

FILE

2016 OCT 26 AM 10:20

October 25, 2016

PUCO

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215-3793

**Re: Energy Choice Solutions, LLC. Renewal Application for Electric Aggregators: 14-802-EI-AGG**

Enclosed please find the following information:

- o One (1) original of the fully executed application of Energy Choice Solutions, LLC.'s Electric Renewal Certification;
- o Three (3) copies of the fully executed application of Energy Choice Solutions, LLC.'s Electric Renewal Certification.

Please feel free to contact me with any questions or for any further information. I can be reached via email at [Austin.darden@nrg.com](mailto:Austin.darden@nrg.com), or by telephone at 713-537-2361. Thank you for your attention to this matter.

Very Truly Yours,



Austin Darden  
Regulatory Specialist, NRG Energy, Inc.

{00147244.1 /}

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician AMT Date Processed OCT 26 2016



**A-6 Contact person for Commission Staff use in investigating customer complaints**

Name Les Montgomery  
Title Director of Operations  
Business address 400 Chisholm Place, Suite 411, Plano, TX 75075  
Telephone # (469) 708-4211 Fax # \_\_\_\_\_  
E-mail address \_\_\_\_\_

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer Service address 211 Carnegie Center, Princeton, NJ 08540  
Toll-free Telephone # (844) 416-5500 Fax # \_\_\_\_\_  
E-mail address brokerrelations@retailenergyxcha

**A-8 Applicant's federal employer identification number # 46-0908779**

**A-9 Applicant's form of ownership (check one)**

- |  |   |
|--|---|
| <input type="checkbox"/> Sole Proprietorship                 | <input type="checkbox"/> Partnership                                |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input checked="" type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Other _____                                |

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- A-10 Exhibit A-10 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

**B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1 Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services including aggregation services.
- B-2 Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

**B-3** Exhibit B-3 "Disclosure of Liabilities and Investigations." provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to provide.

**B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-4 "Disclosure of Consumer Protection Violations" detailing such violation(s) and providing all relevant documents.

**B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service including aggregation service denied, curtailed, suspended, revoked, or cancelled within the past two years.

☒ No ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation" detailing such action(s) and providing all relevant documents.

## **C. FINANCIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

**C-1** Exhibit C-1 "Annual Reports," provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why. (This is generally only applicable to publicly traded companies who publish annual reports.)

**C-2** Exhibit C-2 "SEC Filings," provide the most recent 10-K/8-K Filings with the SEC. If the applicant does not have such filings, it may submit those of its parent company. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

**C-3** Exhibit C-3 "Financial Statements," provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).

**C-4** Exhibit C-4 "Financial Arrangements," provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody's, Standard & Poor's or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company's financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

- C-5 Exhibit C-5 "Forecasted Financial Statements," provide two years of forecasted income statements for the applicant's **ELECTRIC** related business activities in the state of Ohio Only, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.
- C-6 Exhibit C-6 "Credit Rating," provide a statement disclosing the applicant's credit rating as reported by two of the following organizations: Duff & Phelps, Fitch IBCA, Moody's Investors Service, Standard & Poor's, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or an affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.
- C-7 Exhibit C-7 "Credit Report," provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- C-8 Exhibit C-8 "Bankruptcy Information," provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9 Exhibit C-9 "Merger Information," provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C-10 "Corporate Structure," provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate or subsidiary companies.

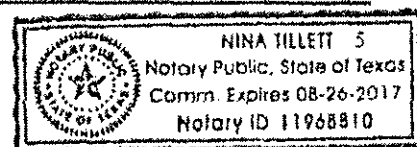
Scott A. President  
Signature of Applicant & Title

Sworn and subscribed before me this 25 day of October, 2016  
Month Year

Sharon T. O'Dell  
Signature of official administering oath

NINA TILLET  
Print Name and Title

My commission expires on August 26, 2017



# AFFIDAVIT

State of Texas :

Houston ss.  
(Town)

County of Harris :

Scott Hart, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President (Office of Affiant) of Energy Choice Solutions (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
8. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

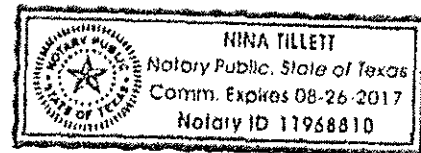
[Signature] President  
Signature of Affiant & Title

