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

Form 10-K

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

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition period from to .

Commission File Number: 001-36002

NRG Yield, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-1777204**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
804 Carnegie Center, Princeton, New Jersey	**08540**
(Address of principal executive offices)	*(Zip Code)*

(609) 524-4500
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Exchange on Which Registered**
Common Stock, Class A, par value $0.01	New York Stock Exchange
Common Stock, Class C, par value $0.01	New York Stock Exchange

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 in Rule 405 of the Securities Act. Yes x No o
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. Yes o No x
Indicate by check mark whether the registrant (1) has filed all reports 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. Yes x No o
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). Yes x No o
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. x
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or 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 x	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o	Emerging Growth Company o

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x
As of the last business day of the most recently completed second fiscal quarter, the aggregate market value of the common stock of the registrant held by non-affiliates was approximately $1,705,887,079 based on the closing sale prices of such shares as reported on the New York Stock Exchange.
Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	**Outstanding at January 31, 2018**
Common Stock, Class A, par value $0.01 per share	34,586,250
Common Stock, Class B, par value $0.01 per share	42,738,750
Common Stock, Class C, par value $0.01 per share	64,730,519
Common Stock, Class D, par value $0.01 per share	42,738,750

Documents Incorporated by Reference:
Portions of the Registrant's Definitive Proxy Statement relating to its 2018 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K

TABLE OF CONTENTS
Index

GLOSSARY OF TERMS

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

2019 Convertible Notes	$345 million aggregate principal amount of 3.50% Convertible Notes due 2019
2020 Convertible Notes	$287.5 million aggregate principal amount of 3.25% Convertible Notes due 2020
2024 Senior Notes	$500 million aggregate principal amount of 5.375% unsecured senior notes due 2024, issued by NRG Yield Operating LLC
2026 Senior Notes	$350 million aggregate principal amount of 5.00% unsecured senior notes due 2026, issued by NRG Yield Operating LLC
Alta TE Holdco	Alta Wind X-XI TE Holdco LLC
Alta Wind Portfolio	Seven wind facilities that total 947 MW located in Tehachapi, California and a portfolio of associated land leases
AOCL	Accumulated Other Comprehensive Loss
ARO	Asset Retirement Obligation
ARRA	American Recovery and Reinvestment Act of 2009
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative GAAP
ASU	Accounting Standards Updates – updates to the ASC
ATM Program	At-The-Market Equity Offering Program
August 2017 Drop Down Assets	The remaining 25% interest in NRG Wind TE Holdco, an 814 net MW portfolio of twelve wind projects, acquired from NRG on August 1, 2017
Buckthorn Solar	The 154 MW Buckthorn Solar project
Buffalo Bear	Buffalo Bear, LLC, the operating subsidiary of Tapestry Wind LLC, which owns the Buffalo Bear project
CAA	Clean Air Act
CAFD	Cash Available For Distribution, which the Company defines as net income before interest expense, income taxes, depreciation and amortization, plus cash distributions from unconsolidated affiliates, cash receipts from notes receivable, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in prepaid and accrued capacity payments
Carlsbad	The Carlsbad Energy Center, a 527 MW natural gas fired project located in Carlsbad, CA
CfD	Contract for Differences
CFTC	U.S. Commodity Future Trading Commission
COD	Commercial Operation Date
Code	Internal Revenue Code of 1986, as amended
Company	NRG Yield, Inc. together with its consolidated subsidiaries
CVSR	California Valley Solar Ranch
CVSR Drop Down	The Company's acquisition from NRG of the remaining 51.05% interest of CVSR Holdco
CVSR Holdco	CVSR Holdco LLC, the indirect owner of CVSR
DGCL	Delaware General Corporation Law
DGPV Holdco 1	NRG DGPV Holdco 1 LLC
DGPV Holdco 2	NRG DGPV Holdco 2 LLC
DGPV Holdco 3	NRG DGPV Holdco 3 LLC
Distributed Solar	Solar power projects, typically less than 20 MW in size, that primarily sell power produced to customers for usage on site, or are interconnected to sell power into the local distribution grid
Drop Down Assets	Collectively, the June 2014 Drop Down Assets, January 2015 Drop Down Assets, November 2015 Drop Down Assets, CVSR Drop Down, March 2017 Drop Down Assets, August 2017 Drop Down Assets and November 2017 Drop Down Assets
Economic Gross Margin	Energy and capacity revenue, less cost of fuels
EDA	Equity Distribution Agreement

EGU	Electric Utility Generating Unit
El Segundo	NRG West Holdings LLC, the subsidiary of Natural Gas Repowering LLC, which owns the El Segundo Energy Center project
EPC	Engineering, Procurement and Construction
ERCOT	Electric Reliability Council of Texas, the ISO and the regional reliability coordinator of the various electricity systems within Texas
EWG	Exempt Wholesale Generator
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FPA	Federal Power Act
GAAP	Accounting principles generally accepted in the U.S.
GenConn	GenConn Energy LLC
GHG	Greenhouse gas
GIP	Global Infrastructure Partners
GW	Gigawatt
HLBV	Hypothetical Liquidation at Book Value
IASB	International Accounting Standards Board
IRS	Internal Revenue Service
ISO	Independent System Operator, also referred to as Regional Transmission Organization, or RTO
ITC	Investment Tax Credit
January 2015 Drop Down Assets	The Laredo Ridge, Tapestry and Walnut Creek projects, which were acquired by Yield Operating LLC from NRG on January 2, 2015
June 2014 Drop Down Assets	The TA High Desert, Kansas South and El Segundo projects, which were acquired by Yield Operating LLC from NRG on June 30, 2014
Kansas South	NRG Solar Kansas South LLC, the operating subsidiary of NRG Solar Kansas South Holdings LLC, which owns the Kansas South project
KPPH	1,000 Pounds Per Hour
Laredo Ridge	Laredo Ridge Wind, LLC, the operating subsidiary of Mission Wind Laredo, LLC, which owns the Laredo Ridge project
LIBOR	London Inter-Bank Offered Rate
Management Services Agreement	Agreement between NRG and the Company for various operational, management and administrative services
March 2017 Drop Down Assets	(i) Agua Caliente Borrower 2 LLC, which owns a 16% interest (approximately 31% of NRG's 51% interest) in the Agua Caliente solar farm and (ii) NRG's 100% ownership in the Class A equity interests in the Utah Solar Portfolio (defined below), both acquired by the Company on March 27, 2017
Marsh Landing	NRG Marsh Landing LLC, formerly GenOn Marsh Landing LLC
May 9, 2017 Form 8-K	NRG Yield, Inc.'s Current Report on Form 8-K filed with the SEC on May 9, 2017 in connection with NRG Yield Operating LLC's acquisition of the March 2017 Drop Down Assets
MMBtu	Million British Thermal Units
MW	Megawatt
MWh	Saleable megawatt hours, net of internal/parasitic load megawatt-hours
MWt	Megawatts Thermal Equivalent
NECP	NRG Energy Center Pittsburgh LLC
NERC	North American Electric Reliability Corporation
Net Exposure	Counterparty credit exposure to NRG Yield, Inc. net of collateral
NOLs	Net Operating Losses
November 2015 Drop Down Assets	75% of the Class B interests of NRG Wind TE Holdco, which owns a portfolio of 12 wind facilities totaling 814 net MW, which was acquired by Yield Operating LLC from NRG on November 3, 2015

November 2017 Drop Down Assets	38 MW portfolio of distributed and small utility-scale solar assets, primarily comprised of assets from NRG's Solar Power Partners (SPP) funds, in addition to other projects developed since the acquisition of SPP by NRG, which was acquired by NRG Yield Operating LLC from NRG on November 1, 2017
NO_x	Nitrogen Oxides
NPNS	Normal Purchases and Normal Sales
NRG	NRG Energy, Inc.
NRG Power Marketing	NRG Power Marketing LLC
NRG ROFO Agreement	Second Amended and Restated Right of First Offer Agreement between the Company and NRG
NRG Transaction	On February 6, 2018, GIP entered into a purchase and sale agreement with NRG for the acquisition of NRG's full ownership interest in the Company and NRG's renewable energy development and operations platform. GIP, NRG and the Company also entered into a consent and indemnity agreement in connection with the purchase and sale agreement.
NRG Transformation Plan	A three-year, three-part improvement plan announced by NRG on July 12, 2017, which includes exploring strategic alternatives for NRG's renewables platform and its interest in the Company
NRG Wind TE Holdco	NRG Wind TE Holdco LLC
NRG Yield, Inc.	NRG Yield, Inc., together with its consolidated subsidiaries, or the Company
NRG Yield LLC	The holding company through which the projects are owned by NRG, the holder of Class B and Class D units, and NRG Yield, Inc., the holder of the Class A and Class C units
NRG Yield Operating LLC	The holder of the project assets that belong to NRG Yield LLC
OCI/OCL	Other comprehensive income/loss
O&M	Operations and Maintenance
OSHA	Occupational Safety and Health Administration
PG&E	Pacific Gas & Electric Company
Pinnacle	Pinnacle Wind, LLC, the operating subsidiary of Tapestry Wind LLC, which owns the Pinnacle project
PJM	PJM Interconnection, LLC
PPA	Power Purchase Agreement
PTC	Production Tax Credit
PUCT	Public Utility Commission of Texas
PUHCA	Public Utility Holding Company Act of 2005
PURPA	Public Utility Regulatory Policies Act of 1978
QF	Qualifying Facility under PURPA
REC	Renewable Energy Certificate
Recapitalization	The adoption of the Company's Second Amended and Restated Certificate of Incorporation which authorized two new classes of common stock, Class C common stock and Class D common stock, and distributed shares of such new classes of common stock to holders of the Company’s outstanding Class A common stock and Class B common stock, respectively, through a stock split on May 14, 2015
ROFO Assets	Specified assets subject to sale, as described in the NRG ROFO Agreement
RPM	Reliability Pricing Model
RPS	Renewable Portfolio Standards
RPV Holdco	NRG RPV Holdco 1 LLC
RTO	Regional Transmission Organization
SCE	Southern California Edison
SEC	U.S. Securities and Exchange Commission
Senior Notes	Collectively, the 2024 Senior Notes and the 2026 Senior Notes
SO_2	Sulfur Dioxide
SPP	Solar Power Partners

TA High Desert	TA-High Desert LLC, the operating subsidiary of NRG Solar Mayfair LLC, which owns the TA High Desert project
Taloga	Taloga Wind, LLC, the operating subsidiary of Tapestry Wind LLC, which owns the Taloga project
Tapestry	Collection of the Pinnacle, Buffalo Bear and Taloga projects
Tax Act	Tax Cuts and Jobs Act of 2017
Thermal Business	The Company's thermal business, which consists of thermal infrastructure assets that provide steam, hot water and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals and governmental units
UPMC	University of Pittsburgh Medical Center
U.S.	United States of America
U.S. DOE	U.S. Department of Energy
Utah Solar Portfolio	Collection consists of Four Brothers Solar, LLC, Granite Mountain Holdings, LLC, and Iron Springs Holdings, LLC, which are equity investments owned by Four Brothers Holdings, LLC, Granite Mountain Renewables, LLC, and Iron Springs Renewables, LLC, respectively, and are part of the March 2017 Drop Down Assets acquisition that closed on March 27, 2017
Utility Scale Solar	Solar power projects, typically 20 MW or greater in size (on an alternating current, or AC, basis), that are interconnected into the transmission or distribution grid to sell power at a wholesale level
VaR	Value at Risk
VIE	Variable Interest Entity
Walnut Creek	NRG Walnut Creek, LLC, the operating subsidiary of WCEP Holdings, LLC, which owns the Walnut Creek project

PART I

Item 1 — Business

General

NRG Yield, Inc., together with its consolidated subsidiaries, or the Company, is a dividend growth-oriented company that has historically served as the primary vehicle through which NRG owns, operates and acquires contracted renewable and conventional generation and thermal infrastructure assets. On February 6, 2018, Global Infrastructure Partners, or GIP, entered into a purchase and sale agreement with NRG, or the NRG Transaction, for the acquisition of NRG's full ownership interest in NRG Yield, Inc. and NRG's renewable energy development and operations platform.

The Company believes it is well positioned to be a premier company for investors seeking stable and growing dividend income from a diversified portfolio of lower-risk, high-quality assets. The Company owns a diversified portfolio of contracted renewable and conventional generation and thermal infrastructure assets in the U.S. The Company's contracted generation portfolio collectively represents 5,118 net MW as of December 31, 2017. Nearly all of these assets sell substantially all of its output pursuant to long-term offtake agreements with creditworthy counterparties. The weighted average remaining contract duration of these offtake agreements was approximately 15 years as of December 31, 2017 based on CAFD. The Company also owns thermal infrastructure assets with an aggregate steam and chilled water capacity of 1,319 net MWt and electric generation capacity of 123 net MW. These thermal infrastructure assets provide steam, hot and/or chilled water, and, in some instances, electricity to commercial businesses, universities, hospitals and governmental units in multiple locations, principally through long-term contracts or pursuant to rates regulated by state utility commissions.

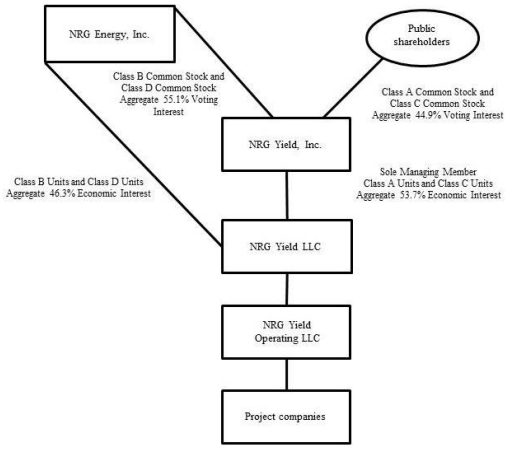
A complete listing of the Company's interests in facilities, operations and/or projects owned or leased as of December 31, 2017 can be found in Item 2 — *Properties.*

History

The Company was formed by NRG Energy, Inc., or NRG, as a Delaware corporation on December 20, 2013. NRG, through its holdings of Class B common stock and Class D common stock, has a 55.1% voting interest in the Company and receives distributions from NRG Yield LLC through its ownership of Class B units and Class D units. The holders of the Company's issued and outstanding shares of Class A common stock and Class C common stock are entitled to dividends as declared and have 44.9% of the voting power in the Company.

The Company is the sole managing member of NRG Yield LLC and operates and controls all of its business and affairs and consolidates the financial results of NRG Yield LLC and its subsidiaries. NRG Yield LLC is a holding company for the companies that directly and indirectly own and operate the Company's assets. As of December 31, 2017, the Company and NRG have 53.7% and 46.3% economic interests in NRG Yield LLC, respectively. As a result of the current ownership of the Class B common stock and Class D common stock, NRG continues at the present time to control the Company, and the Company in turn, as the sole managing member of NRG Yield LLC, controls NRG Yield LLC and its subsidiaries.

The diagram below depicts the Company’s organizational structure as of December 31, 2017:



Strategic Sponsorship with Global Infrastructure Partners

On February 6, 2018, Global Infrastructure Partners, or GIP, entered into a purchase and sale agreement with NRG, or the NRG Transaction, for the acquisition of NRG’s full ownership interest in NRG Yield, Inc. and NRG’s renewable energy development and operations platform. The NRG Transaction is subject to certain closing conditions, including customary legal and regulatory approvals. The Company expects the NRG Transaction to close in the second half of 2018.

In connection with the NRG Transaction, the Company entered into a Consent and Indemnity Agreement with NRG and GIP setting forth key terms and conditions of the Company's consent to the NRG Transaction. Key provisions of the Consent and Indemnity Agreement include:

Minimized impact to CAFD from potential change in control costs — No more than $10 million in reduced annual CAFD on a recurring basis that would result from changes in the Company's cost structure or any impact from various consents.

Enhanced ROFO pipeline — Upon closing, the Company will enter into a new ROFO agreement with GIP that adds 550 MW to the current pipeline through the operational 150 MW Langford Wind project and the 400 MW Mesquite Star Wind project which is under development. The NRG ROFO Agreement will be amended to remove the Ivanpah solar facility.

Financial cooperation and support — GIP has arranged a $1.5 billion backstop credit facility to manage any change of control costs associated with the Company's corporate debt. GIP has also committed to provide up to $400 million in financial support, if necessary, for the purchase of the Carlsbad Energy Center.

Voting and Governance Agreement — As part of the NRG Transaction, the parties have agreed to enter into a voting and governance agreement, which would provide that:

- the Chief Executive Officer of the Company will at all times be a full-time Company employee appointed by the Board of Directors, or the Board, of the Company;
- the parties thereto will use their commercially reasonable efforts to submit to the Company’s stockholders at the Company’s 2019 Annual Meeting of Stockholders a charter amendment to classify the Board into two classes (with the independent directors and directors designated by an affiliate of GIP allocated across the two classes); and
- the Board will be expanded to nine members at the closing of the NRG Transaction, comprised at that date of five directors designated by GIP, three independent directors and the Company’s Chief Executive Officer.

Business Strategy

The Company's primary business strategy is to focus on the acquisition and ownership of assets with predictable, long-term cash flows in order that it may be able to increase the cash dividends paid to holders of the Company's Class A and Class C common stock over time without compromising the ongoing stability of the business. The Company's plan for executing this strategy includes the following key components:

Focus on contracted renewable energy and conventional generation and thermal infrastructure assets. The Company owns and operates utility scale and distributed renewable energy and natural gas-fired generation, thermal and other infrastructure assets with proven technologies, low operating risks and stable cash flows. The Company believes by focusing on this core asset class and leveraging its industry knowledge, it will maximize its strategic opportunities, be a leader in operational efficiency and maximize its overall financial performance.

Growing the business through acquisitions of contracted operating assets. The Company believes that its base of operations and relationship with NRG provide a platform in the conventional and renewable power generation and thermal sectors for strategic growth through cash accretive and tax advantaged acquisitions complementary to its existing portfolio. In addition to acquiring renewable generation, conventional generation and thermal infrastructure assets from third parties where the Company believes its knowledge of the market and operating expertise provides it with a competitive advantage, the Company entered into a Right of First Offer Agreement with NRG, or the NRG ROFO Agreement. Under the NRG ROFO Agreement, NRG has granted the Company and its affiliates a right of first offer on any proposed sale, transfer or other disposition of certain assets of NRG until February 24, 2022. NRG is not obligated to sell the remaining NRG ROFO Assets to the Company and, if offered by NRG, the Company cannot be sure whether these assets will be offered on acceptable terms, or that the Company will choose to consummate such acquisitions. The assets listed in the table below represent the NRG ROFO Assets:

Asset	Fuel Type	Rated Capacity (MW)[a]	COD
Agua Caliente	Solar	102	2014
Ivanpah	Solar	196	2013
Hawaii[b]	Solar	80	2019
Distributed Solar (up to $190 million of equity in distributed solar generation portfolio(s)[b]	Solar	various	various
Buckthorn Solar[c]	Solar	154	2018
Carlsbad [d]	Conventional	527	2018
Puente/Mandalay[e]	Conventional	Project not expected to move forward	
Community	Wind	Sold to third party	
Jeffers	Wind	Sold to third party	
Minnesota Portfolio	Wind	Sold to third party	

[a] Represents the maximum, or rated, electricity generating capacity of the facility in MW multiplied by NRG's percentage ownership interest in the facility as of December 31, 2017.
[b] Hawaii and Distributed Solar are part of the NRG ROFO Agreement. These are not expected to be offered by NRG prior to consummation of the NRG Transaction and, at that time, would become part of a new ROFO Agreement with GIP.
[c] The transaction is expected to close in the first quarter of 2018.
[d] The transaction is expected to close in the fourth quarter of 2018 and is contingent upon the consummation of the NRG Transaction. Reflects capacity per the Power Purchase & Tolling Agreement with San Diego Gas & Electric; actual tested capacity is expected to be 530 MW.
[e] On November 3, 2017, the California Energy Commission suspended the permitting process for the Puente Power Project after two commissioners issued a statement stating their intention to deny the permit. If the CEC formally denies a permit for the Puente Power Project, then the project will not move forward.

Upon closing of the NRG Transaction, the Company will enter into a new ROFO agreement with GIP that adds 550 MW to the current pipeline through the operational 150 MW Langford Wind project and the 400 MW Mesquite Star Wind project which is under development. The NRG ROFO Agreement will be amended to remove the Ivanpah solar facility.

Primary focus on North America. The Company intends to primarily focus its investments in North America (including the unincorporated territories of the U.S.). The Company believes that industry fundamentals in North America present it with significant opportunity to acquire renewable, natural gas-fired generation and thermal infrastructure assets, without creating significant exposure to currency and sovereign risk. By primarily focusing its efforts on North America, the Company believes it will best leverage its regional knowledge of power markets, industry relationships and skill sets to maximize the performance of the Company.

Maintain sound financial practices to grow the dividend. The Company intends to maintain a commitment to disciplined financial analysis and a balanced capital structure to enable it to increase its quarterly dividend over time and serve the long-term

interests of its stockholders. The Company's financial practices include a risk and credit policy focused on transacting with credit-worthy counterparties; a financing policy, which focuses on seeking an optimal capital structure through various capital formation alternatives to minimize interest rate and refinancing risks, ensure stable long-term dividends and maximize value; and a dividend policy that is based on distributing a significant portion of CAFD each quarter that the Company receives from NRG Yield LLC, subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations. The Company intends to evaluate various alternatives for financing future acquisitions and refinancing of existing project-level debt, in each case, to reduce the cost of debt, extend maturities and maximize CAFD. The Company believes it has additional flexibility to seek alternative financing arrangements, including, but not limited to, debt financings and equity-like instruments.

Competition

Power generation is a capital-intensive business with numerous and diverse industry participants. The Company competes on the basis of the location of its plants and on the basis of contract price and terms of individual projects. Within the power industry, there is a wide variation in terms of the capabilities, resources, nature and identity of the companies with whom the Company competes with depending on the market. Competitors for energy supply are utilities, independent power producers and other providers of distributed generation. The Company also competes to acquire new projects with renewable developers who retain renewable power plant ownership, independent power producers, financial investors and other dividend, growth-oriented companies. Competitive conditions may be substantially affected by capital market conditions and by various forms of energy legislation and regulation considered by federal, state and local legislatures and administrative agencies, including tax policy. Such laws and regulations may substantially increase the costs of acquiring, constructing and operating projects, and it could be difficult for the Company to adapt to and operate under such laws and regulations.

The Company's thermal business has certain cost efficiencies that may form barriers to entry. Generally, there is only one district energy system in a given territory, for which the only competition comes from on-site systems. While the district energy system can usually make an effective case for the efficiency of its services, some building owners nonetheless may opt for on-site systems, either due to corporate policies regarding allocation of capital, unique situations where an on-site system might in fact prove more efficient, or because of previously committed capital in systems that are already on-site. Growth in existing district energy systems generally comes from new building construction or existing building conversions within the service territory of the district energy provider.

Competitive Strengths

Stable, high quality cash flows. The Company's facilities have a stable, predictable cash flow profile consisting of predominantly long-life electric generation assets that sell electricity under long-term fixed priced contracts or pursuant to regulated rates with investment grade and certain other credit-worthy counterparties. Additionally, the Company's facilities have minimal fuel risk. For the Company's conventional assets, fuel is provided by the toll counterparty or the cost thereof is a pass-through cost under the CfD. Renewable facilities have no fuel costs, and most of the Company's thermal infrastructure assets have contractual or regulatory tariff mechanisms for fuel cost recovery. The offtake agreements for the Company's conventional and renewable generation facilities have a weighted-average remaining duration of approximately 15 years as of December 31, 2017, based on CAFD, providing long-term cash flow stability. The Company's generation offtake agreements with counterparties for whom credit ratings are available have a weighted-average Moody’s rating of A3 based on rated capacity under contract. All of the Company's assets are in the U.S. and accordingly have no currency or repatriation risks.

High quality, long-lived assets with low operating and capital requirements. The Company benefits from a portfolio of relatively younger assets, other than thermal infrastructure assets. The Company's assets are comprised of proven and reliable technologies, provided by leading original solar and wind equipment manufacturers such as General Electric, Siemens AG, SunPower Corporation, or SunPower, First Solar Inc., or First Solar, Vestas, Suzlon and Mitsubishi. Given the modern nature of the portfolio, which includes a substantial number of relatively low operating and maintenance cost solar and wind generation assets, the Company expects to achieve high fleet availability and expend modest maintenance-related capital expenditures. Additionally, with the support of services provided by NRG, the Company expects to continue to implement the same rigorous preventative operating and management practices that NRG uses across its fleet of assets.

Significant scale and diversity. The Company owns and operates a large and diverse portfolio of contracted electric generation and thermal infrastructure assets. As of December 31, 2017, the Company's 5,118 net MW contracted generation portfolio benefits from significant diversification in terms of technology, fuel type, counterparty and geography. The Company's thermal business consists of twelve operations, seven of which are district energy centers that provide steam and chilled water to approximately 695 customers, and five of which provide generation. The Company believes its scale and access to best practices across the fleet improves its business development opportunities through enhanced industry relationships, reputation and understanding of regional power market dynamics. Furthermore, the Company's diversification reduces its operating risk profile and reliance on any single market.

Relationship with NRG. The Company believes its relationship with NRG, a leading competitive power generator in the U.S., provides significant benefits to the Company, including access to the significant resources of NRG to support its operational, financial, legal, regulatory and environmental functions.

Relationship with GIP. The Company believes its potential relationship with GIP, should the NRG Transaction be consummated, may provide significant benefits to the Company. GIP is an independent infrastructure fund with over $45 billion in assets under management that invests in infrastructure assets and businesses in both OECD and select emerging market countries. GIP has a strong track record of investment and value creation in the renewable energy sector. Additionally, GIP has extensive experience with publicly traded yield vehicles and development platforms, ranging from Europe's first application of a yield company/development company model to the largest renewable platform in Asia-Pacific.

Environmentally well-positioned portfolio of assets. The Company's portfolio of electric generation assets consists of 3,173 net MW of renewable generation capacity that are non-emitting sources of power generation. The Company's conventional assets consist of the dual fuel-fired GenConn assets as well as the Marsh Landing and Walnut Creek simple cycle natural gas-fired peaking generation facilities and the El Segundo combined cycle natural gas-fired peaking facility. The Company does not anticipate having to expend any significant capital expenditures in the foreseeable future to comply with current environmental regulations applicable to its generation assets. Taken as a whole, the Company believes its strategy will be a net beneficiary of current and potential environmental legislation and regulatory requirements that may serve as a catalyst for capacity retirements and improve market opportunities for environmentally well-positioned assets like the Company's assets once its current offtake agreements expire.

Thermal infrastructure business has high entry costs. Significant capital has been invested to construct the Company's thermal infrastructure assets, serving as a barrier to entry in the markets in which such assets operate. As of December 31, 2017, the Company's thermal gross property, plant, and equipment was approximately $473 million. The Company's thermal district energy centers are located in urban city areas, with the chilled water and steam delivery systems located underground. Constructing underground delivery systems in urban areas requires long lead times for permitting, rights of way and inspections and is costly. By contrast, the incremental cost to add new customers in existing markets is relatively low. Once thermal infrastructure is established, the Company believes it has the ability to retain customers over long periods of time and to compete effectively for additional business against stand-alone on-site heating and cooling generation facilities. Installation of stand-alone equipment can require significant modification to a building as well as significant space for equipment and funding for capital expenditures. The Company's system technologies often provide economies of scale in terms of fuel procurement, ability to switch between multiple types of fuel to generate thermal energy, and fuel conversion efficiency.

Segment Review

The following tables summarize the Company's operating revenues, net income (loss) and assets by segment for the years ended December 31, 2017, 2016 and 2015, as discussed in Item 15 — Note 13, *Segment Reporting*, to the Consolidated Financial Statements. All amounts have been recast to include the effect of the acquisitions of the Drop Down Assets, which were accounted for as transfers of entities under common control. The accounting guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control. Accordingly, the Company prepared its consolidated financial statements to reflect the transfers as if they had taken place from the beginning of the financial statements period or from the date the entities were under common control (if later than the beginning of the financial statements period).

	Year ended December 31, 2017				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 336	$ 501	$ 172	$ —	$ 1,009
Net income (loss)	120	9	25	(177)	(23)
Total assets	1,897	5,811	422	153	8,283

	Year ended December 31, 2016				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 333	$ 532	$ 170	$ —	$ 1,035
Net income (loss)	153	(86)	29	(94)	2
Total assets	1,993	6,114	426	429	8,962

	Year ended December 31, 2015				
(In millions)	Conventional Generation	Renewables	Thermal	Corporate	Total
Operating revenues	$ 336	$ 458	$ 174	$ —	$ 968
Net income (loss)	156	(18)	22	(88)	72

Government Incentives

Government incentives, including PTCs and ITCs, can enhance the economics of the Company's generating assets and investments by providing, for example, loan guarantees, cash grants, favorable tax treatment, favorable depreciation rules or other incentives. The Company cannot predict the effects that the current U.S. presidential administration will have on government incentives.

Regulatory Matters

As owners of power plants and participants in wholesale and thermal energy markets, certain of the Company's subsidiaries are subject to regulation by various federal and state government agencies. These agencies include FERC and the PUCT, as well as other public utility commissions in certain states where the Company's assets are located. Each of the Company's U.S. generating facilities qualifies as an EWG or QF. In addition, the Company is subject to the market rules, procedures and protocols of the various ISO and RTO markets in which it participates. Likewise, the Company must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where the Company operates. The Company's operations within the ERCOT footprint are not subject to rate regulation by FERC, as they are deemed to operate solely within the ERCOT market and not in interstate commerce. These operations are subject to regulation by PUCT.

FERC

FERC, among other things, regulates the transmission and the wholesale sale of electricity in interstate commerce under the authority of the FPA. The transmission of electric energy occurring wholly within ERCOT is not subject to FERC’s jurisdiction under Sections 203 or 205 of the FPA. Under existing regulations, FERC determines whether an entity owning a generation facility is an EWG, as defined in the PUHCA. FERC also determines whether a generation facility meets the ownership and technical criteria of a QF under the PURPA. Each of the Company’s non-ERCOT generating facilities qualifies as an EWG.

The FPA gives FERC exclusive rate-making jurisdiction over the wholesale sale of electricity and transmission of electricity in interstate commerce of public utilities (as defined by the FPA). Under the FPA, FERC, with certain exceptions, regulates the owners of facilities used for the wholesale sale of electricity or transmission in interstate commerce as public utilities, and establishes market rules that are just and reasonable.

Public utilities are required to obtain FERC’s acceptance, pursuant to Section 205 of the FPA, of their rate schedules for the wholesale sale of electricity. All of the Company’s non-QF generating entities located outside of ERCOT make sales of electricity pursuant to market-based rates, as opposed to traditional cost-of-service regulated rates. Every three years FERC will conduct a review of the Company’s market based rates and potential market power on a regional basis.

In accordance with the Energy Policy Act of 2005, FERC has approved the NERC as the national Energy Reliability Organization, or ERO. As the ERO, NERC is responsible for the development and enforcement of mandatory reliability standards for the wholesale electric power system. In addition to complying with NERC requirements, each entity must comply with the requirements of the regional reliability entity for the region in which it is located.

The PURPA was passed in 1978 in large part to promote increased energy efficiency and development of independent power producers. The PURPA created QFs to further both goals, and FERC is primarily charged with administering the PURPA as it applies to QFs. Certain QFs are exempt from regulation, either in whole or in part, under the FPA as public utilities.

The PUHCA provides FERC with certain authority over and access to books and records of public utility holding companies not otherwise exempt by virtue of their ownership of EWGs, QFs, and Foreign Utility Companies. The Company is exempt from many of the accounting, record retention, and reporting requirements of the PUHCA.

