

GenOn Energy, Inc.
Form 10-K
March 30, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
x For the Fiscal Year ended December 31, 2017.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
o OF 1934

For the Transition period from _____ to _____
GenOn Energy, Inc.
(Exact name of registrant as specified in its charter)
76-0655566 (I.R.S. Employer Identification No.)
Commission File Number: 001-16455

GenOn Americas Generation, LLC
(Exact name of registrant as specified in its charter)
51-0390520 (I.R.S. Employer Identification No.)
Commission File Number: 333-63240

GenOn Mid-Atlantic, LLC
(Exact name of registrant as specified in its charter)
58-2574140 (I.R.S. Employer Identification No.)
Commission File Number: 333-61668

Delaware
(State or other jurisdiction of incorporation or organization)

804 Carnegie Center, Princeton, New Jersey 08540
(Address of principal executive offices) (Zip Code)
(609) 524-4500

(Registrants' telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:
None
Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.

GenOn Energy, Inc. Yes No
GenOn Americas Generation, LLC Yes No
GenOn Mid-Atlantic, LLC Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

GenOn Energy, Inc. Yes No
GenOn Americas Generation, LLC Yes No

GenOn Mid-Atlantic, LLC

Yes No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. (As a voluntary filer not subject to filing requirements, the registrant nevertheless filed all reports which would have been required to be filed by Section 15(d) of the Exchange Act during the preceding 12 months had the registrant been required to file reports pursuant to Section 15(d) of the Securities Exchange Act of 1934 solely as a result of having registered debt securities under the Securities Act of 1933.)

GenOn Energy, Inc. Yes No
 GenOn Americas Generation, LLC Yes No
 GenOn Mid-Atlantic, LLC Yes No

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

GenOn Energy, Inc. Yes No
 GenOn Americas Generation, LLC Yes No
 GenOn Mid-Atlantic, LLC Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

GenOn Energy, Inc.
 GenOn Americas Generation, LLC
 GenOn Mid-Atlantic, LLC

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

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging Growth Company
GenOn Energy, Inc.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>
GenOn Americas Generation, LLC	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>
GenOn Mid-Atlantic, LLC	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>

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

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

GenOn Energy, Inc. Yes No
 GenOn Americas Generation, LLC Yes No
 GenOn Mid-Atlantic, LLC Yes No

Each Registrant's outstanding equity interests are held by its respective parent and there are no equity interests held by nonaffiliates.

Registrant	Parent
GenOn Energy, Inc.	NRG Energy, Inc.
GenOn Americas Generation, LLC	NRG Americas, Inc.
GenOn Mid-Atlantic, LLC	NRG North America, LLC

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This combined Form 10-K is separately filed by GenOn Energy, Inc., GenOn Americas Generation, LLC and GenOn Mid-Atlantic, LLC. Information contained in this combined Form 10-K relating to GenOn Energy, Inc., GenOn Americas Generation, LLC and GenOn Mid-Atlantic, LLC is filed by such registrant on its own behalf and each registrant makes no representation as to information relating to registrants other than itself.

The registrants have not incorporated by reference any information into this Form 10-K from any annual report to securities holders, proxy statement or prospectus filed pursuant to 424(b) or (c) of the Securities Act.

NOTE: WHEREAS GENON MID-ATLANTIC, LLC MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION I(1)(a) AND (b) OF FORM 10-K, THIS COMBINED FORM 10-K IS BEING FILED WITH THE REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION I(2) FOR GENON MID-ATLANTIC, LLC.

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Glossary of Terms

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

ARO	Asset Retirement Obligation
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASU	Accounting Standards Updates, which reflects updates to the ASC
Average realized prices	Volume-weighted average power prices, net of average fuel costs and reflecting the impact of settled hedges
Bankruptcy Code	Chapter 11 of Title 11 of the United States Bankruptcy Code
Bankruptcy Court	United States Bankruptcy Court for the Southern District of Texas, Houston Division
Baseload	Units expected to satisfy minimum baseload requirements of the system and produce electricity at an essentially constant rate and run continuously
CAIR	Clean Air Interstate Rule
CAISO	California Independent System Operator
CCGT	Combined Cycle Gas Turbine
CenterPoint	CenterPoint Energy, Inc. and its subsidiaries, on and after August 31, 2002, and Reliant Energy, Incorporated and its subsidiaries, prior to August 31, 2002
CES	Clean Energy Standard
CFTC	U.S. Commodity Futures Trading Commission
Chapter 11 Cases	Voluntary cases commenced by the GenOn Entities under the Bankruptcy Code in the Bankruptcy Court
CO ₂	Carbon Dioxide
CPP	Clean Power Plan
CPUC	California Public Utilities Commission
CSAPR	Cross-State Air Pollution Rule
CWA	Clean Water Act
D.C. Circuit	U.S. Court of Appeals for the District of Columbia Circuit
Deactivation	Includes retirement, mothballing and long-term protective layup. In each instance, the deactivated unit cannot be currently called upon to generate electricity.
Debt Documents	GenOn's Intercompany Revolver with NRG; the indenture governing the GenOn 7.875% Senior Notes due 2017 (as amended or supplemented from time to time); the indenture governing the GenOn 9.500% Notes due 2018 (as amended or supplemented from time to time); the indenture governing the GenOn 9.875% Notes due 2020 (as amended or supplemented from time to time); the indenture governing the GenOn Americas Generation 8.50% Senior Notes due 2021 (as amended or supplemented from time to time); and the indenture governing the GenOn Americas Generation 9.125% Senior Notes due 2031 (as amended or supplemented from time to time)
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
Economic gross margin	Sum of energy revenue, capacity revenue and other revenue, less cost of sales and other cost of sales
EGU	Electric Generating Unit
ELG	Effluent Limitations Guidelines
EMAAC	Eastern Mid-Atlantic Area Council
EPA	United States Environmental Protection Agency
EPC	Engineering, Procurement and Construction

EPSA	The Electric Power Supply Association
ERISA	The Employee Retirement Income Security Act of 1974
ESPS	Existing Source Performance Standards
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FCM	Forward Capacity Market

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FERC	Federal Energy Regulatory Commission
FGD	Flue gas desulfurization
FTRs	Financial Transmission Rights
FPA	Federal Power Act
GAAP	Accounting principles generally accepted in the U.S.
GenMA Settlement	The settlement terms agreed to among the GenOn Entities, NRG, the Consenting Holders, GenOn Mid-Atlantic, and certain of GenOn Mid-Atlantic's stakeholders as part of the Bankruptcy Court approval of the Plan
GenOn	GenOn Energy, Inc. and, except where the context indicates otherwise, its subsidiaries
GenOn Americas Generation	GenOn Americas Generation, LLC and, except where the context indicates otherwise, its subsidiaries
GenOn Americas Generation Senior Notes	GenOn Americas Generation's \$695 million outstanding unsecured senior notes consisting of \$366 million of 8.50% senior notes due 2021 and \$329 million of 9.125% senior notes due 2031 as of December 31, 2017
GenOn Energy Holdings	GenOn Energy Holdings, Inc. and, except where the context indicates otherwise, its subsidiaries
GenOn Energy Management	GenOn Energy Management, LLC, a wholly owned subsidiary of GenOn Americas Generation, LLC
GenOn Entities	GenOn and certain of its wholly owned subsidiaries, including GenOn Americas Generation, that filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court on June 14, 2017
GenOn Mid-Atlantic	GenOn Mid-Atlantic, LLC and, except where the context indicates otherwise, its subsidiaries, which include the coal generation units at two generation stations under operating leases
GenOn Plans	Collectively, the NRG GenOn LTIP, The GenOn Energy, Inc. 2002 Long-Term Incentive Plan, the GenOn Energy, Inc. 2002 Stock Plan and the Mirant Corporation 2005 Omnibus Incentive Compensation Plan
GenOn Senior Notes	GenOn's \$1.8 billion outstanding unsecured senior notes consisting of \$691 million of 7.875% senior notes due 2017, \$649 million of 9.500% senior notes due 2018, and \$490 million of 9.875% senior notes due 2020
GHG	Greenhouse Gas
Governance Committee	The Governance Committee of the board of directors of GenOn
GW	Gigawatt
HAPs	Hazardous Air Pollutant
IASB	International Accounting Standards Board
ICAP	New York Installed Capacity
ICE	Intercontinental Exchange
IFRS	International Financial Reporting Standards
IPA	Illinois Power Authority
IRC	Internal Revenue Code of 1986, as amended
IRC §	IRC Section
ISO	Independent System Operator, also referred to as RTO
ISO-NE	ISO New England Inc.
kWh	Kilowatt-hour
LIBOR	London Inter-bank Offered Rate
LTSA	Long Term Service Agreement
MAAC	Mid-Atlantic Area Council
MATS	Mercury and Air Toxics Standards promulgated by the EPA
MC Asset Recovery	MC Asset Recovery, LLC

MDE
Merit Order
Mirant

Maryland Department of the Environment
A term used for the ranking of power stations in order of ascending marginal cost
GenOn Energy Holdings, Inc. (formerly known as Mirant Corporation) and, except where
the context indicates otherwise, its subsidiaries

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Mirant/RRI Merger	The merger completed on December 3, 2010 of Mirant Corporation and RRI Energy Inc. to form GenOn Energy, Inc.
Mirant Debtors	GenOn Energy Holdings, Inc. (formerly known as Mirant Corporation) and certain of its subsidiaries
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Units
MOPR	Minimum Offer Price Rule
Mothballed	The unit has been removed from service and is unavailable for service, but has been laid up in a manner such that it can be brought back into service with an appropriate amount of notification, typically weeks or months
MW	Megawatts
MWh	Saleable megawatt hour net of internal/parasitic load megawatt-hour
NAAQS	National Ambient Air Quality Standards
Natixis	Natixis Funding Corp.
NEPGA	New England Power Generators Association
NAAQS	National Ambient Air Quality Standards
Net Exposure	Counterparty credit exposure to GenOn, GenOn Americas Generation or GenOn Mid-Atlantic, as applicable, net of collateral
Net Generation	The net amount of electricity produced, expressed in kWhs or MWhs, that is the total amount of electricity generated (gross) minus the amount of electricity used during generation.
NERC	North American Electric Reliability Corporation
NOL	Net Operating Loss
NOV	Notice of Violation
NO _x	Nitrogen Oxides
NPDES	National Pollution Discharge Elimination System
NPNS	Normal Purchase Normal Sale
NRG	NRG Energy, Inc. and, except where the context indicates otherwise, its subsidiaries
NRG Americas	NRG Americas, Inc. (formerly known as GenOn Americas, Inc.)
NRG GenOn LTIP	NRG 2010 Stock Plan for GenOn employees
NRG Merger	The merger completed on December 14, 2012 whereby GenOn became a wholly owned subsidiary of NRG
NSPS	New Source Performance Standards
NYISO	New York Independent System Operator
NYMEX	New York Mercantile Exchange
NYSPSC	New York State Public Service Commission
OCI	Other Comprehensive Income/(Loss)
Peaking	Units expected to satisfy demand requirements during the periods of greatest or peak load on the system
PER	Peak Energy Rate
Petition Date	June 14, 2017
PJM	PJM Interconnection, LLC
Plan	Joint Chapter 11 Plan of Reorganization of the GenOn Entities filed on June 29, 2017 and as amended on September 18, 2017, October 2, 2017 and December 12, 2017
PPM	Parts Per Million
PUCO	Public Utility Commission of Ohio
PUHCA	Public Utility Holding Company Act of 2005
PURPA	Public Utility Regulatory Policies Act of 1978

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RCRA Resource Conservation and Recovery Act of 1976
Registrants GenOn, GenOn Americas Generation and GenOn Mid-Atlantic, collectively
REMA NRG REMA LLC (formerly known as GenOn REMA, LLC)

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Repowering	Technologies utilized to replace, rebuild, or redevelop major portions of an existing electrical generating facility, not only to achieve a substantial emission reduction, but also to increase facility capacity, and improve system efficiency
Restructuring Support Agreement	Restructuring Support and Lock-Up Agreement, dated as of June 12, 2017 and as amended by the first amendment thereto on October 2, 2017, by and among GenOn Energy, Inc., GenOn Americas Generation, LLC, the subsidiaries signatory thereto, NRG Energy, Inc. and the noteholders signatory thereto
RGGI	Regional Greenhouse Gas Initiative
RMR	Reliability Must-Run
RRI Energy	RRI Energy, Inc.
RTO	Regional Transmission Organization
SCR	Selective Catalytic Reduction
SEC	U.S. Securities and Exchange Commission
Securities Act	The Securities Act of 1933, as amended
Services Agreement	NRG provides GenOn with various management, personnel and other services, which include human resources, regulatory and public affairs, accounting, tax, legal, information systems, treasury, risk management, commercial operations, and asset management, as set forth in the transition services agreement, formerly the services agreement, with GenOn
Settlement Agreement	A settlement agreement and any other documents necessary to effectuate the settlement among NRG, GenOn, and certain holders of senior unsecured notes of GenOn Americas Generation and GenOn, and certain of GenOn's direct and indirect subsidiaries
Seward	The Seward generation station, a 525 MW coal-fired facility in Pennsylvania
Shelby	The Shelby County generation station, a 352 MW natural gas-fired facility in Illinois
SO ₂	Sulfur Dioxide
Tax Act	The Tax Cut and Jobs Act of 2017
U.S.	United States of America

PART I

Item 1 — Business (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

General

The Registrants are wholesale power generation subsidiaries of NRG, which is a competitive power company that produces, sells and delivers electricity and related services, primarily in major competitive power markets in the U.S. GenOn is an indirect wholly owned subsidiary of NRG. GenOn was incorporated as a Delaware corporation on August 9, 2000, under the name Reliant Energy Unregco, Inc. GenOn Americas Generation and GenOn Mid-Atlantic are indirect wholly owned subsidiaries of GenOn. GenOn Americas Generation was formed as a Delaware limited liability company on November 1, 2001, under the name Mirant Americas Generation, LLC. GenOn Mid-Atlantic was formed as a Delaware limited liability company on July 12, 2000, under the name Southern Energy Mid-Atlantic, LLC. GenOn Mid-Atlantic is a wholly-owned subsidiary of NRG North America and an indirect wholly owned subsidiary of GenOn Americas Generation. The Registrants are 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.

