impact GenOn’s obligation to provide 60 days’ notice prior to a reduction in services.

- *Assignability*: NRG and GenOn will attach a form of buyer transition services agreement (“Buyer TSA”) to the Transition Services Agreement. GenOn will provide the Buyer TSA to potential third party asset purchasers, and NRG will have the right to consent to any changes to the terms and conditions of such Buyer TSA; *provided, however*, that services to be provided by NRG under the Buyer TSA that are not more burdensome than the scope (and related price) of any service then provided by NRG under the Transition Services Agreement will not be deemed to be a change to the terms and conditions of such Buyer TSA.
- *Continuing Administrative Separation Services*: The Transition Services Agreement will also provide for continuing administrative separation services until March 31, 2019, for customary and limited transition support which shall include (1) transfer of any remaining core IT services, (2) access to all GenOn documents and records, including tax, environmental, regulatory and legal; (3) transfer of any permits and licenses that are not otherwise held directly by GenOn, and (4) cooperation and assistance with respect to GenOn litigation matters. The pricing for these continuing administrative separation services shall be at actual cost (without any mark up or cost-plus) plus any expenses actually paid to third-party servicers (third-party expenses subject to GenOn’s prior written consent).
- *Other Terms*: To be the Kirkland & Ellis draft Transition Services Agreement filed on October 30, 2017. Schedule A and Schedule B to be mutually agreeable between NRG and GenOn.
- NRG and GenOn shall communicate to their respective executives and employees that NRG’s and GenOn’s intent is to successfully assist with GenOn’s separation and implement the Plan negotiated by the parties. Such communication shall be drafted by NRG and GenOn.
- NRG shall provide, and GenOn shall reimburse under the Services Agreement, time-based bonuses for up to \$3 million, in the aggregate, for NRG employees who are providing services to GenOn, payable through the end date of their employment; *provided* that (i) the individual employees selected for such bonuses and corresponding amounts shall be subject to GenOn’s consent, which consent shall not be unreasonably withheld, and (ii) the bonuses shall be identified as GenOn related bonuses and constructed in a manner that retains, motivates, and aligns employees with supporting GenOn’s sale, separation, and operational efforts.

Cooperation / Co-

- The parties shall enter into a cooperation agreement (the “Cooperation Agreement”), as a plan supplement

Matters

document, which shall provide for the following:

- *Canal 3*: Subject to the occurrence of the Plan Effective Date, GenOn will assume the Canal 3 Agreements⁽³⁾ and in exchange NRG shall grant an option (the “Canal Option”) to GenOn, which Canal Option shall last through March 31, 2018 (the “Canal Option Period”), to acquire NRG’s interest in Canal 3 for the sum of (i) investment costs to date (\$40 million), (ii) all future investments through the exercise date of the Canal Option (in the case of (i) and (ii), to be calculated consistent with the development schedule previously provided to GenOn and inclusive of the development fee as specified therein through the exercise date of the Canal Option), and (iii) a 12% return on investment; *provided*, that the basis upon which the 12% return on investment is calculated shall exclude all development fees. During the Canal Option Period, NRG shall covenant that it will continue to invest in and develop the Canal 3 project using commercially reasonable and good faith efforts. All budgets for future investments in Canal 3 shall be mutually agreeable between GenOn and NRG.
- *Puente*: NRG no longer requests approval of the Puente lease.
- *Coolwater*: On or before Dec. 31, 2017, GenOn will terminate the existing radial lines agreement (including, but not limited to, the \$530,000 annual payment by GenOn to NRG with respect thereto) and grant NRG an easement to a 9-acre parcel of land, solely to the extent necessary to facilitate a generation tie in to the SCE transmission system by NRG’s adjacent development project. Upon the termination of the radial lines agreement, NRG will bear any and all costs set forth in Section 9 of the radial lines agreement, including letter of credit posting, and any refund payable to the plant owner pursuant to Section 9 of the radial lines agreement shall be paid to NRG.
- *Avon Lake*: Pipeline to be preserved for the benefit of Avon Lake and cost neutral to NRG. NRG and GenOn shall use commercially reasonable efforts to transfer NRG’s rights and interests in the Avon Lake railcars to GenOn.⁽⁴⁾
- *Seward/Deer Park*: On or before Dec. 1, 2017, (i) GenOn to transfer GenOn employees relating to Seward and Deer Park to NRG and (ii) GenOn to assign the Deer Park O&M contract to NRG.
- *1000 Main Lease*: Subject to the occurrence of the Plan Effective Date, GenOn will assume the 1000 Main Lease. NRG will offset, dollar for dollar, all cash obligations paid by GenOn on account of the 1000 Main Lease against NRG’s receivables for Shared Services for the duration of the 1000 Main Lease; *provided*,

- (3) “Canal 3 Agreements” shall mean, collectively, the (i) Option and Lease Agreement dated as of 3/31/2016, (ii) Operation and Maintenance Agreement dated as of 12/16/2016, (iii) Shared Facilities Agreement dated as of 12/16/2016, [and (iv) that certain Solar Site Lease Agreement, dated as of May 4, 2016, between NRG Canal LLC and NRG Renew Canal I LLC, as amended, modified and supplemented from time to time].
- (4) **Note to Draft:** The sizing and economics of the railcars in this section remain subject to ongoing due diligence and negotiation. NRG recognizes that GenOn anticipates an at-the-money transfer, appropriately sized for Avon Lake’s long-term needs.

however, that any income attributable to space subleased under the 1000 Main Lease will reduce such offset, to the benefit of NRG; *provided further*, that, in the event that GenOn suffers any actual damages associated with the 1000 Main Lease, NRG shall indemnify GenOn for any and all such damages.