Environmental Matters

The Company is 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 during operation of facilities. The Company is also subject to laws regarding the protection of wildlife, including migratory birds, eagles, threatened and endangered species. Federal and state environmental laws have historically become more stringent over time, although this trend could change with respect to federal laws under the current U.S. presidential administration.

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 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 Company believes the CPP is not likely to survive.

Customers

The Company sells its electricity and environmental attributes, including RECs, primarily to local utilities under long-term, fixed-price PPAs. During the year ended December 31, 2017, the Company derived approximately 41% of its consolidated revenue from Southern California Edison, or SCE, and approximately 23% of its consolidated revenue from Pacific Gas and Electric, or PG&E.

Employees

The Company employs Christopher Sotos as its President and Chief Executive Officer and Chad Plotkin as its Senior Vice President and Chief Financial Officer. As of December 31, 2017, other than Messrs. Sotos and Plotkin, the Company did not employ any other employees. The majority of personnel who manage operations of the Company are employees of NRG or third parties managed by NRG, and their services are provided for the Company's benefit under the Management Services Agreement and project operations and maintenance agreements with NRG as described in Item 15 — Note 15, *Related Party Transactions*, to the Consolidated Financial Statements.

Available Information

The Company's 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 the Company's website, *www.nrgyield.com*, as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The Company also routinely posts press releases, presentations, webcasts, and other information regarding the Company on its website. The information posted on the Company's website is not a part of this report.

Item 1A — Risk Factors

Risks Related to the Proposed NRG Transaction

The Company may not realize the anticipated benefits of the NRG Transaction.

On February 6, 2018, Global Infrastructure Partners, or GIP, entered into a purchase and sale agreement with NRG for the acquisition of NRG's full ownership interest in the Company and NRG's renewable energy development and operations platform. Also on February 6, 2018, the Company entered into a consent and indemnity agreement with NRG and GIP in connection with the purchase and sale agreement between NRG and GIP. The consent and indemnity agreement and the purchase and sale agreement are collectively referred to as the NRG Transaction. Consummation of the NRG Transaction is subject to a number of conditions, including receipt of certain contractual consents and regulatory approvals from certain regulatory agencies, including approval by FERC and approvals from certain state regulatory agencies. While the parties have begun the process of notifying agencies and obtaining regulatory approvals and consents, there is no assurance that the parties will be able to obtain the requisite regulatory approvals or consents to satisfy the closing conditions. Additionally, the NRG Transaction requires the Company's consent which is conditioned upon a number of items, all of which may not be met on a timely basis, or at all.

If the NRG Transaction is consummated, GIP may exercise substantial influence over the Company's policies and procedures and exercise substantial influence over the Company's Board, management and the types of third party acquisitions the Company makes. The Company may not identify future acquisitions or be able to secure financing on attractive terms or at all for future acquisitions and the Company may not realize the anticipated benefits of the financing support to be provided by GIP, which includes a $1.5 billion backstop credit facility to manage any change-of-control costs associated with the Company's corporate debt and up to $400 million in financing support for the Company's acquisition of the Carlsbad Energy Center. Further, GIP may not be able to maintain the Company's current relationships with customers, counterparties, suppliers, lenders and other third parties. Uncertainty about the effect of the NRG Transaction may negatively affect the Company's relationship with its counterparties and have a significant impact on the Company's business. The foregoing risks may adversely affect the Company's operational performance or limit the Company's growth prospects, including its ability to grow its dividend per share.

Following the consummation of the NRG Transaction, GIP and its affiliates will control the Company and have the ability to designate a majority of the members of the Company's Board.

The governance agreements to be entered into among NRG, the Company, GIP and its affiliates in connection with the NRG Transaction provide GIP the ability to designate a majority of the Company's Board to the Company's Corporate Governance, Conflicts and Nominating Committee for nomination for election by the Company's stockholders and also require that the Company and GIP use their commercially reasonable efforts to submit to the Company's stockholders at the Company's 2019 Annual Meeting of Stockholders a charter amendment to classify the Company's Board into two classes (with the independent directors and directors designated by GIP allocated across the two classes). Due to such agreements and GIP's approximate 55.1% combined voting power in the Company following the completion of the NRG Transaction, the ability of other holders of the Company's Class A and Class C common stock to exercise control over the corporate governance of the Company will be limited. In addition, due to its approximate 55.1% combined voting power in the Company following the completion of the NRG Transaction, GIP and its affiliates will have a substantial influence on the Company's affairs and its voting power will constitute a large percentage of any quorum of the Company's stockholders voting on any matter requiring the approval of the Company's stockholders, including the classification of the Board of Directors. GIP may hold certain interests that are different from those of the Company or other holders of the Company's Class A and Class C common stock and there is no assurance that GIP will exercise its control over the Company in a manner that is consistent with the Company's interests or those of the holders of the Company's Class A and Class C common stock.

Risks Related to the Company's Business

Certain facilities are newly constructed and may not perform as expected.

Certain of the Company's conventional and renewable assets are newly constructed. The ability of these facilities to meet the Company's performance expectations is subject to the risks inherent in newly constructed power generation facilities and the construction of such facilities, including, but not limited to, degradation of equipment in excess of the Company's expectations, system failures, and outages. The failure of these facilities to perform as the Company expects could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and its ability to pay dividends to holders of the Company's common stock.

Pursuant to the Company's cash dividend policy, the Company intends to distribute a significant amount of the CAFD through regular quarterly distributions and dividends, and the Company's ability to grow and make acquisitions through cash on hand could be limited.

The Company expects to distribute a significant amount of the CAFD each quarter and to rely primarily upon external financing sources, including the issuance of debt and equity securities and, if applicable, borrowings under the Company's revolving credit facility to fund acquisitions and growth capital expenditures. The Company may be precluded from pursuing otherwise attractive acquisitions if the projected short-term cash flow from the acquisition or investment is not adequate to service the capital raised to fund the acquisition or investment, after giving effect to the Company's available cash reserves. To the extent the Company issues additional equity securities in connection with any acquisitions or growth capital expenditures, the payment of dividends on these additional equity securities may increase the risk that the Company will be unable to maintain or increase its per share dividend. The incurrence of bank borrowings or other debt by NRG Yield Operating LLC or by the Company's project-level subsidiaries to finance the Company's growth strategy will result in increased interest expense and the imposition of additional or more restrictive covenants, which, in turn, may impact the cash distributions the Company receives to distribute to holders of the Company's common stock.

The Company may not be able to effectively identify or consummate any future acquisitions on favorable terms, or at all.

The Company's business strategy includes growth through the acquisitions of additional generation assets (including through corporate acquisitions). This strategy depends on the Company's ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. However, the number of acquisition opportunities is limited. In addition, the Company will compete with other companies for these limited acquisition opportunities, which may increase the Company's cost of making acquisitions or cause the Company to refrain from making acquisitions at all. Some of the Company's competitors for acquisitions are much larger than the Company with substantially greater resources. These companies may be able to pay more for acquisitions and may be able to identify, evaluate, bid for and purchase a greater number of assets than the Company's financial or human resources permit. If the Company is unable to identify and consummate future acquisitions, it will impede the Company's ability to execute its growth strategy and limit the Company's ability to increase the amount of dividends paid to holders of the Company's common stock.

Furthermore, the Company's ability to acquire future renewable facilities may depend on the viability of renewable assets generally. These assets currently are largely contingent on public policy mechanisms including ITCs, cash grants, loan guarantees, accelerated depreciation, RPS and carbon trading plans. These mechanisms have been implemented at the state and federal levels to support the development of renewable generation, demand-side and smart grid and other clean infrastructure technologies. The availability and continuation of public policy support mechanisms will drive a significant part of the economics and viability of the Company's growth strategy and expansion into clean energy investments.

The Company's ability to effectively consummate future acquisitions will also depend on the Company's ability to arrange the required or desired financing for acquisitions.

The Company may not have sufficient availability under the Company's credit facilities or have access to project-level financing on commercially reasonable terms when acquisition opportunities arise. An inability to obtain the required or desired financing could significantly limit the Company's ability to consummate future acquisitions and effectuate the Company's growth strategy. If financing is available, utilization of the Company's credit facilities or project-level financing for all or a portion of the purchase price of an acquisition could significantly increase the Company's interest expense, impose additional or more restrictive covenants and reduce CAFD. Similarly, the issuance of additional equity securities as consideration for acquisitions could cause significant stockholder dilution and reduce the Company's dividends if the acquisitions are not sufficiently accretive. The Company's ability to consummate future acquisitions may also depend on the Company's ability to obtain any required regulatory approvals for such acquisitions, including, but not limited to, approval by FERC under Section 203 of the FPA.

Finally, the acquisition of companies and assets are subject to substantial risks, including the failure to identify material problems during due diligence (for which the Company may not be indemnified post-closing), the risk of over-paying for assets (or not making acquisitions on an accretive basis) and the ability to retain customers. Further, the integration and consolidation of acquisitions requires substantial human, financial and other resources and, ultimately, the Company's acquisitions may divert management's attention from the Company's existing business concerns, disrupt the Company's ongoing business or not be successfully integrated. There can be no assurances that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them. As a result, the consummation of acquisitions may have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and ability to pay dividends to holders of the Company's common stock.

Even if the Company consummates acquisitions that it believes will be accretive to CAFD per share of Class A common stock and Class C common stock, those acquisitions may decrease the CAFD per share of Class A common stock and Class C common stock as a result of incorrect assumptions in the Company's evaluation of such acquisitions, unforeseen consequences or other external events beyond the Company's control.

The acquisition of existing generation assets involves the risk of overpaying for such projects (or not making acquisitions on an accretive basis) and failing to retain the customers of such projects. While the Company will perform due diligence on prospective acquisitions, the Company may not discover all potential risks, operational issues or other issues in such generation assets. Further, the integration and consolidation of acquisitions require substantial human, financial and other resources and, ultimately, the Company's acquisitions may divert the Company's management's attention from its existing business concerns, disrupt its ongoing business or not be successfully integrated. Future acquisitions might not perform as expected or the returns from such acquisitions might not support the financing utilized to acquire them or maintain them. A failure to achieve the financial returns the Company expects when it acquires generation assets could have a material adverse effect on the Company's ability to grow its business and make cash distributions to its Class A and Class C stockholders. Any failure of the Company's acquired generation assets to be accretive or difficulty in integrating such acquisition into the Company's business could have a material adverse effect on the Company's ability to grow its business and make cash distributions to its Class A and Class C stockholders.

The Company's indebtedness could adversely affect its ability to raise additional capital to fund the Company's operations or pay dividends. It could also expose the Company to the risk of increased interest rates and limit the Company's ability to react to changes in the economy or the Company's industry as well as impact the Company's results of operations, financial condition and cash flows.

As of December 31, 2017, the Company had approximately $5,897 million of total consolidated indebtedness, $4,376 million of which was incurred by the Company's non-guarantor subsidiaries. In addition, the Company's share of its unconsolidated affiliates' total indebtedness and letters of credit outstanding as of December 31, 2017, totaled approximately $777 million and $98 million, respectively (calculated as the Company's unconsolidated affiliates' total indebtedness as of such date multiplied by the Company's percentage membership interest in such assets).

The Company's substantial debt could have important negative consequences on the Company's financial condition, including:

- increasing the Company's vulnerability to general economic and industry conditions;
- requiring a substantial portion of the Company's cash flow from operations to be dedicated to the payment of principal and interest on the Company's indebtedness, therefore reducing the Company's ability to pay dividends to holders of the Company's capital stock (including the Class A and Class C common stock) or to use the Company's cash flow to fund its operations, capital expenditures and future business opportunities;
- limiting the Company's ability to enter into long-term power sales or fuel purchases which require credit support;
- limiting the Company's ability to fund operations or future acquisitions;
- restricting the Company's ability to make certain distributions with respect to the Company's capital stock (including the Class A and Class C common stock) and the ability of the Company's subsidiaries to make certain distributions to it, in light of restricted payment and other financial covenants in the Company's credit facilities and other financing agreements;
- exposing the Company to the risk of increased interest rates because certain of the Company's borrowings, which may include borrowings under the Company's revolving credit facility, are at variable rates of interest;
- limiting the Company's ability to obtain additional financing for working capital including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting the Company's ability to adjust to changing market conditions and placing it at a competitive disadvantage compared to the Company's competitors who have less debt.

The Company's revolving credit facility contains financial and other restrictive covenants that limit the Company's ability to return capital to stockholders or otherwise engage in activities that may be in the Company's long-term best interests. The Company's inability to satisfy certain financial covenants could prevent the Company from paying cash dividends, and the Company's failure to comply with those and other covenants could result in an event of default which, if not cured or waived, may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. In addition, failure to comply with such covenants may entitle the related lenders to demand repayment and accelerate all such indebtedness.

The agreements governing the Company's project-level financing contain financial and other restrictive covenants that limit the Company's project subsidiaries' ability to make distributions to the Company or otherwise engage in activities that may be in the Company's long-term best interests. The project-level financing agreements generally prohibit distributions from the project entities to the Company unless certain specific conditions are met, including the satisfaction of certain financial ratios. The Company's inability to satisfy certain financial covenants may prevent cash distributions by the particular project(s) to it and, the Company's failure to comply with those and other covenants could result in an event of default which, if not cured or waived may entitle the related lenders to demand repayment or enforce their security interests, which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, failure to comply with such covenants may entitle the related lenders to demand repayment and accelerate all such indebtedness. If the Company is unable to make distributions from the Company's project-level subsidiaries, it would likely have a material adverse effect on the Company's ability to pay dividends to holders of the Company's common stock.

Letter of credit facilities to support project-level contractual obligations generally need to be renewed after five to seven years, at which time the Company will need to satisfy applicable financial ratios and covenants. If the Company is unable to renew the Company's letters of credit as expected or replace them with letters of credit under different facilities on favorable terms or at all, the Company may experience a material adverse effect on its business, financial condition, results of operations and cash flows. Furthermore, such inability may constitute a default under certain project-level financing arrangements, restrict the ability of the project-level subsidiary to make distributions to it and/or reduce the amount of cash available at such subsidiary to make distributions to the Company.

In addition, the Company's ability to arrange financing, either at the corporate level or at a non-recourse project-level subsidiary, and the costs of such capital, are dependent on numerous factors, including:

- general economic and capital market conditions;
- credit availability from banks and other financial institutions;
- investor confidence in the Company, its partners, NRG, as the Company's principal stockholder (on a combined voting basis) and manager under the Management Services Agreement, or GIP, as successor to NRG's interests in the Company if the NRG Transaction is consummated, and the regional wholesale power markets;
- the Company's financial performance and the financial performance of the Company subsidiaries;
- the Company's level of indebtedness and compliance with covenants in debt agreements;
- maintenance of acceptable project credit ratings or credit quality;
- cash flow; and
- provisions of tax and securities laws that may impact raising capital.

The Company may not be successful in obtaining additional capital for these or other reasons. Furthermore, the Company may be unable to refinance or replace project-level financing arrangements or other credit facilities on favorable terms or at all upon the expiration or termination thereof. The Company's failure, or the failure of any of the Company's projects, to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Certain of the Company's long-term bilateral contracts result from state-mandated procurements and could be declared invalid by a court of competent jurisdiction.

A significant portion of the Company's revenues are derived from long-term bilateral contracts with utilities that are regulated by their respective states, and have been entered into pursuant to certain state programs. Certain long-term contracts that other companies have with state-regulated utilities have been challenged in federal court and have been declared unconstitutional on the grounds that the rate for energy and capacity established by the contracts impermissibly conflicts with the rate for energy and capacity established by FERC pursuant to the FPA. If certain of the Company's state-mandated agreements with utilities are ever held to be invalid, the Company may be unable to replace such contracts, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The generation of electric energy from solar and wind energy sources depends heavily on suitable meteorological conditions.

If solar or wind conditions are unfavorable, the Company's electricity generation and revenue from renewable generation facilities may be substantially below the Company's expectations. The electricity produced and revenues generated by a solar or wind energy generation facility is highly dependent on suitable solar or wind conditions, as applicable, and associated weather conditions, which are beyond the Company's control. Furthermore, components of the Company's systems, such as solar panels and inverters, could be damaged by severe weather, such as hailstorms or tornadoes. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Unfavorable weather and atmospheric conditions could impair the effectiveness of the Company's assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of the Company's renewable assets. In addition, climate change may have the long-term effect of changing wind patterns at our projects. Changing wind patterns could cause changes in expected electricity generation. These events could also degrade equipment or components and the interconnection and transmission facilities' lives or maintenance costs.

Although the Company bases its investment decisions with respect to each renewable generation facility on the findings of related wind and solar studies conducted on-site prior to construction or based on historical conditions at existing facilities, actual climatic conditions at a facility site, particularly wind conditions, may not conform to the findings of these studies and may be affected by variations in weather patterns, including any potential impact of climate change. Therefore, the Company's solar and wind energy facilities may not meet anticipated production levels or the rated capacity of the Company's generation assets, which could adversely affect the business, financial condition, results of operations and cash flows.

Operation of electric generation facilities involves significant risks and hazards customary to the power industry that could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The ongoing operation of the Company's facilities involves risks that include the breakdown or failure of equipment or processes or performance below expected levels of output or efficiency due to wear and tear, latent defect, design error or operator error or force majeure events, among other things. Operation of the Company's facilities also involves risks that the Company will be unable to transport its products to its customers in an efficient manner due to a lack of transmission capacity. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems, occur from time to time and are an inherent risk of the business. Unplanned outages typically increase operation and maintenance expenses, capital expenditures and may reduce revenues as a result of selling fewer MWh or require the Company to incur significant costs as a result of obtaining replacement power from third parties in the open market to satisfy forward power sales obligations. The Company's inability to operate its electric generation assets efficiently, manage capital expenditures and costs and generate earnings and cash flow from the Company's asset-based businesses could have a material adverse effect on the business, financial condition, results of operations and cash flows. While the Company maintains insurance, obtains warranties from vendors and obligates contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not cover the Company's lost revenues, increased expenses or liquidated damages payments should it experience equipment breakdown or non-performance by contractors or vendors.

Power generation involves hazardous activities, including acquiring, transporting and unloading fuel, operating large pieces of rotating equipment and delivering electricity to transmission and distribution systems.

In addition to natural risks such as earthquake, flood, lightning, hurricane and wind, other hazards, such as fire, explosion, structural collapse and machinery failure are inherent risks in the Company's operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations. The occurrence of any one of these events may result in the Company being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal injury and property damage and fines and/or penalties. The Company maintains an amount of insurance protection that it considers adequate but cannot provide any assurance that the Company's insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Company may be subject. Furthermore, the Company's insurance coverage is subject to deductibles, caps, exclusions and other limitations. A loss for which the Company is not fully insured (which may include a significant judgment against any facility or facility operator) could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows. Further, due to rising insurance costs and changes in the insurance markets, the Company cannot provide any assurance that its insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Maintenance, expansion and refurbishment of electric generation facilities involve significant risks that could result in unplanned power outages or reduced output.

The Company's facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce the Company's facilities' generating capacity below expected levels, reducing the Company's revenues and jeopardizing the Company's ability to pay dividends to holders of its common stock at expected levels or at all. Degradation of the performance of the Company's solar facilities above levels provided for in the related offtake agreements may also reduce the Company's revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing the Company's facilities may also reduce profitability.

If the Company makes any major modifications to its conventional power generation facilities, it may be required to install the best available control technology or to achieve the lowest achievable emission rates as such terms are defined under the new source review provisions of the CAA in the future. Any such modifications could likely result in substantial additional capital expenditures. The Company may also choose to repower, refurbish or upgrade its facilities based on its assessment that such activity will provide adequate financial returns. Such facilities require time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. These events could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Counterparties to the Company's offtake agreements may not fulfill their obligations and, as the contracts expire, the Company may not be able to replace them with agreements on similar terms in light of increasing competition in the markets in which the Company operates.

A significant portion of the electric power the Company generates is sold under long-term offtake agreements with public utilities or industrial or commercial end-users, with a weighted average remaining duration of approximately 15 years based on CAFD. As of December 31, 2017, the largest customers of the Company's power generation assets, including assets in which the Company has less than a 100% membership interest, were SCE and PG&E, which represented 40% and 23%, respectively, of the net electric generation capacity of the Company's facilities.

If, for any reason, any of the purchasers of power under these agreements are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power delivered thereunder or if they otherwise terminate such agreements prior to the expiration thereof, the Company's assets, liabilities, business, financial condition, results of operations and cash flows could be materially and adversely affected. Furthermore, to the extent any of the Company's power purchasers are, or are controlled by, governmental entities, the Company's facilities may be subject to legislative or other political action that may impair their contractual performance.

The power generation industry is characterized by intense competition and the Company's electric generation assets encounter competition from utilities, industrial companies and other independent power producers, in particular with respect to uncontracted output. In recent years, there has been increasing competition among generators for offtake agreements and this has contributed to a reduction in electricity prices in certain markets characterized by excess supply above designated reserve margins. In light of these market conditions, the Company may not be able to replace an expiring or terminated agreement with an agreement on equivalent terms and conditions, including at prices that permit operation of the related facility on a profitable basis. In addition, the Company believes many of its competitors have well-established relationships with the Company's current and potential suppliers, lenders and customers, and have extensive knowledge of its target markets. As a result, these competitors may be able to respond more quickly to evolving industry standards and changing customer requirements than the Company will be able to. Adoption of technology more advanced than the Company's could reduce its competitors' power production costs resulting in their having a lower cost structure than is achievable with the technologies currently employed by the Company and adversely affect its ability to compete for offtake agreement renewals. If the Company is unable to replace an expiring or terminated offtake agreement, the affected facility may temporarily or permanently cease operations. External events, such as a severe economic downturn, could also impair the ability of some counterparties to the Company's offtake agreements and other customer agreements to pay for energy and/or other products and services received.

The Company's inability to enter into new or replacement offtake agreements or to compete successfully against current and future competitors in the markets in which the Company operates could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's facilities may operate, wholly or partially, without long-term power sales agreements.

The Company's facilities may operate without long-term power sales agreements for some or all of their generating capacity and output and therefore be exposed to market fluctuations. Without the benefit of long-term power sales agreements for the facilities, the Company cannot be sure that it will be able to sell any or all of the power generated by the facilities at commercially attractive rates or that the facilities will be able to operate profitably. This could lead to less predictable revenues, future impairments of the Company's property, plant and equipment or to the closing of certain of its facilities, resulting in economic losses and liabilities, which could have a material adverse effect on the Company's results of operations, financial condition or cash flows.

A portion of the steam and chilled water produced by the Company's thermal assets is sold at regulated rates, and the revenue earned by the Company's GenConn assets is established each year in a rate case; accordingly, the profitability of these assets is dependent on regulatory approval.

Approximately 378 net MWt of capacity from certain of the Company's thermal assets are sold at rates approved by one or more federal or state regulatory commissions, including the Pennsylvania Public Utility Commission and the California Public Utilities Commission for the thermal assets. Similarly, the revenues related to approximately 380 MW of capacity from the GenConn assets are established each year by the Connecticut Public Utilities Regulatory Authority. While such regulatory oversight is generally premised on the recovery of prudently incurred costs and a reasonable rate of return on invested capital, the rates that the Company may charge, or the revenue that the Company may earn with respect to this capacity are subject to authorization of the applicable regulatory authorities. There can be no assurance that such regulatory authorities will consider all of the costs to have been prudently incurred or that the regulatory process by which rates or revenues are determined will always result in rates or revenues that achieve full recovery of costs or an adequate return on the Company's capital investments. While the Company's rates and revenues are generally established based on an analysis of costs incurred in a base year, the rates the Company is allowed to charge, and the revenues the Company is authorized to earn, may or may not match the costs at any given time. If the Company's costs are not adequately recovered through these regulatory processes, it could have a material adverse effect on the business, financial condition, results of operations and cash flows.

Supplier and/or customer concentration at certain of the Company's facilities may expose the Company to significant financial credit or performance risks.

The Company often relies on a single contracted supplier or a small number of suppliers for the provision of fuel, transportation of fuel, equipment, technology and/or other services required for the operation of certain facilities. In addition, certain of the Company's suppliers provide long-term warranties with respect to the performance of their products or services. If any of these suppliers cannot perform under their agreements with the Company, or satisfy their related warranty obligations, the Company will need to utilize the marketplace to provide or repair these products and services. There can be no assurance that the marketplace can provide these products and services as, when and where required. The Company may not be able to enter into replacement agreements on favorable terms or at all. If the Company is unable to enter into replacement agreements to provide for fuel, equipment, technology and other required services, it would seek to purchase the related goods or services at market prices, exposing the Company to market price volatility and the risk that fuel and transportation may not be available during certain periods at any price. The Company may also be required to make significant capital contributions to remove, replace or redesign equipment that cannot be supported or maintained by replacement suppliers, which could have a material adverse effect on the business, financial condition, results of operations, credit support terms and cash flows.

In addition, potential or existing customers at the Company's district energy centers and combined heat and power plants, or the Energy Centers, may opt for on-site systems in lieu of using the Company's Energy Centers, either due to corporate policies regarding the allocation of capital, unique situations where an on-site system might in fact prove more efficient, because of previously committed capital in systems that are already on-site, or otherwise. At times, the Company relies on a single customer or a few customers to purchase all or a significant portion of a facility's output, in some cases under long-term agreements that account for a substantial percentage of the anticipated revenue from a given facility.

The failure of any supplier to fulfill its contractual obligations to the Company or the Company's loss of potential or existing customers could have a material adverse effect on its financial results. Consequently, the financial performance of the Company's facilities is dependent on the credit quality of, and continued performance by, the Company's suppliers and vendors and the Company's ability to solicit and retain customers.

The Company currently owns, and in the future may acquire, certain assets in which the Company has limited control over management decisions and its interests in such assets may be subject to transfer or other related restrictions.

As described in Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, the Company has limited control over the operation of certain of its assets, because the Company beneficially owns less than a majority of the membership interests in such assets. The Company may seek to acquire additional assets in which it owns less than a majority of the related membership interests in the future. In these investments, the Company will seek to exert a degree of influence with respect to the management and operation of assets in which it owns less than a majority of the membership interests by negotiating to obtain positions on management committees or to receive certain limited governance rights, such as rights to veto significant actions. However, the Company may not always succeed in such negotiations. The Company may be dependent on its co-venturers to operate such assets. The Company's co-venturers may not have the level of experience, technical expertise, human resources management and other attributes necessary to operate these assets optimally. In addition, conflicts of interest may arise in the future between the Company and its stockholders, on the one hand, and the Company's co-venturers, on the other hand, where the Company's co-venturers' business interests are inconsistent with the interests of the Company and its stockholders. Further, disagreements or disputes between the Company and its co-venturers could result in litigation, which could increase expenses and potentially limit the time and effort the Company's officers and directors are able to devote to the business.

The approval of co-venturers may also be required for the Company to receive distributions of funds from assets or to sell, pledge, transfer, assign or otherwise convey its interest in such assets, or for the Company to acquire NRG's interests in such co-ventures as an initial matter. Alternatively, the Company's co-venturers may have rights of first refusal or rights of first offer in the event of a proposed sale or transfer of the Company's interests in such assets. These restrictions may limit the price or interest level for interests in such assets, in the event the Company wants to sell such interests.

Furthermore, certain of the Company's facilities are operated by third-party operators, such as First Solar. To the extent that third-party operators do not fulfill their obligations to manage operations of the facilities or are not effective in doing so, the amount of CAFD may be adversely affected.

The Company's assets are exposed to risks inherent in the use of interest rate swaps and forward fuel purchase contracts and the Company may be exposed to additional risks in the future if it utilizes other derivative instruments.

The Company uses interest rate swaps to manage interest rate risk. In addition, the Company uses forward fuel purchase contracts to hedge its limited commodity exposure with respect to the Company's district energy assets. If the Company elects to enter into such commodity hedges, the related asset could recognize financial losses on these arrangements as a result of volatility in the market values of the underlying commodities or if a counterparty fails to perform under a contract. If actively quoted market prices and pricing information from external sources are not available, the valuation of these contracts would involve judgment or the use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. If the values of these financial contracts change in a manner that the Company does not anticipate, or if a counterparty fails to perform under a contract, it could harm the business, financial condition, results of operations and cash flows.

The Company's business is subject to restrictions resulting from environmental, health and safety laws and regulations.

The Company is subject to various federal, state and local environmental and health and safety laws and regulations. In addition, the Company may be held primarily or jointly and severally liable for costs relating to the investigation and clean-up of any property where there has been a release or threatened release of a hazardous regulated material as well as other affected properties, regardless of whether the Company knew of or caused the release. In addition to these costs, which are typically not limited by law or regulation and could exceed an affected property's value, the Company could be liable for certain other costs, including governmental fines and injuries to persons, property or natural resources. Further, some environmental laws provide for the creation of a lien on a contaminated site in favor of the government as security for damages and any costs the government incurs in connection with such contamination and associated clean-up. Although the Company generally requires its operators to undertake to indemnify it for environmental liabilities they cause, the amount of such liabilities could exceed the financial ability of the operator to indemnify the Company. The presence of contamination or the failure to remediate contamination may adversely affect the Company's ability to operate the business.

The Company does not own all of the land on which its power generation or thermal assets are located, which could result in disruption to its operations.

The Company does not own all of the land on which its power generation or thermal assets are located and the Company is, therefore, subject to the possibility of less desirable terms and increased costs to retain necessary land use if it does not have valid leases or rights-of-way or if such rights-of-way lapse or terminate. Although the Company has obtained rights to construct and operate these assets pursuant to related lease arrangements, the rights to conduct those activities are subject to certain exceptions,

including the term of the lease arrangement. The Company is also at risk of condemnation on land it owns. The loss of these rights, through the Company's inability to renew right-of-way contracts, condemnation or otherwise, may adversely affect the Company's ability to operate its generation and thermal infrastructure assets.

The Company's use and enjoyment of real property rights for its projects may be adversely affected by the rights of lienholders and leaseholders that are superior to those of the grantors of those real property rights to the Company.

Solar and wind projects generally are, and are likely to be, located on land occupied by the project pursuant to long-term easements and leases. The ownership interests in the land subject to these easements and leases may be subject to mortgages securing loans or other liens (such as tax liens) and other easement and lease rights of third parties (such as leases of oil or mineral rights) that were created prior to the project's easements and leases. As a result, the project's rights under these easements or leases may be subject, and subordinate, to the rights of those third parties. The Company performs title searches and obtains title insurance to protect itself against these risks. Such measures may, however, be inadequate to protect the Company against all risk of loss of its rights to use the land on which the wind projects are located, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The electric generation business is subject to substantial governmental regulation and may be adversely affected by changes in laws or regulations, as well as liability under, or any future inability to comply with, existing or future regulations or other legal requirements.

The Company's electric generation business is subject to extensive U.S. federal, state and local laws and regulations. Compliance with the requirements under these various regulatory regimes may cause the Company 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. Except for generating facilities within the footprint of ERCOT which are regulated by the PUCT, all of the Company's 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 the company to criminal and civil penalties or other risks.

The Company's market-based sales will be subject to certain rules prohibiting manipulative or deceptive conduct, and if any of the Company's 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 Company is able to charge for power from its facilities.