The Registrants' generation facilities are located in the U.S. and comprise generation facilities across the merit order. The sale of capacity and power from baseload and intermediate generation facilities accounts for a majority of the Registrants' generation revenues. In addition, the Registrants' generation portfolio provides each Registrant with opportunities to capture additional revenues by selling power during periods of peak demand, offering capacity or similar products, and providing ancillary services to support system reliability.

The following table summarizes the generation portfolio as of December 31, 2017, by Registrant:

Generation Type	(In MW) ^(a)		
	GenOn	GenOn Americas Generation	GenOn Mid-Atlantic
Natural gas ^{(b)(c)(d)(e)}	9,348	3,011	1,864
Coal	4,199	2,433	2,433
Oil	1,847	1,434	308
Total generation capacity	15,394	6,878	4,605

MW figures provided represent nominal summer net MW capacity of power generated as adjusted for the Registrants' owned or leased interest excluding capacity from inactive/mothballed units. MW for GenOn Americas Generation are included within GenOn and MW for GenOn Mid-Atlantic are included within GenOn Americas Generation.

GenOn's natural gas generation portfolio excludes 1,029 MW related to Pittsburg generation station, a natural gas-fired facility located in California, which was deactivated by GenOn Americas Generation on January 1, 2017, as a result of notification received during 2016 that its bid for a resource adequacy contract for 2017 with Pacific Gas & Electric was not accepted.

GenOn's natural gas generation portfolio includes 275 MW related to Choctaw Unit 1 which was in forced outage but returned to service on November 30, 2017.

On February 28, 2018, GenOn notified the CPUC and CAISO of its intent to retire Etiwanda by June 1, 2018, Ormond Beach by October 1, 2018 and Ellwood by January 1, 2019, collectively 2,210 MW.

GenOn retired Mandalay in February 2018, representing 560 MW.

GenOn Chapter 11 Cases

On the Petition Date, the GenOn Entities filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, or the Chapter 11 Cases. GenOn Mid-Atlantic, as well as its consolidated subsidiaries, REMA, and certain other subsidiaries, did not file for relief under Chapter 11.

The GenOn Entities remain in possession of their property and continue their business operations in the ordinary course uninterrupted as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. See Item 15 — Note 3, Chapter

11 Cases for more information on the Chapter 11 Cases.

On June 29, 2017, the GenOn Entities filed the Plan and the Disclosure Statement with the Bankruptcy Court consistent with the Restructuring Support Agreement. On September 18, 2017 and October 2, 2017, the GenOn Entities filed amendments to the Plan and the Disclosure Statement, which primarily provided the GenOn Entities with the flexibility to complete sales of certain assets pursuant to the Plan, as amended, and removed the GenOn Entities' requirement to conduct a rights offering in connection with the GenOn Entities' exit financing. On or about October 6, 2017, the Debtors commenced solicitation of the Plan.

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On October 31, 2017, the GenOn Entities announced that they entered into a Consent Agreement with certain holders of GenOn's Senior Notes and GenOn Americas Generation's Senior Notes, collectively, the Consenting Holders, whereby the GenOn Entities and the Consenting Holders agreed to extend the milestones in the Restructuring Support Agreement, by which the Plan must become effective, or 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, or the Extended Effective Dates.

On December 12, 2017, the Bankruptcy Court entered an order confirming the Plan, and effective December 12, 2017, GenOn and NRG entered into agreements concerning (i) timeline and transition, (ii) cooperation and co-development matters, (iii) post-employment and retiree health and welfare benefits and pension benefits, (iv) tax matters, and (v) intercompany balances and releases, consistent with the Restructuring Support Agreement, which among other things, provide for the transition of GenOn to a standalone enterprise, the resolution of substantial intercompany claims between GenOn and NRG, and the allocation of certain costs and liabilities between GenOn and NRG. On December 12, 2017, the Bankruptcy Court also entered an order giving effect to the Consent Agreement.

The Bankruptcy Court order confirming the Plan also approved the settlement terms agreed to among the GenOn Entities, NRG, the Consenting Holders, GenOn Mid-Atlantic, and certain of GenOn Mid-Atlantic's stakeholders, or the GenMA Settlement, and directed the settlement parties to cooperate in good faith to negotiate definitive documentation consistent with the GenMA Settlement term sheet in order to pursue consummation of the GenMA Settlement. The GenMA Settlement remains subject to definitive documentation.

Certain terms of the compromise as reached by the GenMA Settlement parties are as follows, as qualified by the full settlement framework on file with the Bankruptcy Court:

- settlement of all pending litigation and objections to the Plan (including with respect to releases and feasibility);
- GenOn will provide a \$55.0 million one-year 15% senior secured bridge facility;
- cash redemption or purchase of certain outstanding lessor notes/pass-through certificates, funded by (i) GenOn Mid-Atlantic cash on hand; (ii) proceeds from a J.P. Morgan letter of credit draw; (iii) the \$55.0 million bridge facility provided by GenOn; (iv) a \$20.0 million cash contribution by GenOn; and (v) proceeds from the Natixis letter of credit facility;
- the option to defer certain equity rent and shared services to support GenOn Mid-Atlantic's liquidity;
- GenOn and NRG will provide \$57.5 million of new qualifying credit support to GenOn Mid-Atlantic, consisting of:
 - \$20.0 million cash contribution by GenOn; and
 - \$37.5 million in letters of credit from NRG.

- GenOn will retain \$125.0 million from the pre-petition transfer from GenOn Mid-Atlantic and all proceeds of NRG's settlement payment of approximately \$261.3 million to GenOn to fully settle the disputes existing between such parties and their respective affiliates (subject to setoff of approximately \$125.0 million in NRG claims against GenOn under the parties' Intercompany Revolver), or the NRG Settlement Payment;
- debt and lien covenants will permit a secured working capital facility in an amount not to exceed \$75.0 million, which GenOn Mid-Atlantic will use commercially reasonable efforts to obtain; and
- GenOn Mid-Atlantic will have one independent director appointed by the Owner Lessor Plaintiffs (as defined in the Plan).

The terms of the GenMA Settlement are subject to further negotiations between the parties and the consummation of the GenMA Settlement on any terms is subject to certain conditions and may not be consummated on the terms as currently contemplated or at all. To the extent the GenMA Settlement is not consummated, GenOn Mid-Atlantic will retain the right to opt out of the releases given to each other releasing party prior to the Effective Date.

Liquidity and Ability to Continue as a Going Concern

As described above, GenOn and GenOn Americas Generation submitted the Plan in connection with the Chapter 11 Cases and the Bankruptcy Court entered an order confirming the Plan. There is no assurance that all conditions precedent to the effectiveness of the Plan will be satisfied. GenOn's and GenOn Americas Generation's ability to continue as going concerns is dependent on many factors, including the consummation of the Plan in a timely manner, and GenOn's and GenOn Americas Generation's ability to achieve profitability following emergence from bankruptcy.

Given the uncertainty as to the outcome of these factors, there is substantial doubt about GenOn's and GenOn Americas Generation's ability to continue as going concerns.

With respect to GenOn Mid-Atlantic, a consolidated subsidiary of GenOn, management has determined that while it has sufficient cash on hand to fund current obligations including operating lease payments due under the GenOn Mid-Atlantic operating leases as of December 31, 2017, the potential significant adverse impact of financial stresses at GenOn Mid-Atlantic's parent companies and, to a lesser extent, any adverse impact resulting from the notification by GenOn Mid-Atlantic's lessors alleging the existence of certain lease events of default as further described in Item 15 — Note 10, Debt and Capital Leases has caused there to be substantial doubt about GenOn Mid-Atlantic's ability to continue as a going concern.

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Seasonality and Price Volatility

Annual and quarterly operating results of the Registrants' wholesale power generation segments can be significantly affected by weather and energy commodity price volatility. Significant other events, such as the demand for natural gas, interruptions in fuel supply infrastructure and relative levels of hydroelectric capacity, can increase seasonal fuel and power price volatility. The preceding factors related to seasonality and price volatility are fairly uniform across the Registrants' wholesale generation business.

Significant Events

GenOn Chapter 11 Bankruptcy Filing

On the Petition Date, the GenOn Entities filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, as discussed in more detail including related matters in Item 15 — Note 1, Nature of Business, Note 3, Chapter 11 Cases, and Note 14, Related Party Transactions.

Tax Act

As of December 31, 2017, as a result of the Tax Act, GenOn, GenOn Americas Generation and GenOn Mid-Atlantic reduced their deferred tax assets by \$766 million, \$314 million and \$266 million, respectively. The impact of the reduction in deferred tax assets is fully offset by valuation allowances for corresponding amounts, resulting in no net impact to the tax expense for 2017. While the Registrants have not yet completed their assessment of the effects of the Tax Act, reasonable estimates for the impact of the items specified above were able to be determined.

Impairments and Asset Sales

During 2017, GenOn recorded impairment losses of \$274 million related to various facilities, which included \$220 million within both GenOn Americas Generation and GenOn Mid-Atlantic. The impairment losses are discussed in more detail in Item 15 — Note 9, Impairments.

On February 22, 2018, subsidiaries of GenOn entered into an agreement to sell the Hunterstown generation station, an 810 MW natural gas facility in Gettysburg, Pennsylvania, for cash consideration of \$498 million, subject to working capital adjustments which are expected to be approximately \$22 million. The transaction is expected to close in the second quarter of 2018 and is subject to various customary closing conditions, approvals and consents.

On March 22, 2018, subsidiaries of GenOn entered into an agreement to sell the Canal Units 1 and 2 electricity generating facilities with a combined 1,112 MW capacity in Sandwich, Massachusetts, for cash consideration of \$320 million. The closing purchase price is subject to working capital adjustments (including a downward adjustment for distributions or dividends made after June 30, 2018) and upward adjustment of \$13.5 million if a concurrent transaction for the sale of the Canal 3 project does not close between those parties due to a debt financing failure. The transaction is expected to close early in the third quarter of 2018 and is subject to various customary closing conditions, approvals and consents.

In December 2017, GenOn made a one-time payment to NRG of \$15 million as compensation for being granted a purchase option and a rejection option with respect to the Canal 3 project. NRG is expected to reimburse GenOn \$13.5 million when and if NRG closes the agreed upon sale of the Canal 3 project to an affiliate of the third party purchaser in the Canal Units 1 and 2 transaction. On March 22, 2018, an affiliate of the Canal Units 1 and 2 purchaser entered into an agreement to purchase Canal 3 directly from an affiliate of NRG. GenOn elected to allow the rejection option to expire unexercised and has agreed to not exercise the purchase option.

Financing Activities

On February 1, 2018, pursuant to the confirmation of the Plan, the GenOn Entities elected to make a partial payment in the amount of \$300 million, consisting of \$158 million and \$142 million to be applied to the outstanding balance of the GenOn Americas Generation Senior Notes due 2021 and 2031, respectively.