Sworn and subscribed before me this 25 day of October, 2016  
Month Year

[Signature]  
Signature of official administering oath

Nina Tillett  
Print Name and Title

My commission expires on August 26, 2017





## **Exhibit A-10 'Principal Officers, Directors, & Partners.'**

**Scott B. Hart, President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Clare H. Doyle, Secretary**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Deborah R. Fry, Assistant Secretary**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Cindy VanDran, Assistant Secretary**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Christopher S. Sotos, Treasurer**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**David Callen, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Krisshna Koomar, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Glen E. Mackey, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Richard Mason, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Steven Moffitt, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

**Robert P. Thomas, Vice President**

211 Carnegie Center  
Princeton, NJ 08540  
(609) 524-4500

## Exhibit B-1 'Jurisdictions of Operation.'

	Electric Broker License	Natural Gas Broker License
CA	Not Required	Not Required
CT	Not Required	Not Required
DC	Case #EA2014-06, Order #17494	-
DE	Not Required	Not Required
IL	Order #14-0256	Order #14-0256
MA	EB-278	RA-122
MD	IR-3319	IR-3320
ME	Not Required	Not Required
NH	Case #DM14-084	-
NJ	Registration #EA-0293	Registration #EA-0293
NY	Not Required	Not Required
OH	#14802-E (1)	#14-349G (1)
PA	A-2014-2425963	A-2014-2427220
RI	Division Docket #D-96-6 (U6	-
TX	Not Required	Not Required

## **Exhibit B-2 'Experience & Plans.'**

The EnergyWize management team has extensive experience in deregulated energy markets. This experience includes different industry perspectives including REP/ESCO executive management, energy brokerage, and energy software systems. EnergyWize leverages this broad industry experience to provide a unique energy procurement service that serves to redefine how energy services are sold to the business market.

Key EnergyWize personnel includes the following professionals:

### **SCOTT B. HART**

---

Mr. Scott Hart serves as President for Energy Choice Solutions and Vice President of NRG Business Solutions. Scott has over 25 years of national retail energy industry experience. Prior to NRG, Mr. Hart served as President of Commercial Services for Green Mountain Energy Company for 8 years. Mr. Hart began his career in 1988 with Lone Star Gas and later moved to TXU Energy Services where he held several retail executive management positions. Mr. Hart's career has been one of leading innovation in the retail energy industry. Mr. Hart received a Masters of Business Administration from Baylor University and Bachelor of Science Tarleton State University.

### **LES MONTGOMERY**

---

Les Montgomery serves as Director of Operations for Energy Choice Solutions. Les has 15 years of national retail energy industry experience. Prior to NRG, Mr. Montgomery served as Vice President of Commercial Services for Green Mountain Energy Company for 8 years. Mr. Montgomery began his career in 2002 at the beginning of deregulation in ERCOT, with Texas Commercial Energy. Core experience includes pricing model design, pricing desk, transactions and billing operations. Mr. Montgomery received a Bachelor of Science from the University of North Texas in 1992.

### **Exhibit B-3 'Disclosure of Liabilities and Investigations.'**

Energy Choice Solutions does NOT have any existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the company's financial or operational status or ability to provide the services it is seeking to be certified to provide.

## **Exhibit C-1 'Annual Reports.'**

NRG Energy, Inc. annual reports are available at <http://investors.nrg.com/phoenix.zhtml?c=121544&p=irol-reportsannual>.

## **Exhibit C-2 'SEC Filings.'**

NRG Energy, Inc. annual reports are available at <http://investors.nrg.com/phoenix.zhtml?c=121544&p=irol-sec>.

## **Exhibit C-3 'Financial Statements.'**

NRG Energy, Inc. financial statements are available at <http://investors.nrg.com/phoenix.zhtml?c=121544&p=irol-fundSnapshot>.

## **Exhibit C-4 'Financial Arrangements.'**

NRG Energy, Inc. available capital resources to provide competitive retail natural gas service as a business activity are available at <http://investors.nrg.com/phoenix.zhtml?c=121544&p=irol-irhome>.



# Exhibit C-5 'Forecasted Financial Statements.'

## INCOME PROJECTION

	2016	2017
Revenue	\$6,500	\$125,000
Less: Expenses	\$4,000	\$112,000
Net Income	\$2,500	\$13,000


# Exhibit C-6 'Credit Rating.'

## Moody's

<b>NRG Energy, Inc.</b>			<b>ANALYST</b>
Ticker: NRG    Moody's Org ID: 896327476    Industry: Electric, Utilities, Corporates    Sector: ENERGY: UNREG - ELECTRIC PRODUCTION Peer Group: Unreg Utilities and Unreg Power Companies    Country: UNITED STATES			Analyst: Toby Shea
<b>LONG TERM RATING</b>	<b>SHORT TERM RATING</b>	<b>OUTLOOK</b>	
Rating: Ba3, Not on Watch	Rating: SGL-2, Not on Watch	Stable	
Type: LT Corporate Family Ratings - Dom Curr	Type: Speculative Grade Liquidity Rating	Date: 02 Feb 2016	
Date: 02 Feb 2016	Date: 02 Feb 2016		
<b>OTHER DEBTS ON WATCH?</b>			
No			