Most of the Company's assets are operating as EWGs as defined under the PUHCA, or QFs 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 EWG or a QF or there are legislative or regulatory changes revoking or limiting the exemptions to the PUHCA, then the Company 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 Company's generation assets are also subject to the reliability standards promulgated by the designated Electric Reliability Organization (currently the North American Electric Reliability Corporation, or NERC) and approved by FERC. If the Company fails to comply with the mandatory reliability standards, it could be subject to sanctions, including substantial monetary penalties and increased compliance obligations. The Company 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, non-performance penalties 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 Company's 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 Company cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on the

Company's business. In addition, in some of these markets, interested parties have proposed to re-regulate the markets or require divestiture of electric generation assets by asset owners or operators to reduce their market share. Other proposals to re-regulate may be made and legislative or other attention to the electric power market restructuring process may delay or reverse the deregulation process. If competitive restructuring of the electric power markets is reversed, discontinued, or delayed, the Company's business prospects and financial results could be negatively impacted.

The Company is subject to environmental laws and regulations that impose extensive and increasingly stringent requirements on its operations, as well as potentially substantial liabilities arising out of environmental contamination.

The Company's assets are subject to numerous and significant federal, state and local laws, including statutes, regulations, guidelines, policies, directives and other requirements governing or relating to, among other things: protection of wildlife, including threatened and endangered species; air emissions; discharges into water; water use; the storage, handling, use, transportation and distribution of dangerous goods and hazardous, residual and other regulated materials, such as chemicals; the prevention of releases of hazardous materials into the environment; the prevention, presence and remediation of hazardous materials in soil and groundwater, both on and offsite; land use and zoning matters; and workers' health and safety matters. The Company's facilities could experience incidents, malfunctions and other unplanned events that could result in spills or emissions in excess of permitted levels and result in personal injury, penalties and property damage. As such, the operation of the Company's facilities carries an inherent risk of environmental, health and safety liabilities (including potential civil actions, compliance or remediation orders, fines and other penalties), and may result in the assets being involved from time to time in administrative and judicial proceedings relating to such matters. The Company has implemented environmental, health and safety management programs designed to continually improve environmental, health and safety performance. Environmental laws and regulations have generally become more stringent over time. Significant costs may be incurred for capital expenditures under environmental programs to keep the assets compliant with such environmental laws and regulations. If it is not economical to make those expenditures, it may be necessary to retire or mothball facilities or restrict or modify the Company's operations to comply with more stringent standards. These environmental requirements and liabilities could have a material adverse effect on the business, financial condition, results of operations and cash flows.

Risks that are beyond the Company's control, including but not limited to acts of terrorism or related acts of war, natural disaster, hostile cyber intrusions or other catastrophic events, could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company's generation facilities that were acquired or those that the Company otherwise acquires or constructs and the facilities of third parties on which they rely may be targets of terrorist activities, as well as events occurring in response to or in connection with them, that could cause environmental repercussions and/or result in full or partial disruption of the facilities ability to generate, transmit, transport or distribute electricity or natural gas. Strategic targets, such as energy-related facilities, may be at greater risk of future terrorist activities than other domestic targets. Hostile cyber intrusions, including those targeting information systems as well as electronic control systems used at the generating plants and for the related distribution systems, could severely disrupt business operations and result in loss of service to customers, as well as create significant expense to repair security breaches or system damage.

Furthermore, certain of the Company's power generation thermal assets are located in active earthquake zones in California and Arizona, and certain project companies and suppliers conduct their operations in the same region or in other locations that are susceptible to natural disasters. In addition, California and some of the locations where certain suppliers are located, from time to time, have experienced shortages of water, electric power and natural gas. The occurrence of a natural disaster, such as an earthquake, drought, flood or localized extended outages of critical utilities or transportation systems, or any critical resource shortages, affecting the Company or its suppliers, could cause a significant interruption in the business, damage or destroy the Company's facilities or those of its suppliers or the manufacturing equipment or inventory of the Company's suppliers. Any such terrorist acts, environmental repercussions or disruptions or natural disasters could result in a significant decrease in revenues or significant reconstruction or remediation costs, beyond what could be recovered through insurance policies, which could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The operation of the Company’s businesses is subject to cyber-based security and integrity risk.

Numerous functions affecting the efficient operation of the Company’s businesses depend on the secure and reliable storage, processing and communication of electronic data and the use of sophisticated computer hardware and software systems. The operation of the Company's generating assets rely on cyber-based technologies and, therefore, subject to the risk that such systems could be the target of disruptive actions, particularly through cyber-attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, or otherwise be compromised by unintentional events. As a result, operations could be interrupted, property could be damaged and sensitive customer information could be lost or stolen, causing the Company to incur significant losses of revenues, other substantial liabilities and damages, costs to replace or repair damaged equipment and

damage to the Company's reputation. In addition, the Company may experience increased capital and operating costs to implement increased security for its cyber systems and generating assets.

Government regulations providing incentives for renewable generation could change at any time and such changes may negatively impact the Company's growth strategy.

The Company's growth strategy depends in part on government policies that support renewable generation and enhance the economic viability of owning renewable electric generation assets. Renewable generation assets currently benefit from various federal, state and local governmental incentives such as ITCs, cash grants in lieu of ITCs, loan guarantees, RPS, programs, modified accelerated cost-recovery system of depreciation and bonus depreciation. In December 2015, the U.S. Congress enacted an extension of the 30% solar ITC so that projects that began construction in 2016 through 2019 will continue to qualify for the 30% ITC. Projects beginning construction in 2020 and 2021 will be eligible for the ITC at the rates of 26% and 22%, respectively. The same legislation also extended the 10-year wind PTC for wind projects that began construction in years 2016 through 2019. Wind projects that begin construction in the years 2018 and 2019 are eligible for PTC at 60% and 40% of the statutory rate per kWh, respectively.

Many states have adopted RPS programs mandating that a specified percentage of electricity sales come from eligible sources of renewable energy. However, the regulations that govern the RPS programs, including pricing incentives for renewable energy, or reasonableness guidelines for pricing that increase valuation compared to conventional power (such as a projected value for carbon reduction or consideration of avoided integration costs), may change. If the RPS requirements are reduced or eliminated, it could lead to fewer future power contracts or lead to lower prices for the sale of power in future power contracts, which could have a material adverse effect on the Company's future growth prospects. Such material adverse effects may result from decreased revenues, reduced economic returns on certain project company investments, increased financing costs, and/or difficulty obtaining financing. Furthermore, the ARRA included incentives to encourage investment in the renewable energy sector, such as cash grants in lieu of ITCs, bonus depreciation and expansion of the U.S. DOE loan guarantee program. It is uncertain what loan guarantees may be made by the U.S. DOE loan guarantee program in the future. In addition, the cash grant in lieu of ITCs program only applies to facilities that commenced construction prior to December 31, 2011, which commencement date may be determined in accordance with the safe harbor if more than 5% of the total cost of the eligible property was paid or incurred by December 31, 2011.

If the Company is unable to utilize various federal, state and local government incentives to acquire additional renewable assets in the future, or the terms of such incentives are revised in a manner that is less favorable to the Company, it may suffer a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company relies on electric interconnection and transmission facilities that it does not own or control and that are subject to transmission constraints within a number of the Company's regions. If these facilities fail to provide the Company with adequate transmission capacity, it may be restricted in its ability to deliver electric power to its customers and may either incur additional costs or forego revenues.

The Company depends on electric interconnection and transmission facilities owned and operated by others to deliver the wholesale power it will sell from its electric generation assets to its customers. A failure or delay in the operation or development of these interconnection or transmission facilities or a significant increase in the cost of the development of such facilities could result in lost revenues. Such failures or delays could limit the amount of power the Company's operating facilities deliver or delay the completion of the Company's construction projects. Additionally, such failures, delays or increased costs could have a material adverse effect on the business, financial condition and results of operations. If a region's power transmission infrastructure is inadequate, the Company's recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have a sufficient incentive to invest in expansion of transmission infrastructure. The Company also cannot predict whether interconnection and transmission facilities will be expanded in specific markets to accommodate competitive access to those markets. In addition, certain of the Company's operating facilities' generation of electricity may be curtailed without compensation due to transmission limitations or limitations on the electricity grid's ability to accommodate intermittent electricity generating sources, reducing the Company's revenues and impairing its ability to capitalize fully on a particular facility's generating potential. Such curtailments could have a material adverse effect on the business, financial condition, results of operations and cash flows. Furthermore, economic congestion on transmission networks in certain of the markets in which the Company operates may occur and the Company may be deemed responsible for congestion costs. If the Company were liable for such congestion costs, its financial results could be adversely affected.

The Company's costs, results of operations, financial condition and cash flows could be adversely impacted by the disruption of the fuel supplies necessary to generate power at its conventional and thermal power generation facilities.

Delivery of fossil fuels to fuel the Company's conventional and thermal generation facilities is dependent upon the infrastructure (including natural gas pipelines) available to serve each such generation facility as well as upon the continuing financial viability of contractual counterparties. As a result, the Company is subject to the risks of disruptions or curtailments in the production of power at these generation facilities if a counterparty fails to perform or if there is a disruption in the fuel delivery infrastructure.

The Company depends on key management employees, the loss of any of which could have a material adverse effect on the Company's financial condition and results of operations.

The Company believes its current operations and future success depend largely on the continued services of the management employees that it employs, in particular Christopher Sotos, the Company's President and Chief Executive Officer and Chad Plotkin, the Company's Senior Vice President and Chief Financial Officer. Although the Company currently has access to the resources of NRG, the loss of Mr. Sotos' or Mr. Plotkin's services, or other key management personnel employed by the Company in connection with the NRG Transaction or in the future, could have a material adverse effect on the Company's financial condition and results of operations.

Risks Related to the Company's Relationship with NRG

NRG is the Company's controlling stockholder and exercises substantial influence over the Company. The Company is highly dependent on NRG.

NRG owns all of the Company's outstanding Class B and Class D common stock. The Company's outstanding Class B and Class D common stock is entitled to one vote per share and 1/100th of a vote per share, respectively. As a result of its ownership of the Class B and Class D common stock, NRG owns 55.1% of the combined voting power of the Company's common stock as of December 31, 2017. As a result of this ownership, NRG has a substantial influence on the Company's affairs and its voting power will constitute a large percentage of any quorum of the Company's stockholders voting on any matter requiring the approval of the Company's stockholders. Such matters include the election of directors, the adoption of amendments to the Company's restated certificate of incorporation and third amended and restated bylaws and approval of mergers or sale of all or substantially all of its assets. This concentration of ownership may also have the effect of delaying or preventing a change in control of the Company or discouraging others from making tender offers for the Company's shares. In addition, NRG has the right to elect all of the Company's directors. NRG may cause corporate actions to be taken even if their interests conflict with the interests of the Company's other stockholders (including holders of the Company's Class A and Class C common stock). If the NRG Transaction is consummated, GIP will become the Company's controlling stockholder and, like NRG, will have substantial control and influence over the Company. See the risk factor entitled "*Following the consummation of the NRG Transaction, GIP and its affiliates will control the Company and have the ability to designate a majority of the members of the Company's Board.*"

Furthermore, the Company depends on the management and administration services provided by or under the direction of NRG under the Management Services Agreement. NRG personnel and support staff that provide services to the Company under the Management Services Agreement are not required to, and the Company does not expect that they will, have as their primary responsibility the management and administration of the Company or to act exclusively for the Company and the Management Services Agreement does not require any specific individuals to be provided by NRG. Under the Management Services Agreement, NRG has the discretion to determine which of its employees perform assignments required to be provided to the Company. Any failure to effectively manage the Company's operations or to implement its strategy could have a material adverse effect on the business, financial condition, results of operations and cash flows. The Management Services Agreement will continue in perpetuity, until terminated in accordance with its terms.

The Company also depends upon NRG for the provision of management, administration and certain other services at all of the Company's facilities and contracts with NRG, or its subsidiaries, to procure fuel and sell power for certain of its operating facilities. Any failure by NRG to perform its requirements under these arrangements or the failure by the Company to identify and contract with replacement service providers, if required, could adversely affect the operation of the Company's facilities and have a material adverse effect on the business, financial condition, results of operations and cash flows.

In connection with the proposed NRG Transaction, GIP has agreed to enter into certain agreements with the Company relating to the provision of services and NRG has agreed to enter into certain agreements with the Company relating to transition services and ongoing commercial arrangements. While the provision of transitional services is contemplated under the proposed NRG Transaction, it is uncertain whether, after the transition services end, GIP or its affiliates would continue to provide the same services, or offer the same capabilities and resources, to the Company that the Company currently receives from NRG or whether the Company may have to seek alternative service providers. The Company may not be able to replicate the same level of services, capabilities, experience and familiarity with the Company's business offered by NRG either through GIP or through alternative service providers or on terms or costs similar to those provided by NRG. The loss of services provided by NRG and the benefits offered to the Company through its relationship with NRG, such as management, operational and financing expertise, could have an impact on the Company's business, financial condition, results of operations and cash flows. See also the risk factor entitled "*If NRG terminates the Management Services Agreement or defaults in the performance of its obligations under the agreement, or if the transition services to be provided by NRG to the Company in connection with the consummation of the NRG Transaction are inadequate or end, the Company may be unable to contract with a substitute service provider on similar terms, or at all.*"

The Company may not be able to consummate future acquisitions from NRG.

Until the NRG Transaction is consummated, if at all, the Company's ability to grow through acquisitions depends, in part, on NRG's ability to identify and present the Company with acquisition opportunities. NRG established the Company to hold and acquire a diversified suite of power generating assets in the U.S. and its territories. Although NRG has agreed to grant the Company a right of first offer with respect to certain power generation assets that NRG may elect to sell in the future, NRG is under no obligation to sell any such power generation assets or to accept any related offer from the Company. In addition, NRG has not agreed to commit any minimum level of dedicated resources for the pursuit of renewable power-related acquisitions. There are a number of factors which could materially and adversely impact the extent to which suitable acquisition opportunities are made available from NRG, including:

- the same professionals within NRG's organization that are involved in acquisitions that are suitable for the Company have responsibilities within NRG's broader asset management business, which may include sourcing acquisition opportunities for NRG. Limits on the availability of such individuals will likewise result in a limitation on the availability of acquisition opportunities for the Company; and
- in addition to structural limitations, the question of whether a particular asset is suitable is highly subjective and is dependent on a number of factors including an assessment by NRG relating to the Company's liquidity position at the time, the risk profile of the opportunity and its fit with the balance of the Company's then current operations and other factors. If NRG determines that an opportunity is not suitable for the Company, it may still pursue such opportunity on its own behalf, or on behalf of another NRG affiliate.

In making these determinations, NRG may be influenced by factors that result in a misalignment with the Company's interests or conflict of interest.

The departure of some or all of NRG's employees could prevent the Company from achieving its objectives.

The Company depends on the diligence, skill and business contacts of NRG's professionals and the information and opportunities they generate during the normal course of their activities. Furthermore, approximately 24% of NRG's employees at the Company's generation plants are covered by collective bargaining agreements as of December 31, 2017. The Company's future success will depend on the continued service of these individuals, who are not obligated to remain employed with NRG, or otherwise successfully renegotiate their collective bargaining agreements when such agreements expire or otherwise terminate. NRG has experienced departures of key professionals and personnel in the past and may do so if the NRG Transaction is consummated, and the Company cannot predict the impact that any such departures will have on its ability to achieve its objectives. The Management Services Agreement does not require NRG to maintain the employment of any of its professionals or to cause any particular professional to provide services to the Company or on its behalf. The departure of a significant number of NRG's professionals or a material portion of the NRG employees who work at any of the Company's facilities for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its objectives.

The Company's organizational and ownership structure may create significant conflicts of interest that may be resolved in a manner that is not in the best interests of the Company or the best interests of holders of its Class A and Class C common stock and that may have a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company's organizational and ownership structure involves a number of relationships that may give rise to certain conflicts of interest between the Company and holders of its Class A and Class C common stock, on the one hand, and NRG, on the other hand. Pursuant to the Management Services Agreement with NRG, certain of the Company's executive officers are shared NRG executives and devote their time to both the Company and NRG as needed to conduct the respective businesses. Although the Company's directors and executive officers owe fiduciary duties to the Company's stockholders, these shared NRG executives have fiduciary and other duties to NRG, which duties may be inconsistent with the Company's best interests and holders of the Company's Class A and Class C common stock. In addition, NRG and its representatives, agents and affiliates have access to the Company's confidential information. Although some of these persons are subject to confidentiality obligations pursuant to confidentiality agreements or implied duties of confidence, the Management Services Agreement does not contain general confidentiality provisions.

Additionally, all of the Company's executive officers continue to have economic interests in NRG and, accordingly, the benefit to NRG from a transaction between the Company and NRG will proportionately inure to their benefit as holders of economic interests in NRG. NRG is a related person under the applicable securities laws governing related person transactions and may have interests which differ from the Company's interests or those of holders of the Class A and Class C common stock, including with respect to the types of acquisitions made, the timing and amount of dividends by the Company, the reinvestment of returns generated by the Company's operations, the use of leverage when making acquisitions and the appointment of outside advisors and service providers. Any material transaction between the Company and NRG will be subject to the Company's related person transaction policy, which will require prior approval of such transaction by the Company's Corporate Governance, Conflicts and Nominating Committee. Those of the Company's executive officers who have economic interests in NRG may be conflicted when advising the Company's Corporate Governance, Conflicts and Nominating Committee or otherwise participating in the negotiation or approval of such transactions. These executive officers have significant project- and industry-specific expertise that could prove beneficial to the Company's decision-making process and the absence of such strategic guidance could have a material adverse effect on the Corporate Governance, Conflicts and Nominating Committee's ability to evaluate any such transaction. Furthermore, the Corporate Governance, Conflicts and Nominating Committee and the Company's related person transaction approval policy may not insulate the Company from derivative claims with respect to related person transactions and the conflicts of interest described in this risk factor. Regardless of the merits of such claims, the Company may be required to expend significant management time and financial resources in the defense thereof. Additionally, to the extent the Company fails to appropriately deal with any such conflicts, it could negatively impact the Company's reputation and ability to raise additional funds and the willingness of counterparties to do business with the Company, all of which could have a material adverse effect on the business, financial condition, results of operations and cash flows.

The Company may be unable or unwilling to terminate the Management Services Agreement.

The Management Services Agreement provides that the Company may terminate the agreement upon 30 days prior written notice to NRG upon the occurrence of any of the following: (i) NRG defaults in the performance or observance of any material term, condition or covenant contained therein in a manner that results in material harm to the Company and the default continues unremedied for a period of 30 days after written notice thereof is given to NRG; (ii) NRG engages in any act of fraud, misappropriation of funds or embezzlement that results in material harm to the Company; (iii) NRG is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Company; or (iv) upon the happening of certain events relating to the bankruptcy or insolvency of NRG. Furthermore, if the Company requests an amendment to the scope of services provided by NRG under the Management Services Agreement and is not able to agree with NRG as to a change to the service fee resulting from a change in the scope of services within 180 days of the request, the Company will be able to terminate the agreement upon 30 days prior notice to NRG. The Company will not be able to terminate the agreement for any other reason, including if NRG experiences a change of control, and the agreement continues in perpetuity, until terminated in accordance with its terms. If NRG's performance does not meet the expectations of investors, and the Company is unable to terminate the Management Services Agreement, the market price of the Class A and Class C common stock could suffer.

If NRG terminates the Management Services Agreement or defaults in the performance of its obligations under the agreement, or if the transition services to be provided by NRG to the Company in connection with the consummation of the NRG Transaction are inadequate or end, the Company may be unable to contract with a substitute service provider on similar terms, or at all.

The Company relies on NRG to provide management services under the Management Services Agreement and has limited executive or senior management personnel independent from NRG. The Management Services Agreement provides that NRG may terminate the agreement upon 180 days prior written notice of termination to the Company if it defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm and the default continues unremedied for a period of 30 days after written notice of the breach is given. If NRG terminates the Management Services Agreement or defaults in the performance of its obligations under the agreement, or if the transition services to be provided by NRG to the Company, in the event the NRG Transaction is consummated, are not adequate or end, the Company may be unable to contract with GIP or a substitute service provider on similar terms or at all, and the costs of substituting service providers may be substantial. In addition, in light of NRG's familiarity with the Company's assets, GIP or a substitute service provider may not be able to provide the same level of service due to lack of pre-existing synergies. If the Company cannot locate a service provider that is able to provide substantially similar services as NRG does under the Management Services Agreement on similar terms, it could have a material adverse effect on the business, financial condition, results of operation and cash flows.

The liability of NRG is limited under the Company's arrangements with it and the Company has agreed to indemnify NRG against claims that it may face in connection with such arrangements, which may lead NRG to assume greater risks when making decisions relating to the Company than it otherwise might if acting solely for its own account.

Under the Management Services Agreement, NRG does not assume any responsibility other than to provide or arrange for the provision of the services described in the Management Services Agreement in good faith. In addition, under the Management Services Agreement, the liability of NRG and its affiliates is limited to the fullest extent permitted by law to conduct involving bad faith, fraud, willful misconduct or gross negligence or, in the case of a criminal matter, action that was known to have been unlawful. In addition, the Company has agreed to indemnify NRG to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with the Company's operations, investments and activities or in respect of or arising from the Management Services Agreement or the services provided by NRG, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above. These protections may result in NRG tolerating greater risks when making decisions than otherwise might be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which NRG is a party may also give rise to legal claims for indemnification that are adverse to the Company and holders of its common stock.

Certain of the Company's PPAs and project-level financing arrangements include provisions that would permit the counterparty to terminate the contract or accelerate maturity in the event NRG ceases to control or own, directly or indirectly, a majority of the voting power of the Company.

Certain of the Company's PPAs and project-level financing arrangements contain change in control provisions that provide the counterparty with a termination right or the ability to accelerate maturity in the event of a change of control of the Company without the counterparty's consent. These provisions are triggered in the event NRG ceases to own, directly or indirectly, capital stock representing more than 50% of the voting power of the Company's capital stock outstanding on such date, or, in some cases, if NRG ceases to be the majority owner, directly or indirectly, of the applicable project subsidiary. As a result, if NRG ceases to control, or in some cases, own a majority of the voting power of the Company, as is contemplated by the NRG Transaction, the counterparties could terminate such contracts or accelerate the maturity of such financing arrangements. Even though the Company's consent to the NRG Transaction is conditioned upon the receipt of consents from such counterparties, the Company may have to expend significant resources and funds to obtain the consents of such counterparties to the NRG Transaction and there can be no assurance that such counterparties will provide their consents at all. The termination of any of the Company's PPAs or the acceleration of the maturity of any of the Company's project-level financing could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow.

The Company is a "controlled company," controlled by NRG, and as a result, is exempt from certain corporate governance requirements that are designed to provide protection to stockholders of companies that are not controlled companies.

As of December 31, 2017, NRG controls 55.1% of the Company's combined voting power and is able to elect all of the Company's board of directors. As a result, the Company is considered a "controlled company" for the purposes of the NYSE listing requirements. Additionally, the Company is expected to continue to be a "controlled company" if the NRG Transaction is consummated. As a "controlled company," the Company is permitted to, and the Company may, opt out of the NYSE listing requirements that would require (i) a majority of the members of the Company's board of directors to be independent, (ii) that the Company establish a compensation committee and a nominating and governance committee, each comprised entirely of independent

directors, or (iii) an annual performance evaluation of the nominating and governance and compensation committees. The NYSE listing requirements are intended to ensure that directors who meet the independence standards are free of any conflicting interest that could influence their actions as directors. While the Company has elected to have a Compensation Committee and a Corporate Governance, Conflicts and Nominating Committee consisting entirely of independent directors and to conduct an annual performance evaluation of these committees, the majority of the members of the Company's board of directors are not considered independent. Therefore, the Company's stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the applicable NYSE listing requirements. It is also possible that the interests of NRG or GIP (in the event the NRG Transaction is consummated) may in some circumstances conflict with the Company's interests and the interests of the holders of the Company's Class A and Class C common stock.

Risks Inherent in an Investment in the Company

The Company may not be able to continue paying comparable or growing cash dividends to holders of its common stock in the future.

The amount of CAFD principally depends upon the amount of cash the Company generates from its operations, which will fluctuate from quarter to quarter based on, among other things:

- the level and timing of capital expenditures the Company makes;
- the level of operating and general and administrative expenses, including reimbursements to NRG for services provided to the Company in accordance with the Management Services Agreement;
- variations in revenues generated by the business, due to seasonality, weather, or otherwise;
- debt service requirements and other liabilities;
- fluctuations in working capital needs;
- the Company's ability to borrow funds and access capital markets;
- restrictions contained in the Company's debt agreements (including project-level financing and, if applicable, corporate debt); and
- other business risks affecting cash levels.

As a result of all these factors, the Company cannot guarantee that it will have sufficient cash generated from operations to pay a specific level of cash dividends to holders of its Class A or Class C common stock. Furthermore, holders of the Company's Class A or Class C common stock should be aware that the amount of CAFD depends primarily on operating cash flow, and is not solely a function of profitability, which can be affected by non-cash items.

The Company may incur other expenses or liabilities during a period that could significantly reduce or eliminate its CAFD and, in turn, impair its ability to pay dividends to holders of the Company's Class A or Class C common stock during the period. Because the Company is a holding company, its ability to pay dividends on the Company's Class A or Class C common stock is restricted and further limited by the ability of the Company's subsidiaries to make distributions to the Company, including restrictions under the terms of the agreements governing the Company's corporate debt and project-level financing. The project-level financing agreements generally prohibit distributions from the project entities prior to COD and thereafter prohibit distributions to the Company unless certain specific conditions are met, including the satisfaction of financial ratios. The Company's revolving credit facility also restricts the Company's ability to declare and pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default.

NRG Yield LLC's CAFD will likely fluctuate from quarter to quarter, in some cases significantly, due to seasonality. As a result, the Company may cause NRG Yield LLC to reduce the amount of cash it distributes to its members in a particular quarter to establish reserves to fund distributions to its members in future periods for which the cash distributions the Company would otherwise receive from NRG Yield LLC would be insufficient to fund its quarterly dividend. If the Company fails to cause NRG Yield LLC to establish sufficient reserves, the Company may not be able to maintain its quarterly dividend with respect to a quarter adversely affected by seasonality.

Finally, dividends to holders of the Company's Class A or Class C common stock will be paid at the discretion of the Company's board of directors. The Company's board of directors may decrease the level, or entirely discontinue payment, of dividends.

The Company is a holding company and its only material asset is its interest in NRG Yield LLC, and the Company is accordingly dependent upon distributions from NRG Yield LLC and its subsidiaries to pay dividends and taxes and other expenses.

The Company is a holding company and has no material assets other than its ownership of membership interests in NRG Yield LLC, a holding company that has no material assets other than its interest in NRG Yield Operating LLC, whose sole material assets are the project companies. None of the Company, NRG Yield LLC or NRG Yield Operating LLC has any independent means of generating revenue. The Company intends to continue to cause NRG Yield Operating LLC's subsidiaries to make distributions to NRG Yield Operating LLC and, in turn, make distributions to NRG Yield LLC, and, in turn, to make distributions to the Company in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by the Company. To the extent that the Company needs funds for a quarterly cash dividend to holders of the Company's Class A and Class C common stock or otherwise, and NRG Yield Operating LLC or NRG Yield LLC is restricted from making such distributions under applicable law or regulation or is otherwise unable to provide such funds (including as a result of NRG Yield Operating LLC's operating subsidiaries being unable to make distributions), it could materially adversely affect the Company's liquidity and financial condition and limit the Company's ability to pay dividends to holders of the Company's Class A and Class C common stock.

Market interest rates may have an effect on the value of the Company's Class A and Class C common stock.

One of the factors that influences the price of shares of the Company's Class A and Class C common stock is the effective dividend yield of such shares (i.e., the yield as a percentage of the then market price of the Company's shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates but are steadily rising, may lead investors of shares of the Company's Class A and Class C common stock to expect a higher dividend yield and the Company's inability to increase its dividend as a result of an increase in borrowing costs, insufficient CAFD or otherwise, could result in selling pressure on, and a decrease in the market prices of the Company's Class A and Class C common stock as investors seek alternative investments with higher yield.

If the Company is deemed to be an investment company, the Company may be required to institute burdensome compliance requirements and the Company's activities may be restricted, which may make it difficult for the Company to complete strategic acquisitions or effect combinations.

If the Company is deemed to be an investment company under the Investment Company Act of 1940, or the Investment Company Act, the Company's business would be subject to applicable restrictions under the Investment Company Act, which could make it impracticable for the Company to continue its business as contemplated. The Company believes it is not an investment company under Section 3(b)(1) of the Investment Company Act because the Company is primarily engaged in a non-investment company business. The Company intends to conduct its operations so that the Company will not be deemed an investment company. However, if the Company were to be deemed an investment company, restrictions imposed by the Investment Company Act, including limitations on the Company's capital structure and the Company's ability to transact with affiliates, could make it impractical for the Company to continue its business as contemplated.

Market volatility may affect the price of the Company's Class A and Class C common stock.

The market price of the Company's Class A and Class C common stock may fluctuate significantly in response to a number of factors, most of which the Company cannot predict or control, including general market and economic conditions, disruptions, downgrades, credit events and perceived problems in the credit markets; actual or anticipated variations in its quarterly operating results or dividends; changes in the Company's investments or asset composition; write-downs or perceived credit or liquidity issues affecting the Company's assets; market perception of NRG or the proposed NRG Transaction, the Company's business and the Company's assets; the Company's level of indebtedness and/or adverse market reaction to any indebtedness that the Company may incur in the future; the Company's ability to raise capital on favorable terms or at all; loss of any major funding source; the termination of the Management Services Agreement or additions or departures of the Company's executive officers or NRG's key personnel; changes in market valuations of similar power generation companies; and speculation in the press or investment community regarding the Company, NRG or the proposed NRG Transaction.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of the Company's Class A and Class C common stock.

Volatility of market conditions may increase certain of the risks the Company faces.

The capital markets in general are often subject to volatility that is unrelated to the operating performance of particular companies. Market volatility can affect the plans and perspectives of various market participants, including operating entities, consumers and financing providers, and may increase uncertainty and heighten some of the risks the Company faces. The Company and other companies may have to adjust their plans and priorities in light of such volatility.

Risks that may increase as a result of market volatility include, but are not limited to, risks related to access to capital and liquidity and risks related to the performance of third parties, including NRG or GIP. The Company has significant relationships with, and in certain areas depends significantly on, NRG. In particular, NRG provides management and operational services and other support. Until the proposed NRG Transaction is consummated, the Company's growth strategy depends on its ability to identify and acquire additional facilities from NRG and unaffiliated third parties. The Company interacts with or depends on NRG for many third-party acquisition opportunities and for operations and maintenance support on various pending and completed transactions. As a result, the Company's financial and operating performance and prospects, including the Company's ability to grow its dividend per share, may be affected by the performance, prospects, and priorities of NRG (including the consummation of the NRG Transaction), and material adverse developments at NRG or changes in its strategic priorities may materially affect the Company's business, financial condition and results of operations.

Furthermore, any significant disruption to the Company's ability to access the capital markets, or a significant increase in interest rates, could make it difficult for the Company to successfully acquire attractive projects from third parties and may also limit the Company's ability to obtain debt or equity financing to complete such acquisitions. If the Company is unable to raise adequate proceeds when needed to fund such acquisitions, the ability to grow the Company's project portfolio may be limited, which could have a material adverse effect on the Company's ability to implement its growth strategy and, ultimately, its business, financial condition, results of operations and cash flows.

Provisions of the Company's charter documents or Delaware law could delay or prevent an acquisition of the Company, even if the acquisition would be beneficial to holders of the Company's Class A and Class C common stock, and could make it more difficult to change management.

Provisions of the Company's restated certificate of incorporation and third amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control that holders of the Company's Class A and Class C common stock may consider favorable, including transactions in which such stockholders might otherwise receive a premium for their shares. This is because these provisions may prevent or frustrate attempts by stockholders to replace or remove members of the Company's management. These provisions include:

- a prohibition on stockholder action through written consent;
- a requirement that special meetings of stockholders be called upon a resolution approved by a majority of the Company's directors then in office;
- advance notice requirements for stockholder proposals and nominations; and
- the authority of the board of directors to issue preferred stock with such terms as the board of directors may determine.

Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person that together with its affiliates owns or within the last three years has owned 15% of voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Additionally, the Company's restated certificate of incorporation prohibits any person and any of its associate or affiliate companies in the aggregate, public utility or holding company from acquiring, other than secondary market transactions, an amount of the Company's Class A or Class C common stock sufficient to result in a transfer of control without the prior written consent of the Company's board of directors. Any such change of control, in addition to prior approval from the Company's board of directors, would require prior authorization from FERC. Similar restrictions may apply to certain purchasers of the Company's securities which are holding companies regardless of whether the Company's securities are purchased in offerings by the Company or NRG, in open market transactions or otherwise. A purchaser of the Company's securities which is a holding company will need to determine whether a given purchase of the Company's securities may require prior FERC approval.

Investors may experience dilution of ownership interest due to the future issuance of additional shares of the Company's Class A or Class C common stock.

The Company is in a capital intensive business, and may not have sufficient funds to finance the growth of the Company's business, future acquisitions or to support the Company's projected capital expenditures. As a result, the Company may require additional funds from further equity or debt financings, including tax equity financing transactions, sales under the ATM Program or sales of preferred shares or convertible debt to complete future acquisitions, expansions and capital expenditures and pay the general and administrative costs of the Company's business. In the future, the Company may issue shares under its ATM Program and the Company's previously authorized and unissued securities, resulting in the dilution of the ownership interests of purchasers of the Company's Class A and Class C common stock. Under the Company's restated certificate of incorporation, the Company is authorized to issue 500,000,000 shares of Class A common stock, 500,000,000 shares of Class B common stock, 1,000,000,000 shares of Class C common stock, 1,000,000,000 shares of Class D common stock and 10,000,000 shares of preferred stock with preferences and rights as determined by the Company's board of directors. The potential issuance of additional shares of common stock or preferred stock or convertible debt may create downward pressure on the trading price of the Company's Class A and Class C common stock.

If securities or industry analysts do not publish or cease publishing research or reports about the Company, the Company's business or the Company's market, or if they change their recommendations regarding the Company's Class A and/or Class C common stock adversely, the stock price and trading volume of the Company's Class A and/or Class C common stock could decline.

The trading market for the Company's Class A and Class C common stock is influenced by the research and reports that industry or securities analysts may publish about the Company, the Company's business, the Company's market or the Company's competitors. If any of the analysts who may cover the Company change their recommendation regarding the Company's Class A and/or Class C common stock adversely, or provide more favorable relative recommendations about the Company's competitors, the price of the Company's Class A and/or Class C common stock would likely decline. If any analyst who covers the Company were to cease coverage of the Company or fail to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which in turn could cause the stock price or trading volume of the Company's Class A and/or Class C common stock to decline.

Future sales of the Company's Class A or Class C common stock by NRG may cause the price of the Company's Class A or Class C common stock to fall.

The market price of the Company's Class A or Class C common stock could decline as a result of sales by NRG of such shares (issuable to NRG upon the exchange of some or all of its NRG Yield LLC Class B or Class D units, respectively) in the market, or the perception that these sales could occur.

The market price of the Company's Class A or Class C common stock may also decline as a result of NRG disposing or transferring some or all of the Company's outstanding Class B or Class D common stock, which disposals or transfers would reduce NRG's ownership interest in, and voting control over, the Company, as contemplated by the proposed NRG Transaction. These sales might also make it more difficult for the Company to sell equity securities at a time and price that the Company deems appropriate. NRG and certain of its affiliates have certain demand and piggyback registration rights with respect to shares of the Company's Class A common stock issuable upon the exchange of NRG Yield LLC's Class B units and/or Class C common stock issuable upon the exchange of NRG Yield LLC's Class D units. The presence of additional shares of the Company's Class A and/or Class C common stock trading in the public market, as a result of the exercise of such registration rights, may have a material adverse effect on the market price of the Company's securities.

Risks Related to Taxation

The Company's future tax liability may be greater than expected if the Company does not generate NOLs sufficient to offset taxable income, if federal, state and local tax authorities challenge certain of the Company's tax positions and exemptions or if changes in federal, state and local tax laws occur.

The Company expects to generate NOLs and carryforward prior year NOL balances to offset future taxable income. Based on the Company's current portfolio of assets, which include renewable assets that benefit from accelerated tax depreciation deductions, the Company does not expect to pay significant federal income tax for a period of approximately ten years. While the Company expects these losses will be available as a future benefit, in the event that they are not generated as expected, successfully challenged by the IRS or state and local jurisdictions (in a tax audit or otherwise) or subject to future limitations from a potential change in ownership as discussed below, the Company's ability to realize these benefits may be limited. In addition, the Company's ability to realize state and local tax exemptions, including property or sales and use tax exemptions, is subject to various tax laws. If these exemptions are successfully challenged by state and local jurisdictions or if a change in tax law occurs,

the Company’s ability to realize these exemptions could be affected. A reduction in the Company's expected NOLs, a limitation on the Company's ability to use such losses or tax credits, and challenges by tax authorities to the Company’s tax positions may result in a material increase in the Company's estimated future income, sales/use and property tax liability and may negatively impact the Company's liquidity and financial condition.

The Company's ability to use NOLs to offset future income may be limited.

The Company's ability to use NOLs could be substantially limited if the Company were to experience an "ownership change" as defined under Section 382 of the Code. In general, an "ownership change" would occur if the Company's "5-percent shareholders," as defined under Section 382 of the Code, collectively increased their ownership in the Company by more than 50 percentage points over a rolling three-year period. A corporation that experiences an ownership change will generally be subject to an annual limitation on the use of its pre-ownership change deferred tax assets equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate for the month in which the ownership change occurs. Future sales of any class of the Company's common stock by NRG, as well as future issuances by the Company, could contribute to a potential ownership change.

A valuation allowance may be required for the Company's deferred tax assets.

The Company's expected NOLs and tax credits will be reflected as a deferred tax asset as they are generated until utilized to offset income. Valuation allowances may need to be maintained for deferred tax assets that the Company estimates are more likely than not to be unrealizable, based on available evidence at the time the estimate is made. Valuation allowances related to deferred tax assets can be affected by changes to tax laws, statutory tax rates and future taxable income levels. In the event that the Company was to determine that it would not be able to realize all or a portion of the net deferred tax assets in the future, the Company would reduce such amounts through a charge to income tax expense in the period in which that determination was made, which could have a material adverse impact on the Company's financial condition and results of operations.

Distributions to holders of the Company's Class A and Class C common stock may be taxable.

The amount of distributions that will be treated as taxable for U.S. federal income tax purposes will depend on the amount of the Company's current and accumulated earnings and profits. It is difficult to predict whether the Company will generate earnings or profits as computed for federal income tax purposes in any given tax year. Generally, a corporation's earnings and profits are computed based upon taxable income, with certain specified adjustments. Distributions will constitute ordinary dividend income to the extent paid from the Company's current or accumulated earnings and profits, and a nontaxable return of capital to the extent of a stockholder's basis in his or her Class A or Class C common stock. Distributions in excess of the Company's current and accumulated earnings and profits and in excess of a stockholder's basis will be treated as gain from the sale of the common stock.

For U.S. tax purposes, the Company's distributions to its stockholders in 2017 and 2016 are classified for U.S. federal income tax purposes as a nontaxable return of capital and reduction of a U.S. stockholder's tax basis, to the extent of a U.S. stockholder's tax basis in each of the Company's common shares, with any remaining amount being taxed as capital gain.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K of NRG Yield, Inc., together with its consolidated subsidiaries, or the Company, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The words "believes," "projects," "anticipates," "plans," "expects," "intends," "estimates" 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 Company's 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 factors described under Item 1A — *Risk Factors* and the following:

- The Company's ability to maintain and grow its quarterly dividend;
- Potential risks to the Company as a result of the NRG Transaction;
- The Company's ability to successfully identify, evaluate and consummate acquisitions from third parties;
- The Company's ability to acquire assets from NRG;
- The Company's ability to raise additional capital due to its indebtedness, corporate structure, market conditions or otherwise;
- 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 (including wind and solar 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 Company may not have adequate insurance to cover losses as a result of such hazards;
- The Company's ability to operate its businesses efficiently, manage maintenance capital expenditures and costs effectively, and generate earnings and cash flows from its asset-based businesses in relation to its debt and other obligations;
- The willingness and ability of counterparties to the Company's offtake agreements to fulfill their obligations under such agreements;
- The Company's ability to enter into contracts to sell power and procure fuel on acceptable terms and prices as current offtake agreements expire;
- Government regulation, including compliance with regulatory requirements and changes in market rules, rates, tariffs and environmental laws;
- Operating and financial restrictions placed on the Company that are contained in the project-level debt facilities and other agreements of certain subsidiaries and project-level subsidiaries generally, in the NRG Yield Operating LLC amended and restated revolving credit facility, in the indentures governing the Senior Notes and in the indentures governing the Company's convertible notes;
- Cyber terrorism and inadequate cybersecurity, or the occurrence of a catastrophic loss and the possibility that the Company may not have adequate insurance to cover losses resulting from such hazards or the inability of the Company's insurers to provide coverage;
- The Company's ability to engage in successful mergers and acquisitions activity; and
- The Company's ability to borrow additional funds and access capital markets, as well as the Company's substantial indebtedness and the possibility that the Company may incur additional indebtedness going forward.

Forward-looking statements speak only as of the date they were made, and the Company undertakes 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 Company's 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.

Item 2 — Properties

Listed below are descriptions of the Company's interests in facilities, operations and/or projects owned or leased as of December 31, 2017.

		Capacity					PPA Terms	
Assets	**Location**	**Rated MW**	**Net MW[a]**	**Owner-ship**	**Fuel**	**COD**	**Counterparty**	**Expiration**
Conventional								
El Segundo	El Segundo, CA	550	550	100%	Natural Gas	August 2013	Southern California Edison	2023
GenConn Devon	Milford, CT	190	95	50%	Natural Gas/Oil	June 2010	Connecticut Light & Power	2040
GenConn Middletown	Middletown, CT	190	95	50%	Natural Gas/Oil	June 2011	Connecticut Light & Power	2041
Marsh Landing	Antioch, CA	720	720	100%	Natural Gas	May 2013	Pacific Gas and Electric	2023
Walnut Creek	City of Industry, CA	485	485	100%	Natural Gas	May 2013	Southern California Edison	2023
Total Conventional		2,135	1,945					
Utility Scale Solar								
Agua Caliente	Dateland, AZ	290	46	16%	Solar	June 2014	Pacific Gas and Electric	2039
Alpine	Lancaster, CA	66	66	100%	Solar	January 2013	Pacific Gas and Electric	2033
Avenal	Avenal, CA	45	23	50%	Solar	August 2011	Pacific Gas and Electric	2031
Avra Valley	Pima County, AZ	26	26	100%	Solar	December 2012	Tucson Electric Power	2032
Blythe	Blythe, CA	21	21	100%	Solar	December 2009	Southern California Edison	2029
Borrego	Borrego Springs, CA	26	26	100%	Solar	February 2013	San Diego Gas and Electric	2038
CVSR	San Luis Obispo, CA	250	250	100%	Solar	October 2013	Pacific Gas and Electric	2038
Desert Sunlight 250	Desert Center, California	250	63	25%	Solar	December 2014	Southern California Edison	2034
Desert Sunlight 300	Desert Center, California	300	75	25%	Solar	December 2014	Pacific Gas and Electric	2039
Four Brothers Solar	New Castle/Milford, UT	320	160	50%	Solar	July 2016 - August 2016	PacifiCorp	2036
Granite Mountain	Cedar City, UT	130	65	50%	Solar	September 2016	PacifiCorp	2036
Iron Springs	Cedar City, UT	80	40	50%	Solar	August 2016	PacifiCorp	2036
Kansas South	Lemoore, CA	20	20	100%	Solar	June 2013	Pacific Gas and Electric	2033
Roadrunner	Santa Teresa, NM	20	20	100%	Solar	August 2011	El Paso Electric	2031
TA High Desert	Lancaster, CA	20	20	100%	Solar	March 2013	Southern California Edison	2033
Total Utility Scale Solar		1,864	921					
Distributed Solar								
Apple I LLC Projects	CA	9	9	100%	Solar	October 2012 - December 2012	Various	2032
AZ DG Solar Projects	AZ	5	5	100%	Solar	December 2010 - January 2013	Various	2025-2033
SPP Projects	Various	25	25	100%	Solar	June 2008 - June 2012	Various	2026-2037
Other DG Projects	Various	13	13	100%	Solar	October 2012 - October 2015	Various	2023-2039
Total Distributed Solar		52	52					
Wind								
Alta I	Tehachapi, CA	150	150	100%	Wind	December 2010	Southern California Edison	2035
Alta II	Tehachapi, CA	150	150	100%	Wind	December 2010	Southern California Edison	2035

		Capacity					PPA Terms	
Assets	**Location**	**Rated MW**	**Net MW[a]**	**Owner-ship**	**Fuel**	**COD**	**Counterparty**	**Expiration**
Alta III	Tehachapi, CA	150	150	100%	Wind	February 2011	Southern California Edison	2035
Alta IV	Tehachapi, CA	102	102	100%	Wind	March 2011	Southern California Edison	2035
Alta V	Tehachapi, CA	168	168	100%	Wind	April 2011	Southern California Edison	2035
Alta X [b]	Tehachapi, CA	137	137	100%	Wind	February 2014	Southern California Edison	2038
Alta XI [b]	Tehachapi, CA	90	90	100%	Wind	February 2014	Southern California Edison	2038
Buffalo Bear	Buffalo, OK	19	19	100%	Wind	December 2008	Western Farmers Electric Co-operative	2033
Crosswinds [b]	Ayrshire, IA	21	21	99%	Wind	June 2007	Corn Belt Power Cooperative	2027
Elbow Creek [b]	Howard County, TX	122	122	100%	Wind	December 2008	NRG Power Marketing LLC	2022
Elkhorn Ridge [b]	Bloomfield, NE	81	54	66.7%	Wind	March 2009	Nebraska Public Power District	2029
Forward [b]	Berlin, PA	29	29	100%	Wind	April 2008	Constellation NewEnergy, Inc.	2022
Goat Wind [b]	Sterling City, TX	150	150	100%	Wind	April 2008/June 2009	Dow Pipeline Company	2025
Hardin [b]	Jefferson, IA	15	15	99%	Wind	May 2007	Interstate Power and Light Company	2027
Laredo Ridge	Petersburg, NE	80	80	100%	Wind	February 2011	Nebraska Public Power District	2031
Lookout [b]	Berlin, PA	38	38	100%	Wind	October 2008	Southern Maryland Electric Cooperative	2030
Odin [b]	Odin, MN	20	20	99.9%	Wind	June 2008	Missouri River Energy Services	2028
Pinnacle	Keyser, WV	55	55	100%	Wind	December 2011	Maryland Department of General Services and University System of Maryland	2031
San Juan Mesa [b]	Elida, NM	120	90	75%	Wind	December 2005	Southwestern Public Service Company	2025
Sleeping Bear [b]	Woodward, OK	95	95	100%	Wind	October 2007	Public Service Company of Oklahoma	2032
South Trent	Sweetwater, TX	101	101	100%	Wind	January 2009	AEP Energy Partners	2029
Spanish Fork [b]	Spanish Fork, UT	19	19	100%	Wind	July 2008	PacifiCorp	2028
Spring Canyon II [b]	Logan County, CO	32	29	90.1%	Wind	October 2014	Platte River Power Authority	2039
Spring Canyon III[b]	Logan County, CO	28	25	90.1%	Wind	December 2014	Platte River Power Authority	2039
Taloga	Putnam, OK	130	130	100%	Wind	July 2011	Oklahoma Gas & Electric	2031
Wildorado [b]	Vega, TX	161	161	100%	Wind	April 2007	Southwestern Public Service Company	2027
Total Wind		2,263	2,200					
Thermal Generation								
Dover	Dover, DE	103	103	100%	Natural Gas	June 2013	NRG Power Marketing LLC	2018
Paxton Creek Cogen	Harrisburg, PA	12	12	100%	Natural Gas	November 1986	Power sold into PJM markets	
Princeton Hospital	Princeton, NJ	5	5	100%	Natural Gas	January 2012	Excess power sold to local utility	
Tucson Convention Center	Tucson, AZ	2	2	100%	Natural Gas	January 2003	Excess power sold to local utility	
University of Bridgeport	Bridgeport, CT	1	1	100%	Natural Gas	April 2015	University of Bridgeport	2034
Total Thermal Generation		123	123					
	Total NRG Yield, Inc. [c]	6,437	5,241					

[a] Net capacity represents the maximum, or rated, generating capacity of the facility multiplied by the Company's percentage ownership in the facility as of December 31, 2017.

[b] Projects are part of tax equity arrangements, as further described in Note 2, *Summary of Significant Accounting Policies*.

[c] NRG Yield's total generation capacity is net of 6 MWs for noncontrolling interest for Spring Canyon II and III. NRG Yield's generation capacity including this noncontrolling interest was 5,247 MWs.

In addition to the facilities owned or leased in the table above, the Company entered into partnerships to own or purchase solar power generation projects, as well as other ancillary related assets from a related party via intermediate funds. The Company does not consolidate these partnerships and accounts for them as equity method investments. The Company's net interest in these projects is 247 MW based on cash to be distributed. For further discussions, refer to Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities* to the Consolidated Financial Statements.

The following table summarizes the Company's thermal steam and chilled water facilities as of December 31, 2017:

Name and Location of Facility	Thermal Energy Purchaser	% Owned	Rated Megawatt Thermal Equivalent Capacity (MWt)	Net Megawatt Thermal Equivalent Capacity (MWt)	Generating Capacity
NRG Energy Center Minneapolis, MN	Approx. 100 steam and 55 chilled water customers	100	322 136	322 136	Steam: 1,100 MMBtu/hr. Chilled water: 38,700 tons
NRG Energy Center San Francisco, CA	Approx. 180 steam customers	100	133	133	Steam: 454 MMBtu/hr.
NRG Energy Center Omaha, NE	Approx. 60 steam and 65 chilled water customers	100 12[a] 100 0[a]	142 73 77 26	142 9 77 0	Steam: 485 MMBtu/hr Steam: 250 MMBtu/hr Chilled water: 22,000 tons Chilled water: 7,250 tons
NRG Energy Center Harrisburg, PA	Approx. 125 steam and 5 chilled water customers	100	108 13	108 13	Steam: 370 MMBtu/hr. Chilled water: 3,600 tons
NRG Energy Center Phoenix, AZ	Approx. 35 chilled water customers	24[a] 100 12[a] 0[a]	5 104 14 28	1 104 2 0	Steam: 17 MMBtu/hr Chilled water: 29,600 tons Chilled water: 3,920 tons Chilled water: 8,000 tons
NRG Energy Center Pittsburgh, PA	Approx. 25 steam and 25 chilled water customers	100	88 49	88 49	Steam: 302 MMBtu/hr. Chilled water: 13,874 tons
NRG Energy Center San Diego, CA	Approx. 20 chilled water customers	100	31	31	Chilled water: 8,825 tons
NRG Energy Center Dover, DE	Kraft Heinz Company; Proctor and Gamble	100	66	66	Steam: 225 MMBtu/hr.
NRG Energy Center Princeton, NJ	Princeton HealthCare System	100	21 17	21 17	Steam: 72 MMBtu/hr. Chilled water: 4,700 tons
	Total Generating Capacity (MWt)		1,453	1,319	

[a] Net MWt capacity excludes 134 MWt available under the right-to-use provisions contained in agreements between two of the Company's thermal facilities and certain of its customers.

Other Properties

Through the Management Services Agreement with NRG, the Company utilizes NRG's leased corporate headquarters offices at 804 Carnegie Center, Princeton, New Jersey.

Item 3 — Legal Proceedings

See Item 15 — Note 16, *Commitments and Contingencies*, to the Consolidated Financial Statements for discussion of the material legal proceedings to which the Company is a party.

Item 4 — Mine Safety Disclosures

Not applicable.

PART II

Item 5 — Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information, Equity Holders, and Dividends

The Company's Class A common stock and Class C common stock are listed on the New York Stock Exchange and trade under the ticker symbols "NYLD.A" and "NYLD," respectively. The Company's Class B common stock and Class D common stock are not publicly traded.

As of January 31, 2018, there were two holders of record of the Class A common stock, one holder of record of the Class B common stock, two holders of record of the Class C common stock and one holder of record of the Class D common stock.

The following table sets forth, for the period indicated, the high and low sales prices, the closing price of the Company's Class A and Class C common stock as reported by the New York Stock Exchange, as well as dividends per common share paid during those periods.

Common Stock Price Class A	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017	Fourth Quarter 2016	Third Quarter 2016	Second Quarter 2016	First Quarter 2016
High	$19.91	$19.54	$17.84	$17.53	$16.50	$17.78	$15.97	$14.12
Low	18.03	16.47	16.08	15.03	13.40	14.93	13.01	9.83
Closing	18.85	18.97	17.06	17.39	15.36	16.32	15.22	13.57
Dividends Per Common Share	$0.288	$0.28	$0.27	$0.26	$0.25	$0.24	$0.23	$0.225
Common Stock Price Class C								
High	$20.15	$20.00	$18.35	$18.20	$17.01	$18.56	$16.78	$14.93
Low	18.20	16.95	16.45	15.42	13.98	15.33	13.78	$10.49
Closing	18.90	19.30	17.60	17.70	15.80	16.96	15.59	$14.24
Dividends Per Common Share	$0.288	$0.28	$0.27	$0.26	$0.25	$0.24	$0.23	$0.225

On February 15, 2018, the Company declared a quarterly dividend on its Class A and Class C common stock of $0.298 per share payable on March 15, 2018, to stockholders of record as of March 1, 2018.

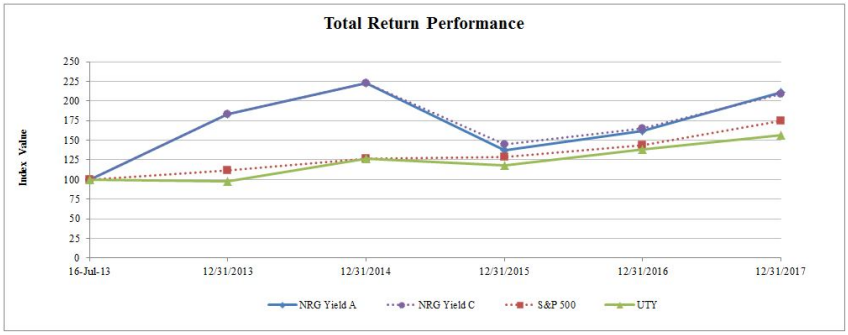
The Company's Class A and Class C common stock dividends are subject to available capital, market conditions, and compliance with associated laws and regulations. The Company expects that, based on current circumstances, comparable cash dividends will continue to be paid in the foreseeable future.

Stock Performance Graph

The performance graph below compares the Company's cumulative total stockholder return on the Company's Class A common stock for the period from July 16, 2013 through May 14, 2015, the date of the Recapitalization, and the Company's Class A common stock and Class C common stock from May 15, 2015 through December 31, 2017, with the cumulative total return of the Standard & Poor's 500 Composite Stock Price Index, or S&P 500, and the Philadelphia Utility Sector Index, or UTY.

The performance graph shown below is being furnished and compares each period assuming that $100 was invested on the initial public offering date in each of the Class A common stock of the Company, the Class C common stock of the Company, the stocks included in the S&P 500 and the stocks included in the UTY, and that all dividends were reinvested.

Comparison of Cumulative Total Return



	July 16, 2013	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
NRG Yield, Inc. Class A common stock	$ 100.00	$ 183.04	$ 222.39	$ 137.17	$ 161.81	$ 211.11
NRG Yield, Inc. Class C common stock [a]	100.00	183.04	222.39	144.60	164.80	209.31
S&P 500	100.00	111.36	126.61	128.36	143.71	175.09
UTY	100.00	97.77	126.06	118.18	138.73	156.52

[a] Class C common stock price has been indexed to the Class A common stock price from the NRG Yield, Inc. initial public offering date until the Recapitalization, and reflects the Class C common stock Total Return Performance beginning on May 15, 2015.

Item 6 — Selected Financial Data

The following table presents the Company's historical selected financial data, which has been recast to include the Drop Down Assets, as if the transfers had taken place from the beginning of the financial statements period, or from the date the respective entities were under common control (if later than the beginning of the financial statements period). The acquisitions are further described in Item 15 — Note 3, *Business Acquisitions*, to the Consolidated Financial Statements. Additionally, for all periods prior to the initial public offering, the data below reflects the Company's accounting predecessor, or NRG Yield, the financial statements of which were prepared on a "carve-out" basis from NRG and are intended to represent the financial results of the contracted renewable energy and conventional generation and thermal infrastructure assets in the U.S. that were acquired by NRG Yield LLC on July 22, 2013. For all periods subsequent to the initial public offering, the data below reflects the Company's consolidated financial results.

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.*

(In millions, except per share data)	Fiscal year ended December 31, 2017	2016	2015	2014	2013
Statement of Income Data:					
Operating Revenues					
Total operating revenues	$ 1,009	$ 1,035	$ 968	$ 844	$ 451
Operating Costs and Expenses					
Cost of operations	326	308	323	279	156
Depreciation and amortization	334	303	303	240	98
Impairment losses	44	185	1	—	—
General and administrative	19	16	12	8	7
Acquisition-related transaction and integration costs	3	1	3	4	—
Total operating costs and expenses	726	813	642	531	261
Operating Income	283	222	326	313	190
Other Income (Expense)					
Equity in earnings of unconsolidated affiliates	71	60	31	22	27
Other income, net	4	3	3	6	4
Loss on debt extinguishment	(3)	—	(9)	(1)	—
Interest expense	(306)	(284)	(267)	(222)	(72)
Total other expense, net	(234)	(221)	(242)	(195)	(41)
Income Before Income Taxes	49	1	84	118	149
Income tax expense (benefit)	72	(1)	12	4	8
Net (Loss) Income	(23)	2	72	114	$ 141
Less: Pre-acquisition net income (loss) of Drop Down Assets	8	(4)	—	50	32
Net (Loss) Income Excluding Pre-acquisition Net (Loss) Income of Drop Down Assets	(31)	6	72	64	109
Less: Predecessor income prior to initial public offering on July 22, 2013	—	—	—	—	54
Less: Net (loss) income attributable to noncontrolling interests	(15)	(51)	39	48	42
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (16)	$ 57	$ 33	$ 16	$ 13
Earnings Per Share Attributable to NRG Yield, Inc. Class A and Class C Common Stockholders					
(Loss) Earnings per Weighted Average Class A and Class C Common Share - Basic and Diluted	$ (0.16)	$ 0.58	$ 0.40	$ 0.30	$ 0.29
Dividends per Class A common share	$ 1.098	$ 0.945	$ 1.015	$ 1.42	$ 0.23
Dividends per Class C common share [a]	$ 1.098	$ 0.945	0.625	N/A	N/A
Other Financial Data:					
Capital expenditures	$ 31	$ 20	$ 29	$ 79	$ 790
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$ 516	$ 577	$ 425	$ 363	$ 174
Investing activities	(283)	(131)	(1,098)	(760)	(987)
Financing activities	(415)	(202)	354	767	853
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 148	$ 322	$ 111	$ 430	$ 60
Property, plant and equipment, net	5,204	5,554	5,980	6,119	3,488
Total assets	8,283	8,962	8,926	9,063	4,966
Long-term debt, including current maturities	5,837	6,049	5,660	5,811	2,916
Total liabilities	6,145	6,363	6,023	6,157	3,212
Total stockholders' equity	2,138	2,599	2,903	2,906	1,754

[a] The Company began paying dividends on Class C common stock after the Recapitalization on May 14, 2015.

Item 7 — Management's Discussion and Analysis of Financial Condition and the Results of Operations

The following discussion analyzes the Company's historical financial condition and results of operations, which were recast to include the effect of the Drop Down Assets acquired from NRG. As further discussed in Item 15 — Note 1, *Nature of Business*, to the Consolidated Financial Statements, the purchases of these assets were accounted for in accordance with ASC 805-50, *Business Combinations - Related Issues*, whereas the assets and liabilities transferred to the Company relate to interests under common control by NRG and, accordingly, were recorded at historical cost. The difference between the cash proceeds and historical value of the net assets was recorded as a distribution to/from NRG and offset to the noncontrolling interest on the Company's consolidated balance sheet. In accordance with GAAP, the Company prepared its consolidated financial statements to reflect the transfers as if they had taken place from the beginning of the financial statements period, or from the date the entities were under common control (if later than the beginning of the financial statements period). The Company reduces net income attributable to its Class A and Class C common stockholders by the pre-acquisition net income for the Drop Down Assets, as it was not available to the stockholders.

As you read this discussion and analysis, refer to the Company's Consolidated Statements of Operations to this Form 10-K, which present the results of operations for the years ended December 31, 2017, 2016, and 2015. Also refer to Item 1 — *Business* and Item 1A — *Risk Factors*, which include detailed discussions of various items impacting the Company's business, results of operations and financial condition.

The discussion and analysis below has been organized as follows:

- Executive Summary, including a description of the business and significant events that are important to understanding the results of operations and financial condition;
- Results of operations, including an explanation of significant differences between the periods in the specific line items of the consolidated statements of operations;
- Financial condition addressing liquidity position, sources and uses of cash, capital resources and requirements, commitments, and off-balance sheet arrangements;
- Known trends that may affect the Company’s results of operations and financial condition in the future; and
- Critical accounting policies which are most important to both the portrayal of the Company's financial condition and results of operations, and which require management's most difficult, subjective or complex judgment.

Executive Summary

Introduction and Overview

The Company is a dividend growth-oriented company that has historically served as the primary vehicle through which NRG owns, operates and acquires contracted renewable and conventional generation and thermal infrastructure assets. The Company believes it is well positioned to be a premier company for investors seeking stable and growing dividend income from a diversified portfolio of lower-risk high-quality assets.

The Company owns a diversified portfolio of contracted renewable and conventional generation and thermal infrastructure assets in the U.S. The Company's contracted generation portfolio collectively represents 5,118 net MW. Each of these assets sells substantially all of its output pursuant to long-term offtake agreements with creditworthy counterparties. The average remaining contract duration of these offtake agreements was approximately 15 years as of December 31, 2017, based on CAFD. The Company also owns thermal infrastructure assets with an aggregate steam and chilled water capacity of 1,319 net MWt and electric generation capacity of 123 net MW. These thermal infrastructure assets provide steam, hot water and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals and governmental units in multiple locations, principally through long-term contracts or pursuant to rates regulated by state utility commissions.

Strategic Sponsorship with Global Infrastructure Partners

On February 6, 2018, Global Infrastructure Partners, or GIP, entered into a purchase and sale agreement with NRG, or the NRG Transaction, for the acquisition of NRG's full ownership interest in NRG Yield, Inc. and NRG's renewable energy development and operations platform. The NRG Transaction is subject to certain closing conditions, including customary legal and regulatory approvals. The Company expects the NRG Transaction to close in the second half of 2018.

In connection with the NRG Transaction, the Company entered into a Consent and Indemnity Agreement with NRG and GIP setting forth key terms and conditions of the Company's consent to the NRG Transaction. Key provisions of the Consent and Indemnity Agreement include:

Minimized impact to CAFD from potential change in control costs — No more than $10 million in reduced annual CAFD on a recurring basis that would result from changes in the Company's cost structure or any impact from various consents.