Operational Matters

GenOn Americas Generation deactivated the Pittsburg generation station, a 1,029 MW natural gas-fired facility located in California, on January 1, 2017.

GenOn, through its subsidiary, NRG California South LP, owns and operates the Mandalay generation station, Units 1, 2 and 3 (“Mandalay”) located in Oxnard, California. On October 19, 2017, NRG California South LP provided notice to the CPUC and the CAISO of its intent to shut down and retire Mandalay by December 31, 2017. Mandalay was retired in February 2018.

On February 28, 2018, GenOn, through its subsidiary, NRG California South LP, provided additional notices to the CPUC and the CAISO of its intent to shut down and retire the Etiwanda generation station by June 1, 2018, the Ormond Beach generation station by October 1, 2018, and the Ellwood generation station by January 1, 2019.

Competition

Wholesale power generation is a capital-intensive and commodity-driven business with numerous industry participants that compete on the basis of the location of their plants, fuel mix, plant efficiency and the reliability of the services offered. The Registrants compete on the basis of the location of their plants and ownership of portfolios of plants in various regions, which increases the stability and reliability of their energy revenues. Wholesale power generation is a regional business that is currently highly fragmented and diverse in terms of industry structure. As such, there is a wide variation in terms of the capabilities, resources, nature and identity of the companies the Registrants compete with depending on the market. Competitors include regulated utilities, municipalities, cooperatives and other independent power producers, and power marketers or trading companies, including those owned by financial institutions.

Competitive Strengths

The Registrants’ power generation assets are diversified by fuel-type, dispatch level and region, which helps mitigate the risks associated with fuel price volatility and market demand cycles. The Registrants’ baseload and intermediate facilities provide each with a significant source of cash flow, while the peaking facilities provide the Registrants with opportunities to capture significant upside potential that can arise from time to time during periods of high demand. Many of the Registrants’ generation assets are located within densely populated areas, which tend to have higher wholesale pricing as a result of relatively favorable local supply-demand balance. The Registrants have generation assets located in or near major metropolitan areas. These facilities, some of which are aging, are often ideally situated for repowering or the addition of new capacity because their location and existing infrastructure provide significant advantages over undeveloped sites.

Regulatory Matters

As owners of power plants and participants in wholesale energy markets, certain of the Registrants’ subsidiaries are subject to regulation by various federal and state government agencies. These include the CFTC and FERC, as well as other public utility commissions in certain states where the Registrants’ generating assets are located. In addition, the Registrants are subject to the market rules, procedures and protocols of the various ISO markets in which they participate. The Registrants must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where they operate.

PJM (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Minimum Offer Price Rule Exemption Appeal — On July 7, 2017, the D.C. Circuit vacated a FERC order from 2013 related to an exemption to the Minimum Offer Price Rule, or MOPR, and remanded the issue back to FERC. On October 23, 2017, PJM re-filed its initial 2012 MOPR. On December 8, 2017, FERC rejected PJM’s filing and directed PJM to submit a compliance filing reinstating the MOPR in effect prior to PJM’s December 2012 filing. PJM submitted a compliance filing modifying certain PJM tariff sections, retaining the unit-specific exception, which FERC has accepted.

2020/2021 PJM Auction Results — On May 23, 2017, PJM announced the results of its 2020/2021 base residual auction.

The tables below provide a detailed description of the Registrants' base residual auction results:

GenOn:

Capacity Performance Product

Zone	Cleared Capacity (MW)	Price (\$/MW-day)	Expected capacity revenues
EMAAC	496	\$ 187.87	
MAAC	6,040	86.04	
RTO	537	76.53	
Total	7,073		\$ 239

GenOn Americas Generation & GenOn Mid-Atlantic:

Capacity Performance Product

Zone	Cleared Capacity (MW)	Price (\$/MW-day)	Expected capacity revenues
MAAC ⁽¹⁾	3,824	\$ 86.04	
Total	3,824		\$ 120

(1) Plants that participate in the PJM auctions for GenOn Americas Generation are solely those operated by GenOn Mid-Atlantic.

Complaints Related to Extension of Base Capacity — In 2015, FERC approved changes to PJM's capacity market, which included moving from the Base Capacity product to the higher performance Capacity Performance product over the course of a five year transition. Under this transition, as of the May 2017 BRA, the Base Capacity product will no longer be available. Several parties have filed complaints at FERC seeking to maintain the RPM Base Capacity product for at least one more delivery year or until such time as PJM develops a model for seasonal resources to participate. If the transition is delayed, capacity prices could be materially impacted. The matters are pending at FERC.

Complaints Regarding Pseudo-Ties for Capacity — On April 6, 2017, Potomac Economics, the market monitor for MISO and NYISO, filed a complaint against PJM regarding the participation of external capacity resources in PJM's auction. Currently, external resources must enter into a pseudo-tie agreement in order to sell capacity into PJM. The complaint alleges that the pseudo-tie requirements is causing market inefficiencies in PJM, New York and MISO and suggests a new protocol for incorporating external resources into PJM's markets. In addition, other market participants have filed separate complaints at FERC against MISO or PJM, respectively, for issues resulting from pseudo-tied generators. The complainants argue that the generation owners with pseudo-ties from MISO to PJM are receiving double-charges for congestion. The outcome could impact the PJM, NYISO and MISO capacity markets.

New England (GenOn and GenOn Americas Generation)

2021/2022 ISO-NE Auction Results — On February 6, 2018, ISO-NE announced the results of its 2021/2022 forward capacity auction. GenOn cleared 1,135 MW at \$4.631 kW-month providing expected annualized capacity revenues of \$63 million.

Peak Energy Rent Adjustment Complaint — On September 30, 2016, the New England Power Generators Association, or NEPGA, filed a complaint against ISO-NE asking FERC to find the Peak Energy Rent, or PER, unjust and unreasonable. The PER adjustment reduces capacity payments on days where energy prices exceed a pre-defined level, known as the "PER strike price." On January 9, 2017, FERC granted NEPGA's complaint requiring a change to the methodology used to calculate the PER strike price. FERC also directed the parties to determine any refunds for PER paid between September 30, 2016 and May 31, 2018. On July 26, 2017, NEPGA filed settlement documents at FERC, which the Registrants did not oppose. On February 20, 2018, FERC accepted the settlement and directed ISO-NE to submit a compliance filing consistent with the terms of the settlement.

New York (GenOn and GenOn Americas Generation)

Independent Power Producers of New York (IPPNY) Complaint — On January 9, 2017, EPSA requested FERC to promptly direct the NYISO to file tariff provisions to address pending market concerns related to out-of-market payments to existing generation in the NYISO. This request was prompted by the ZEC program initiated by the NYSPSC. This request follows IPPNY's complaint at FERC against the NYISO on May 10, 2013, as amended on March 25, 2014. The generators asked FERC to direct the NYISO to require that capacity from existing generation resources that would have exited the market but for out-of-market payments. Failure to implement buyer-side mitigation measures could result in uneconomic entry, which artificially decreases capacity prices below competitive market levels.

MISO (GenOn)

Revisions to MISO Capacity Construct — On February 28, 2018, FERC issued two orders on MISO's capacity market design, which together, re-affirm MISO's existing capacity market structure. FERC also held that, even though there was a period of time between where MISO's capacity market structure may not have just and reasonable, that FERC exercised its remedial authority not to rerun past auctions. The Registrants have 30 days to seek an administrative rehearing with FERC. The eventual outcome of this proceeding will affect capacity prices in MISO and the incentive for generators in MISO to sell capacity into neighboring markets.

General

State Out-Of-Market Subsidy Proposals — Certain states including Connecticut, New Jersey, Ohio and Pennsylvania have considered but have not enacted proposals to provide out-of-market subsidy payments to potentially uneconomic nuclear and fossil generating units. The Registrants have opposed those efforts to provide out of market subsidies, and intend to continue opposing them in the future.

Environmental Matters

The Registrants are subject to a wide range of environmental laws in the development, construction, ownership and operation of projects. These laws generally require that governmental permits and approvals be obtained before construction and maintained during operation of power plants. Requirements regarding GHGs, combustion byproducts, water discharge and use, and threatened and endangered species have been put in place in recent years. However, under the current U.S. presidential administration some of these rules are being reconsidered and reviewed. Future laws may require the addition of emissions controls or other environmental controls or impose restrictions on the operations of the Registrants' facilities, which could have a material effect on the Registrants' operations. Complying with environmental laws involves significant capital and operating expenses. The Registrants decide to invest capital for environmental controls based on the relative certainty of the requirements, an evaluation of compliance options, and the expected economic returns on capital.

A number of regulations with the potential to affect the Registrants and their facilities have been recently promulgated by the EPA but are being reconsidered, including ESPS/NSPS for GHGs, NAAQS revisions and implementation, and effluent guidelines. The Registrants are evaluating the potential outcomes and any resulting impacts of recently promulgated regulations that the EPA is now reconsidering and cannot fully predict such impacts until administrative reconsiderations and legal challenges are resolved. Federal and state environmental laws generally have become more stringent over time, although this trend could slow or pause in the near term with respect to federal laws under the current U.S. presidential administration.

Ozone NAAQS — On October 26, 2015, the EPA promulgated a rule that reduces the ozone NAAQS to 0.070 ppm. Challenges to this rule have been stayed at the request of the EPA so that it can evaluate the rule. If the rule is not altered by the EPA and survives legal challenges, this more stringent NAAQS will obligate the states to develop plans to reduce NO_x (an ozone precursor), which could affect some of the Registrants' units.

Cross-State Air Pollution Rule — The EPA finalized CSAPR in 2011, which was intended to replace CAIR in January 2012, to address certain states' obligations to reduce emissions so that downwind states can achieve federal air quality standards. In December 2011, the D.C. Circuit stayed the implementation of CSAPR and then vacated CSAPR in August 2012 but kept CAIR in place until the EPA could replace it. In April 2014, the U.S. Supreme Court reversed and remanded the D.C. Circuit's decision. In October 2014, the D.C. Circuit lifted the stay of CSAPR. In response, the EPA in November 2014 amended the CSAPR compliance dates. Accordingly, CSAPR replaced CAIR on January 1, 2015. On July 28, 2015, the D.C. Circuit held that the EPA had exceeded its authority by requiring certain reductions that were not necessary for downwind states to achieve federal standards. Although the D.C. Circuit kept the rule in place, the court ordered the EPA to revise the Phase 2 (or 2017) (i) SO₂ budgets for four states and (ii) ozone-season NO_x budgets for 11 states including Maryland, New Jersey, New York, Ohio, and Pennsylvania. On October 26, 2016, the EPA finalized the CSAPR Update Rule, which reduces future NO_x allocations and discounts the current banked allowances to account for the more stringent 2008 Ozone NAAQS and to address the D.C. Circuit's July 2015 decision. This rule has been challenged in the D.C. Circuit. The Registrants believe that their investment in pollution controls and cleaner technologies leave the fleet well-positioned for compliance.

Clean Power Plan — The attention in recent years on GHG emissions has resulted in federal regulations and state legislative and regulatory action. In October 2015, the EPA finalized the Clean Power Plan, or CPP, addressing GHG emissions from existing EGUs. On February 9, 2016, the U.S. Supreme Court stayed the CPP. The D.C. Circuit, sitting en banc, heard oral argument on the legal challenges to the CPP in September 2016. At the EPA's request, the D.C. Circuit agreed on April 28, 2017 to hold the case in abeyance. On October 16, 2017, the EPA proposed a rule to repeal the CPP. Accordingly, the CPP is not likely to survive.

Effluent Limitations Guidelines — In November 2015, the EPA revised the Effluent Limitations Guidelines for Steam Electric Generating Facilities, which will impose more stringent requirements (as individual permits are renewed) for wastewater streams from flue gas desulfurization, or FGD, fly ash, bottom ash, and flue gas mercury control. In April 2017, the EPA granted two petitions to reconsider the rule and also administratively stayed some of the deadlines. On September 18, 2017, the EPA promulgated a final rule that (i) postpones the compliance dates to preserve the status quo for FGD wastewater and bottom ash transport water by two years to November 2020 until the EPA completes its next rulemaking and (ii) withdrew the April 2017 administrative stay. The legal challenges have been suspended while the EPA reconsiders and likely modifies the rule. Accordingly, the Registrants have largely eliminated its estimate of the environmental capital expenditures that would have been required to comply with permits incorporating the revised guidelines. The Registrants will revisit these estimates after the rule is revised.