## Morningstar

**NRG Energy Inc** NRG ★★★★★

 Get up to a \$500 bonus with an

[Add to Portfolio](#) [Get E-mail Alerts](#) [Print This Page](#) [PDF Report](#) [Data Question](#)

**Quote** [Chart](#) [Stock Analysis](#) [Performance](#) [Key Ratios](#) [Financials](#) [Valuation](#) [Insiders](#) [Ownership](#) [Filings](#) [Bonds](#)

**Overview** [Company profile](#) [Industry Peers](#)

**Last Price** **Day Change**  
**\$12.70** **↓ -0.94 : -6.93%**

As of: Tue 03/08/2016 11:52 PM EST (USD)  
 BATS BZX Real-Time Price

**Fair Value Estimate**  
**\$13.59**  
[Premium](#)

**Open Price**  
 12.48-13.65

**Day Range**  
 8.80-26.93

**52-Week Range**  
 4.25%

**Yield**  
**Market Cap**  
 4.0 bil

**Volume**  
 4.9 mil

**Avg Vol.**  
 7.8 mil

**Forward P/E**  
 19.6

**Price/Book**  
 1.6

**Price/Sales**  
 0.3  
**Price/Cash Flow**  
 3.4

**Morningstar Premium Analyst Report** NRG

[Get 14 Days Free](#)

With CEO David Crane's resignation in December 2015, we expect NRG Energy will turn back to basics, optimizing cash flow from its legacy wholesale generation and retail supply businesses. Since...

[Read full Analyst Report](#)

**Fair Value Estimate**  
[Premium](#)

**Consider Buying**  
[Premium](#)

**Consider Selling**  
[Premium](#)

**Fair Value Uncertainty**  
[Premium](#)

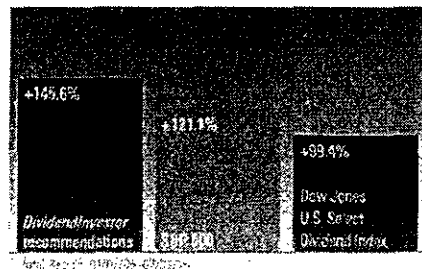
**Economic Moat**  
[Premium](#)

**Stewardship**  
[Premium](#)

**Growth**  
**C**

**Profitability**  
**D**

**Morningstar Credit Rating\***  
 BB-



Metric	Value
Dividend Investor Recommendations	+145.6%
Dow Jones U.S. Select	+121.1%
Dividend Index	+89.4%

[Top 20 Government Contracts for FY2016](#)

# Exhibit C-7 'Credit Report.'

NRG Energy, Inc.

Page 1 of 6

**Moody's**

INVESTORS SERVICE

Credit Opinion: NRG Energy, Inc.

Global Credit Research - 07 Dec 2015

Princeton, New Jersey, United States

## Ratings

Category	Moody's Rating
Outlook	Stable
Corporate Family Rating	Ba3
Sr Sec Bank Credit Facility	Baa3/LGD2
Senior Unsecured	B1/LGD4
Speculative Grade Liquidity	SGL-2
GenOn Escrow Corp.	
Outlook	No Outlook
Senior Unsecured	B3/LGD4
GenOn Americas Generation, LLC	
Outlook	Negative
Senior Unsecured	Caa1/LGD5
GenOn Mid-Atlantic, LLC	
Outlook	Negative
Senior Secured	Ba3/LGD1
GenOn Energy, Inc.	
Outlook	Negative
Corporate Family Rating	B3
Senior Unsecured	B3/LGD4
ST Issuer Rating	NP
Speculative Grade Liquidity	SGL-3

## Contacts

Analyst	Phone
Toby Shea/New York City	212.553.1779
William L. Hess/New York City	212.553.3837

## Key Indicators

[1] NRG Energy, Inc.