Enhanced ROFO pipeline — Upon closing, the Company will enter into a new ROFO agreement with GIP that immediately adds 550 MW to the current pipeline. The NRG ROFO Agreement will be amended to remove the Ivanpah solar facility.

Financial cooperation and support — GIP has arranged a $1.5 billion backstop credit facility to manage any change of control costs associated with the Company's corporate debt. GIP has also committed to provide up to $400 million in financial support, if necessary, for the purchase of the Carlsbad Energy Center.

Voting and Governance Agreement — As part of the NRG Transaction, the parties have agreed to enter into a voting and governance agreement, which would provide that:

- the Chief Executive Officer of the Company will at all times be a full-time Company employee appointed by the Board of Directors, or the Board, of the Company;
- the parties thereto will use their commercially reasonable efforts to submit to the Company's stockholders at the Company's 2019 Annual Meeting of Stockholders a charter amendment to classify the Board into two classes (with the independent directors and directors designated by an affiliate of GIP allocated across the two classes); and
- the Board will be expanded to nine members at the closing of the NRG Transaction, comprised at that date of five directors designated by GIP, three independent directors and the Company's Chief Executive Officer.

Significant Events

NRG Transaction

- On February 6, 2018, NRG entered into agreements with GIP for the sale of 100% of its interest in NRG Yield, Inc. and its renewable energy development and operations platform. In connection with this, the Company entered into a Consent and Indemnity Agreement with NRG and GIP. For further discussion, refer to Item 1 — Business.

Tax Act

- The Tax Act, which was signed into law on December 22, 2017, makes significant changes to the taxation of U.S. businesses. These changes include a permanent reduction to the federal corporate income tax rate which reduced the Company's net deferred tax asset and net income during 2017 by $68 million.

Drop Down Assets Acquisitions

- On February 6, 2018, the Company entered into an agreement with NRG to purchase its interest in Carlsbad Energy Holdings LLC, which indirectly owns the Carlsbad project, a 527 MW natural gas fired project in Carlsbad, CA. The purchase price for the transaction is $365 million in cash consideration, subject to working capital and other adjustments. The transaction is expected to close in the fourth quarter of 2018 and is contingent upon the consummation of the NRG Transaction.
- On January 24, 2018, the Company entered into an agreement with NRG to acquire 100% of NRG's ownership interest in Buckthorn Solar for total consideration of $42 million, subject to adjustments, and is expected to close in the first quarter of 2018.
- As discussed in Item 15 — Note 3, *Business Acquisitions*, to the Consolidated Financial Statements, the Company acquired the following:
    - On November 1, 2017, a 38 MW solar portfolio primarily comprised of assets from NRG's Solar Power Partners (SPP) funds and other projects developed by NRG, or the November 2017 Drop Down Assets, for cash consideration of $74 million plus assumed non-recourse debt of $26 million. During the quarter ended September 30, 2017, NRG recorded an impairment of $13 million related to the November 2017 Drop Down Assets.
    - On August 1, 2017, the remaining 25% interest in NRG Wind TE Holdco, a portfolio of 12 wind projects, from NRG for total cash consideration of $44 million. The purchase agreement also included potential additional payments to NRG dependent upon actual energy prices for merchant periods beginning in 2027, which were estimated and accrued as contingent consideration in the amount of $8 million as of December 31, 2017.
    - On March 27, 2017, the following entities: Agua Caliente Borrower 2 LLC and NRG's interests in the Utah Solar Portfolio, for cash consideration of $132 million. The Company recorded the acquired interests as equity method investments. The Company also assumed non-recourse debt of $41 million and $287 million on Agua Caliente Borrower 2 LLC and the Utah Solar Portfolio.

Impairment Losses

- During the fourth quarter of 2017, the Company recorded asset impairment losses of $31 million, with respect to Elbow Creek and Forward projects from the Renewables segment. For further discussion, refer to *Management's discussion of the results of operations for the years ended December 31, 2017 and 2016 and Critical Accounting Policies* in this Item 7 below, as well as Item 15 — Note 9, *Asset Impairments*, to the Consolidated Financial Statements.

Financing Activities

- On February 6, 2018, NRG Yield Operating LLC and NRG Yield LLC amended the revolving credit facility to modify the change of control provisions to permit the consummation of the NRG Transaction, and also to permit NRG Yield Operating LLC, NRG Yield LLC and certain subsidiaries to incur up to $1.5 billion of unsecured indebtedness in order to repurchase or make other required cash payments, in each case if applicable, with respect to NRG Yield Operating LLC's outstanding senior notes and NRG Yield's outstanding convertible notes in connection with the NRG Transaction.

- On March 16, 2017, NRG Energy Center Minneapolis LLC, a subsidiary of the Company, amended the shelf facility of its existing Thermal financing arrangement to allow for the issuance of an additional $10 million of Series F notes at a 4.60% interest rate, or the Series F Notes, increasing the total principal amount of notes available for issuance under the shelf facility to $80 million. The Series F Notes are secured by substantially all of the assets of NRG Energy Center Minneapolis LLC. NRG Thermal LLC has guaranteed the indebtedness and its guarantee is secured by a pledge of the equity interests in all of NRG Thermal LLC's subsidiaries.
- During the year ended December 31, 2017, NRG Yield, Inc. issued 1,921,866 shares of Class C common stock under the ATM Program for gross proceeds of $35 million and incurred commission fees of $346 thousand, as described in *Sources of Liquidity* in this Item 7.

Environmental Matters and Regulatory Matters

Details of environmental matters and regulatory matters are presented in Item 1 — *Business*, *Regulatory Matters* and Item 1A— *Risk Factors*. Details of some of this information relate to costs that may impact the Company's financial results.

Trends Affecting Results of Operations and Future Business Performance

Wind and Solar Resource Availability

The availability of the wind and solar resources affects the financial performance of the wind and solar facilities, which may impact the Company's overall financial performance. Due to the variable nature of the wind and solar resources, the Company cannot predict the availability of the wind and solar resources and the potential variances from expected performance levels from quarter to quarter. To the extent the wind and solar resources are not available at expected levels, it could have a negative impact on the Company's financial performance for such periods.

Tax Reform

The Tax Cuts and Jobs Act of 2017, or the Tax Act, which was signed into law on December 22, 2017, makes significant changes to the taxation of U.S. businesses. These changes include, but are not limited to a permanent reduction to the federal corporate income tax rate, changes in the deductibility of interest on certain debt obligations and limiting the amount of NOL available to offset taxable income in the future.

Operational Matters

Walnut Creek Forced Outage

During the first half of 2017, Walnut Creek experienced forced outages due to mechanical failures of turbine parts that caused downstream damage to several of the plant's Units, primarily Unit 1. The repairs necessary to return Unit 1 to service were completed in the second quarter of 2017 and the plant has performed reliably since then. The estimated cost of this outage is approximately $2 million after the recovery of insurance proceeds. Also, during 2017, the Company recorded a loss on disposal of assets of $14 million, in relation to the Unit 1 forced outage. In the third quarter of 2017, the Company, through Walnut Creek, executed an amendment to the contractual service agreement with the original equipment manufacturer to improve long term reliability. The amendment provides for the original equipment manufacturer to perform all required, currently available and future turbine reliability upgrades, and collateral damage reimbursement rights in exchange for an investment of $15 million that would be paid over the next five years, of which $8 million is expected to be paid in 2018.

El Segundo Forced Outage

In January 2017, the El Segundo Energy Center began a forced outage on Units 5 and 6 due to increasing vibrations on successive operations at Unit 5. In consultation with the Company's operations and maintenance service provider, a subsidiary of NRG, the Company elected to replace the rotor on Unit 5. Both Unit 5 and 6 returned to service on February 24, 2017. In July 2017, the Company executed a warranty settlement agreement with the original equipment manufacturer that reduced total cost from $12 million to $5 million.

Consolidated Results of Operations

2017 compared to 2016

The following table provides selected financial information:

	Year ended December 31,		
(In millions)	**2017**	**2016**	**Change**
Operating Revenues			
Energy and capacity revenues	$ 1,078	$ 1,104	$ (26)
Contract amortization	(69)	(69)	—
Total operating revenues	1,009	1,035	(26)
Operating Costs and Expenses			
Cost of fuels	63	61	2
Emissions credit amortization	—	6	(6)
Operations and maintenance	197	176	21
Other costs of operations	66	65	1
Depreciation and amortization	334	303	31
Impairment losses	44	185	(141)
General and administrative	19	16	3
Acquisition-related transaction and integration costs	3	1	2
Total operating costs and expenses	726	813	(87)
Operating Income	283	222	61
Other Income (Expense)			
Equity in earnings of unconsolidated affiliates	71	60	11
Other income, net	4	3	1
Loss on debt extinguishment	(3)	—	3
Interest expense	(306)	(284)	(22)
Total other expense, net	(234)	(221)	(13)
Income Before Income Taxes	49	1	48
Income tax expense (benefit)	72	(1)	73
Net (Loss) Income	(23)	2	(25)
Less: Pre-acquisition net income (loss) of Drop Down Assets	8	(4)	12
Net (Loss) Income Excluding Pre-acquisition Net Income of Drop Down Assets	(31)	6	(37)
Less: Net (loss) income attributable to noncontrolling interests	(15)	(51)	36
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (16)	$ 57	$ (73)

	Year ended December 31,	
Business metrics:	**2017**	**2016**
Renewables MWh generated/sold (in thousands) [a]	6,844	7,291
Conventional MWh generated (in thousands) [a][b]	1,809	1,697
Thermal MWt sold (in thousands)	1,926	1,966
Thermal MWh sold (in thousands) [c]	35	71

[a] Volumes do not include the MWh generated/sold by the Company's equity method investments.
[b] Volumes generated are not sold as the Conventional facilities sell capacity rather than energy.
[c] MWh sold do not include 72 and 204 MWh generated by NRG Dover, a subsidiary of the Company, under the PPA with NRG Power Marketing during the years ended December 31, 2017 and December 31, 2016, respectively, as further described in Item 15 — Note 15, *Related Party Transactions*, to the Consolidated Financial Statements.

Management's discussion of the results of operations for the years ended December 31, 2017 and 2016

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as operating revenues less cost of sales, which includes cost of fuel, contract and emission credit amortization and mark-to-market for economic hedging activities.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company' presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as energy and capacity revenue less cost of fuels. Economic gross margin excludes the following components from GAAP gross margin: contract amortization, mark-to-market results, emissions credit amortization and (losses) gains on economic hedging activities. Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled.

The below tables present the composition of gross margin, as well as the reconciliation to economic gross margin for the years ended December 31, 2017 and 2016:

(In millions)	Conventional	Renewables	Thermal	Total
Year ended December 31, 2017				
Energy and capacity revenues	$ 341	$ 563	$ 174	$ 1,078
Cost of fuels	(1)	—	(62)	(63)
Contract amortization	(5)	(62)	(2)	(69)
Gross margin	335	501	110	946
Contract amortization	5	62	2	69
Economic gross margin	$ 340	$ 563	$ 112	$ 1,015
Year ended December 31, 2016				
Energy and capacity revenues	$ 338	$ 594	$ 172	$ 1,104
Cost of fuels	(1)	—	(60)	(61)
Contract amortization	(5)	(62)	(2)	(69)
Emissions credit amortization	(6)	—	—	(6)
Gross margin	326	532	110	968
Contract amortization	5	62	2	69
Emissions credit amortization	6	—	—	6
Economic gross margin	$ 337	$ 594	$ 112	$ 1,043

Gross margin decreased by $22 million and economic gross margin decreased by $28 million during the year ended December 31, 2017, compared to the same period in 2016, primarily due to:

(In millions)	
Renewables:	
A 7% decrease in volume generated by wind projects, due to lower wind resources at the Alta Wind and NRG Wind TE Holdco projects	$ (31)
Conventional:	
Higher revenues due to 2016 higher priced peak season forced outages, as well as additional start-up revenue from Marsh Landing in 2017	3
Decrease in economic gross margin	$ (28)
Emissions credit amortization of NOx allowances at Walnut Creek and El Segundo in compliance with amendments to the Regional Clean Air Incentives Market program in 2016	6
Decrease in gross margin	**$ (22)**

Operations and Maintenance Expense

(In millions)	Conventional	Renewables	Thermal	Total
Year ended December 31, 2017	$ 52	$ 97	$ 48	$ 197
Year ended December 31, 2016	32	96	48	176

Operations and maintenance expense increased by $21 million during the year ended December 31, 2017 compared to the same period in 2016, due to the forced outages in the Conventional segment. The Company recorded higher operations and maintenance costs in Walnut Creek in connection with the Unit 1 forced outages that took place in April of 2017, including an increase of loss on disposal of assets of $12 million, as well as higher operations and maintenance costs in El Segundo due to the forced outages in Units 5 and Unit 6 that took place in January 2017.

Impairment Losses

The Company recorded impairment losses of $44 million and $185 million for the years ended December 31, 2017 and 2016, respectively.

During the fourth quarter of 2017, as the Company updated its estimated cash flows in connection with the preparation and review of the Company's annual budget, it was determined that both Elbow Creek and Forward projects were impaired due to the continued declining merchant power prices in the post contract periods. As a result, the Company recorded impairment losses of $26 million and $5 million for the Elbow Creek and Forward projects, respectively.

In addition, in connection with the sale of the November 2017 Drop Down Assets, it was identified that undiscounted cash flows were lower than the book value of certain SPP funds and NRG recorded an impairment expense of $13 million. In accordance with the guidance for transfer of assets under common control, the impairment is reflected in the Company's consolidated statements of operations for the period ended December 31, 2017.

During the fourth quarter of 2016, as the Company updated its estimated cash flows in connection with the preparation and review of the Company's annual budget, it was determined that the cash flows for the Elbow Creek and Goat Wind projects and the Forward project were below the carrying value of the related assets, primarily driven by declining merchant power prices in post-contract periods, and that the assets were considered impaired. The Company recorded impairment losses of $117 million, $60 million and $6 million for Elbow Creek, Goat Wind, and Forward, respectively. The other impairments of $2 million related to the projects that were part of the November 2017 Drop Down Assets. Since the acquisition by the Company of the November 2017 Drop Down Assets related to transfer of assets under common control, these impairments were reflected in the Company's consolidated statements of operations for the period ending December 31, 2016. For further discussion see Item 15 — Note 9, *Asset Impairments*, to the Consolidated Financial Statements, as well as in *Critical Accounting Policies and Estimates* in this Item 7.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates increased by $11 million during the year ended December 31, 2017, compared to the same period in 2016, primarily due to higher earnings from the solar partnerships with NRG, as well as acquisition of the Utah Solar Portfolio in November 2016, partially offset by lower earnings from the San Juan Mesa investment.

Interest Expense

Interest expense increased by $22 million during the year ended December 31, 2017 compared to the same period in 2016 due to:

	(In millions)
Assumption of the Utah Solar Portfolio debt in connection with the March 2017 Drop Down Assets	$ 14
Issuance of the 2026 Senior Notes in the third quarter of 2016	11
Issuance of new project level debt in the second half of 2016 and 2017 partially offset by the lower principal balances on project level debt in 2017	2
Higher borrowings in 2016 on the revolving credit facility	(5)
	$ 22

Income Tax Expense (Benefit)

For the year ended December 31, 2017, the Company recorded an income tax expense of $72 million on pretax income of $49 million. For the same period in 2016, the Company recorded an income tax benefit of $1 million on pretax income of $1 million. For the year ended December 31, 2017, the overall effective tax rate was different than the statutory rate of 35% primarily due to tax expense recorded from the revaluation of the existing net deferred tax asset pursuant to the reduction in the corporate income tax rate to 21% in accordance with the Tax Cuts and Jobs Act.

For the year ended December 31, 2016, the overall effective tax rate was different than the statutory rate of 35% primarily due to taxable earnings allocated to NRG resulting from NRG's interest in NRG Yield LLC and PTCs and ITCs generated from certain wind and solar assets, respectively.

A reconciliation of the U.S. federal statutory rate of 35% to the Company's effective rate is as follows:

	Year Ended December 31,	
	2017	2016
Income Before Income Taxes	49	1
Tax at 35%	17	—
State taxes, net of federal benefit	(3)	—
Tax Cuts and Jobs Act - tax rate change	68	—
Investment tax credits	(1)	(1)
Impact of non-taxable partnership earnings	(9)	(1)
Production tax credits, including prior year true-up	(1)	4
Other	1	(3)
Income tax expense (benefit)	$ 72	$ (1)
Effective income tax rate	147%	(100)%

The effective income tax rate may vary from period to period depending on, among other factors, the geographic and business mix of earnings and losses and changes in valuation allowances in accordance with ASC 740. These factors and others, including the Company's history of pre-tax earnings and losses, are taken into account in assessing the ability to realize deferred tax assets.

Net (Loss) Income Attributable to Noncontrolling Interests

For the year ended December 31, 2017, the Company had income of $60 million attributable to NRG's interest in the Company and a loss of $75 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method.

For the year ended December 31, 2016, the Company had income of $60 million attributable to NRG's interest in the Company and a loss of $111 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method, which was primarily related to the impairment losses described above.

Consolidated Results of Operations

2016 compared to 2015

The following table provides selected financial information:

	Year ended December 31,		
(In millions)	**2016**	**2015**	**Change**
Operating Revenues			
Energy and capacity revenues	$ 1,104	$ 1,024	$ 80
Contract amortization	(69)	(54)	(15)
Mark-to-market economic hedging activities	—	(2)	2
Total operating revenues	1,035	968	67
Operating Costs and Expenses			
Cost of fuels	61	71	(10)
Emissions credit amortization	6	—	6
Operations and maintenance	176	180	(4)
Other costs of operations	65	72	(7)
Depreciation and amortization	303	303	—
Impairment losses	185	1	184
General and administrative	16	12	4
Acquisition-related transaction and integration costs	1	3	(2)
Total operating costs and expenses	813	642	171
Operating Income	222	326	(104)
Other Income (Expense)			
Equity in earnings of unconsolidated affiliates	60	31	29
Other income, net	3	3	—
Loss on debt extinguishment	—	(9)	9
Interest expense	(284)	(267)	(17)
Total other expense, net	(221)	(242)	21
Income Before Income Taxes	1	84	(83)
Income tax (benefit) expense	(1)	12	(13)
Net Income	2	72	(70)
Less: Pre-acquisition net loss of Drop Down Assets	(4)	—	(4)
Net Income Excluding Pre-acquisition Net (Loss) Income of Drop Down Assets	6	72	(66)
Less: Net (loss) income attributable to noncontrolling interests	(51)	39	(90)
Net Income Attributable to NRG Yield, Inc.	$ 57	$ 33	$ 24

	Year ended December 31,	
Business metrics:	**2016**	**2015**
Renewables MWh generated/sold (in thousands) [(a)]	7,291	6,463
Conventional MWh generated (in thousands) [(a)(b)]	1,697	2,487
Thermal MWt sold (in thousands)	1,966	1,946
Thermal MWh sold (in thousands) [(c)]	71	297

[(a)] Volumes do not include the MWh generated/sold by the Company's equity method investments.
[(b)] Volumes generated are not sold as the Conventional facilities sell capacity rather than energy.
[(c)] MWh sold do not include 204 MWh generated by NRG Dover, a subsidiary of the Company, under the PPA with NRG Power Marketing during the year ended December 31, 2016, respectively, as further described in Item 15 — Note 15, *Related Party Transactions*, to the Consolidated Financial Statements.

Management's discussion of the results of operations for the years ended December 31, 2016 and 2015

Gross Margin

The Company calculates gross margin in order to evaluate operating performance as operating revenues less cost of sales, which includes cost of fuel, contract and emission credit amortization and mark-to-market for economic hedging activities.

Economic Gross Margin

In addition to gross margin, the Company evaluates its operating performance using the measure of economic gross margin, which is not a GAAP measure and may not be comparable to other companies' presentations or deemed more useful than the GAAP information provided elsewhere in this report. Economic gross margin should be viewed as a supplement to and not a substitute for the Company' presentation of gross margin, which is the most directly comparable GAAP measure. Economic gross margin is not intended to represent gross margin. The Company believes that economic gross margin is useful to investors as it is a key operational measure reviewed by the Company's chief operating decision maker. Economic gross margin is defined as energy and capacity revenue less cost of fuels. Economic gross margin excludes the following components from GAAP gross margin: contract amortization, mark-to-market results, emissions credit amortization and (losses) gains on economic hedging activities. Mark-to-market results consist of unrealized gains and losses on contracts that are not yet settled.

The following tables present the composition of gross margin, as well as the reconciliation to economic gross margin for the years ended December 31, 2016 and 2015:

(In millions)	Conventional	Renewables	Thermal	Total
Year ended December 31, 2016				
Energy and capacity revenues	$ 338	$ 594	$ 172	$ 1,104
Cost of fuels	(1)	—	(60)	(61)
Contract amortization	(5)	(62)	(2)	(69)
Emissions credit amortization	(6)	—	—	(6)
Gross margin	$ 326	$ 532	$ 110	$ 968
Contract amortization	5	62	2	69
Emissions credit amortization	6	—	—	6
Economic gross margin	$ 337	$ 594	$ 112	$ 1,043
Year ended December 31, 2015				
Energy and capacity revenues	$ 341	$ 507	$ 176	$ 1,024
Cost of fuels	(1)	(1)	(69)	(71)
Contract amortization	(5)	(47)	(2)	(54)
Mark-to-market for economic hedging activities	—	(2)	—	(2)
Gross margin	$ 335	$ 457	$ 105	$ 897
Contract amortization	5	47	2	54
Mark-to-market for economic hedging activities	—	2	—	2
Economic gross margin	$ 340	$ 506	$ 107	$ 953

Gross margin increased by $71 million and economic gross margin increased by $90 million during the year ended December 31, 2016, compared to the same period in 2015, driven by:

	(In millions)
Renewables:	
26% increase in volume generated at the Alta wind projects, as well as a 7% increase in generation at other Wind projects. Additionally, there was an increase of $4 million in economic gross margin due to the acquisition of Spring Canyon in May 2015	$ 61
Increase in average price per MWh due to higher pricing in the Alta X and XI PPAs which were effective in January 2016, compared with merchant prices in 2015	27
Thermal:	
Higher sales volume in 2016 as a result of milder weather in 2015, as well as the completion of a project for a new customer in the second half of the year	5
Conventional:	
Lower revenues at Walnut Creek as a result of forced outages in 2016, partially offset by higher revenues at El Segundo in 2016 as a result of forced outages in 2015	(3)
Increase in economic gross margin	$ 90
Higher contract amortization primarily for the Alta X and XI PPAs, which began in January 2016	(15)
Emissions credit amortization of NOx allowances at Walnut Creek and El Segundo in compliance with amendments to the Regional Clean Air Incentives Market program	(6)
Unrealized losses on forward contracts prior to the start of the PPA for Elbow Creek which began October 2015	2
Increase in gross margin	**$ 71**

Operations and Maintenance Expense

(In millions)	Conventional	Renewables	Thermal	Total
Year ended December 31, 2016	$ 32	$ 96	$ 48	$ 176
Year ended December 31, 2015	30	99	51	180

Operations and maintenance expense decreased by $4 million during the year ended December 31, 2016, compared to the same period in 2015, driven by:

	(In millions)
Increase in Conventional segment primarily due to Walnut Creek forced outages in 2016, compared to the forced outages at El Segundo in 2015	$ 2
Decrease in Renewables segment primarily due to insurance proceeds received at Wildorado in 2016 in connection with a 2014 wind outage claim	(3)
Decrease in Thermal segment primarily due to acceleration of maintenance work on thermal facilities into 2015	(3)
	$ (4)

Other Costs of Operations

Other costs of operations decreased by $7 million during the year ended December 31, 2016, compared to the same period in 2015, primarily due to lower assessments for property taxes at Alta X and XI and NRG Wind TE Holdco.

General and Administrative Expenses

General and administrative expenses increased by $4 million for the year ended December 31, 2016 compared to the same period in 2015, primarily due to new executive compensation in 2016, and an increase in base management fee for the Management Services Agreement with NRG in connection with the acquisition of the Drop Down Assets.

Impairment Losses

For the year ended December 31, 2016, the Company recorded impairment losses of $185 million, primarily due to the impairments of property, plant and equipment for Elbow Creek, Goat Wind, and Forward, as further described in Item 15 — Note 9, *Asset Impairments*, to the Consolidated Financial Statements, as well as in *Critical Accounting Policies and Estimates* in this Item 7 below. Because the projects were acquired from NRG and related to interests under common control by NRG, the property, plant and equipment for these assets was recorded at historical cost of $298 million rather than estimated fair value of $132 million at the acquisition date. The three projects were acquired as part of the November 2015 Drop Down Assets. As discussed in Item 15 — Note 3, *Business Acquisitions*, the historical cost for November 2015 Drop Down Assets was $369 million for the net assets, which was higher than the fair value paid of $207 million. The difference between the historical cost of net assets and the fair value paid for the November 2015 Drop Down Assets was recorded to noncontrolling interest on the Company's consolidated balance sheet.

Loss on Debt Extinguishment

A loss on debt extinguishment of $9 million was recorded for the year ended December 31, 2015, driven by the refinancing of the El Segundo credit facility and the termination of the interest rate swaps for Alta Wind X and XI in connection with the sale of an economic interest in Alta TE Holdco to a financial institution as further described in Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, to the Consolidated Financial Statements.

Equity in Earnings of Unconsolidated Affiliates

Equity in earnings of unconsolidated affiliates increased by $29 million during the year ended December 31, 2016, compared to the same period in 2015, primarily due to an increase in equity earnings from Desert Sunlight, which was acquired in June 2015, DGPV Holdco 1 and RPV Holdco, partially offset by losses from Elkhorn Ridge.

Interest Expense

Interest expense increased by $17 million during the year ended December 31, 2016, compared to the same period in 2015, due to:

	(In millions)
Amortization of the fair value of interest rate swaps primarily acquired with the January 2015 Drop Down Assets and November 2015 Drop Down Assets	$ 10
Issuance of the 2020 Convertible Notes in the second quarter of 2015 and amortization of the related discount and debt issuance costs	8
Issuance of 2026 Senior Notes in August 2016	7
Utah Solar Portfolio debt assumed in connection with the March 2017 Drop Down Assets	6
Issuance of 2037 CVSR Holdco Notes in July 2016	4
Higher revolving credit facility borrowings in 2016	2
Repricing of project-level financing arrangements and lower principal balances	(20)
	$ 17

Income Tax Expense

For the year ended December 31, 2016, the Company recorded an income tax benefit of $1 million on pretax income of $1 million. For the same period in 2015, the Company recorded income tax expense of $12 million on pretax income of $84 million. For the years ended December 31, 2016 and 2015, the overall effective tax rate was different than the statutory rate of 35% primarily due to taxable earnings allocated to NRG resulting from NRG's interest in NRG Yield LLC and PTCs and ITCs generated from certain wind and solar assets, respectively.

A reconciliation of the U.S. federal statutory rate of 35% to the Company's effective rate is as follows:

	2016	2015
Income Before Income Taxes	1	84
Tax at 35%	—	29
State taxes, net of federal benefit	—	2
Investment tax credits	(1)	(1)
Impact of non-taxable partnership earnings	(1)	(17)
Production tax credits, including prior year true-up	4	(4)
Other	(3)	3
Income tax (benefit) expense	$ (1)	$ 12
Effective income tax rate	(100)%	14%

The effective income tax rate may vary from period to period depending on, among other factors, the geographic and business mix of earnings and losses and changes in valuation allowances in accordance with ASC 740. These factors and others, including the Company's history of pre-tax earnings and losses, are taken into account in assessing the ability to realize deferred tax assets.

Income Attributable to Noncontrolling Interests

For the year ended December 31, 2016, the Company had income of $60 million attributable to NRG's interest in the Company and a loss of $111 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method, which was primarily related to the impairment losses described above.

For the year ended December 31, 2015, the Company had income of $53 million attributable to NRG's interest in the Company and a loss of $14 million attributable to noncontrolling interests with respect to its tax equity financing arrangements and the application of the HLBV method.

Liquidity and Capital Resources

The Company's principal liquidity requirements are to meet its financial commitments, finance current operations, fund capital expenditures, including acquisitions from time to time, service debt and pay dividends. As a normal part of the Company's business, depending on market conditions, the Company will from time to time consider opportunities to repay, redeem, repurchase or refinance its indebtedness. Changes in the Company's operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause the Company to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions.

Current Liquidity Position

As of December 31, 2017 and 2016, the Company's liquidity was approximately $682 million and $933 million, respectively, comprised of cash, restricted cash, and availability under the Company's revolving credit facility.

	As of December 31,	
	2017	2016
	(In millions)	
Cash and cash equivalents	$ 148	$ 322
Restricted cash - operating	86	76
Restricted cash - reserves	82	100
Total	316	498
Total credit facility availability	366	435
Total liquidity	$ 682	$ 933

The Company's liquidity includes $168 million and $176 million of restricted cash balances as of December 31, 2017 and 2016, respectively. Restricted cash consists primarily of funds to satisfy the requirements of certain debt arrangements and funds held within the Company's projects that are restricted in their use. Of these funds as of December 31, 2017, approximately $25 million is designated for current debt service payments, $25 million is designated to fund operating expenses and $36 million is designated for distributions to the Company, with the remaining $82 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures.

The Company's various financing arrangements are described in Item 15 — Note 10, *Long-term Debt*, to the Consolidated Financial Statements. As of December 31, 2017, $55 million of borrowings and $74 million of letters of credit were outstanding under the revolving credit facility.

Management believes that the Company's liquidity position, cash flows from operations and availability under its revolving credit facility will be adequate to meet the Company's financial commitments; debt service obligations; growth, operating and maintenance capital expenditures; and to fund dividends to holders of the Company's Class A common stock and Class C common stock. Management continues to regularly monitor the Company's ability to finance the needs of its operating, financing and investing activity within the dictates of prudent balance sheet management.

NRG Transaction and Related Liquidity Considerations

On February 6, 2018, NRG entered into agreements for the sale of 100% of its interest in NRG Yield, Inc. and its renewable energy development and operations platform, or the NRG Transaction. In connection with this, the Company entered into a Consent and Indemnity Agreement with NRG and Global Infrastructure Partners. For further discussion of the NRG Transaction and the related ROFO impacts, refer to Item 1 — Business, as well as, Item 15 — Note 1, *Nature of Business*.

As part of the Consent and Indemnity Agreement, GIP has arranged a $1.5 billion backstop credit facility to manage any change of control costs associated with NRG Yield's corporate debt. In addition, GIP has committed to provide $400 million in financing support for the Carlsbad Energy Center transaction, which would be exercised if necessary.

On February 6, 2018, NRG Yield Operating LLC and NRG Yield LLC amended the revolving credit facility to modify the change of control provisions to permit the consummation of the NRG Transaction, and also to permit NRG Yield Operating LLC, NRG Yield LLC and certain subsidiaries to incur up to $1.5 billion of unsecured indebtedness in order to repurchase or make other required cash payments, in each case if applicable, with respect to NRG Yield Operating LLC's outstanding senior notes and NRG Yield's outstanding convertible notes in connection with the NRG Transaction.

Credit Ratings

Credit rating agencies rate a firm's public debt securities. These ratings are utilized by the debt markets in evaluating a firm's credit risk. Ratings influence the price paid to issue new debt securities by indicating to the market the Company's ability to pay principal, interest and preferred dividends. Rating agencies evaluate a firm's industry, cash flow, leverage, liquidity, and hedge profile, among other factors, in their credit analysis of a firm's credit risk.

The following table summarizes the credit ratings for the Company and its Senior Notes as of December 31, 2017. The ratings outlook is stable.