See Item 15 — Note 16, Regulatory Matters, Note 17, Environmental Matters, and Note 18, Guarantees, to the Consolidated Financial Statements.

Regional Environmental Issues

RGGI — The Registrants operate generating units in Maryland, Massachusetts and New York that are subject to RGGI, which is a regional cap and trade system. In 2013, each of these states finalized a rule that reduced and will continue to reduce the number of allowances through 2020. The nine RGGI states re-evaluated the program and published a model rule to further reduce the number of allowances. The revisions being currently contemplated could adversely impact the Registrants' results of operations, financial condition and cash flows. Other states (e.g., New Jersey) may join or rejoin RGGI. This action could adversely impact generating assets in the subject state(s) and may affect the RGGI budgets and the likelihood that more states may join the program.

Massachusetts Global Warming Solutions Act Proposed Regulation — In May 2016, the Massachusetts Supreme Judicial Court held that Massachusetts DEP had not complied with the 2008 Global Warming Solutions Act, which requires establishing limits for sources of GHGs. The Court held that participation in RGGI was not sufficient. In August 2017, the Massachusetts DEP finalized a regulation that, if it survives legal challenges, would limit GHG emissions, and may limit operations, from electric generating facilities located in Massachusetts. On September 11, 2017, the New England trade association and GenOn filed a complaint in the Commonwealth of Massachusetts Superior Court of Suffolk County. On January 31, 2018, the court transferred the case to the Supreme Judicial Court for Suffolk County. Briefing is underway.

Employees

As of December 31, 2017, GenOn had 1,339 employees of which 506 employees were part of GenOn Americas Generation and 401 employees were part of GenOn Mid-Atlantic, approximately 65.7%, 66.2% and 69.1%, respectively, of whom were covered by bargaining agreements. During 2017, the Registrants did not experience any labor stoppages or labor disputes at any of their facilities.

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Available Information

The Registrants' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are available free of charge through NRG's website, www.nrg.com, as soon as reasonably practicable after they are electronically filed with, or furnished to the SEC.

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Item 1A — Risk Factors

The Registrants are subject to the following factors that could have a material adverse effect on their future performance, results of operations, financial condition and cash flows. In addition, such factors could affect their ability to service indebtedness and other obligations, to raise capital and could affect their future growth opportunities. Also, see Cautionary Statement Regarding Forward Looking Information and Item 7 — Management's Narrative Analysis of the Results of Operations and Financial Condition of this Form 10-K.

Risks Related to the Operation of the Registrants' Businesses

GenOn and the other GenOn Entities filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code and are subject to the risks and uncertainties associated with bankruptcy cases, which could adversely affect GenOn's business operations.

GenOn and the other GenOn Entities filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. For the duration of the Chapter 11 Cases, the GenOn Entities' business and operations will be subject to various risks, including but not limited to, the following:

- it may be difficult for the GenOn Entities to obtain and maintain commercial relationships on competitive terms with customers, suppliers and others;

- it may be difficult to retain and motivate key employees through the process of reorganization, and to attract new employees;

- GenOn's senior management will be required to spend significant time and effort dealing with bankruptcy and restructuring activities rather than focusing exclusively on business operations;

- GenOn will incur substantial costs, fees and other expenses associated with the Chapter 11 Cases; and

- GenOn may not be able to maintain or obtain sufficient financing sources for operations or to fund any reorganization plan and meet future obligations.

GenOn will also be subject to risks and uncertainties with respect to the actions and decisions of creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with GenOn's plans. These risks and uncertainties could affect the GenOn Entities' business and operations in various ways and may also affect the date of the GenOn Entities' emergence from Chapter 11 bankruptcy protection. Because of the risks and uncertainties associated with the Chapter 11 Cases, GenOn cannot predict or quantify the ultimate impact that events occurring during the Chapter 11 Cases will have on its business, cash flows, liquidity, financial condition and results of operations. These risks may adversely affect GenOn's business prospects and ability to continue as a going concern. If the Plan does not become effective, if current financing is insufficient, or if other financing is not available, GenOn could be required to seek a sale of the company or certain of its material assets, outside of the third-party sale transactions currently contemplated by the Plan, pursuant to Section 363 of the Bankruptcy Code, or be required to liquidate under Chapter 7 of the Bankruptcy Code.

In order to successfully emerge from Chapter 11 bankruptcy protection, a plan of reorganization must become effective. While the Bankruptcy Court entered an order confirming the Plan on December 12, 2017, it is possible that the Plan will not become effective, which would restrict the GenOn Entities' ability to emerge from the Chapter 11 Cases and continue operations. If GenOn is unable to meet its liquidity needs, it may have to take other actions to seek additional financing to the extent available or it could be forced to consider other alternatives to maximize potential recovery for the creditors, including the possible sale of the company or certain material assets, outside of the third-party sale transactions currently contemplated by the Plan pursuant to Section 363 of the Bankruptcy Code, or liquidate under Chapter 7 of the Bankruptcy Code.

There can be no assurance that GenOn's current cash position and amounts of cash from future operations will be sufficient to fund ongoing operations during the Chapter 11 Cases. In the event that GenOn does not have sufficient cash to meet its liquidity requirements, and its current financing is insufficient or exit financing is not available in connection with its emergence under a Chapter 11 plan of reorganization, GenOn may be required to seek additional financing. There can be no assurance that such additional financing would be available, or, if available, would be available on reasonably acceptable terms. Failure to secure any necessary exit financing, or additional financing, would have a material adverse effect on GenOn's operations and ability to continue as a going concern.

GenOn is highly dependent on NRG for services under a transition services agreement. Loss of such services, if any, could have a material impact on GenOn's business, financial condition, results of operation and cash flows.

GenOn receives significant services from NRG under a transition services agreement that was approved by the Bankruptcy Court on December 12, 2017. Under the transition services agreement, GenOn relies on NRG for its administrative and management functions and services including human resources-related functions, accounting, tax administration, information systems, legal services, treasury and planning, operations and asset management, risk and commercial operations, and other support services. GenOn may not be able to receive such services from NRG other than during the transition period contemplated by the transition services agreement. As a result, GenOn will need to utilize its own resources for such services or otherwise find a substitute provider for such services. GenOn, however, may not have sufficient internal resources to effectively provide such services and may not be able to contract with a substitute service provider on similar terms or at all. Moreover, the costs of obtaining a substitute service provider, if found, may also be substantial and overly burdensome for GenOn. In addition, in light of NRG's familiarity with GenOn's assets, a substitute service provider, if any, may not be able to provide the same level of service due to lack of preexisting synergies. If, after emerging from bankruptcy, GenOn cannot support necessary services from its internal resources or otherwise locate a provider that is able to provide it with substantially similar services as NRG does under the transition services agreement on similar terms for similar costs, GenOn's business, financial condition, results of operation and cash flows would be adversely affected. In addition, on February 28, 2018, GenOn informed GenOn Mid-Atlantic and REMA that it does not intend to provide shared services to the respective entities beyond the summer of 2018. If GenOn Mid-Atlantic and REMA cannot support necessary services from its internal resources or otherwise locate providers that are able to provide them with substantially similar services, their businesses, financial condition, results of operation and cash flows would be adversely affected.

GenOn may not be able to successfully implement the restructuring transactions set forth in the Restructuring Support Agreement and the various support agreements implementing its terms.

There are certain material conditions the GenOn Entities must satisfy under the Restructuring Support Agreement, including the timely satisfaction of certain milestones in the Chapter 11 proceedings, such as effectiveness of the Plan. The ability of the GenOn Entities to timely complete such milestones is subject to risks and uncertainties that may be beyond their control.

The consummation of the restructuring transactions described in the Restructuring Support Agreement and the various support agreements implementing its terms, is subject to the risk that definitive documentation with respect to the settlement negotiations between GenOn, NRG, the Consenting Holders, GenOn Mid-Atlantic and certain of its stakeholders (including the owner lessor plaintiffs), or the GenMA Settlement, may not be agreed upon causing the GenMA Settlement not to be consummated.

If GenOn is unable to implement the restructuring transactions contemplated by the Restructuring Support Agreement and the various support agreements implementing its terms, it is unclear whether GenOn and the other GenOn Entities will be able to reorganize their business. Despite the Bankruptcy Court having entered an order confirming the Plan, there can be no assurance as to when the Plan might become effective. If the restructuring transactions contemplated by the Restructuring Support Agreement and the various support agreements implementing its terms are not consummated, or if a protracted reorganization or liquidation were to occur, there can be no assurance as to what, if any, distribution holders of claims against, or equity interests in, the GenOn Entities ultimately would receive with respect to their claims or equity interests; in addition, the GenOn Entities could continue to face ongoing litigation and incur other significant costs. The uncertainty regarding the eventual outcome of GenOn's restructuring, and the effect of other unknown adverse factors could threaten GenOn's existence as a going concern.

As a result of the Chapter 11 proceedings, GenOn's historical financial information may not be indicative of its future financial performance.

GenOn's capital structure will be significantly altered under the Plan confirmed by the Bankruptcy Court. Under fresh-start accounting rules that may apply to GenOn upon the effective date of a Chapter 11 plan, GenOn's assets and liabilities would be adjusted to fair value. Accordingly, if fresh-start accounting rules apply, GenOn's financial condition and results of operations following its emergence from Chapter 11 would not be comparable to the financial condition and results of operations reflected in its historical financial statements.

The GenOn Entities may not be able to respond timely to certain events or take advantage of certain opportunities due to the need for Bankruptcy Court approval.

Transactions by the GenOn Entities outside the ordinary course of business are subject to the prior approval of the Bankruptcy Court, which may limit the GenOn Entities' ability to respond timely to certain events or take advantage of certain opportunities. The GenOn Entities may not be able to obtain Bankruptcy Court approval or such approval may be delayed or conditioned with respect to actions they seek to undertake during the pendency of the Chapter 11 Cases.

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Certain of GenOn's subsidiaries receive significant services from GenOn and the loss of such services could have a material adverse impact on their financial condition and results of operations.

Certain of GenOn's subsidiaries receive significant services from GenOn, including, among others, cash management and accounting services. If the provision of these services were to be delayed, interrupted or otherwise halted for any reason, including as a result of the Chapter 11 Cases, this could have a material adverse impact on their financial condition and results of operations. A replacement supplier of these services may not be found within a reasonable time (or at all) and/or on economic terms that are commercially reasonable.

There is substantial doubt about GenOn's ability to continue as a going concern.

GenOn's consolidated financial statements have been prepared assuming GenOn will continue as a going concern, which contemplates continuity of operations, realization of assets and the satisfaction of liabilities in the normal course of business. As such, the accompanying condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and their carrying amounts, or the amount and classification of liabilities that may result should GenOn be unable to continue as a going concern. Such adjustments could have a material adverse impact on GenOn's results of operations, cash flows and financial position.

GenOn and GenOn Americas Generation filed the Plan in connection with the Chapter 11 Cases and the Bankruptcy Court entered an order confirming the Plan on December 12, 2017. There is no assurance that all conditions precedent to the effectiveness of the Plan will be satisfied. GenOn's and GenOn Americas Generation's ability to continue as going concerns is dependent on many factors, including the consummation of the Plan in a timely manner, and GenOn's and GenOn Americas Generation's ability to achieve profitability following emergence from bankruptcy. Given the uncertainty as to the outcome of these factors, there is substantial doubt about GenOn's and GenOn Americas Generation's ability to continue as going concerns.

With respect to GenOn Mid-Atlantic, a consolidated subsidiary of GenOn, management has determined that while it has sufficient cash on hand to fund current obligations including operating lease payments due under the GenOn Mid-Atlantic operating leases as of December 31, 2017, the potential significant adverse impact of financial stresses at GenOn Mid-Atlantic's parent companies and, to a lesser extent, any adverse impact resulting from the notification by GenOn Mid-Atlantic's owner lessors alleging the existence of certain lease events of default has caused there to be substantial doubt about GenOn Mid-Atlantic's ability to continue as a going concern.

The interests of NRG as GenOn's equity holder may conflict with the interests of holders of debt.

GenOn is owned and controlled by NRG. The interests of NRG may not in all cases be aligned with the interests of the holders of GenOn's debt or the debt and lease obligations of GenOn's subsidiaries. If GenOn encounters financial difficulties or becomes unable to pay its debts as they mature, NRG does not have any liability for any obligations under the GenOn notes or the notes and lease obligations of the GenOn subsidiaries. In addition, NRG may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, even though such transactions might involve risks to GenOn's business or the holders of GenOn's and its subsidiaries' debt. Furthermore, NRG may own businesses that directly or indirectly compete with GenOn. NRG also may pursue acquisition opportunities that may be complementary to NRG's business, and as a result, those acquisition opportunities may not be available to GenOn.