- *Disclaimer of Development Rights*: NRG to disclaim any and all development rights or interests at all other GenOn sites and provide a representation regarding the non-existence of any intercompany development-related agreements other than those specifically scheduled in the Cooperation Agreement (including the agreements described above).

OPEB and Pensions and other Benefits

- NRG shall retain any NRG Benefit Plans providing for post-employment or retiree health or welfare benefits (the “NRG OPEB Plans”) and continue to be liable under the existing NRG OPEB Plans for former Employees of GenOn and any of its direct or indirect subsidiaries (the “GenOn Group”) (and any dependents thereof), as of the Plan Effective Date in an amount up to an actuarial equivalent benefit amount of \$25.0 million (the “Initial Value”). As of the Plan Effective Date, the actuaries of all NRG OPEB Plans shall calculate the actuarial equivalent benefit amount calculated as of the Plan Effective Date (as determined their sole discretion on an APBO basis) (the “Final Value”). GenOn shall credit NRG for the difference between the Final Value and the Initial Value. To the extent permitted by law, NRG may in its sole discretion terminate the NRG OPEB Plans with respect to non-bargaining employees or retirees at any time. As of the Plan Effective Date, the Reorganized GenOn Group will assume the Liability for all active GenOn Employees, including any active GenOn Employees, who have satisfied the applicable eligibility requirements of the NRG OPEB Plans, but have not yet started to receive their retiree health or welfare benefits under the applicable NRG OPEB Plans. GenOn further agrees that following the date on which the Plan is confirmed and prior to the Plan Effective Date, the GenOn Group shall not offer any employees or former employees of the GenOn Group additional age and/or service credits and subsidies for purposes of eligibility under the NRG OPEB Plans without the written consent of NRG. NRG further agrees that it will not terminate, amend, or alter benefits or subsidies for former employees whose benefits derive from a collective bargaining agreement.⁽⁵⁾
- All pension related matters to remain as settled under the Restructuring Support Agreement, including NRG indemnification of the Debtors through the Plan Effective Date.

- NRG shall pay all cash obligations due in 2018 on behalf of the GenOn Group; *provided*, that if GenOn has paid such amounts, NRG will reimburse GenOn for such payments on the Plan Effective Date.
- *Other Terms*: To be the Kirkland & Ellis draft Employee Matters Agreement dated October 30, 2017.

(5) **Note to Draft:** Capitalized terms in this bullet not otherwise defined herein or in the Restructuring Support Agreement shall have the meaning given in the Employee Matters Agreement.

Tax Matters

- NRG and GenOn to enter into the Tax Matters Agreement (“TMA”), which will set forth a proposed structure and intended tax treatment, as a plan supplement document, which shall be approved in the Confirmation Order and will be effective as of the Plan Effective Date.
- To the fullest extent permitted by applicable law, the TMA will provide for: (i) upon occurrence of the Plan Effective Date, NRG’s unqualified use of the Worthless Stock Deduction on account of NRG’s ownership of GenOn; and (ii), GenOn and its subsidiaries’ use of available losses and NOLs of the NRG consolidated return group in relation to sales occurring in connection with or prior to emergence (including, for the avoidance of doubt, any so-called “partial Bruno’s” transaction or other transaction treated a sale for tax purposes) by GenOn for asset sales completed on or before December 31, 2018; *provided*, that for the avoidance of doubt, any current-year losses or NOLs of GenOn and its subsidiaries may be utilized by GenOn in connection with asset sales regardless of when such sales occur to the extent provided for in the internal revenue code.
- State/local taxes resulting from or otherwise realized upon the sale of GenOn Group assets will be GenOn’s liability to the extent such liabilities are payable on a separate state or local tax return that does not include NRG or an affiliate of NRG other than a member of the GenOn Group.
- NRG and GenOn to discuss continued provision of certain tax compliance and accounting services solely to the extent necessary to complete applicable tax work for pre-closing and straddle tax periods and otherwise facilitate transition to GenOn/third-party provider.

Intercompany Balances

- Except with respect to claims relating to letters of credit, the revolving credit facility, and surety bonds—which claim treatment is already set forth in the Plan—NRG shall be entitled to an (i) Allowed General Unsecured Claim in the amount of \$21,766,260.42 on account of prepetition amounts owed under the Services Agreement (which amount shall be set off against the Services Credit) and (ii) Allowed claim of up to \$2.0 million on account of cash collateralized hedging obligations (which amount can be paid in the ordinary course pursuant to the relief obtained related to the Debtors’ first day motions).
- All other prepetition claims that NRG has asserted against the Debtors shall be disallowed.
- Upon the Plan Effective Date, NRG’s Proof of Claim (Claim #1198) shall be deemed withdrawn and expunged from the claims register.