	S&P	Moody's
NRG Yield, Inc.	BB	Ba2
5.375% Senior Notes, due 2024	BB	Ba2
5.000% Senior Notes, due 2026	BB	Ba2

On February 7, 2018, S&P and Moody's reaffirmed the ratings outlook as stable.

Sources of Liquidity

The Company's principal sources of liquidity include cash on hand, cash generated from operations, borrowings under new and existing financing arrangements and the issuance of additional equity and debt securities as appropriate given market conditions. As described in Item 15 — Note 10, *Long-term Debt*, to the Consolidated Financial Statements, and above in *Significant Events During the Year Ended December 31, 2017*, the Company's financing arrangements consist of the revolving credit facility, the 2019 Convertible Notes, the 2020 Convertible Notes, the 2024 Senior Notes, the 2026 Senior Notes, the ATM Program and project-level financings for its various assets.

At-the-Market Equity Offering Program

In 2016, NRG Yield, Inc. entered into an equity distribution agreement, or EDA, with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and RBC Capital Markets, LLC, as sales agents. Pursuant to the terms of the EDA, NRG Yield, Inc. may offer and sell shares of its Class C common stock par value $0.01 per share, from time to time through the sales agents, as NRG Yield, Inc.'s sales agents for the offer and sale of the shares, up to an aggregate sales price of $150,000,000 through an at-the-market equity offering program, or ATM Program. NRG Yield, Inc. may also sell shares of its Class C common stock to any of the sales agents, as principals for its own account, at a price agreed upon at the time of sale. As of December 31, 2017, NRG Yield, Inc. issued 1,921,866 shares of Class C common stock under the ATM Program for gross proceeds of $35 million and incurred commission fees of $346 thousand. At December 31, 2017, approximately $115 million of Class C common stock remains available for issuance under the ATM Program.

Thermal Financing

On March 16, 2017, NRG Energy Center Minneapolis LLC, a subsidiary of the Company, amended the shelf facility of its existing Thermal financing arrangement to allow for the issuance of an additional $10 million of Series F notes at a 4.60% interest rate, or the Series F Notes, increasing the total principal amount of notes available for issuance under the shelf facility to $80 million. The Series F Notes are secured by substantially all of the assets of NRG Energy Center Minneapolis LLC. NRG Thermal LLC has guaranteed the indebtedness and its guarantee is secured by a pledge of the equity interests in all of NRG Thermal LLC's subsidiaries.

Uses of Liquidity

The Company's requirements for liquidity and capital resources, other than for operating its facilities, are categorized as: (i) debt service obligations, as described more fully in Item 15 — Note 10, *Long-term Debt*, to the Consolidated Financial Statements; (ii) capital expenditures; (iii) acquisitions and investments; and (iv) cash dividends to investors.

Debt Service Obligations

Principal payments on debt as of December 31, 2017 are due in the following periods:

Description	2018	2019	2020	2021	2022	There-after	Total
				(In millions)			
NRG Yield, Inc. Convertible Notes, due 2019	$ —	$ 345	$ —	$ —	$ —	$ —	$ 345
NRG Yield, Inc. Convertible Notes, due 2020	—	—	288	—	—	—	288
NRG Yield Operating LLC Senior Notes, due 2024	—	—	—	—	—	500	500
NRG Yield Operating LLC Senior Notes, due 2026	—	—	—	—	—	350	350
NRG Yield LLC and NRG Yield Operating LLC Revolving Credit Facility, due 2019	—	55	—	—	—	—	55
Total Corporate-level debt	—	400	288	—	—	850	1,538
Project-level debt:							
Agua Caliente Borrower 2, due 2038	1	1	1	1	1	36	41
Alpine, due 2022	8	8	8	8	103	—	135
Alta Wind I - V lease financing arrangements, due 2034 and 2035	40	41	45	45	47	708	926
CVSR, due 2037	26	24	21	23	25	627	746
CVSR Holdco Notes, due 2037	6	6	6	7	9	160	194
El Segundo Energy Center, due 2023	48	49	53	57	63	130	400
Energy Center Minneapolis, due 2025	7	11	11	11	11	32	83
Energy Center Minneapolis Series D Notes, due 2031	—	—	—	—	—	125	125
Laredo Ridge, due 2028	5	5	6	6	7	66	95
Marsh Landing, due 2023	55	57	60	62	65	19	318
Tapestry, due 2021	11	11	11	129	—	—	162
Utah Solar Portfolio, due 2022	12	14	13	13	226	—	278
Viento, due 2023	16	18	16	16	17	80	163
Walnut Creek, due 2023	45	47	49	52	55	19	267
Other	26	30	69	25	24	269	443
Total project-level debt	306	322	369	455	653	2,271	4,376
Total debt	$ 306	$ 722	$ 657	$ 455	$ 653	$ 3,121	$ 5,914

Capital Expenditures

The Company's capital spending program is mainly focused on maintenance capital expenditures, consisting of costs to maintain the assets currently operating, such as costs to replace or refurbish assets during routine maintenance, and growth capital expenditures consisting of costs to construct new assets, costs to complete the construction of assets where construction is in process, and capital expenditures related to acquiring additional thermal customers. For the years ended December 31, 2017, 2016, and 2015, the Company used approximately $31 million, $20 million, and $29 million, respectively, to fund capital expenditures, including maintenance capital expenditures of $27 million, $16 million, and $20 million, respectively. Growth capital expenditures in 2017 were in primarily in the Thermal segment and relate to servicing new customers in district energy centers. Growth capital expenditures in 2016 and 2015 primarily related to the servicing new customers in district energy centers within the Thermal segment and construction of the Company's solar generating assets. The Company develops annual capital spending plans based on projected requirements for maintenance and growth capital. The Company estimates $32 million of maintenance expenditures for 2018. These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from these estimates.

Acquisitions and Investments

The Company intends to acquire generation and thermal infrastructure assets developed and constructed by NRG or other third parties in the future, as well as generation and thermal infrastructure assets from third parties where the Company believes its knowledge of the market and operating expertise provides a competitive advantage, and to utilize such acquisitions as a means to grow its CAFD.

On February 24, 2017, the Company amended and restated the ROFO Agreement, expanding the ROFO Assets pipeline with the addition of 234 net MW of utility-scale solar projects, consisting of Buckthorn Solar, a 154 net MW solar facility in Texas, and Hawaii solar projects, which have a combined capacity of 80 net MW.

On February 6, 2018, the Company entered into an agreement with NRG to purchase 100% of the membership interests in Carlsbad Energy Holdings LLC, which indirectly owns the Carlsbad project, a 527 MW natural gas fired project in Carlsbad, CA, pursuant to the ROFO Agreement. The purchase price for the transaction is $365 million in cash consideration, subject to customary working capital and other adjustments. The transaction is expected to close during the fourth quarter of 2018 and is contingent upon the consummation of the NRG Transaction.

On January 24, 2018, the Company entered into an agreement with NRG to purchase 100% of NRG's ownership interest in Buckthorn Solar pursuant to the ROFO Agreement for cash consideration of $42 million, subject to other adjustments. The transaction is expected to close during the first quarter of 2018.

As discussed in Item 1 — Note 3, *Business Acquisitions*, the Company completed the following acquisitions in 2017:

November 2017 Drop Down Assets — On November 1, 2017, the Company acquired a 38 MW solar portfolio primarily comprised of assets from NRG's Solar Power Partners (SPP) funds and other projects developed by NRG, for cash consideration of $74 million, including a working capital adjustment of $3 million, plus assumed non-recourse debt of $26 million.

August 2017 Drop Down Assets — On August 1, 2017, the Company acquired the remaining 25% interest in NRG Wind TE Holdco, a portfolio of 12 wind projects, from NRG for total cash consideration of $44 million, including a working capital adjustment of $3 million. The transaction also includes potential additional payments to NRG dependent upon actual energy prices for merchant periods beginning in 2027.

March 2017 Drop Down Assets — On March 27, 2017, the Company acquired the following interests from NRG: (i) Agua Caliente Borrower 2 LLC, which owns a 16% interest (approximately 31% of NRG's 51% interest) in the Agua Caliente solar farm, one of the ROFO Assets, representing ownership of approximately 46 net MW of capacity, and (ii) NRG's interests in seven utility-scale solar farms located in Utah, which are part of a tax equity structure with Dominion Solar Projects III, Inc., or Dominion, from which the Company would receive 50% of cash to be distributed. The Company paid cash consideration of $132 million.

Investment Partnership with NRG

On September 26, 2017, the Company entered into an additional partnership with NRG by forming NRG DGPV Holdco 3 LLC, or DGPV Holdco 3, in which the Company would invest up to $50 million in an operating portfolio of distributed solar assets, primarily comprised of community solar projects, developed by NRG. The Company owns approximately 43 MW of distributed solar capacity, based on cash to be distributed, with a weighted average contract life of approximately 20 years as of December 31, 2017.

During the year ended December 31, 2017, the Company invested $64 million in distributed generation partnerships with NRG.

Cash Dividends to Investors

The Company intends to use the amount of cash that it receives from its distributions from NRG Yield LLC to pay quarterly dividends to the holders of its Class A common stock and Class C common stock. NRG Yield LLC intends to distribute to its unit holders in the form of a quarterly distribution all of the CAFD that is generated each quarter less reserves for the prudent conduct of the business, including among others, maintenance capital expenditures to maintain the operating capacity of the assets. CAFD is defined as net income before interest expense, income taxes, depreciation and amortization, plus cash distributions from unconsolidated affiliates, cash receipts from notes receivable, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in prepaid and accrued capacity payments. Dividends on the Class A common stock and Class C common stock are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations. The Company expects that, based on current circumstances, comparable cash dividends will continue to be paid in the foreseeable future.

The following table lists the dividends paid on the Company's Class A common stock and Class C common stock during the year ended December 31, 2017:

	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017
Dividends per Class A share	$ 0.288	$ 0.28	$ 0.27	$ 0.26
Dividends per Class C share	$ 0.288	$ 0.28	$ 0.27	$ 0.26

On February 15, 2018, the Company declared a quarterly dividend on its Class A and Class C common stock of $0.298 per share payable on March 15, 2018, to stockholders of record as of March 1, 2018.

Cash Flow Discussion

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

The following table reflects the changes in cash flows for the year ended December 31, 2017 compared to 2016:

Year ended December 31, (In millions)	2017	2016	Change
Net cash provided by operating activities	$ 516	$ 577	$ (61)
Net cash used in investing activities	(283)	(131)	(152)
Net cash used in financing activities	(415)	(202)	(213)

Net Cash Provided By Operating Activities

Changes to net cash provided by operating activities were driven by:	(In millions)
Decrease in operating income adjusted for non-cash items driven by primarily by lower revenues in the Renewables segment in 2017 compared to 2016	$ (62)
Decrease in working capital driven primarily by the timing of accounts receivable collections, and inventory build up in the Renewables segment in connection with the transition to self operations, as well as higher prepaid expenses in 2017 compared to 2016	(13)
Higher distributions from unconsolidated affiliates primarily due to the acquisition of the Utah Solar Portfolio, which was acquired by the Company in March 2017 and by NRG in November 2016	14
	$ (61)

Net Cash Used In Investing Activities

Changes to net cash used in investing activities were driven by:	(In millions)
Payments for the acquisition of the March 2017, August 2017, and November 2017 Drop Down Assets in 2017 compared to the payments made for the CVSR Drop Down in 2016	$ (173)
Higher return of investment from unconsolidated affiliates combined with lower investments primarily in DGPV HoldCo entities in 2017	29
Higher capital expenditures primarily related to maintenance capital expenditures at Walnut Creek as a result of the forced outages in 2017	(11)
Higher insurance proceeds in 2017 in the Conventional segment compared to the insurance proceeds in 2016 in the Renewables segment	3
	$ (152)

Net Cash Used In Financing Activities

Changes in net cash used in financing activities were driven by:	(In millions)
Higher borrowing in 2016, primarily related to the 2026 Senior Notes and CVSR Holdco Notes due 2037 partially offset by higher repayments of long-term debt in 2017	$ (751)
Net payments of $306 million under the revolving credit facility in 2016 compared to proceeds of $55 million in 2017	361
Lower net payments of distributions to NRG for the Drop Down Assets relating to the pre-acquisition period in 2017 compared to 2016	164
Proceeds from the NRG Yield, Inc. Class C common stock offerings under the ATM Program, net of underwriting discounts and commissions	34
Increase in dividends paid to common stockholders and distributions paid to NRG, primarily driven by a 16% increase in declared dividends and distributions from 2016 to 2017	(29)
Increase in net contributions from noncontrolling interests due to higher production-based payments in 2017 compared to 2016	8
	$ (213)

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

The following table reflects the changes in cash flows for the year ended December 31, 2016 compared to 2015:

Year ended December 31, (In millions)	2016	2015	Change
Net cash provided by operating activities	$ 577	$ 425	$ 152
Net cash used in investing activities	(131)	(1,098)	967
Net cash (used in) provided by financing activities	(202)	354	(556)

Net Cash Provided By Operating Activities

Changes to net cash provided by operating activities were driven by:	(In millions)
Increase in operating income adjusted for non-cash items driven by higher revenues mainly in the Renewables segment in 2016 compared to 2015	$ 120
Changes in working capital driven primarily by the timing of accounts receivable collections in 2015 compared to 2016	34
Lower distributions from unconsolidated affiliates	(2)
	$ 152

Net Cash Used In Investing Activities

Changes to net cash used in investing activities were driven by:	(In millions)
Higher payments for the acquisition of the January 2015 and November 2015 Drop Down Assets in 2015 compared to the payments made for the CVSR Drop Down in 2016	$ 621
Higher net investments in unconsolidated affiliates in 2015, primarily due to investment in Desert Sunlight	305
Payments to acquire businesses, net of cash acquired, in 2015	37
Decrease in capital expenditures primarily due to the completion of a project in the Thermal segment in 2015, as well as lower maintenance capital expenditures in 2016	9
Other	(5)
	$ 967

Net Cash (Used In) Provided By Financing Activities

Changes in net cash provided by financing activities were driven by:	(In millions)
Higher payments of distributions to NRG from Drop Down Assets prior to the acquisition dates	$ (105)
Proceeds from sale of an economic interest in Alta TE Holdco in 2015, as further described in Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, compared to lower net contributions from tax equity investors in 2016	(117)
Proceeds from Class C equity offering on June 29, 2015	(599)
Increase in dividends paid to common stockholders, as declared dividends increased 16.3% from 2015 to 2016	(34)
Net repayments of $306 million under the revolving credit facility in 2016 compared to the net borrowings of $306 million in 2015	(612)
Issuance of the Series D Notes in October 2016, 2026 Senior Notes in August 2016, and CVSR Holdco Notes, due 2037 in July 2016, partially offset by lower debt principal payments throughout 2016, compared to 2015	913
Higher debt issuance costs paid in 2016	(2)
	$ (556)

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

As of December 31, 2017, the Company has a cumulative federal NOL carry forward balance of $870 million for financial statement purposes, which will begin expiring in 2033, and does not anticipate any federal income tax payments for 2018. As a result of the Company's tax position, and based on current forecasts, the Company does not anticipate significant income tax payments for state and local jurisdictions in 2018. Based on the Company's current and expected NOL balances generated primarily by accelerated tax depreciation of its property, plant and equipment, the Company does not expect to pay significant federal income tax for a period of approximately ten years, inclusive of any NOL generated in 2018 or later subject to an 80% limitation against future taxable income pursuant to the Tax Cuts and Jobs Act.

The Company has no uncertain tax benefits.

Off-Balance Sheet Arrangements

Obligations under Certain Guarantee Contracts

The Company may enter into guarantee arrangements in the normal course of business to facilitate commercial transactions with third parties.

Retained or Contingent Interests

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

Obligations Arising Out of a Variable Interest in an Unconsolidated Entity

Variable interest in equity investments — As of December 31, 2017, the Company has several investments with an ownership interest percentage of 50% or less in energy and energy-related entities that are accounted for under the equity method. NRG DGPV Holdco 1 LLC, NRG DGPV Holdco 2 LLC, NRG DGPV Holdco 3 LLC, NRG RPV Holdco 1 LLC and GenConn are variable interest entities for which the Company is not the primary beneficiary. The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates was approximately $777 million as of December 31, 2017. This indebtedness may restrict the ability of these subsidiaries to issue dividends or distributions to the Company. See also Item 15 — Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*, to the Consolidated Financial Statements.

Contractual Obligations and Commercial Commitments

The Company has a variety of contractual obligations and other commercial commitments that represent prospective cash requirements in addition to the Company's capital expenditure programs. The following table summarizes the Company's contractual obligations. See Item 15 — Note 10, *Long-term Debt* and Note 16, *Commitments and Contingencies*, to the Consolidated Financial Statements for additional discussion.

	By Remaining Maturity at December 31,					
	2017					2016
Contractual Cash Obligations	Under 1 Year	1-3 Years	3-5 Years	Over 5 Years	Total	Total
	(In millions)					
Long-term debt (including estimated interest)	$ 593	$ 1,870	$ 1,500	$ 3,907	$ 7,870	$ 8,342
Operating leases	9	18	18	151	196	199
Fuel purchase and transportation obligations	11	8	6	16	41	45
Other liabilities [(a)]	29	45	29	105	208	129
Total	$ 642	$ 1,941	$ 1,553	$ 4,179	$ 8,315	$ 8,715

[(a)] Includes water right agreements, service and maintenance agreements, and LTSA commitments.

Fair Value of Derivative Instruments

The Company may enter into fuel purchase contracts and other energy-related financial instruments to mitigate variability in earnings due to fluctuations in spot market prices and to hedge fuel requirements at certain generation facilities. In addition, in order to mitigate interest rate risk associated with the issuance of variable rate debt, the Company enters into interest rate swap agreements.

The tables below disclose the activities of non-exchange traded contracts accounted for at fair value in accordance with ASC 820. Specifically, these tables disaggregate realized and unrealized changes in fair value; disaggregate estimated fair values at December 31, 2017, based on their level within the fair value hierarchy defined in ASC 820; and indicate the maturities of contracts at December 31, 2017. For a full discussion of the Company's valuation methodology of its contracts, see *Derivative Fair Value Measurements* in Item 15 — Note 6, *Fair Value of Financial Instruments*, to the Consolidated Financial Statements.

Derivative Activity (Losses)/Gains	(In millions)
Fair value of contracts as of December 31, 2016	$ (76)
Contracts realized or otherwise settled during the period	32
Changes in fair value	(2)
Fair value of contracts as of December 31, 2017	$ (46)

	Fair value of contracts as of December 31, 2017				
	Maturity				
Fair Value Hierarchy Losses	1 Year or Less	Greater Than 1 Year to 3 Years	Greater Than 3 Years to 5 Years	Greater Than 5 Years	Total Fair Value
	(In millions)				
Level 2	16	15	9	6	46

The Company has elected to disclose derivative assets and liabilities on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. As discussed below in *Quantitative and Qualitative Disclosures about Market Risk -Commodity Price Risk*, NRG, on behalf of the Company, measures the sensitivity of the portfolio to potential changes in market prices using VaR, a statistical model which attempts to predict risk of loss based on market price and volatility. NRG's risk management policy places a limit on one-day holding period VaR, which limits the net open position.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of the financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements and related disclosures in compliance with GAAP requires the application of appropriate technical accounting rules and guidance as well as the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. The application of these policies necessarily involves judgments regarding future events, including the likelihood of success of particular projects, legal and regulatory challenges, and the fair value of certain assets and liabilities. These judgments, in and of themselves, could materially affect the financial statements and disclosures based on varying assumptions, which may be appropriate to use. In addition, the financial and operating environment may also have a significant effect, not only on the operation of the business, but on the results reported through the application of accounting measures used in preparing the financial statements and related disclosures, even if the nature of the accounting policies has not changed.

On an ongoing basis, the Company evaluates these estimates, utilizing historic experience, consultation with experts and other methods the Company considers reasonable. Actual results may differ substantially from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the information that gives rise to the revision becomes known.

The Company's significant accounting policies are summarized in Item 15 — Note 2, *Summary of Significant Accounting Policies*, to the Consolidated Financial Statements. The Company identifies its most critical accounting policies as those that are the most pervasive and important to the portrayal of the Company's financial position and results of operations, and that require the most difficult, subjective and/or complex judgments by management regarding estimates about matters that are inherently uncertain. The Company's critical accounting policies include income taxes and valuation allowance for deferred tax assets, impairment of long lived assets and other intangible assets and acquisition accounting.

Accounting Policy	Judgments/Uncertainties Affecting Application
Income Taxes and Valuation Allowance for Deferred Tax Assets	Ability to withstand legal challenges of tax authority decisions or appeals
	Anticipated future decisions of tax authorities
	Application of tax statutes and regulations to transactions
	Ability to utilize tax benefits through carry backs to prior periods and carry forwards to future periods
Impairment of Long Lived Assets	Recoverability of investments through future operations
	Regulatory and political environments and requirements
	Estimated useful lives of assets
	Operational limitations and environmental obligations
	Estimates of future cash flows
	Estimates of fair value
	Judgment about triggering events
Acquisition Accounting	Identification of intangible assets acquired
	Inputs for fair value of assets and liabilities acquired
	Application of various methodologies

Income Taxes and Valuation Allowance for Deferred Tax Assets

As of December 31, 2017, the Company had a valuation allowance of $10 million, reduced from $16 million at December 22, 2017 due to the corporate income tax rate reduction from 35% to 21% in accordance with the Tax Cuts and Jobs Act. The valuation allowance is related to a deferred tax asset expected to result in a capital loss for which no existing capital gains or tax planning strategies to utilize the asset in the future are available. Other than for this expected capital loss, the Company believes it is more likely than not that the results of future operations will generate sufficient taxable income which includes the future reversal of existing taxable temporary differences to realize deferred tax assets. The Company considered the impact of the Tax Cuts and Jobs Act upon timing and future realization of net deferred tax assets, the profit before tax generated in recent years, as well as projections of future earnings and estimates of taxable income in arriving at this conclusion. The realization of deferred tax assets is primarily dependent upon earnings in federal and various state and local jurisdictions. In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, which addresses how a company may recognize provisional amounts for the effect of the changes related to the Tax Act. Consistent with that guidance, the Company recognized provisional amounts based upon our interpretation of the tax laws and estimates which require significant judgments.

Considerable judgment is required to determine the tax treatment of a particular item that involves interpretations of complex tax laws. The project-level entities, as former subsidiaries of NRG, are no longer subject to federal audit examination for years prior to 2015, but are subject to state and local audit for multiple years in various jurisdictions. The Company is subject to U.S. federal, state and local income tax examinations for all years beginning in 2013.

Evaluation of Assets for Impairment and Other-Than-Temporary Decline in Value

In accordance with ASC 360, *Property, Plant, and Equipment*, or ASC 360, property, plant and equipment and certain intangible assets are evaluated for impairment whenever indicators of impairment exist. Examples of such indicators or events are:

- Significant decrease in the market price of a long-lived asset;
- Significant adverse change in the manner an asset is being used or its physical condition;
- Adverse business climate;
- Accumulation of costs significantly in excess of the amount originally expected for the construction or acquisition of an asset;
- Current-period loss combined with a history of losses or the projection of future losses; and
- Change in the Company's intent about an asset from an intent to hold to a greater than 50% likelihood that an asset will be sold or disposed of before the end of its previously estimated useful life.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by the asset, through considering project specific assumptions for long-term power pool prices, escalated future project operating costs and expected plant operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The fair value may be determined by factoring in the probability weighting of different courses of action available to the Company as appropriate. Generally, fair value will be determined using valuation techniques such as the present value of expected future cash flows or comparable values determined by transactions in the market. The Company uses its best estimates in making these evaluations and considers various factors, including forward price curves for energy, fuel costs and operating costs. However, actual future market prices and project costs could vary from the assumptions used in the Company's estimates, and the impact of such variations could be material.

Annually, during the fourth quarter, the Company revises its views of power prices, including the Company's fundamental view for long-term power prices, forecasted generation and operating and capital expenditures, in connection with the preparation of its annual budget.

The Company recorded certain long-lived asset impairments in 2017 and 2016, as described in Item 15 — Note 9, *Asset Impairments*, to the Consolidated Financial Statements, with respect to several wind projects.

During the fourth quarter of 2017, as the Company updated its estimated cash flows in connection with the preparation and review of the Company's annual budget, the Company determined that the cash flows for the Elbow Creek and Forward facilities were below the carrying value of the related assets, primarily driven by continued declining merchant power prices in post-contract periods, and that the assets were considered impaired. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the long-term budgets for each respective plant. The income approach utilizes estimates of discounted future cash flows, which include key inputs, such as forecasted power prices, operations and maintenance expense, and discount rates. The Company measured the impairment loss as the difference between the carrying amount and the fair value of the assets and recorded impairment losses of $26 million and $5 million for Elbow Creek and Forward, respectively.

The Company is also required to evaluate its equity method investments to determine whether or not they are impaired. ASC 323, *Investments - Equity Method and Joint Ventures*, or ASC 323, provides the accounting requirements for these investments. The standard for determining whether an impairment must be recorded under ASC 323 is whether the value is considered to be an other-than-temporary decline in value. The evaluation and measurement of impairments under ASC 323 involves the same uncertainties as described for long-lived assets that the Company owns directly and accounts for in accordance with ASC 360. Similarly, the estimates that the Company makes with respect to its equity method investments are subjective, and the impact of variations in these estimates could be material. Additionally, if the projects in which the Company holds these investments recognize an impairment under the provisions of ASC 360, the Company would record its proportionate share of that impairment loss and would evaluate its investment for an other-than-temporary decline in value under ASC 323.

Certain of the Company’s projects have useful lives that extend well beyond the contract period and therefore, management’s view of long-term power prices in the post-contract periods may have a significant impact on the expected future cash flows for these projects. Accordingly, if management’s view of long-term power prices in certain markets continues to decrease, it is possible that some of the Company’s other long-lived assets may be impaired.

Acquisition Accounting

The Company applies ASC 805, *Business Combinations*, when accounting for the acquisition of a business, with identifiable assets acquired and liabilities assumed recorded at their estimated fair values on the acquisition date. The Company completes the accounting for an acquisition when the evaluations are completed to the extent that additional information is obtained about the facts and circumstances that existed as of the acquisition date. The allocation of the purchase price may be modified up to one year from the date of the acquisition as more information is obtained about the fair value of assets acquired and liabilities assumed. Consideration is measured based on fair value of the assets transferred to the seller.

Significant judgment is required in determining the acquisition date fair value of the assets acquired and liabilities assumed, predominantly with respect to property, plant and equipment, power purchase agreements, asset retirement obligations and other contractual arrangements. Evaluations include numerous inputs including forecasted cash flows that incorporate the specific attributes of each asset including age, useful life, equipment condition and technology, as well as current replacement costs for similar assets. Other key inputs that require judgment include discount rates, comparable market transactions, estimated useful lives and probability of future transactions. The Company evaluates all available information, as well as all appropriate methodologies when determining the fair value of assets acquired and liabilities assumed in a business combination. In addition, once the appropriate fair values are determined, the Company must determine the remaining useful life for property, plant and equipment and the amortization period and method of amortization for each finite-lived intangible asset.

The Company must apply ASC 805-50, *Business Combinations - Related Issues*, when it acquires an interest from NRG. The assets and liabilities transferred to the Company related to interests under common control by NRG must be recorded at historical cost, with the difference between the amount paid and the historical value of the related equity recorded as a distribution to or contribution from NRG with the offset to noncontrolling interest. Economics may change in the years subsequent to NRG's construction or acquisition of certain assets, and although the Company may acquire these assets from NRG based on a different valuation, the Company must record the assets at historical cost. These changes in economics may impact the amount that the Company pays for the assets but will not alter the carrying amount. Accordingly, significant changes in the economics related to these assets may trigger a requirement for impairment testing.

Recent Accounting Developments

See Item 15 — Note 2, *Summary of Significant Accounting Policies*, to the Consolidated Financial Statements for a discussion of recent accounting developments.

Item 7A — Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to several market risks in its normal business activities. Market risk is the potential loss that may result from market changes associated with the Company's power generation or with an existing or forecasted financial or commodity transaction. The types of market risks the Company is exposed to are commodity price risk, interest rate risk, liquidity risk, and credit risk.

Commodity Price Risk

Commodity price risks result from exposures to changes in spot prices, forward prices, volatilities, and correlations between various commodities, such as electricity, natural gas and emissions credits. The Company manages the commodity price risk of its merchant generation operations by entering into derivative or non-derivative instruments to hedge the variability in future cash flows from forecasted power sales or purchases of fuel. The portion of forecasted transactions hedged may vary based upon management's assessment of market, weather, operation and other factors. See Item 15 — Note 7, *Accounting for Derivative Instruments and Hedging Activities*, to the Consolidated Financial Statements for more information.

Based on a sensitivity analysis using simplified assumptions, the impact of a $0.50 per MMBtu increase or decrease in natural gas prices across the term of the derivative contracts would cause a change of approximately $1 million in the net value of derivatives as of December 31, 2017.

Interest Rate Risk

The Company is exposed to fluctuations in interest rates through its issuance of variable rate debt. Exposures to interest rate fluctuations may be mitigated by entering into derivative instruments known as interest rate swaps, caps, collars and put or call options. These contracts reduce exposure to interest rate volatility and result in primarily fixed rate debt obligations when taking into account the combination of the variable rate debt and the interest rate derivative instrument. NRG's risk management policies allow the Company to reduce interest rate exposure from variable rate debt obligations. See item 15 — Note 7, *Accounting for Derivative Instruments and Hedging Activities*, to the Consolidated Financial Statements for more information.

Most of the Company's project subsidiaries enter into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. See Item 15 — Note 10, *Long-term Debt*, to the Consolidated Financial Statements for more information about interest rate swaps of the Company's project subsidiaries.

If all of the above swaps had been discontinued on December 31, 2017, the Company would have owed the counterparties $50 million. Based on the credit ratings of the counterparties, the Company believes its exposure to credit risk due to nonperformance by counterparties to its hedge contracts to be insignificant.

The Company has long-term debt instruments that subject it to the risk of loss associated with movements in market interest rates. As of December 31, 2017, a 1% change in interest rates would result in an approximately $3 million change in market interest expense on a rolling twelve-month basis.

As of December 31, 2017, the fair value of the Company's debt was $5,930 million and the carrying value was $5,897 million. The Company estimates that a 1% decrease in market interest rates would have increased the fair value of its long-term debt by $306 million.

Liquidity Risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of the Company's assets and liabilities.

Counterparty Credit Risk

Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process, and (ii) the use of credit mitigation measures such as prepayment arrangements or volumetric limits. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties. See Item 15 — Note 1, *Nature of Business*, and Note 6, *Fair Value of Financial Instruments*, to the Consolidated Financial Statements for more information about concentration of credit risk.

Item 8 — Financial Statements and Supplementary Data

The financial statements and schedules are listed in Part IV, Item 15 of this Form 10-K.

Item 9 — Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A — Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Under the supervision and with the participation of the Company's management, including its principal executive officer, principal financial officer and principal accounting officer, the Company conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act. Based on this evaluation, the Company's principal executive officer, principal financial officer and principal accounting officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred in the fourth quarter of 2017 that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Inherent Limitations over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations, including the possibility of human error and circumvention by collusion or overriding of controls. Accordingly, even an effective internal control system may not prevent or detect material misstatements on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of the Company's management, including its principal executive officer, principal financial officer and principal accounting officer, the Company conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under the framework in *Internal Control — Integrated Framework (2013)*, the Company's management concluded that its internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017, has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in its report which is included in this Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors

NRG Yield, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited NRG Yield, Inc. and subsidiaries (the Company) internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), (PCAOB), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of income, comprehensive (loss)/income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule "Schedule I. Condensed Financial Information of Registrant" (collectively, the consolidated financial statements), and our report dated March 1, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

(signed) KPMG LLP

Philadelphia, Pennsylvania
March 1, 2018

Item 9B — Other Information

None.