The Registrants' financial results are unpredictable because most of their generating facilities operate without long-term power sales agreements, and their revenues and results of operations depend on market and competitive forces that are beyond their control.

The Registrants provide energy, capacity, ancillary and other energy services from their generating facilities in a variety of markets and to bi-lateral counterparties, including participating in wholesale energy markets, entering into tolling agreements, sales of resource adequacy and participation in capacity auctions. The Registrants' revenues from selling capacity are a significant part of their overall revenues. The Registrants are not guaranteed recovery of their costs or any return on their capital investments through mandated rates.

The market for wholesale electric energy and energy services reflects various market conditions beyond the Registrants' control, including the balance of supply and demand, transmission congestion, competitors' marginal and long-term costs of production, the price of fuel, and the effect of market regulation. The price at which the Registrants can sell their output may fluctuate on a day-to-day basis, and their ability to transact may be affected by the overall

liquidity in the markets in which the Registrants operate. These markets remain subject to regulations that limit their ability to raise prices during periods of shortage to the degree that would occur in a fully deregulated market. In addition, unlike most other commodities, electric energy can be stored only on a very limited basis and generally must be produced at the time of use. As a result, the wholesale power markets are subject to substantial price fluctuations over relatively short periods of time and can be unpredictable.

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The Registrants' revenues, results of operations and cash flows are influenced by factors that are beyond their control, including those set forth above, as well as:

- the failure of market regulators to develop and maintain efficient mechanisms to compensate merchant generators for the value of providing capacity needed to meet demand;
- actions by regulators, ISOs, RTOs and other bodies that may artificially modify supply and demand levels and prevent capacity and energy prices from rising to the level necessary for recovery of the Registrants' costs, investment and an adequate return on investment;
- environmental regulations and legislation;
- legal and political challenges to or changes in the rules used to calculate capacity payments in the markets in which the Registrants operate or the establishment of bifurcated markets, incentives, other market design changes or bidding requirements that give preferential treatment to new generating facilities over existing generating facilities or otherwise reduce capacity payments to existing generating facilities;
- the ability of wholesale purchasers of power to make timely payment for energy or capacity, which may be adversely affected by factors such as retail rate caps, refusals by regulators to allow utilities to recover fully their wholesale power costs and investments through rates, catastrophic losses and losses from investments by utilities in unregulated businesses;
- increases in prevailing market prices for fuel oil, coal, natural gas and emission allowances that may not be reflected in prices the Registrants receive for sales of energy;
- increases in electricity supply as a result of actions of the Registrants' current competitors or new market entrants, including the development of new generating facilities or alternative energy sources that may be able to produce electricity less expensively than the Registrants' generating facilities and improvements in transmission that allow additional supply to reach their markets;
- increases in credit standards, margin requirements, market volatility or other market conditions that could increase the Registrants' obligations to post collateral beyond amounts that are expected, including additional collateral costs associated with OTC hedging activities as a result of future OTC regulations adopted pursuant to the Dodd-Frank Act;
- decreases in energy consumption resulting from demand-side management programs such as automated demand response, which may alter the amount and timing of consumer energy use;
- the competitive advantages of certain competitors, including continued operation of older power facilities in strategic locations after recovery of historic capital costs from ratepayers;
- existing or future regulation of the markets in which the Registrants operate by FERC, ISOs and RTOs, including any price limitations, non-performance penalties and other mechanisms to address some of the price volatility or illiquidity in these markets or the physical stability of the system;
- the Registrants' obligation under any default sharing mechanisms in RTO and ISO markets, such mechanisms exist to spread the risk of defaults by transmission owning companies or other RTO members across all market participants;
- regulatory policies of state agencies that affect the willingness of the Registrants' customers to enter into long-term contracts generally, and contracts for capacity in particular;
- access to contractors and equipment;
- changes in the rate of growth in electricity usage as a result of such factors as national and regional economic conditions and implementation of conservation programs;
- seasonal variations in energy and natural gas prices, and capacity payments; and
 - seasonal fluctuations in weather, in particular abnormal weather conditions.

As discussed above, the market for wholesale electric energy and energy services reflects various market conditions beyond the Registrants' control, including the balance of supply and demand, the Registrants' competitors' marginal and long-term costs of production, and the effect of market regulation. The Registrants cannot ensure that higher earnings or price increases will result from industry retirements of coal-fired generating facilities or that higher earnings from their remaining facilities will offset or more than offset reduced earnings from facility deactivations. Changes in the wholesale energy markets or in the Registrants' generating facility operations could result in impairments or other charges.

If the ongoing evaluation of the Registrants' business results in decisions to deactivate or dispose of additional facilities, the Registrants could have impairments or other charges. These evaluations involve significant judgments about the future. Actual future market prices, project costs and other factors could be materially different from current estimates.

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The Registrants are exposed to the risk of fuel cost volatility because they must pre-purchase coal and oil.

Most of the Registrants' fuel contracts are at fixed prices with terms of two years or less. Although the Registrants purchase coal and oil based on expected requirements, they still face the risks of fuel price volatility if they require more or less fuel than expected.

The Registrants' cost of fuel may not reflect changes in energy and fuel prices in part because they must pre-purchase inventories of coal and oil for reliability and dispatch requirements, and thus the price of fuel may have been determined at an earlier date than the price of energy generated from the fuel. Similarly, the price the Registrants can obtain from the sale of energy may not rise at the same rate, or may not rise at all, to match a rise in fuel costs. The Registrants are exposed to the risk of their fuel providers and fuel transportation providers failing to perform.

The Registrants purchase most of their coal from a limited number of suppliers. Because of a variety of operational issues, the Registrants' coal suppliers may not provide the contractual quantities on the dates specified within the agreements, or the deliveries may be carried over to future periods. Also, interruptions to planned or contracted deliveries to the Registrants' generating facilities can result from a lack of, or constraints in, coal transportation because of rail, river or road system disruptions, adverse weather conditions and other factors.

If the Registrants' coal suppliers do not perform in accordance with the agreements, the Registrants may have to procure higher priced coal in the market to meet their needs, or higher priced power in the market to meet their obligations. In addition, generally the Registrants' coal suppliers do not have investment grade credit ratings nor do they post collateral with the Registrants and, accordingly, the Registrants may have limited ability to collect damages in the event of default by such suppliers.

For the Registrants' oil-fired generating facilities, the Registrants typically purchase fuel from a limited number of suppliers. If the Registrants' oil suppliers do not perform in accordance with the agreements, the Registrants may have to procure higher priced oil in the market to meet their needs, or higher priced power in the market to meet their obligations. For the Registrants' gas-fired generating facilities, any curtailments or interruptions on transporting pipelines could result in curtailment of operations or increased fuel supply costs.

The operation of the Registrants' generating facilities involves risks that could result in disruption, curtailment or inefficiencies in their operations.

The operation of the Registrants' generating facilities involves various operating risks, including, but not limited to:

- the output and efficiency levels at which those generating facilities perform;
- interruptions in fuel supply and quality of available fuel;
- disruptions in the delivery of electricity;
- adverse zoning;
- breakdowns or equipment failures (whether a result of age or otherwise);
- violations of permit requirements or changes in the terms of, or revocation of, permits;
- releases of pollutants to air, soil, surface water or groundwater;
- ability to transport and dispose of coal ash at reasonable prices;
- curtailments or other interruptions in natural gas supply;
- shortages of equipment or spare parts;
- labor disputes, including strikes, work stoppages and slowdowns;
- the aging workforce at many of the Registrants' facilities;
- operator errors;
- curtailment of operations because of transmission constraints;
- failures in the electricity transmission system, which may cause large energy blackouts;
- implementation of unproven technologies in connection with environmental improvements; and
- catastrophic events such as fires, explosions, floods, earthquakes, hurricanes or other similar occurrences.

These factors could result in a material decrease, or the elimination of, the revenues generated by the Registrants' facilities or a material increase in the Registrants' costs of operations.

The Registrants operate in a limited number of markets and a significant portion of revenues are derived from the PJM market. The effect of adverse developments in the markets, especially the PJM market, may be greater on the Registrants than on more geographically diversified competitors.

As of December 31, 2017, GenOn's generating capacity is 62% in PJM, 18% in CAISO, 8% in NYISO, 7% ISO-NE and 5% in MISO, and GenOn Americas Generation's generating capacity is 67% in PJM, 17% in NYISO and 16% ISO-NE. As of December 31, 2017, all of GenOn Mid-Atlantic's generating capacity is in PJM. Adverse developments in these regions, especially in the PJM market, may adversely affect the Registrants. Further, the effect of such adverse regional developments may be greater on the Registrants than on more geographically diversified competitors.

The integration of the Capacity Performance product into the PJM market and the Pay-for-Performance mechanism in ISO-NE could lead to substantial changes in capacity income and non-performance penalties, which could have a material adverse effect on the Registrants' results of operations, financial condition and cash flows.

Both ISO-NE and PJM operate a pay-for-performance model where capacity payments are modified based on real-time generator performance. Capacity market prices are sensitive to design parameters, as well as additions of new capacity. The Registrants may experience substantial changes in capacity income and non-performance penalties, which could have a material adverse effect on the Registrants' results of operations, financial condition and cash flows. The Registrants are exposed to possible losses that may occur from the failure of a counterparty to perform according to the terms of a contractual arrangement, particularly in connection with non-collateralized power hedges with financial institutions.

Failure of a counterparty to perform according to the terms of a contractual arrangement may result in losses to the Registrants. Specifically, GenOn Mid-Atlantic's credit exposures on power and gas hedges with financial institutions in excess of applicable collateral thresholds are senior unsecured obligations of such counterparties. Deterioration in the financial condition of such counterparties could result in their failure to pay amounts owed to GenOn Mid-Atlantic or to perform obligations or services owed to GenOn Mid-Atlantic beyond collateral posted. Changes in technology may significantly affect the Registrants' generating business by making their generating facilities less competitive.

The Registrants generate electricity using fossil fuels at large central facilities. This method results in economies of scale and lower costs than newer technologies such as fuel cells, battery storage, microturbines, windmills and photovoltaic solar cells. It is possible that advances in those technologies, or governmental incentives for renewable energies, will reduce their costs to levels that are equal to or below that of most central station electricity production. The expected decommissioning and/or site remediation obligations of certain of the Registrants' generating facilities may negatively affect their cash flows.

Some of the Registrants' generating facilities and related properties are subject to decommissioning and/or site remediation obligations that may require material expenditures. Furthermore, laws and regulations may change to impose material additional decommissioning and remediation obligations on the Registrants in the future. Terrorist attacks and/or cyber-attacks may result in the Registrants' inability to operate and fulfill their obligations, and could result in material repair costs.

As power generators, the Registrants face heightened risk of terrorism, including cyber terrorism, either by a direct act against one or more of their generating facilities or an act against the transmission and distribution infrastructure that is used to transport the power. Although the entire industry is exposed to these risks, the Registrants' generating facilities and the transmission and distribution infrastructure located in the PJM market are particularly at risk because of the proximity to major population centers, including governmental and commerce centers.

The Registrants rely on information technology networks and systems to operate their generating facilities, engage in asset management activities, and process, transmit and store electronic information. Security breaches of this information technology infrastructure, particularly through cyber-attacks and cyber terrorism, including by computer hackers, foreign governments and cyber terrorists, could lead to system disruptions, generating facility shutdowns or unauthorized disclosure of confidential information related to their employees, vendors and counterparties. Confidential information includes banking, vendor, counterparty and personal identity information.

Systemic damage to one or more of the Registrants' generating facilities and/or to the transmission and distribution infrastructure could result in the inability to operate in one or all of the markets the Registrants serve for an extended period of time. If the Registrants' generating facilities are shut down, they would be unable to respond to the ISOs and RTOs or fulfill their obligations under various energy and/or capacity arrangements, resulting in lost revenues and potential fines, penalties and other liabilities. Pervasive cyber-attacks across the industry could affect the ability of ISOs and RTOs to function in some regions. The cost to restore the Registrants' generating facilities after such an occurrence could be material.

The Registrants' operations are subject to hazards customary to the power generating industry. The Registrants may not have adequate insurance to cover all of these hazards.