	9/30/2015(L)	12/31/2014	12/31/2013	12/31/2012	12/31/2011
(CFO Pre-W/C + Interest) / Interest	2.4x	2.4x	2.2x	2.5x	2.5x
(CFO Pre-W/C) / Net Debt	9.4%	8.7%	8.1%	8.8%	12.3%
RCF / Net Debt	8.2%	8.6%	9.9%	6.5%	12.1%
(CFO Pre-W/C) / Debt	8.4%	7.9%	7.1%	7.7%	11.0%
RCF / Debt	8.2%	7.7%	8.7%	5.7%	10.9%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Source: Moody's Financial Metrics

Note: For definitions of Moody's most common ratio terms please see the accompanying [User's Guide](#)

## Opinion

## Rating Drivers

- Large and diversified generation assets
- Weak cash flows from wholesale generation
- Stable cash flows from retail operations
- High cash flow to debt leverage

#### Corporate Profile

Headquartered in Princeton, New Jersey, NRG Energy, Inc. (NRG) owns and operates a large portfolio of unregulated generating facilities mainly in the US, with ownership in about 50 GW of generation capacity. NRG's unregulated retail energy business which includes Reliant Energy, Green Mountain Energy, Energy Plus Holdings and Cirro Energy serve about 2.8 million residential, business, commercial and industrial customers in Texas and, increasingly, in certain markets in the Northeastern US.

#### Rating Rationale

NRG's Ba3 corporate family rating (CFR) primarily reflects its position as the largest independent power producer in the U.S. in terms of generating capacity and a retail operation in Texas that provides sizeable, stable cash flow. The rating also incorporates the company's significant debt leverage and the current weak market conditions for U.S. merchant companies, for which we do not foresee a meaningful recovery in the next few years. The company's cash flow to debt leverage, as primarily measured by cash flows from operations (CFO) pre-working capital over debt, has been in the high single digits, which is below the benchmark for NRG's rating but is acceptable given the size and diversity of its asset base as well as the strong cash flow generated from its retail operation in Texas. NRG's corporate family rating of Ba3 is rated three notches higher than the corporate family rating for its GenOn (B3 CFR, negative) subsidiary, reflecting the fact that GenOn has a less favorable stand-alone credit and NRG provides limited support to GenOn.

#### DETAILED RATING CONSIDERATIONS

- NRG is the largest and most diversified merchant power company in the US

NRG has a strong business position due to its scale and diversity as the largest merchant operator in the US. NRG currently owns about 50 GW of generating capacity followed by the next largest merchant operator, Exelon Generating Company, LLC, which has about 35 GW. The company has a major presence in all of the competitive markets in the US including 24 GW in the East region, 15 GW in the Gulf Coast region and 7.6 GW in the West region. NRG Yield, which NRG has 46.7% economic interest in, owns about 4 GW of mostly contracted capacity. Fuel mix is relatively balanced with coal accounting for 32% of MW capacity and oil and gas facilities accounting for 58% with the remaining 10% balance split between nuclear and renewable. Besides generation, NRG has a large and growing retail marketing business and contracted renewable generation. Both of these businesses have different dynamics from the wholesale generation business and provide important diversity to NRG's cash flow. NRG's distributed generation business is relatively small and its growth will largely depend on the success of the company's strategy to find a partner who is willing to fund its growth beyond NRG's self-imposed \$125 million commitment ceiling.

- Weak wholesale power prices

Merchant generators, especially ones with coal generation, have been devastated by low energy commodity prices and surplus generating capacity. The current downturn is heavily driven by low natural gas prices and we do not foresee any meaningful recovery in the next few years due to a glut of natural gas reserves created by continued shale gas development. We believe that based on current forward market conditions, most of NRG's coal and nuclear plants will generate a minimal amount of cash flow. The exception is its coal plants in Illinois, which are likely to perform substantially better because they benefit from having access to low-cost Power River Basin coal as well as additional revenues from PJM's capacity payments. NRG is also very active in the development of renewable generation, gas-fired generation and distributed generation, which provide an important source of growth and contracted cash flows.

- Retail operation provides sizable stable cash flow

NRG's retail marketing operation, which is mainly in Texas, is an important offset to the poor operating environment for the merchant power markets over the last several years. It has been an important source of sizeable, predictable cash flow. The company reported EBITDA of \$595 million in the first nine months of 2015, \$604 million in 2014 and \$614 million in 2013 from its retail operation with only a minor amount of associated maintenance capital expenditures. In NRG's third quarter 2015 earnings call, the company provided a 2015 EBITDA guidance of \$700 to \$750 million for the retail operation which benefits from a low cost of working capital because its generating affiliate provides most of the power. NRG is also the incumbent supplier in the Houston area where the Reliant brand still commands a premium. According to the Public Utility Commission of Texas, the incumbent's market share of the residential market in the Houston area was around 36% at the end of June 2015, which is slightly down from 37.8% at end of June 2014.