PART III

Item 10 — Directors, Executive Officers and Corporate Governance

Directors

Kirkland B. Andrews has served as a director since the Company's formation in December 2012. Mr. Andrews served as the Company's Executive Vice President and Chief Financial Officer from December 2012 to November 2016. Mr. Andrews has served as Executive Vice President and Chief Financial Officer of NRG since September 2011. Prior to joining NRG, he served as Managing Director and Co-Head Investment Banking, Power and Utilities—Americas at Deutsche Bank Securities from June 2009 to September 2011. Prior to this, he served in several capacities at Citigroup Global Markets Inc., including Managing Director, Group Head, North American Power from November 2007 to June 2009, and Head of Power M&A, Mergers and Acquisitions from July 2005 to November 2007. In his banking career, Mr. Andrews led multiple large and innovative strategic, debt, equity and commodities transactions. Mr. Andrews' extensive investment banking experience, specifically in the energy industry and financial structuring, brings important experience and skills to the Company's board of directors.

John Chillemi has served as a director of the Company since May 2016. Mr. Chillemi has also served as Executive Vice President, National Business Development of NRG since December 2015. In this role, Mr. Chillemi is responsible for all wholesale generation development activities for NRG across the nation. Prior to December 2015, Mr. Chillemi was Senior Vice President and Regional President, West since NRG's acquisition of GenOn Energy, Inc., or GenOn, in December 2012. Mr. Chillemi served as the Regional President in California and the West for GenOn from December 2010 to December 2012, and as President and Vice President of the West at Mirant Corporation from 2007 December 2010. Mr. Chillemi has 30 years of power industry experience, beginning with Georgia Power in 1986. Mr. Chillemi's knowledge of the Company's assets, operations and businesses bring important experience and skills to the Company's board of directors.

John F. Chlebowski is the Company's Lead Independent Director and has been a director since July 2013. Mr. Chlebowski served as the Company's Interim Chairman of the Board from December 2015 to May 2016. Mr. Chlebowski had been a director of NRG from December 2003 to July 2013. Mr. Chlebowski served as the President and Chief Executive Officer of Lakeshore Operating Partners, LLC, a bulk liquid distribution firm, from March 2000 until his retirement in December 2004. From July 1999 until March 2000, Mr. Chlebowski was a senior executive and cofounder of Lakeshore Liquids Operating Partners, LLC, a private venture firm in the bulk liquid distribution and logistics business, and from January 1998 until July 1999, he was a private investor and consultant in bulk liquid distribution. From 1994 until 1997, he was the President and Chief Executive Officer of GATX Terminals Corporation, a subsidiary of GATX Corporation. Prior to that, he served as Vice President of Finance and Chief Financial Officer of GATX Corporation from 1986 to 1994. Mr. Chlebowski served as a director of First Midwest Bancorp Inc. from June 2007 until May 2017. Mr. Chlebowski also served as the Non-Executive Chairman of SemGroup Corporation from December 2009 until January 2017. Mr. Chlebowski also served as a director of Laidlaw International, Inc. from June 2003 until October 2007, SpectraSite, Inc. from June 2004 until August 2005, and Phosphate Resource Partners Limited Partnership from June 2004 until August 2005. Mr. Chlebowski's extensive leadership and financial expertise, as a result of his position as a former chief executive officer and his service on several boards of companies involved in the restructuring or recovery of their core business, enable him to contribute to the board of directors' significant managerial, strategic, and financial oversight skills. Furthermore, Mr. Chlebowski's service on other public boards, notably as a non-executive Chairman, provides valuable insight into the application of various governance principles to the Company's board of directors.

Brian R. Ford has served as a director since July 2013. Mr. Ford was the Chief Executive Officer of Washington Philadelphia Partners, LP, a real estate investment company, from 2008 through 2010. He retired as a partner from Ernst & Young LLP in June 2008 where he had been employed since 1971. Mr. Ford currently serves on the board of various public companies: GulfMark Offshore, Inc., a global provider of marine transportation, since 2009, where he also serves as the chairman of the audit committee and as a member of the governance nominating committee; AmeriGas Propane, Inc., a propane company, since 2013, where he also serves as a member of its audit committee and corporate governance committee; FS Investment Corporation III, a specialty finance company that invests primarily in the debt securities of private U.S. middle-market companies, since 2013, where he also serves as the chairman of the audit committee. He also serves on the board of Drexel University. Mr. Ford received his B.S. in Economics from Rutgers University. Mr. Ford's extensive experience in accounting and public company matters provides strong financial, audit and accounting skills to the Company's board of directors.

Mauricio Gutierrez has served as Chairman of the board of directors of the Company since May 2016, and a director since the Company's formation in December 2012. Mr. Gutierrez was the Company's Interim President and Chief Executive Officer from December 2015 to May 2016 and the Company's Executive Vice President and Chief Operating Officer from December 2012 to December 2015. Mr. Gutierrez has also served as President and Chief Executive Officer of NRG since December 2015. Prior to December 2015, Mr. Gutierrez was the Executive Vice President and Chief Operating Officer of NRG from July 2010 to December 2015. Mr. Gutierrez has been with NRG since August 2004 and served in multiple executive positions within NRG including Executive Vice President - Commercial Operations of NRG from January 2009 to July 2010 and Senior Vice President - Commercial Operations of NRG from March 2008 to January 2009. Prior to joining NRG in August 2004, Mr. Gutierrez held various commercial positions within Dynegy, Inc. Mr. Gutierrez's knowledge of the Company's assets, operations and businesses bring important experience and skills to the Company's board of directors.

Ferrell P. McClean has served as a director since July 2013. Ms. McClean was a Managing Director and the Senior Advisor to the head of the Global Oil & Gas Group in Investment Banking at J.P. Morgan Chase & Co. from 2000 through the end of 2001. She joined J.P. Morgan & Co. Incorporated in 1969 and founded the Leveraged Buyout and Restructuring Group within the Mergers & Acquisitions Group in 1986. From 1991 until 2000, Ms. McClean was a Managing Director and co-headed the Global Energy Group within the Investment Banking Group at J.P. Morgan & Co. She retired as a director of GrafTech International in 2014, El Paso Corporation in 2012 and Unocal Corporation in 2005. Ms. McClean's experience in investment banking for industrial companies as well as her experience and understanding of financial accounting, finance and disclosure matters enables her to provide essential guidance to the Company's board of directors and management team.

Christopher S. Sotos has served as President and Chief Executive Officer of the Company since May 2016, and as a director since May 2013. Mr. Sotos has also served in various positions at NRG, including most recently as Executive Vice President - Strategy and Mergers and Acquisitions from February 2016 through May 2016 and Senior Vice President - Strategy and Mergers and Acquisitions from November 2012 through February 2016. In this role, he led NRG's corporate strategy, mergers and acquisitions, strategic alliances and other special projects for NRG. Previously, he served as NRG's Senior Vice President and Treasurer from March 2008 to September 2012, where he was responsible for all treasury functions, including raising capital, valuation, debt administration and cash management. Mr. Sotos joined NRG in 2004 as a Senior Finance Analyst, following more than nine years in key financial roles within the energy sector and other industries for Houston-based companies such as Koch Capital Markets, Entergy Wholesale Operations and Service Corporation International. Mr. Sotos also serves on the board of FuelCell Energy, Inc. As President and Chief Executive Officer of the Company, Mr. Sotos provides the Company's Board with management's perspective regarding the Company's day to day operations and overall strategic plan. Mr. Sotos also brings strong financial and accounting skills to the Company's Board.

Executive Officers

Christopher S. Sotos has served as President and Chief Executive Officer of the Company since May 2016, and as a director of the Company since May 2013. For additional biographical information for Mr. Sotos, see above under "Directors."

Chad Plotkin has served as Senior Vice President and Chief Financial Officer of the Company since November 2016. Prior to this appointment, he served in various roles at NRG, most recently serving as Senior Vice President, Finance and Strategy, of NRG since January 2016. Prior to this, he served in varying capacities at NRG, including as Vice President of Investor Relations of both the Company and NRG from September 2015 to January 2016 and from January 2012 to February 2015 and Vice President of Finance of NRG from February 2015 to September 2015. From October 2007 to January 2012, Mr. Plotkin served in various capacities in the Strategy and Mergers and Acquisitions group of NRG, including as Vice President, beginning in December 2010.

David Callen has served as Vice President and Chief Accounting Officer since March 2015. In this capacity, Mr. Callen is responsible for directing the Company's financial accounting and reporting activities. Mr. Callen also has served as Senior Vice President and Chief Accounting Officer of NRG since February 2016 and Vice President and Chief Accounting Officer from March 2015 to February 2016. Prior to this, Mr. Callen served as NRG's Vice President, Financial Planning & Analysis from November 2010 to March 2015. He previously served as Director, Finance from October 2007 through October 2010, Director, Financial Reporting from February 2006 through October 2007, and Manager, Accounting Research from September 2004 through February 2006. Prior to NRG, Mr. Callen was an auditor for KPMG LLP in both New York City and Tel Aviv, Israel, from October 1996 through April 2001.

David R. Hill has served as Executive Vice President and General Counsel since the Company's formation in December 2012. Mr. Hill has served as Executive Vice President and General Counsel of NRG since September 2012. Prior to joining NRG, Mr. Hill was a partner and co-head of Sidley Austin LLP's global energy practice group from February 2009 to August 2012. Prior to joining Sidley Austin, Mr. Hill served as General Counsel of the U.S. Department of Energy from August 2005 to January 2009 and, for the three years prior to that, as Deputy General Counsel for Energy Policy of the U.S. DOE. Prior to his federal government services, Mr. Hill was a partner at major law firms in Washington D.C. and Kansas City, Missouri, and handled a variety of regulatory, litigation and corporate matters.

Code of Ethics

The Company has adopted a code of ethics entitled "NRG Yield Code of Conduct" that applies to directors and officers of the Company. It may be accessed through the "Corporate Governance" section of the Company's website at *http://www.nrgyield.com.* The Company also elects to disclose the information required by Form 8-K, Item 5.05, "Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics," through the Company's website, and such information will remain available on this website for at least a 12-month period. A copy of the "NRG Yield, Inc. Code of Conduct" is available in print to any stockholder who requests it.

Other information required by this Item will be incorporated by reference to the similarly named section of the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

Item 11 — Executive Compensation

Information required by this Item will be incorporated by reference to the similarly named section of the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders - Class A common stock	29,183	$ —	—[1]
Equity compensation plans approved by security holders - Class C common stock	332,340	—	1,627,506
Equity compensation plans not approved by security holders	—	N/A	—
Total	361,523	$ —	1,627,506

[1] Consists of 1,627,506 shares of Class A and Class C common stock issuable under the NRG Yield, Inc. 2013 Equity Incentive Plan. Beginning in May 2015, awards granted and associated dividend equivalent rights will convert to Class C common stock upon vesting.

Other information required by this Item will be incorporated by reference to the similarly named section of the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

Item 13 — Certain Relationships and Related Transactions, and Director Independence

Information required by this Item will be incorporated by reference to the similarly named section of the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

Item 14 — Principal Accounting Fees and Services

Information required by this Item will be incorporated by reference to the similarly named section of the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders.

PART IV

Item 15 — Exhibits, Financial Statement Schedules

(a)(1) Financial Statements

The following consolidated financial statements of NRG Yield, Inc. and related notes thereto, together with the reports thereon of KPMG LLP, are included herein:

Consolidated Statements of Operations — Years ended December 31, 2017, 2016 and 2015

Consolidated Statements of Comprehensive Income — Years ended December 31, 2017, 2016 and 2015

Consolidated Balance Sheets — As of December 31, 2017 and 2016

Consolidated Statements of Cash Flows — Years ended December 31, 2017, 2016 and 2015

Consolidated Statements of Stockholders' Equity — Years ended December 31, 2017, 2016 and 2015

Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

The following schedules of NRG Yield, Inc. are filed as part of Item 15 of this report and should be read in conjunction with the Consolidated Financial Statements:

NRG Yield, Inc. Financial Statements for the years ended December 31, 2017, 2016 and 2015, are included in NRG Yield, Inc.'s Annual Report on Form 10-K pursuant to the requirements of Rule 5-04(c) of Regulation S-X

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore, have been omitted

(a)(3) Exhibits: See Exhibit Index submitted as a separate section of this report

(b) Exhibits

See Exhibit Index submitted as a separate section of this report

(c) Not applicable

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

NRG Yield, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of NRG Yield, Inc. and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive (loss)/income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes and financial statement schedule "Schedule I. Condensed Financial Information of Registrant" (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 1, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

(signed) KPMG LLP

We have served as the Company's auditor since 2012.

Philadelphia, Pennsylvania
March 1, 2018

NRG YIELD, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)	Year ended December 31, 2017	2016 [a]	2015 [a]
Operating Revenues			
Total operating revenues	$ 1,009	$ 1,035	$ 968
Operating Costs and Expenses			
Cost of operations	326	308	323
Depreciation and amortization	334	303	303
Impairment losses	44	185	1
General and administrative	19	16	12
Acquisition-related transaction and integration costs	3	1	3
Total operating costs and expenses	726	813	642
Operating Income	283	222	326
Other Income (Expense)			
Equity in earnings of unconsolidated affiliates	71	60	31
Other income, net	4	3	3
Loss on debt extinguishment	(3)	—	(9)
Interest expense	(306)	(284)	(267)
Total other expense, net	(234)	(221)	(242)
Income Before Income Taxes	49	1	84
Income tax expense (benefit)	72	(1)	12
Net (Loss) Income	(23)	2	72
Less: Pre-acquisition net income (loss) of Drop Down Assets	8	(4)	—
Net (Loss) Income Excluding Pre-acquisition Net Income (Loss) of Drop Down Assets	(31)	6	72
Less: Net (loss) income attributable to noncontrolling interests	(15)	(51)	39
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (16)	$ 57	$ 33
Earnings Per Share Attributable to NRG Yield, Inc. Class A and Class C Common Stockholders			
Weighted average number of Class A common shares outstanding - basic and diluted	35	35	35
Weighted average number of Class C common shares outstanding - basic and diluted	64	63	49
(Loss) Earnings per Weighted Average Class A and Class C Common Share - Basic and Diluted	$ (0.16)	$ 0.58	$ 0.40
Dividends Per Class A Common Share	$ 1.098	$ 0.945	$ 1.015
Dividends Per Class C Common Share	$ 1.098	$ 0.945	$ 0.625

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business.*

See accompanying notes to consolidated financial statements.

NRG YIELD, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

	Year ended December 31,		
	2017	2016 [a]	2015 [a]
(In millions)			
Net (Loss) Income	$ (23)	$ 2	$ 72
Other Comprehensive Income (Loss), net of tax			
Unrealized gain (loss) on derivatives, net of income tax (expense) benefit of ($7), $0, and $10	10	13	(7)
Other comprehensive income (loss)	10	13	(7)
Comprehensive (Loss) Income	(13)	15	65
Less: Pre-acquisition net income (loss) of Drop Down Assets	8	(4)	—
Less: Comprehensive (loss) income attributable to noncontrolling interests	(5)	(37)	50
Comprehensive (Loss) Income Attributable to NRG Yield, Inc.	$ (16)	$ 56	$ 15

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business.*

See accompanying notes to consolidated financial statements.

NRG YIELD, INC.

CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2017	December 31, 2016 [a]
	(In millions)	
Current Assets		
Cash and cash equivalents	$ 148	$ 322
Restricted cash	168	176
Accounts receivable — trade	95	95
Inventory	39	39
Notes receivable — current	13	16
Prepayments and other current assets	19	22
Total current assets	482	670
Property, plant and equipment, net	5,204	5,554
Other Assets		
Equity investments in affiliates	1,178	1,152
Intangible assets, net	1,228	1,303
Deferred income taxes	128	216
Other non-current assets	63	67
Total other assets	2,597	2,738
Total Assets	$ 8,283	$ 8,962
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	$ 306	$ 323
Accounts payable — trade	27	23
Accounts payable — affiliate	48	40
Derivative instruments	17	33
Accrued expenses and other current liabilities	88	86
Total current liabilities	486	505
Other Liabilities		
Long-term debt	5,531	5,726
Accounts payable — affiliate	—	9
Derivative instruments	31	46
Other non-current liabilities	97	77
Total non-current liabilities	5,659	5,858
Total Liabilities	6,145	6,363
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; none issued	—	—
Class A, Class B, Class C and Class D common stock, $0.01 par value; 3,000,000,000 shares authorized (Class A 500,000,000, Class B 500,000,000, Class C 1,000,000,000, Class D 1,000,000,000); 184,780,837 shares issued and outstanding (Class A 34,586,250, Class B 42,738,750, Class C 64,717,087, Class D 42,738,750) at December 31, 2017 and 182,848,000 shares issued and outstanding (Class A 34,586,250, Class B 42,738,750, Class C 62,784,250, Class D 42,738,750) at December 31, 2016	1	1
Additional paid-in capital	1,843	1,879
Accumulated deficit	(69)	(2)
Accumulated other comprehensive loss	(28)	(28)
Noncontrolling interest	391	749
Total Stockholders' Equity	2,138	2,599
Total Liabilities and Stockholders' Equity	$ 8,283	$ 8,962

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2017	2016 [a]	2015 [a]
Cash Flows from Operating Activities		(In millions)	
Net (loss) income	$ (23)	$ 2	$ 72
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in earnings of unconsolidated affiliates	(71)	(60)	(31)
Distributions from unconsolidated affiliates	72	58	60
Depreciation and amortization	334	303	303
Amortization of financing costs and debt discounts	25	20	16
Amortization of intangibles and out-of-market contracts	70	76	55
Loss on debt extinguishment	3	—	9
Change in deferred income taxes	72	(1)	12
Impairment losses	44	185	1
Changes in derivative instruments	(16)	(15)	(44)
Loss on disposal of asset components	16	6	3
Cash provided by (used in) changes in other working capital:			
Changes in prepaid and accrued capacity payments	(4)	(8)	(12)
Changes in other working capital	(6)	11	(19)
Net Cash Provided by Operating Activities	516	577	425
Cash Flows from Investing Activities			
Acquisition of businesses, net of cash acquired	—	—	(37)
Acquisition of Drop Down Assets, net of cash acquired	(250)	(77)	(698)
Capital expenditures	(31)	(20)	(29)
Cash receipts from notes receivable	17	17	17
Return of investment from unconsolidated affiliates	47	28	42
Investments in unconsolidated affiliates	(73)	(83)	(402)
Other	7	4	9
Net Cash Used in Investing Activities	(283)	(131)	(1,098)
Cash Flows from Financing Activities			
Net contributions from noncontrolling interests	13	5	122
Net distributions and return of capital to NRG prior to the acquisition of Drop Down Assets	(20)	(184)	(79)
Proceeds from the issuance of common stock	34	—	599
Payments of dividends and distributions	(202)	(173)	(139)
Proceeds from the revolving credit facility	55	60	551
Payments for the revolving credit facility	—	(366)	(245)
Proceeds from issuance of long-term debt	41	740	293
Payments of debt issuance costs	(4)	(15)	(13)
Payments for long-term debt	(332)	(269)	(735)
Net Cash (Used in) Provided by Financing Activities	(415)	(202)	354
Net (Decrease) Increase in Cash and Cash Equivalents	(182)	244	(319)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	498	254	573
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 316	$ 498	$ 254
Supplemental Disclosures			
Interest paid, net of amount capitalized	$ (297)	$ (271)	$ (279)
Non-cash investing and financing activities:			
Additions to fixed assets for accrued capital expenditures	4	3	3
Decrease to fixed assets for deferred tax asset	—	—	19
Non-cash adjustment for change in tax basis of assets	(20)	44	38
Non-cash return of capital and distributions to NRG, net of contributions	$ (2)	$ 65	$ (9)

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to consolidated financial statements.

NRG YIELD, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Equity
Balances at December 31, 2014 [a]	$ —	$ —	$ 1,240	$ 3	$ (9)	$ 1,610	$ 2,844
Members' equity - Acquired Drop Down Assets	—	—	—	—	—	62	62
Balances at December 31, 2014	—	—	1,240	3	(9)	1,672	2,906
Net income [b]	—	—	—	33	—	39	72
Unrealized (loss) gain on derivatives, net of tax	—	—	—	—	(18)	11	(7)
Payments for January 2015 and November 2015 Drop Down Assets	—	—	—	—	—	(698)	(698)
Distributions and returns of capital to NRG, net of contributions, cash [b]	—	—	—	—	—	(79)	(79)
Distributions and return of capital to NRG, net of contributions, non-cash [b]	—	—	—	—	—	(9)	(9)
Capital contributions from tax equity investors, cash	—	—	—	—	—	122	122
Noncontrolling interest acquired in Spring Canyon acquisition	—	—	—	—	—	74	74
Stock-based compensation	—	—	1	—	—	—	1
Proceeds from the issuance of Class A common stock	—	1	598	—	—	—	599
Non-cash adjustment for change in tax basis of property, plant and equipment	—	—	38	—	—	—	38
Equity portion of the 2020 Convertible Notes	—	—	23	—	—	—	23
Common stock dividends	—	—	(45)	(24)	—	(70)	(139)
Balances at December 31, 2015	$ —	$ 1	$ 1,855	$ 12	$ (27)	$ 1,062	$ 2,903
Net income (loss) [b]	—	—	—	57	—	(51)	6
Pre-acquisition net loss of acquired Drop Down Assets	—	—	—	—	—	(4)	(4)
Unrealized (loss) gain on derivatives, net of tax	—	—	—	—	(1)	14	13
Payment for CVSR Drop Down Asset	—	—	—	—	—	(77)	(77)
Capital contributions from tax equity investors, net of distributions, cash	—	—	—	—	—	5	5
Distributions and return of capital to NRG, net of contributions, cash [b]	—	—	—	—	—	(184)	(184)
Distributions and return of capital to NRG, net of contributions, non-cash [b]	—	—	—	—	—	65	65
Stock-based compensation	—	—	1	—	—	—	1
Non-cash adjustment for change in tax basis of property, plant and equipment	—	—	44	—	—	—	44
Common stock dividends	—	—	(21)	(71)	—	(81)	(173)
Balances as of December 31, 2016	$ —	1	$ 1,879	$ (2)	$ (28)	$ 749	$ 2,599
Net loss	—	—	—	(16)	—	(15)	(31)
Pre-acquisition net income of acquired Drop Down Assets	—	—	—	—	—	8	8
Unrealized gain on derivatives, net of tax	—	—	—	—	—	10	10
Cumulative effect of change in accounting principle	—	—	—	5	—	—	5
Payments for the March 2017, August 2017 and November 2017 Drop Down Assets	—	—	—	—	—	(250)	(250)
August 2017 Drop Down Assets contingent consideration	—	—	—	—	—	(8)	(8)
Capital contributions from tax equity investors, net of distributions, cash	—	—	—	—	—	11	11
Distributions and return of capital to NRG, net of contributions, cash	—	—	—	—	—	(18)	(18)
Distributions and return of capital to NRG, net of contributions, non-cash	—	—	—	—	—	(2)	(2)
Stock-based compensation	—	—	2	—	—	—	2
Proceeds from the issuance of Class C Common Stock	—	—	34	—	—	—	34
Non-cash adjustment for change in tax basis of assets	—	—	(20)	—	—	—	(20)
Common stock dividends	—	—	(52)	(56)	—	(94)	(202)
Balances as of December 31, 2017	$ —	1	$ 1,843	$ (69)	$ (28)	$ 391	$ 2,138

[a] As previously reported in the Company's consolidated financial statements for the year ended December 31, 2016, included in the Company's May 9, 2017 Form 8-K.
[b] Retrospectively adjusted as discussed in Note 1, *Nature of Business.*

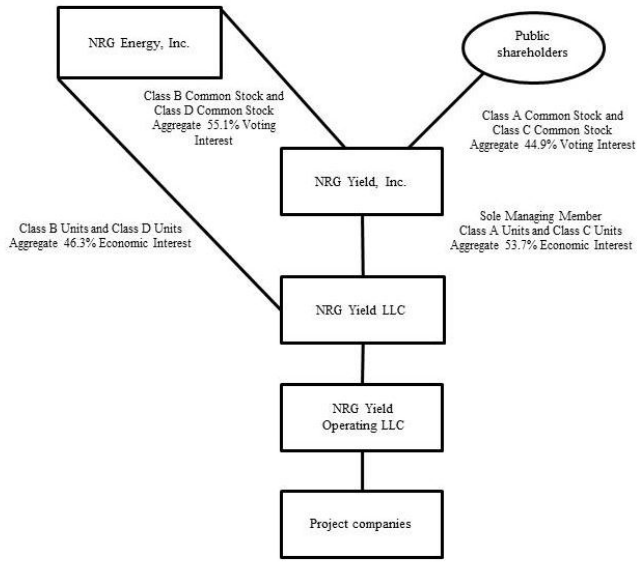
See accompanying notes to consolidated financial statements.

Note 1 — Nature of Business

The Company was formed by NRG as a Delaware corporation on December 20, 2012 and closed its initial public offering on July 22, 2013. In connection with its initial public offering, the Company's shares of Class A common stock began trading on the New York Stock Exchange under the symbol “NYLD.”

The Company is the sole managing member of NRG Yield LLC and operates and controls all of its business and affairs and consolidates the financial results of NRG Yield LLC and its subsidiaries. NRG Yield LLC is a holding company for the companies that directly and indirectly own and operate the Company's business. As a result of the current ownership of the Class B common stock and Class D common stock, NRG continues at the present time to control the Company, and the Company in turn, as the sole managing member of NRG Yield LLC, controls NRG Yield LLC and its subsidiaries.

The following table represents the structure of the Company as of December 31, 2017:



On July 12, 2017, NRG announced that it had adopted and initiated a three-year, three-part improvement plan, or the NRG Transformation Plan. As part of the NRG Transformation Plan, NRG announced that it is exploring strategic alternatives for its renewables platform and its interest in the Company. NRG, through its holdings of Class B common stock and Class D common stock, has a 55.1% voting interest in the Company and receives distributions from NRG Yield LLC through its ownership of Class B units and Class D units.

On February 6, 2018, Global Infrastructure Partners, or GIP, entered into a purchase and sale agreement with NRG, or the NRG Transaction, for the acquisition of NRG's full ownership interests in the Company and NRG's renewable development and operations platform. The NRG Transaction is subject to certain closing conditions, including customary legal and regulatory approvals. The Company expects the NRG Transaction to close in the second half of 2018. NRG is the Company's controlling stockholder and the Company has been highly dependent on NRG for, among other things, growth opportunities and management and administration services. See Part I, Item 1A, *Risk Factors* for risks related to the Strategic Sponsorship with GIP and the Company's relationship with NRG.

As of December 31, 2017, the Company's operating assets are comprised of the following projects:

Projects	Percentage Ownership	Net Capacity (MW) [(a)]	Offtake Counterparty	Expiration
Conventional				
El Segundo	100%	550	Southern California Edison	2023
GenConn Devon	50%	95	Connecticut Light & Power	2040
GenConn Middletown	50%	95	Connecticut Light & Power	2041
Marsh Landing	100%	720	Pacific Gas and Electric	2023
Walnut Creek	100%	485	Southern California Edison	2023
		1,945		
Utility Scale Solar				
Agua Caliente	16%	46	Pacific Gas and Electric	2039
Alpine	100%	66	Pacific Gas and Electric	2033
Avenal	50%	23	Pacific Gas and Electric	2031
Avra Valley	100%	26	Tucson Electric Power	2032
Blythe	100%	21	Southern California Edison	2029
Borrego	100%	26	San Diego Gas and Electric	2038
CVSR	100%	250	Pacific Gas and Electric	2038
Desert Sunlight 250	25%	63	Southern California Edison	2034
Desert Sunlight 300	25%	75	Pacific Gas and Electric	2039
Kansas South	100%	20	Pacific Gas and Electric	2033
Roadrunner	100%	20	El Paso Electric	2031
TA High Desert	100%	20	Southern California Edison	2033
Utah Solar Portfolio[(b)(e)]	50%	265	PacifiCorp	2036
		921		
Distributed Solar				
Apple I LLC Projects	100%	9	Various	2032
AZ DG Solar Projects	100%	5	Various	2025-2033
SPP Projects	100%	25	Various	2026-2037
Other DG Projects	100%	13	Various	2023-2039
		52		
Wind				
Alta I	100%	150	Southern California Edison	2035
Alta II	100%	150	Southern California Edison	2035
Alta III	100%	150	Southern California Edison	2035
Alta IV	100%	102	Southern California Edison	2035
Alta V	100%	168	Southern California Edison	2035
Alta X [(b)]	100%	137	Southern California Edison	2038
Alta XI [(b)]	100%	90	Southern California Edison	2038
Buffalo Bear	100%	19	Western Farmers Electric Co-operative	2033
Crosswinds [(b)(f)]	99%	21	Corn Belt Power Cooperative	2027
Elbow Creek [(b)(f)]	100%	122	NRG Power Marketing LLC	2022
Elkhorn Ridge [(b)(f)]	66.7%	54	Nebraska Public Power District	2029
Forward [(b)(f)]	100%	29	Constellation NewEnergy, Inc.	2022
Goat Wind [(b)(f)]	100%	150	Dow Pipeline Company	2025
Hardin [(b)(f)]	99%	15	Interstate Power and Light Company	2027

Projects	Percentage Ownership	Net Capacity (MW) [a]	Offtake Counterparty	Expiration
Laredo Ridge	100%	80	Nebraska Public Power District	2031
Lookout [b][f]	100%	38	Southern Maryland Electric Cooperative	2030
Odin [b][f]	99.9%	20	Missouri River Energy Services	2028
Pinnacle	100%	55	Maryland Department of General Services and University System of Maryland	2031
San Juan Mesa [b][f]	75%	90	Southwestern Public Service Company	2025
Sleeping Bear [b][f]	100%	95	Public Service Company of Oklahoma	2032
South Trent	100%	101	AEP Energy Partners	2029
Spanish Fork [b][f]	100%	19	PacifiCorp	2028
Spring Canyon II [b]	90.1%	29	Platte River Power Authority	2039
Spring Canyon III [b]	90.1%	25	Platte River Power Authority	2039
Taloga	100%	130	Oklahoma Gas & Electric	2031
Wildorado [b][f]	100%	161	Southwestern Public Service Company	2027
		2,200		
Thermal				
NRG Energy Center Dover LLC	100%	103	NRG Power Marketing LLC	2018
Thermal generation	100%	20	Various	Various
		123		
Total net generation capacity[c]		5,241		
Thermal equivalent MWt[d]	100%	1,319	Various	Various

[a] Net capacity represents the maximum, or rated, generating capacity of the facility multiplied by the Company's percentage ownership in the facility as of December 31, 2017.
[b] Projects are part of tax equity arrangements.
[c] The Company's total generation capacity is net of 6 MWs for noncontrolling interest for Spring Canyon II and III. The Company's generation capacity including this noncontrolling interest was 5,247.
[d] For thermal energy, net capacity represents MWt for steam or chilled water and excludes 134 MWt available under the right-to-use provisions contained in agreements between two of the Company's thermal facilities and certain of its customers.
[e] Represents interests in Four Brothers Solar, LLC, Granite Mountain Holdings, LLC, and Iron Springs Holdings, LLC, all acquired as part of the March 2017 Drop Down Assets acquisition (ownership percentage is based upon cash to be distributed).
[f] Projects are part of NRG Wind TE Holdco portfolio.