Power generation involves hazardous activities, including acquiring, transporting and unloading fuel, operating large pieces of high-speed rotating equipment and delivering electricity to transmission and distribution systems. In addition to natural risks (such as earthquake, flood, storm surge, lightning, hurricane, tornado and wind), hazards (such as fire, explosion, collapse and machinery failure) are inherent risks in the Registrants' operations. The Registrants are also susceptible to terrorist attacks, including cyber-attacks, against their generating facilities or the transmission and distribution infrastructure that is used to transport their power. These hazards can cause significant injury to personnel or loss of life, severe damage to and destruction of property, plant and equipment, contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in one or more of the Registrants being named as a defendant in lawsuits asserting claims for substantial damages, environmental cleanup costs, personal injury and fines and/or penalties. The Registrants do not maintain specialized insurance for possible liability resulting from a cyber-attack on their systems that may shut down all or part of the transmission and distribution system. However, the Registrants maintain an amount of insurance protection that they consider adequate and customary for merchant power producers. The Registrants cannot assure that their insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which they may be subject.

Lawsuits, regulatory proceedings and tax proceedings could adversely affect the Registrants' future financial results.

From time to time, the Registrants are named as a party to, or their property is the subject of, lawsuits, regulatory proceedings or tax proceedings. The Registrants are currently involved in various proceedings which involve highly subjective matters with complex factual and legal questions. Their outcome is uncertain. Any claim that is successfully asserted against the Registrants could require significant expenditures by them. Even if the Registrants prevail, any proceedings could be costly and time-consuming, could divert the attention of management and key personnel from their business operations and could result in adverse changes in their insurance costs.

Risks Related to Economic and Financial Market Conditions

The Registrants are exposed to systemic risk of the financial markets and institutions and the risk of non-performance of the individual lenders under GenOn's undrawn credit facilities.

Maintaining sufficient liquidity in the Registrants' business for maintenance and operating expenditures, capital expenditures and collateral is crucial in order to mitigate the risk of future financial distress to the Registrants.

Accordingly, GenOn maintains a revolving letter of credit facility with a third party financial institution to manage its expected liquidity needs and contingencies.

A negative market perception of the Registrants' value could impair their ability to issue or refinance debt.

A sustained downturn in general economic conditions, including low power and commodity prices, could result in an actual or perceived weakness in the Registrants' overall financial health.

A negative market perception of the Registrants' value could result in their inability to obtain and maintain an appropriate credit rating. In this event, they may be unable to access debt markets or refinance future debt maturities, or they may be required to post additional collateral to operate their business.

Adverse economic conditions, including reduced demand, could adversely affect the Registrants' business, financial condition, results of operations and cash flows.

Adverse economic conditions and declines in wholesale energy prices, partially resulting from adverse economic conditions, may impact the Registrants' earnings. The breadth and depth of these negative economic conditions had a wide-ranging impact on the U.S. business environment, including the Registrants' businesses. In addition, adverse

economic conditions also reduce the demand for energy commodities. This reduced demand continues to impact the key domestic wholesale energy markets the Registrants serve. The combination of lower demand for power and increased supply of natural gas has put downward price pressure on wholesale energy markets in general, further impacting the Registrants' results. In general, economic and commodity market conditions will continue to impact the Registrants' unhedged future energy margins, liquidity, earnings growth and overall financial condition.

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As financial institutions consolidate and operate under more restrictive capital constraints and regulations, including the Dodd-Frank Act, there could be less liquidity in the energy and commodity markets for hedge transactions and fewer creditworthy counterparties.

The Registrants hedge economically a substantial portion of their PJM coal-fired generation and certain of their other generation. A significant portion of their hedges are financial swap transactions between GenOn Mid-Atlantic and financial counterparties that are senior unsecured obligations of such parties and do not require either party to post cash collateral, either for initial margin or for securing exposure as a result of changes in power or natural gas prices. Global financial institutions have been active participants in these energy and commodity markets. As global financial institutions consolidate and operate under more restrictive capital constraints and regulations, including the Dodd-Frank Act, there could be less liquidity in the energy and commodity markets, which could have a material adverse effect on the Registrants' ability to hedge economically and transact with creditworthy counterparties. Many of the factors that cause changes in commodity prices are outside the Registrants' control and may materially increase their cost of producing power or lower the price at which they are able to sell their power.

The Registrants' generating business is subject to changes in power prices and fuel and emission costs, and these commodity prices are influenced by many factors outside the Registrants' control, including weather, seasonal variation in supply and demand, market liquidity, transmission and transportation inefficiencies, availability of competitively priced alternative energy sources, demand for energy commodities, production of natural gas, coal and crude oil, natural disasters, wars, embargoes and other catastrophic events, and federal, state and environmental regulation and legislation. In addition, significant fluctuations in the price of natural gas may cause significant fluctuations in the price of electricity. Significant fluctuations in commodity prices may affect the financial results and financial position by increasing the cost of producing power and decreasing the amounts the Registrants receive from the sale of power.

The Registrants' hedging activities will not fully protect them from fluctuations in commodity prices.

The Registrants engage in hedging activities related to sales of electricity and purchases of fuel and emission allowances. The income and losses from these activities are recorded as operating revenues and cost of operations. The Registrants may use forward contracts and other derivative financial instruments to manage market risk and exposure to volatility in prices of electricity, coal, natural gas, emissions and oil. The effectiveness of these hedges is dependent upon the correlation between the forward contracts and the other derivative financial instruments used as a hedge and the market risk of the asset or assets being hedged. The Registrants cannot provide assurance that these strategies will be successful in managing their price risks, or that they will not result in net losses to the Registrants as a result of future volatility in electricity, fuel and emission markets. Actual power prices and fuel costs may differ from expectations.

The Registrants hedging activities include natural gas derivative financial instruments that they use to hedge economically power prices for their baseload generation. The effectiveness of these hedges is dependent upon the correlation between power and natural gas prices in the markets where the Registrants operate. If those prices are not sufficiently correlated, the Registrants' financial results and financial position could be adversely affected.

Additionally, GenOn and GenOn Americas Generation expect to have an open position in the market, within their established guidelines, resulting from their fuel and emissions management activities. To the extent open positions exist, fluctuating commodity prices can affect their financial results and financial position, either favorably or unfavorably. As a result of these and other factors, the Registrants cannot predict the outcome that risk management decisions may have on their business, operating results or financial position. Although management devotes considerable attention to these issues, their outcome is uncertain.

The Registrants' policies and procedures cannot eliminate the risks associated with their hedging activities.

The risk management procedures the Registrants have in place may not always be followed or may not always work as planned. If any of the employees were able to violate the system of internal controls, including the risk management policy, and engage in unauthorized hedging and related activities, it could result in significant penalties and financial losses. In addition, risk management tools and metrics such as value at risk, gross margin at risk, and stress testing are partially based on historic price movements. If price movements significantly or persistently deviate from historical behavior, risk limits may not fully protect the Registrants from significant losses.

The Registrants' hedging and GenOn Americas Generation's fuel oil management activities may increase the volatility of the Registrants' GAAP financial results.

Derivatives from the Registrants' hedging and GenOn Americas Generation's fuel oil management activities are recorded on the balance sheets at fair value pursuant to the accounting guidance for derivative financial instruments. None of the Registrants' derivatives that are recorded at fair value are designated as hedges under this guidance, and changes in their fair values currently are recognized in earnings as unrealized gains or losses. As a result, the Registrants' GAAP financial results — including gross margin, operating income and balance sheet ratios — will, at times, be volatile and subject to fluctuations in value primarily because of changes in forward electricity and fuel prices. The Registrants are exposed to possible losses that may occur from the failure to maintain counterparties or the failure of a counterparty to perform according to the terms of a contractual arrangement, particularly in connection with non-collateralized power hedges with financial institutions.

Failure of the Registrants to maintain counterparties or the failure of a counterparty to perform according to the terms of a contractual arrangement may result in losses to the Registrants. In addition, the Registrants may not be able to find market participants that are willing to act as hedging counterparties, which could have an adverse effect on the success of the Registrants' hedging activities.

Risks Related to Governmental Regulation and Laws

Policies at the national, regional and state levels to regulate GHG emissions, as well as climate change, could adversely impact the Registrants' results of operations, financial condition and cash flows.

In 2015, the EPA promulgated the final GHG emissions rules for new and existing fossil-fuel-fired electric generating units, which have been stayed by the U.S. Supreme Court and the EPA has proposed repealing.

The Registrants operate generating units in Maryland, Massachusetts and New York that are subject to RGGI, which is a regional cap and trade system. In 2013, each of these states finalized a rule that reduced and will continue to reduce the number of allowances through 2020. The RGGI states re-evaluated the program and published a model rule to further reduce the number of allowances. The revisions being currently contemplated could adversely impact the Registrants' results of operations, financial condition and cash flows. Other states may join or rejoin RGGI. This action could adversely impact generating assets in the subject state(s) and may affect the RGGI budgets and the likelihood that more states may join the program.

California has a CO₂ cap and trade program for electric generating units greater than 25 MW. The impact on the Registrants depends on the cost of the allowances and the ability to pass these costs through to customers.

Hazards customary to the power production industry include the potential for unusual weather conditions, which could affect fuel pricing and availability, the Registrants' route to market or access to customers, i.e., transmission and distribution lines, or critical plant assets. The contribution of climate change to the frequency or intensity of weather related events, could affect the Registrants' operations and planning process.

The Registrants' business is subject to substantial governmental regulation and may be adversely affected by legislative or regulatory changes, as well as liability under, or any future inability to comply with, existing or future regulations or requirements.

The Registrants' electric generation business is subject to extensive U.S. federal, state and local laws and regulation. Compliance with the requirements under these various regulatory regimes may cause the Registrants to incur significant additional costs, and failure to comply with such requirements could result in the shutdown of the non-complying facility, the imposition of liens, fines, and/or civil or criminal liability. Public utilities under the FPA are required to obtain FERC acceptance of their rate schedules for wholesale sales of electric energy, capacity and ancillary services. The Registrants' assets make wholesale sales of electric energy, capacity and ancillary services in interstate commerce and are public utilities for purposes of the FPA, unless otherwise exempt from such status. FERC's orders that grant market-based rate authority to wholesale power marketers reserve the right to revoke or revise that authority if FERC subsequently determines that the seller can exercise market power in transmission or generation, create barriers to entry, or engage in abusive affiliate transactions. In addition, public utilities are subject to FERC reporting requirements that impose administrative burdens and that, if violated, can expose such public utilities to criminal and civil penalties or other risks.

The Registrants' market-based sales will be subject to certain rules prohibiting manipulative or deceptive conduct, and if any of the Registrants' generating companies are deemed to have violated those rules, they will be subject to potential disgorgement of profits associated with the violation, penalties, suspension or revocation of market-based rate authority. If such generating companies were to lose their market-based rate authority, such companies would be required to obtain FERC's acceptance of a cost-of-service rate schedule and could become subject to the significant accounting, record-keeping, and reporting requirements that are imposed on utilities with cost-based rate schedules. This could have a material adverse effect on the rates the Registrants are able to charge for power from their facilities. Most of the Registrants' assets are operating as Exempt Wholesale Generators as defined under the PUHCA, or Qualifying Facilities as defined under the PURPA, as amended, and therefore are exempt from certain regulation under the PUHCA and the PURPA. If a facility fails to maintain its status as an Exempt Wholesale Generator or a Qualifying Facility or there are legislative or regulatory changes revoking or limiting the exemptions to the PUHCA, then the Registrants may be subject to significant accounting, record-keeping, access to books and records and reporting requirements and failure to comply with such requirements could result in the imposition of penalties and additional compliance obligations.

Substantially all of the Registrants' generation assets are also subject to the reliability standards promulgated by the designated Electric Reliability Organization (currently NERC) and approved by FERC. If the Registrants fail to comply with the mandatory reliability standards, they could be subject to sanctions, including substantial monetary penalties and increased compliance obligations. The Registrants will also be affected by legislative and regulatory changes, as well as changes to market design, market rules, tariffs, cost allocations, and bidding rules that occur in the existing regional markets operated by RTOs or ISOs, such as PJM. The RTOs/ISOs that oversee most of the wholesale power markets impose, and in the future may continue to impose, mitigation, including price limitations, offer caps, and other mechanisms to address some of the volatility and the potential exercise of market power in these markets. These types of price limitations and other regulatory mechanisms may have a material adverse effect on the profitability of the Registrants' generation facilities acquired in the future that sell energy, capacity and ancillary products into the wholesale power markets. The regulatory environment for electric generation has undergone significant changes in the last several years due to state and federal policies affecting wholesale competition and the creation of incentives for the addition of large amounts of new renewable generation and, in some cases, transmission assets. These changes are ongoing, and the Registrants cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on the Registrants' business. In addition, in some of these markets, interested parties have proposed to reinstate the vertical monopoly utility of the markets or require divestiture of electric generation assets by asset owners or operators to reduce their market share. If competitive restructuring of the electric power markets is reversed, discontinued, or delayed, the Registrants' business prospects and financial results could be negatively impacted.