#### - High debt leverage

NRG has a significant amount of debt leverage on a consolidated basis. Based on Moody's standard adjustments for the past twelve months ending September 30, 2015, NRG's CFO pre-WC/debt ratio was around 8.4%, a gradual improvement from 7.9% for 2014 and 7.1% in 2013. These CFO-pre-working-capital/debt ratios are below the benchmark range for Ba ratings under our Unregulated Utilities and Power Companies methodology which is set at 13-20%. However, we consider these levels to be acceptable for NRG because of the offsetting strengths in its overall business risk profile, as well as the prudent management of cash flow through hedging and liabilities through non-recourse financing.

#### Liquidity

NRG's speculative grade liquidity rating is SGL-2. The company continues to possess good liquidity with \$1 billion of unrestricted cash on hand and \$1.45 billion of unused capacity at the end of third quarter 2015 on its revolving credit facility. NRG's \$2.5 billion revolving credit facilities is secured by first-priority perfected security interests in substantially all of the property and assets owned or acquired by NRG and its subsidiaries, other than certain limited exceptions, including assets under GenOn and other non-recourse financing subsidiaries. Covenants under the revolving credit agreement includes 6x Debt/EBITDA and 1.75x interest coverage, excluding GenOn debt.

Excluding non-recourse maturities, NRG does not have any major debt maturities until 2018. NRG's \$2.5 billion revolving credit facility also expires in 2018. The company expects to generate \$1 to \$1.2 billion of free cash flow before growth capital expenditures for 2015. Committed capital allocation for 2016, which includes \$365 million of growth capital expenditures, \$180 million common stock dividends and \$40 million of debt amortization, is significant but should be manageable. The company also plans to generate about \$500 million of proceeds from asset sales in 2016.

#### Rating Outlook

NRG's stable outlook reflects stability of its cash flow provided by its retail operation and its diverse asset base. We view the company's recent announcement to limit investments in distributed generation, sell assets and reduce debt as credit positive actions but insufficient to warrant a rating action.

#### What Could Change the Rating - Up

A fundamental improvement in the merchant power market or a moderation in NRG's current debt leverage to facilitate a 12% or above CFO-pre-working-capital/debt ratio on a sustained basis could result in upward rating pressure.

#### What Could Change the Rating - Down

We may take a negative rating action should cash flow leverage deteriorate significantly to 7% CFO-pre-working-capital to debt. We could take a negative rating action should the stability of the retail cash flows come under pressure. The rating could also come under pressure should NRG change its financial policy regarding the treatment of GenOn as a non-recourse entity.

#### Rating Factors

NRG Energy, Inc.

Unregulated Utilities and Unregulated Power Companies Industry Grid [1][2]	Current LTM 9/30/2015	
Factor 1 : Scale (10%)	Measure	Score
a) Scale (USD Billion)	A	A
Factor 2 : Business Profile (40%)		
a) Market Diversification	Baa	Baa
b) Hedging and Integration Impact on Cash Flow Predictability	Ba	Ba
c) Market Framework & Positioning	Baa	Baa
d) Capital Requirements and Operational Performance	Ba	Ba
e) Business Mix Impact on Cash Flow Predictability		NA
Factor 3 : Financial Policy (10%)		
a) Financial Policy	B	B
Factor 4 : Leverage and Coverage (40%)		

[3] Moody's 12-18 Month Forward ViewAs of 12/4/2015	
Measure	Score
A	A
Baa	Baa
Ba	Ba
Baa	Baa
Ba	Ba
Ba	Ba

a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	2.5x	B	2x - 2.5x	B
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)		NA		
c) RCF / Net Debt (3 Year Avg)		NA		
b) (CFO Pre-W/C) / Debt (3 Year Avg)	8.0%	B	7% - 8.5%	B
c) RCF / Debt (3 Year Avg)	7.7%	B	6% - 8%	B
Rating:				
a) Indicated Rating from Grid		Ba2		Ba2
b) Actual Rating Assigned		Ba3		Ba3

[1] All ratios are based on Adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 9/30/2015[2]; Source: Moody's Financial Metrics [3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on <http://www.moody's.com> for the most updated credit rating action information and rating history.

## Moody's INVESTORS SERVICE

© 2016 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE. MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT

LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.



## **Exhibit C-8 'Bankruptcy Information.'**

Energy Choice Solutions has not had any form of bankruptcy filing at any time.

o

## **Exhibit C-9 'Merger Information.'**

Energy Choice Solutions was acquired by NRG Energy, Inc. ([www.nrg.com](http://www.nrg.com)) on 7/17/15.

## **Exhibit C-10 'Corporate Structure.'**

Energy Choice Solutions is a wholly owned subsidiary of NRG Energy, Inc. ([www.nrg.com](http://www.nrg.com)).