In the U.S., the CFTC regulates the trading of swaps, futures and many commodities under the Commodity Exchange Act, or CEA. In recent years, there have been a number of reforms to the regulation of the derivatives markets, both in the U.S. and internationally. These regulations, and any further changes thereto, or adoption of additional regulations, including any regulations relating to position limits on futures and other derivatives or margin for derivatives, could negatively impact the Registrants' ability to hedge their portfolio in an efficient, cost-effective manner by, among other things, potentially decreasing liquidity in the forward commodity and derivatives markets or limiting the Registrants' ability to utilize non-cash collateral for derivatives transactions.

The Registrants' business may be affected by state interference in the competitive wholesale marketplace.

The Registrants' generation business relies on a competitive wholesale marketplace. The competitive wholesale marketplace may be undermined by out-of-market subsidies provided by states or state entities, including bailouts of uneconomic nuclear plants, imports of power from Canada, renewable mandates or subsidies, as well as out-of-market payments to new generators. These out-of-market subsidies to existing or new generation undermine the competitive wholesale marketplace, which can lead to premature retirement of existing facilities, including those owned by the Registrants. If these measures continue, capacity and energy prices may be suppressed, and the Registrants may not be successful in their efforts to insulate the competitive market from this interference.

The Registrants' businesses are subject to physical, market and economic risks relating to potential effects of climate change.

Climate change may produce changes in weather or other environmental conditions, including temperature or precipitation levels, and thus may impact consumer demand for electricity. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods and other climatic events, could disrupt the Registrants' operations and cause them to incur significant costs in preparing for or responding to these effects.

These or other meteorological changes could lead to increased operating costs, capital expenses or power purchase costs. Climate change could also affect the availability of a secure and economical supply of water in some locations, which is essential for the continued operation of the Registrants' generation plants.

GHG regulation could increase the cost of electricity, particularly power generated by fossil fuels, and such increases could have a depressive effect on regional economies. Reduced economic and consumer activity in the Registrants' service areas — both generally and specific to certain industries and consumers accustomed to previously lower cost power—could reduce demand for the power the Registrants generate.

The Registrants' costs of compliance with environmental laws are significant and can affect their future operations and financial results.

The Registrants are subject to extensive and evolving environmental laws, particularly in regard to their coal-fired facilities. Environmental laws, particularly with respect to air emissions, disposal of ash, wastewater discharge and cooling water systems, are generally becoming more stringent, which may require the Registrants to install controls or restrict their operations. Failure to comply with environmental requirements could require the Registrants to shut down or reduce production at their facilities or create liabilities. The Registrants incur significant costs in complying with these regulations and, if they fail to comply, could incur significant penalties. The Registrants' cost estimates for environmental compliance are based on existing regulations or their view of reasonably likely regulations and their assessment of the costs of labor and materials and the state of evolving technologies. The Registrants' decision to make these investments is often subject to future market conditions. Changes to the preceding factors, new or revised environmental regulations, litigation and new legislation and/or regulations, as well as other factors, could cause their actual costs to vary outside the range of their estimates, further constrain their operations, increase their environmental compliance costs and/or make it uneconomical to operate some of their facilities.

Federal, state and regional initiatives to regulate GHG emissions could have a material impact on the Registrants' financial performance and condition. The actual impact will depend on a number of factors, including the overall level of GHG reductions required under any such regulations, the final form of the regulations or legislation, and the price and availability of emission allowances if allowances are a part of any final regulatory framework.

The Registrants are required to surrender emission allowances equal to emissions of specific substances to operate their facilities. Surrender requirements may require purchase of allowances, which may be unavailable or only available at costs that would make it uneconomical to operate their facilities.

Certain environmental laws, including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and comparable state laws, impose strict and, in many circumstances, joint and several liability for costs of remediating contamination. Some of the Registrants' facilities have areas with known soil and/or groundwater contamination. The Registrants could be required to spend significant sums to remediate contamination, regardless of whether they caused such contamination, (a) if there are releases or discoveries of hazardous substances at their generating facilities, at disposal sites they currently use or have used, or at other locations for which they may be liable, or (b) if parties contractually responsible to them for contamination fail to or are unable to respond when claims or obligations regarding such contamination arise.

The Registrants' coal-fired generating units produce certain byproducts that involve extensive handling and disposal costs and are subject to government regulation. Changes in these regulations, or their administration, by legislatures, state and federal regulatory agencies, or other bodies may affect the costs of handling and disposing of these byproducts.

As a result of the coal combustion process, the Registrants produce significant quantities of ash at their coal-fired generating units that must be beneficially used or disposed of at sites permitted to handle ash. One of the Registrants' landfills in Maryland has reached design capacity and it is expected that another site in Maryland may reach full

capacity in the next few years. As a result, the Registrants are further developing existing and new ash management facilities. However, the costs associated with developing new ash management facilities could be material, and the amount of time to complete such developments could extend beyond the time when new facilities are needed. Likewise, the facility for preparing ash for beneficial uses may not operate as expected; or the ash may not be marketed and sold as expected. Local government opposition to existing or planned landfill operations may restrict operations of Registrants' ash management facilities. Additionally, costs associated with third-party ash handling and disposal are material and could have a material adverse effect on the Registrants' financial performance and condition.

The Registrants also produce gypsum as a byproduct of the SO₂ scrubbing process at their coal-fired generating facilities, much of which is sold to third parties for use in drywall production. Should their ability to sell such gypsum to third parties be restricted as a result of the lack of demand or otherwise, their gypsum disposal costs could rise materially.

In April 2015, the EPA finalized the rule regulating byproducts of coal combustion (e.g., ash and gypsum) as solid wastes under the RCRA. The Registrants are evaluating the impact of the new rule on their results of operations, financial condition and cash flows and have accrued their environmental and asset retirement obligations under the rule based on current estimates as of December 31, 2017.

The Registrants' business is subject to complex government regulations. Changes in these regulations, or their administration, by legislatures, state and federal regulatory agencies, or other bodies may affect the prices at which the Registrants are able to sell the electricity they produce, the costs of operating their generating facilities or their ability to operate their facilities.

The majority of the Registrants' generation is sold at market prices under market-based rate authority granted by FERC. If certain conditions are not met, FERC has the authority to withhold or rescind market-based rate authority and require sales to be made based on cost-of-service rates. A loss of the Registrants' market-based rate authority could have a materially negative impact on their generating business.

Even when market-based rate authority has been granted, FERC may impose various forms of market mitigation measures, including price caps and operating restrictions, when it determines that potential market power might exist and that the public interest requires such potential market power to be mitigated. In addition to direct regulation by FERC, most of the Registrants' facilities are subject to rules and terms of participation imposed and administered by various ISOs and RTOs. Although these entities are themselves ultimately regulated by FERC, they can impose rules, restrictions and terms of service that are quasi-regulatory in nature and can have a material adverse impact on the Registrants' business. For example, ISOs and RTOs may impose bidding and scheduling rules, both to curb the potential exercise of market power and to ensure market functions. Such actions may materially affect the Registrants' ability to sell and the price they receive for their energy, capacity and ancillary services.

To conduct the Registrants' business, they must obtain and periodically renew licenses, permits and approvals for their facilities. These licenses, permits and approvals can be in addition to any required environmental permits. No assurance can be provided that they will be able to obtain and comply with all necessary licenses, permits and approvals for these facilities.

Conflicts may occur between reliability needs and environmental rules, particularly with increasingly stringent environmental restrictions. Without a consent decree or adjustments to permit requirements, which require long lead times to obtain, the Registrants remain subject to environmental penalties or liabilities that may occur as a result of operating in compliance with reliability requirements. Further, the Registrants could be subject to citizen suits in these types of circumstances, even if they have received a consent decree or permit adjustment exempting them from environmental requirements.

The Registrants cannot predict whether the federal or state legislatures will adopt legislation relating to the restructuring of the energy industry. There are proposals in many jurisdictions that would either roll back or advance the movement toward competitive markets for the supply of electricity, at both the wholesale and retail levels. In addition, any future legislation favoring large, vertically integrated utilities and a concentration of ownership of such utilities could affect the Registrants' ability to compete successfully, and their business and results of operations could be adversely affected. Similarly, any regulations or laws that favor new generation over existing generation could adversely affect their business.

Risks Related to Level of Indebtedness

GenOn Mid-Atlantic's and REMA's operating lease obligations could limit their ability to react to changes in the economy or the industry and prevent them from meeting or refinancing their obligations.

At December 31, 2017, the present values of lease payments under the respective GenOn Mid-Atlantic and REMA operating leases were approximately \$491 million and \$312 million, respectively (assuming a 10% and 9.4% discount rate, respectively) and the termination values of the respective GenOn Mid-Atlantic and REMA operating leases were \$843 million and \$584 million, respectively.

GenOn Mid-Atlantic's and REMA's operating lease obligations could have important consequences for their liquidity, results of operations, financial position and prospects, including their ability to grow in accordance with their strategies. These consequences include the following:

- they may limit their ability to obtain additional debt for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
 - a substantial portion of their cash flows from operations must be dedicated to the payment of rent and will not be available for other purposes, including for working capital, capital expenditures, acquisitions and other general corporate purposes;
 - the debt service requirements of their lease obligations could make it difficult for them to satisfy or refinance their financial obligations;
 - they may limit their flexibility in planning for and reacting to changes in the industry;
 - they may place GenOn Mid-Atlantic and REMA at a competitive disadvantage compared to other, less leveraged competitors;
- GenOn Mid-Atlantic and REMA may be more vulnerable in a downturn in general economic conditions or in their business and they may be unable to carry out capital expenditures that are important to their long-term growth or necessary to comply with environmental regulations.

GenOn and its subsidiaries that are holding companies, including GenOn Americas Generation, may not have access to sufficient cash to meet their obligations if their subsidiaries, in particular GenOn Mid-Atlantic, are unable to make distributions.

GenOn and certain of its subsidiaries, including GenOn Americas Generation and NRG Americas, are holding companies and, as a result, are dependent upon dividends, distributions and other payments from their operating subsidiaries to generate the funds necessary to meet their obligations. In particular, a substantial portion of the cash from their operations is generated by GenOn Mid-Atlantic. The ability of certain of their subsidiaries to pay dividends and make distributions is restricted under the terms of their debt or other agreements, including the operating leases of GenOn Mid-Atlantic and REMA. Under their respective operating leases, GenOn Mid-Atlantic and REMA are not permitted to make any distributions and other restricted payments unless: (a) they satisfy the fixed charge coverage ratio for the most recently ended period of four fiscal quarters; (b) they are projected to satisfy the fixed charge coverage ratio for each of the two following periods of four fiscal quarters, commencing with the fiscal quarter in which such payment is proposed to be made; and (c) no significant lease default or event of default has occurred and is continuing. In the event of a default under the respective operating leases or if the respective restricted payment tests are not satisfied, GenOn Mid-Atlantic and REMA would not be able to distribute cash. At December 31, 2017, GenOn Mid-Atlantic and REMA did not satisfy the restricted payments test. The terms of GenOn Mid-Atlantic's leases restrict its current and future operations, particularly its ability to respond to changes or take certain actions.

GenOn Mid-Atlantic's leases contain a number of restrictive covenants that impose significant operating and financial restrictions on it and may limit its ability to engage in acts that may be in its long-term best interest, including restrictions on its ability to:

- incur additional indebtedness;
- pay dividends or make other distributions;
- prepay, redeem or repurchase certain debt;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- enter into sale-leaseback transactions; and
- consolidate, merge or sell all or substantially all of its assets.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. The words "believe," "project," "anticipate," "plan," "expect," "intend," "estimate" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Registrants' actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors, risks and uncertainties include the following:

The ability of GenOn, GenOn Americas Generation and certain of their directly and indirectly-owned subsidiaries to consummate one or more plans of reorganization with respect to the Chapter 11 Cases, and to consummate the transactions contemplated by the Restructuring Support Agreement, including the ability of GenOn to successfully operate following any reorganization;

• The existence and duration of the Chapter 11 Cases, and the impact of orders and decisions of the Bankruptcy Court;

• The willingness of counterparties to transact with the Registrants during the Chapter 11 cases;

• The Registrants' ability to successfully engage in disposition activities;

• GenOn's and certain of its subsidiaries' ability to continue as a going concern;

• The Registrants' ability to attract and retain skilled people, with the necessary applicable experience, particularly during the pendency of the Chapter 11 Cases;

• General economic conditions, changes in the wholesale power markets and fluctuations in the cost of fuel;

• Volatile power supply costs and demand for power;

• Changes in law, including judicial decisions;

Hazards customary to the power production industry and power generation operations such as fuel and electricity price volatility, unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that the Registrants may not have adequate insurance to cover losses as a result of such hazards;

• The effectiveness of the Registrants' risk management policies and procedures, and the ability of the Registrants' counterparties to satisfy their financial commitments;

• Counterparties' collateral demands and other factors affecting the Registrants' liquidity position and financial condition;

• The Registrants' ability to borrow additional funds and access capital markets, as well as GenOn's substantial indebtedness and the possibility that the Registrants may incur additional indebtedness going forward;

• The Registrants' ability to find market participants that are willing to act as hedging counterparties;

• The Registrants' ability to operate their businesses efficiently, manage capital expenditures and costs tightly, and generate earnings and cash flows from their asset-based businesses in relation to their debt and other obligations;

• The Registrants' ability to enter into contracts to sell power and procure fuel on acceptable terms and prices;

• The liquidity and competitiveness of wholesale markets for energy commodities;

• Government regulation, including compliance with regulatory requirements and changes in market rules, rates, tariffs and environmental laws;

• Price mitigation strategies and other market structures employed by ISOs or RTOs that result in a failure to adequately compensate the Registrants' generation units for all of their costs;

• The Registrants' ability to mitigate forced outage risk for units subject to capacity performance requirements in PJM and performance incentives in ISO-NE;

• Operating and financial restrictions placed on the Registrants and their subsidiaries that are contained in the indentures governing GenOn's outstanding notes, and in debt and other agreements of certain of the Registrants' subsidiaries and project affiliates generally;

• The Registrants' ability to implement their strategy of finding ways to meet the challenges of climate change, clean air and protecting natural resources while taking advantage of business opportunities;

The Registrants' ability to implement their strategy of increasing the return on invested capital through operational performance improvements and a range of initiatives at plants and corporate offices to reduce costs or generate revenues; and

•The Registrants' ability to develop and maintain successful partnering relationships.

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Forward-looking statements speak only as of the date they were made, and the Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause the Registrants' actual results to differ materially from those contemplated in any forward-looking statements included in this Annual Report on Form 10-K should not be construed as exhaustive.

Item 1B — Unresolved Staff Comments

None.

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Item 2 — Properties (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Listed below are descriptions of Registrants' interests in facilities, operations and/or projects owned or leased as of December 31, 2017. The MW figures provided represent nominal summer net megawatt capacity of power generated as adjusted for the Registrants' ownership position excluding capacity from inactive/mothballed units as of December 31, 2017. The following table summarizes the Registrants' power production and cogeneration facilities by region:

Name and Location of Facility	Power Market	% Owned	Net Generation Capacity (MW) ^(a)	Primary Fuel-type
Chalk Point, Aquasco, MD	PJM	100.00	667	Coal
Chalk Point, Aquasco, MD	PJM	100.00	1,570	Natural Gas
Chalk Point, Aquasco, MD	PJM	100.00	42	Oil
Dickerson, MD ^(b)	PJM	100.00	537	Coal
Dickerson, MD ^(b)	PJM	100.00	294	Natural Gas
Dickerson, MD ^(b)	PJM	100.00	18	Oil
Morgantown, Newburg, MD ^(b)	PJM	100.00	1,229	Coal
Morgantown, Newburg, MD ^(b)	PJM	100.00	248	Oil
	Total GenOn Mid-Atlantic:		4,605	
Bowline, West Haverstraw, NY	NYISO	100.00	1,147	Natural Gas
Canal, Sandwich, MA	ISO-NE	100.00	1,112	Oil
Martha's Vineyard, MA	ISO-NE	100.00	14	Oil
Total GenOn Americas Generation:			6,878	
Avon Lake, OH	PJM	100.00	638	Coal
Avon Lake, OH	PJM	100.00	21	Oil
Blossburg, PA	PJM	100.00	19	Natural Gas
Brunot Island, Pittsburgh, PA	PJM	100.00	244	Natural Gas
Brunot Island, Pittsburgh, PA	PJM	100.00	15	Oil
Cheswick, Springdale, PA	PJM	100.00	565	Coal
Choctaw, French Camp, MS	TVA ^(c)	100.00	800	Natural Gas
Conemaugh, New Florence, PA ^(d)	PJM	16.45	280	Coal
Conemaugh, New Florence, PA ^(d)	PJM	16.45	2	Oil
Ellwood, Goleta, CA ^(e)	CAISO	100.00	54	Natural Gas
Etiwanda, Rancho Cucamonga, CA ^(e)	CAISO	100.00	640	Natural Gas
Gilbert, Milford, NJ	PJM	100.00	438	Natural Gas
Hamilton, East Berlin, PA	PJM	100.00	20	Oil
Hunterstown CCGT, Gettysburg, PA	PJM	100.00	810	Natural Gas
Hunterstown CTS, Gettysburg, PA	PJM	100.00	60	Natural Gas
Keystone, Shelocta, PA ^(d)	PJM	16.67	283	Coal
Keystone, Shelocta, PA ^(d)	PJM	16.67	2	Oil
Mandalay, Oxnard, CA ^(f)	CAISO	100.00	560	Natural Gas
Mountain, Mount Holly Springs, PA	PJM	100.00	40	Oil
New Castle, West Pittsburg, PA	PJM	100.00	325	Natural Gas
New Castle, West Pittsburg, PA	PJM	100.00	3	Oil
Niles, OH	PJM	100.00	25	Oil
Ormond Beach, Oxnard, CA ^(e)	CAISO	100.00	1,516	Natural Gas

Orrtana, PA

PJM

100.00 20

Oil

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Name and Location of Facility	Power Market	% Owned	Net Generation Capacity (MW) ^(a)	Primary Fuel-type
Portland, Mount Bethel, PA	PJM	100.00	169	Oil
Sayreville, NJ	PJM	100.00	217	Natural Gas
Shawnee, East Stroudsburg, PA	PJM	100.00	20	Oil
Shawville, PA ^(d)	PJM	100.00	597	Natural Gas
Shawville, PA ^(d)	PJM	100.00	6	Oil
Titus, Birdsboro, PA	PJM	100.00	31	Oil
Tolna, Stewartstown, PA	PJM	100.00	39	Oil
Warren, PA	PJM	100.00	57	Natural Gas
Total GenOn:			15,394	

(a) Actual capacity can vary depending on factors including weather conditions, operational conditions, and other factors.

(b) GenOn Mid-Atlantic leases 100% interests in the Dickerson and Morgantown coal generation units through facility lease agreements expiring in 2029 and 2034, respectively. GenOn Mid-Atlantic owns 312 MW and 248 MW of peaking capacity at the Dickerson and Morgantown generation facilities, respectively. GenOn Mid-Atlantic operates the Dickerson and Morgantown facilities.

(c) Dual interconnect between TVA and MISO.

(d) GenOn leases 100%, 16.67% and 16.45% interests in three Pennsylvania facilities (Shawville, Keystone and Conemaugh, respectively) through facility lease agreements expiring in 2026, 2034 and 2034, respectively. GenOn operates the Shawville, Keystone and Conemaugh facilities. The table includes GenOn's net share of the capacity of these facilities.

(e) On February 28, 2018, GenOn notified the CPUC and CAISO of its intent to retire Etiwanda by June 1, 2018, Ormond Beach by October 1, 2018 and Ellwood by January 1, 2019.

(f) GenOn retired Mandalay in February 2018.

Other Properties

The Registrants own or lease oil and gas pipelines that serve its generating facilities. GenOn leases other offices. The Registrants believe that their properties are adequate for their present needs. Except for the Conemaugh and Keystone facilities, the Registrants' interest as of December 31, 2017 is 100% for each property. The Registrants have satisfactory title, rights and possession to their owned facilities, subject to exceptions, which, in their opinion, would not have a material adverse effect on the use or value of the facilities.

Item 3 — Legal Proceedings (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

See Item 15 — Note 15, Commitments and Contingencies, to the Consolidated Financial Statements for discussion of the material legal proceedings to which the Registrants are a party.

Item 4 — Mine Safety Disclosures (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Not applicable.

PART II

Item 5 — Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Market Information and Holders

GenOn is a wholly owned subsidiary of NRG. All of GenOn's common stock is held by its parent, NRG, and GenOn's common stock is not publicly traded. GenOn Americas Generation and GenOn Mid Atlantic are indirect wholly owned subsidiaries of GenOn. All of GenOn Americas Generation's membership interests are held by its parent, NRG Americas. All of GenOn Mid Atlantic's membership interests are held by its parent, NRG North America. GenOn Americas Generation's and GenOn Mid Atlantic's membership interests are not publicly traded.

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Item 6 — Selected Financial Data (GenOn and GenOn Americas Generation)

The following tables present historical selected financial data for the most recent five years. This historical data should be read in conjunction with the Consolidated Financial Statements and the related notes thereto in Item 15 and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations. The results of operations for the historical periods are not necessarily indicative of the results to be expected for future periods. See Item 15 — Note 3, Chapter 11 Cases for more information on the Chapter 11 Cases filed on June 14, 2017.

Energy revenue consists of revenues received from third parties for sales of electricity in the day-ahead and real-time markets, as well as bilateral sales. In addition, energy revenue includes revenues from the settlement of financial instruments and net realized trading revenues.

Capacity revenue consists of revenues received from a third party at either the market or negotiated contract rates for making installed generation capacity available in order to satisfy system integrity and reliability requirements.

Capacity revenue also includes revenues from the settlement of financial instruments. In addition, capacity revenue includes revenues received under tolling arrangements, which entitle third parties to dispatch facilities and assume title to the electrical generation produced from that facility.

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges and ineffectiveness on cash flow hedges.

Other revenues consists of operations and maintenance fees, or O&M fees, construction management services, sale of natural gas and emission allowances, and revenues from ancillary services. O&M fees consist of revenues received from providing certain unconsolidated affiliates with services under long-term operating agreements. Ancillary services are comprised of the sale of energy-related products associated with the generation of electrical energy such as spinning reserves, reactive power and other similar products. Other revenues also include unrealized trading activities.

GenOn

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	(In millions except ratios)				
Statement of income data:					
Energy revenue	\$956	\$1,339	\$1,637	\$2,286	\$1,960
Capacity revenue	628	671	802	908	936
Mark-to-market for economic hedging activities	(31)	(221)	(112)	(150)	(356)
Other revenues	36	73	44	46	64
Total operating revenues	\$1,589	\$1,862	\$2,371	\$3,090	\$2,604
Total operating costs and expenses ^(a)	1,509	1,682	2,188	2,626	2,441
Impairment losses	274	214	170	82	—
Gain/(loss) on sale of assets	—	294	—	(6)	—
Operating (loss)/income	(194)	260	13	376	163
Net (loss)/income	\$(295)	\$81	\$(115)	\$192	\$(42)
Business metrics:					
Cash flow from operations ^(b)	\$1	\$26	\$238	\$235	\$448
Balance sheet data:					
Total assets	\$4,404	\$4,860	\$5,446	\$5,914	\$5,734
Long-term debt and capital leases, including current maturities ^(c)	40	2,754	2,766	3,130	3,133
Total stockholder's equity	\$75	\$340	\$272	\$401	\$313

(a)Excludes impairment losses.

(b)Historical amounts are adjusted for impact of adoption of ASU No. 2016-18, Statement of Cash Flows (Topic 230).

(c)Excludes long-term debt classified as liabilities subject to compromise.

GenOn Americas Generation

Year Ended December 31,
2017 2016 2015 2014 2013
(In millions except ratios)

Statement of income data:

Energy revenue	\$778	\$1,229	\$1,483	\$2,111	\$1,899
Capacity revenue	634	687	823	894	869
Mark-to-market for economic hedging activities	(14)	(248)	(66)	(118)	(302)
Other revenues	17	18	25	42	95
Total operating revenues	\$1,415	\$1,686	\$2,265	\$2,929	\$2,561
Total operating costs and expenses ^(a)	1,400	1,566	2,115	2,545	2,430
Impairment losses	220	20	8	—	—
Gain/(loss) on sale of assets	—	77	—	(6)	—
Operating (loss)/income					