In addition to the facilities owned or leased in the table above, the Company entered into partnerships to own or purchase solar power generation projects, as well as other ancillary related assets from a related party via intermediate funds. The Company does not consolidate these partnerships and accounts for them as equity method investments. The Company's net interest in these projects is 247 MW based on cash to be distributed as of December 31, 2017. For further discussions, refer to Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities* to the Consolidated Financial Statements.

Substantially all of the Company's generation assets are under long-term contractual arrangements for the output or capacity from these assets. The thermal assets are comprised of district energy systems and combined heat and power plants that produce steam, hot water and/or chilled water and, in some instances, electricity at a central plant. Certain district energy systems are subject to rate regulation by state public utility commissions (although they may negotiate certain rates) while the other district energy systems have rates determined by negotiated bilateral contracts.

As described in Note 15, *Related Party Transactions* to the Consolidated Financial Statements, the Company has a management services agreement with NRG for various services, including human resources, accounting, tax, legal, information systems, treasury, and risk management.

Stockholders' equity represents the equity associated with the Class A and Class C common stockholders, the equity associated with the Class B and Class D common stockholder, NRG, and the third-party interests under certain tax equity arrangements are classified as noncontrolling interest.

During the years ending December 31, 2017 and 2016, the Company completed four acquisitions of Drop Down Assets from NRG. The accounting guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect from the beginning of the financial statement period or from the date the entities were under common control (if later than the beginning of the financial statement period). For further discussion, see Note 3, *Business Acquisitions* to the Consolidated Financial Statements.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's consolidated financial statements have been prepared in accordance with GAAP. The ASC is the source of authoritative GAAP to be applied by nongovernmental entities. In addition, the rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants.

The consolidated financial statements include the Company's accounts and operations and those of its subsidiaries in which it has a controlling interest. All significant intercompany transactions and balances have been eliminated in consolidation. The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity. However, a controlling financial interest may also exist through arrangements that do not involve controlling voting interests. As such, the Company applies the guidance of ASC 810, *Consolidations*, or ASC 810, to determine when an entity that is insufficiently capitalized or not controlled through its voting interests, referred to as a variable interest entity, or VIE, should be consolidated.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less at the time of purchase. Cash and cash equivalents held at project subsidiaries was $124 million and $111 million as of December 31, 2017 and 2016, respectively.

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	Year Ended December 31,		
	2017	2016	2015
	(In millions)		
Cash and cash equivalents	$ 148	$ 322	$ 111
Restricted cash	168	176	143
Cash, cash equivalents and restricted cash shown in the statement of cash flows	316	498	254

Restricted cash consists primarily of funds held to satisfy the requirements of certain debt agreements and funds held within the Company's projects that are restricted in their use. Of these funds as of December 31, 2017, approximately $25 million is designated for current debt service payments, $25 million is designated to fund operating expenses and $36 million is designated for distributions to the Company, with the remaining $82 million restricted for reserves including debt service, performance obligations and other reserves, as well as capital expenditures.

Trade Receivables and Allowance for Doubtful Accounts

Trade receivables are reported on the balance sheet at the invoiced amount adjusted for any write-offs and the allowance for doubtful accounts. The allowance for doubtful accounts is reviewed periodically based on amounts past due and significance. The allowance for doubtful accounts was immaterial as of December 31, 2017 and 2016.

Inventory

Inventory consists principally of spare parts and fuel oil. Spare parts inventory is valued at weighted average cost, unless evidence indicates that the weighted average cost will not be recovered with a normal profit in the ordinary course of business. Fuel oil inventory is valued at the lower of weighted average cost or market. The Company removes fuel inventories as they are used in the production of steam, chilled water or electricity. Spare parts inventory are removed when they are used for repairs, maintenance or capital projects.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or, in the case of third party business acquisitions, fair value; however impairment adjustments are recorded whenever events or changes in circumstances indicate that their carrying values may not be recoverable. See Note 3, *Business Acquisitions* for more information on acquired property, plant and equipment. Significant additions or improvements extending asset lives are capitalized as incurred, while repairs and maintenance that do not improve or extend the life of the respective asset are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives. Certain assets and their related accumulated depreciation amounts are adjusted for asset retirements and disposals with the resulting gain or loss included in cost of operations in the consolidated statements of operations. For further discussion of the Company's property, plant and equipment refer to Note 4, *Property, Plant and Equipment* to the Consolidated Financial Statements.

Asset Impairments

Long-lived assets that are held and used are reviewed for impairment whenever events or changes in circumstances indicate carrying values may not be recoverable. Such reviews are performed in accordance with ASC 360. An impairment loss is indicated if the total future estimated undiscounted cash flows expected from an asset are less than its carrying value. An impairment charge is measured by the difference between an asset's carrying amount and fair value with the difference recorded in operating costs and expenses in the statements of operations. Fair values are determined by a variety of valuation methods, including appraisals, sales prices of similar assets and present value techniques. For further discussion of the Company's long-lived asset impairments, refer to Note 9, *Asset Impairments* to the Consolidated Financial Statements.

Investments accounted for by the equity method are reviewed for impairment in accordance with ASC 323, *Investments-Equity Method and Joint Ventures*, which requires that a loss in value of an investment that is an other-than-temporary decline should be recognized. The Company identifies and measures losses in the value of equity method investments based upon a comparison of fair value to carrying value.

Debt Issuance Costs

Debt issuance costs are capitalized and amortized as interest expense on a basis which approximates the effective interest method over the term of the related debt. Debt issuance costs related to the long term debt are presented as a direct deduction from the carrying amount of the related debt in both the current and prior periods. Debt issuance costs related to the senior secured revolving credit facility line of credit are recorded as a non-current asset on the balance sheet and are amortized over the term of the credit facility.

Intangible Assets

Intangible assets represent contractual rights held by the Company. The Company recognizes specifically identifiable intangible assets including power purchase agreements, leasehold improvements, customer relationships, customer contracts, and development rights when specific rights and contracts are acquired. These intangible assets are amortized primarily on a straight-line basis. For further discussion of the Company's intangible assets, refer to Note 8, *Intangible Assets* to the Consolidated Financial Statements.

Notes Receivable

Notes receivable consist of receivables related to the financing of required network upgrades. The notes issued with respect to network upgrades will be repaid within a 5-year period following the date each facility reached commercial operations.

Income Taxes

The Company accounts for income taxes using the liability method in accordance with ASC 740, *Income Taxes*, or ASC 740, which requires that the Company use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences.

The Company has two categories of income tax expense or benefit — current and deferred, as follows:

- Current income tax expense or benefit consists solely of current taxes payable less applicable tax credits, and
- Deferred income tax expense or benefit is the change in the net deferred income tax asset or liability, excluding amounts charged or credited to accumulated other comprehensive income.

The Company reports some of its revenues and expenses differently for financial statement purposes than for income tax return purposes, resulting in temporary and permanent differences between the Company's financial statements and income tax returns. The tax effects of such temporary differences are recorded as either deferred income tax assets or deferred income tax liabilities in the Company's consolidated balance sheets. The Company measures its deferred income tax assets and deferred income tax liabilities using income tax rates that are currently in effect. The Company believes it is more likely than not that the results of future operations will generate sufficient taxable income which includes the future reversal of existing taxable temporary differences to realize deferred tax assets, net of valuation allowances. In arriving at this conclusion to utilize projections of future profit before tax in its estimate of future taxable income, including the impact of the Tax Cuts and Jobs Act, the Company considered the profit before tax generated in recent years. A valuation allowance is recorded to reduce the net deferred tax assets to an amount that is more-likely-than-not to be realized.

The Company accounts for uncertain tax positions in accordance with ASC 740, which applies to all tax positions related to income taxes. Under ASC 740, tax benefits are recognized when it is more-likely-than-not that a tax position will be sustained upon examination by the authorities. The benefit recognized from a position that has surpassed the more-likely-than-not threshold is the largest amount of benefit that is more than 50% likely to be realized upon settlement. The Company recognizes interest and penalties accrued related to uncertain tax benefits as a component of income tax expense.

In accordance with ASC 740 and as discussed further in Note 14, *Income Taxes*, changes to existing net deferred tax assets or valuation allowances or changes to uncertain tax benefits, are recorded to income tax expense.

NRG Yield, Inc. is included in certain NRG consolidated unitary state tax return filings which is reflected in NRG Yield, Inc.'s state effective tax rate. If NRG Yield, Inc. filed under a separate standalone methodology, there would be an additional state tax expense of approximately $1 million as of December 31, 2017 due to a change in the NRG Yield, Inc. state effective tax rate.

Revenue Recognition

Thermal Revenues

Steam and chilled water revenue is recognized based on customer usage as determined by meter readings taken at month-end. Some locations read customer meters throughout the month, and recognize estimated revenue for the period between meter read date and month-end. The Thermal Business subsidiaries collect and remit state and local taxes associated with sales to their customers, as required by governmental authorities. These taxes are presented on a net basis in the income statement.

Power Purchase Agreements, or PPAs

The majority of the Company’s revenues are obtained through PPAs or other contractual agreements, which are accounted for as operating leases under ASC 840. ASC 840 requires the minimum lease payments received to be amortized over the term of the lease and contingent rentals are recorded when the achievement of the contingency becomes probable. Judgment is required by management in determining the economic life of each generating facility, in evaluating whether certain lease provisions constitute minimum payments or represent contingent rent and other factors in determining whether a contract contains a lease and whether the lease is an operating lease or capital lease.

Certain of these leases have no minimum lease payments and all of the rental income under these leases is recorded as contingent rent on an actual basis when the electricity is delivered. The contingent rental income recognized in the years ended December 31, 2017, 2016, and 2015 was $559 million, $583 million, and $443 million, respectively. These balances include intercompany revenue for Elbow Creek of $8 million for each of the years ended December 31, 2017 and 2016, as further discussed in Note 15 *Related Party Transactions*.

Derivative Financial Instruments

The Company accounts for derivative financial instruments under ASC 815, *Derivatives and Hedging*, or ASC 815, which requires the Company to record all derivatives on the balance sheet at fair value unless they qualify for a NPNS exception. Changes in the fair value of non-hedge derivatives are immediately recognized in earnings. Changes in the fair value of derivatives accounted for as hedges, if elected for hedge accounting, are either:

- Recognized in earnings as an offset to the changes in the fair value of the related hedged assets, liabilities and firm commitments; or
- Deferred and recorded as a component of accumulated OCI until the hedged transactions occur and are recognized in earnings.

The Company's primary derivative instruments are power purchase or sale contracts used to mitigate variability in earnings due to fluctuations in market prices, fuels purchase contracts used to control customer reimbursable fuel cost, and interest rate instruments used to mitigate variability in earnings due to fluctuations in interest rates. On an ongoing basis, the Company assesses the effectiveness of all derivatives that are designated as hedges for accounting purposes in order to determine that each derivative continues to be highly effective in offsetting changes in fair values or cash flows of hedged items. Internal analyses that measure the statistical correlation between the derivative and the associated hedged item determine the effectiveness of such a contract designated as a hedge. If it is determined that the derivative instrument is not highly effective as a hedge, hedge accounting will be discontinued prospectively. In this case, the gain or loss previously deferred in accumulated OCI would be frozen until the underlying hedged item is delivered unless the transaction being hedged is no longer probable of occurring in which case the amount in OCI would be immediately reclassified into earnings. If the derivative instrument is terminated, the effective portion of this derivative deferred in accumulated OCI will be frozen until the underlying hedged item is delivered.

Revenues and expenses on contracts that qualify for the NPNS exception are recognized when the underlying physical transaction is delivered. While these contracts are considered derivative financial instruments under ASC 815, they are not recorded at fair value, but on an accrual basis of accounting. If it is determined that a transaction designated as NPNS no longer meets the scope exception, the fair value of the related contract is recorded on the balance sheet and immediately recognized through earnings.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable, notes receivable and derivative instruments, which are concentrated within entities engaged in the energy and financial industry. These industry concentrations may impact the overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic, industry or other conditions. In addition, many of the Company's projects have only one customer. However, the Company believes that the credit risk posed by industry concentration is offset by the diversification and creditworthiness of its customer base. See Note 6, *Fair Value of Financial Instruments* for a further discussion of derivative concentrations and Note 13, *Segment Reporting*, for concentration of counterparties.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, restricted cash, accounts receivable, accounts receivable - affiliate, accounts payable, current portion of account payable - affiliate, and accrued expenses and other current liabilities approximate fair value because of the short-term maturity of these instruments. See Note 6, *Fair Value of Financial Instruments*, for a further discussion of fair value of financial instruments.

Asset Retirement Obligations

Asset retirement obligations, or AROs, are accounted for in accordance with ASC 410-20, *Asset Retirement Obligations*, or ASC 410-20. Retirement obligations associated with long-lived assets included within the scope of ASC 410-20 are those for which a legal obligation exists under enacted laws, statutes, and written or oral contracts, including obligations arising under the doctrine of promissory estoppel, and for which the timing and/or method of settlement may be conditional on a future event. ASC 410-20 requires an entity to recognize the fair value of a liability for an ARO in the period in which it is incurred and a reasonable estimate of fair value can be made.

Upon initial recognition of a liability for an ARO, the asset retirement cost is capitalized by increasing the carrying amount of the related long-lived asset by the same amount. Over time, the liability is accreted to its future value, while the capitalized cost is depreciated over the useful life of the related asset. The Company's AROs are primarily related to the future dismantlement of equipment on leased property and environmental obligations related to site closures and fuel storage facilities. The Company records AROs as part of other non-current liabilities on its balance sheet.

The following table represents the balance of ARO obligations as of December 31, 2017 and 2016, along with the additions and accretion related to the Company's ARO obligations for the year ended December 31, 2017:

	(In millions)
Balance as of December 31, 2016	$ 49
Revisions in estimates for current obligations/Additions	2
Accretion — expense	4
Balance as of December 31, 2017	$ 55

Guarantees

The Company enters into various contracts that include indemnification and guarantee provisions as a routine part of its business activities. Examples of these contracts include operation and maintenance agreements, service agreements, commercial sales arrangements and other types of contractual agreements with vendors and other third parties, as well as affiliates. These contracts generally indemnify the counterparty for tax, environmental liability, litigation and other matters, as well as breaches of representations, warranties and covenants set forth in these agreements. Because many of the guarantees and indemnities the Company issues to third parties and affiliates do not limit the amount or duration of its obligations to perform under them, there exists a risk that the Company may have obligations in excess of the amounts agreed upon in the contracts mentioned above. For those guarantees and indemnities that do not limit the liability exposure, the Company may not be able to estimate what the liability would be, until a claim is made for payment or performance, due to the contingent nature of these contracts.

Investments Accounted for by the Equity Method

The Company has investments in various energy projects accounted for by the equity method, several of which are VIEs, where the Company is not a primary beneficiary, as described in Note 5, *Investments Accounted for by the Equity Method and Variable Interest Entities*. The equity method of accounting is applied to these investments in affiliates because the ownership structure prevents the Company from exercising a controlling influence over the operating and financial policies of the projects. Under this method, equity in pre-tax income or losses of the investments is reflected as equity in earnings of unconsolidated affiliates. Distributions from equity method investments that represent earnings on the Company's investment are included within cash flows from operating activities and distributions from equity method investments that represent a return of the Company's investment are included within cash flows from investing activities.

Sale Leaseback Arrangements

The Company is party to sale-leaseback arrangements that provide for the sale of certain assets to a third party and simultaneous leaseback to the Company. In accordance with ASC 840-40, *Sale-Leaseback Transactions*, if the seller-lessee retains, through the leaseback, substantially all of the benefits and risks incident to the ownership of the property sold, the sale-leaseback transaction is accounted for as a financing arrangement. An example of this type of continuing involvement would include an option to repurchase the assets or the buyer-lessor having the option to sell the assets back to the Company. This provision is included in most of the Company’s sale-leaseback arrangements. As such, the Company accounts for these arrangements as financings.

Under the financing method, the Company does not recognize as income any of the sale proceeds received from the lessor that contractually constitutes payment to acquire the assets subject to these arrangements. Instead, the sale proceeds received are accounted for as financing obligations and leaseback payments made by the Company are allocated between interest expense and a reduction to the financing obligation. Interest on the financing obligation is calculated using the Company’s incremental borrowing rate at the inception of the arrangement on the outstanding financing obligation. Judgment is required to determine the appropriate borrowing rate for the arrangement and in determining any gain or loss on the transaction that would be recorded either at the end of or over the lease term.

Business Combinations

The Company accounts for its business combinations in accordance with ASC 805, *Business Combinations*, or ASC 805. For third party acquisitions, ASC 805 requires an acquirer to recognize and measure in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at fair value at the acquisition date. It also recognizes and measures the goodwill acquired or a gain from a bargain purchase in the business combination and determines what information to disclose to enable users of an entity's financial statements to evaluate the nature and financial effects of the business combination. In addition, transaction costs are expensed as incurred. For acquisitions that relate to entities under common control, ASC 805 requires retrospective combination of the entities for all periods presented as if the combination has been in effect from the beginning of the financial statement period of from the date the entities were under common control (if later than the beginning of the financial statement period). The difference between the cash paid and historical value of the entities' equity is recorded as a distribution/contribution from/to NRG with the offset to noncontrolling interest. Transaction costs are expensed as incurred.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions. These estimates and assumptions impact the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amounts of net earnings during the reporting periods. Actual results could be different from these estimates.

In recording transactions and balances resulting from business operations, the Company uses estimates based on the best information available. Estimates are used for such items as plant depreciable lives, tax provisions, uncollectible accounts, environmental liabilities, acquisition accounting and legal costs incurred in connection with recorded loss contingencies, among others. In addition, estimates are used to test long-lived assets for impairment and to determine the fair value of impaired assets. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Tax Equity Arrangements

Certain portions of the Company’s noncontrolling interests in subsidiaries represent third-party interests in the net assets under certain tax equity arrangements, which are consolidated by the Company, that have been entered into to finance the cost of wind facilities eligible for certain tax credits. Additionally, certain portions of the Company’s investments in unconsolidated affiliates reflect the Company’s interests in tax equity arrangements, that are not consolidated by the Company, that have been entered into to finance the cost of distributed solar energy systems under operating leases or PPAs eligible for certain tax credits. The Company has determined that the provisions in the contractual agreements of these structures represent substantive profit sharing arrangements. Further, the Company has determined that the appropriate methodology for calculating the noncontrolling interest and investment in unconsolidated affiliates that reflects the substantive profit sharing arrangements is a balance sheet approach utilizing the hypothetical liquidation at book value, or HLBV, method. Under the HLBV method, the amounts reported as noncontrolling interests and investment in unconsolidated affiliates represent the amounts the investors to the tax equity arrangements would hypothetically receive at each balance sheet date under the liquidation provisions of the contractual agreements, assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The investors’ interests in the results of operations of the funding structures are determined as the difference in noncontrolling interests and investment in unconsolidated affiliates at the start and end of each reporting period, after taking into account any capital transactions between the structures and the funds’ investors. The calculations utilized to apply the HLBV method include estimated calculations of taxable income or losses for each reporting period.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes.

Recent Accounting Developments - Adopted in 2017

ASU 2018-02 — In February 2018, the FASB issued ASU No. 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, or ASU No. 2018-02. Prior to ASU 2018-02, GAAP required the remeasurement of deferred tax assets and liabilities as a result of a change in tax laws or rates to be presented in net income from continuing operations, even in situations in which the related income tax effects of items in accumulated other comprehensive income were originally recognized in other comprehensive income. As a result, such items, referred to as stranded tax effects, did not reflect the appropriate tax rate. Under ASU No. 2018-02, entities are permitted, but not required, to reclassify from accumulated other comprehensive income to retained earnings those stranded tax effects resulting from the Tax Act. ASU No. 2018-02 is effective for all entities for fiscal years beginning after December 15, 2018, and interim

periods within those fiscal years. Early adoption is permitted. The Company adopted the new standard effective December 31, 2017. As a result of the adoption, the Company reclassified $5 million from accumulated other comprehensive loss to retained earnings in the consolidated balance sheets as of December 31, 2017.

ASU 2017-12 — In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815)*, Targeted Improvements to Accounting for Hedging Activities, or ASU No. 2017-12. ASU No. 2017-12 amends ASU No. 2016-15. The amendments of ASU No. 2016-15 were issued to simplify the application of hedge accounting guidance and more closely aligning financial reporting for hedging relationships with economic results of an entity's risk management activities. The issues addressed by ASU No. 2017-12 include but are not limited to alignment of risk management activities and financial reporting, risk component hedging, accounting for the hedged item in fair value hedges of interest rate risk, recognition and presentation of the effects of hedging instruments, amounts excluded from the assessment of hedge effectiveness, and other simplifications of hedge accounting guidance. The amendments of ASU No. 2017-12 are effective for fiscal years beginning after December 15, 2018, and interim periods therein. Early adoption is permitted in any interim period and the effect of the adoption should be reflected as of the beginning of the fiscal year of adoption. The Company early adopted ASU No. 2017-12 during the fourth quarter 2017. The adoption of ASU No. 2017-12 did not have a material impact on our consolidated results of operations, cash flows, and statement of financial position.

ASU 2016-18 — In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230)*, Restricted Cash, or ASU No. 2016-18. The amendments of ASU No. 2016-18 require an entity to include amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. The amendments of ASU No. 2016-18 are effective for annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted and the adoption of ASU No. 2016-18 will be applied retrospectively. The Company early adopted ASU No. 2016-18 during the second quarter of 2017. Net cash flows used in investing activities for the year ended December 31, 2016 decreased by $33 million. The sum of Company's cash and cash equivalents and restricted cash reported within the consolidated balance sheet as of December 31, 2016 equals the beginning balances of cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows for the year ended December 31, 2017. The sum of Company's cash and cash equivalents and restricted cash reported within the consolidated balance sheet as of December 31, 2017 equals to the ending balances of cash, cash equivalents and restricted cash shown in the consolidated statement of cash flows for the year ended December 31, 2017.

Recent Accounting Developments - Not Yet Adopted

ASU 2016-02 — In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), or Topic 842, with the objective to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and to improve financial reporting by expanding the related disclosures. The guidance in Topic 842 provides that a lessee that may have previously accounted for a lease as an operating lease under current GAAP should recognize the assets and liabilities that arise from a lease on the balance sheet. In addition, Topic 842 expands the required quantitative and qualitative disclosures with regards to lease arrangements. The Company will adopt the standard effective January 1, 2019 and expects to elect certain of the practical expedients permitted, including the expedient that permits the Company to retain its existing lease assessment and classification. The Company is currently working through an adoption plan and evaluating the anticipated impact on the Company's results of operations, cash flows and financial position. While the Company is currently evaluating the impact the new guidance will have on its financial position and results of operations, the Company expects to recognize lease liabilities and right of use assets. The extent of the increase to assets and liabilities associated with these amounts remains to be determined pending the Company’s review of its existing lease contracts and service contracts which may contain embedded leases. While this review is still in process, the Company believes the adoption of Topic 842 may be material to its financial statements. The Company is continuing to monitor potential changes to Topic 842 that have been proposed by the FASB and will assess any necessary changes to the implementation as the guidance is updated.

ASU 2014-09 — In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, or Topic 606, which was further amended through various updates issued by the FASB thereafter. The amendments of ASU No. 2014-09 completed the joint effort between the FASB and the IASB, to develop a common revenue standard for GAAP and IFRS, and to improve financial reporting. The guidance under Topic 606 provides that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for the goods or services provided and establishes a five step model to be applied by an entity in evaluating its contracts with customers. The Company has elected the practical expedient available under Topic 606 for measuring progress toward complete satisfaction of a performance obligation and for disclosure requirements of remaining performance obligations. The practical expedient allows an entity to recognize revenue in the amount to which the entity has the right to invoice such that the entity has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date by the entity. The majority of the Company's revenues are obtained through PPAs, which are currently accounted for as operating leases. In connection with the implementation of Topic 842, as described above, the Company expects to elect

certain of the practical expedients permitted, including the expedient that permits the Company to retain its existing lease assessment and classification. The Company adopted the standard effective January 1, 2018 under the modified retrospective transition method. As leases are excluded from the scope of Topic 606, the adoption of Topic 606 at the date of initial application will not have a material impact on the Company's financial statements. The adoption of Topic 606 also includes additional disclosure requirements beginning in the first quarter of 2018. As a significant portion of the Company's revenue is generated through operating leases, the majority of the new required disclosures will not be relevant or material to the Company.

Note 3 — Business Acquisitions

2017 Acquisitions

November 2017 Drop Down Assets — On November 1, 2017, the Company acquired a 38 MW solar portfolio primarily comprised of assets from NRG's Solar Power Partners (SPP) funds and other projects developed by NRG, for cash consideration of $74 million, including working capital adjustments of $3 million, plus assumed non-recourse debt of $26 million.

The purchase price for the November 2017 Drop Down Assets was funded with cash on hand. The assets and liabilities transferred to the Company relate to interests under common control by NRG and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid and historical value of the entities' equity was recorded as a contribution from NRG and increased the balance of its noncontrolling interest. Because the transaction constituted a transfer of net assets under common control, the guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control.

The following is a summary of assets and liabilities transferred in connection with the acquisition of the November 2017 Drop Down Assets as of November 1, 2017:

	(In millions)
Assets:	
Current assets	$ 7
Property, plant and equipment	83
Non-current assets	12
Total assets	102
Liabilities:	
Debt (Current and non-current) [(a)]	23
Other current and non-current liabilities	3
Total liabilities assumed	26
Net assets acquired	$ 76

[(a)] Net of $3 million of net debt issuance costs.

The following tables present a summary of the Company's historical information combining the financial information for the November 2017 Drop Down Assets transferred in connection with the acquisition:

	Year ended December 31, 2016			Year ended December 31, 2015		
(In millions)	As Previously Reported [(a)]	November 2017 Drop Down Assets	As Currently Reported	As Previously Reported [(a)]	November 2017 Drop Down Assets	As Currently Reported
Total operating revenues	$ 1,021	$ 14	$ 1,035	$ 953	$ 15	$ 968
Operating income	218	4	222	320	6	326
Net income	2	—	2	70	2	72

[(a)] As previously reported in the May 9, 2017 Form 8-K filed in connection with the March 2017 Drop Down completed on March 27, 2017.

(In millions)	As of December 31, 2016		
	As Previously Reported [a]	November 2017 Drop Down Assets	As Currently Reported
Assets:			
Current assets	$ 656	$ 14	$ 670
Property, plant and equipment	5,460	94	5,554
Non-current assets	2,720	18	2,738
Total assets	8,836	126	8,962
Liabilities:			
Debt	5,987	62	6,049
Other current and non-current liabilities	310	4	314
Total liabilities	6,297	66	6,363
Net assets	$ 2,539	$ 60	$ 2,599

[a] As previously reported in the May 9, 2017 Form 8-K filed in connection with the March 2017 Drop Down completed on March 27, 2017.

Since the acquisition date, the November 2017 Drop Down Assets have contributed $1 million in operating revenues to the Company.

August 2017 Drop Down Assets — On August 1, 2017, the Company acquired the remaining 25% interest in NRG Wind TE Holdco, a portfolio of 12 wind projects, from NRG for total cash consideration of $44 million, including working capital adjustment of $3 million. The purchase agreement also included potential additional payments to NRG dependent upon actual energy prices for merchant periods beginning in 2027, which were estimated and accrued as contingent consideration in the amount of $8 million as of September 30, 2017.

The Company originally acquired 75% of NRG Wind TE Holdco on November 3, 2015, or November 2015 Drop Down Assets, which were consolidated with 25% of the net assets recorded as noncontrolling interest. The assets and liabilities transferred to the Company related to interests under common control by NRG and were recorded at historical cost in accordance with ASC 805-50, *Business Combination - Related Issues.* As the Company had reflected NRG's 25% ownership of NRG Wind TE Holdco in noncontrolling interest, the difference between the cash paid of $44 million, net of the contingent consideration of $8 million, and the historical value of the remaining 25% of $87 million as of July 31, 2017, was recorded as an adjustment to NRG's noncontrolling interest. Since the transaction constituted a transfer of entities under common control, the accounting guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect from the beginning of the financial statement period or from the date the entities were under common control (if later than the beginning of the financial statement period).

The Class A interests of NRG Wind TE Holdco are owned by a tax equity investor, or TE Investor, who receives 99% of allocations of taxable income and other items until the flip point, which occurs when the TE Investor obtains a specified return on its initial investment, at which time the allocations to the TE Investor change to 8.53%. The Company generally receives 100% of CAFD until the flip point, at which time the allocations to the Company of CAFD change to 91.47%. If the flip point has not occurred by a specified date, 100% of CAFD is allocated to the TE Investor until the flip point occurs. NRG Wind TE Holdco is a VIE and the Company is the primary beneficiary, through its position as managing member, and consolidates NRG Wind TE Holdco.

March 2017 Drop Down Assets — On March 27, 2017, the Company acquired the following interests from NRG: (i) Agua Caliente Borrower 2 LLC, which owns a 16% interest (approximately 31% of NRG's 51% interest) in the Agua Caliente solar farm, one of the ROFO Assets, representing ownership of approximately 46 net MW of capacity and (ii) NRG's interests in the Utah Solar Portfolio. Agua Caliente is located in Yuma County, AZ and sells power subject to a 25-year PPA with Pacific Gas and Electric, with 22 years remaining on that contract. The seven utility-scale solar farms in the Utah Solar Portfolio are owned by the following entities: Four Brothers Capital, LLC, Iron Springs Capital, LLC, and Granite Mountain Capital, LLC. These utility-scale solar farms achieved commercial operations in 2016, sell power subject to 20-year PPAs with PacifiCorp, a subsidiary of Berkshire Hathaway and are part of a tax equity structure with Dominion Solar Projects III, Inc., or Dominion, through which the Company is entitled to receive 50% of cash to be distributed, as further described below. The Company paid cash consideration of $132 million, including $2 million of working capital. The acquisition of the March 2017 Drop Down Assets was funded with cash on hand. The Company recorded the acquired interests as equity method investments. The Company also assumed non-recourse debt of $41 million and $287 million on Agua Caliente Borrower 2 LLC and the Utah Solar Portfolio, respectively, as

further described in Note 10, *Long-term Debt*, as well as its pro-rata share of non-recourse project-level debt of Agua Caliente Solar LLC.

The assets and liabilities transferred to the Company relate to interests under common control by NRG and were recorded at historical cost in accordance with ASC 805-50, *Business Combination - Related Issues.* The difference between the cash paid and the historical value of the entities' equity of $8 million was recorded as an adjustment to NRG's noncontrolling interest. Since the transaction constituted a transfer of entities under common control, the accounting guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect from the beginning of the financial statement period or from the date the entities were under common control (if later than the beginning of the financial statement period). Accordingly, in connection with the retrospective adjustment of prior periods, the Company adjusted its financial statements to reflect its results of operations, financial position and cash flows as if it recorded its interests in the Agua Caliente Borrower 2 LLC on January 1, 2016, and its interests in the Utah Solar Portfolio on November 2, 2016.

The following is a summary of assets and liabilities transferred in connection with the acquisition of the March 2017 Drop Down Assets as of March 27, 2017:

	(In millions)
Assets:	
Cash	$ 6
Equity investment in projects	456
Total assets acquired	462
Liabilities:	
Debt (Current and non-current) [(a)]	320
Other current and non-current liabilities	3
Total liabilities assumed	323
Net assets acquired	$ 139

[(a)] Net of $8 million of debt issuance costs.

2016 Acquisitions

CVSR Drop Down — Prior to September 1, 2016, the Company had a 48.95% interest in CVSR, which was accounted for as an equity method investment. On September 1, 2016, the Company acquired from NRG the remaining 51.05% interest of CVSR Holdco LLC, which indirectly owns the CVSR solar facility, or the CVSR Drop Down, for total cash consideration of $78.5 million, plus an immaterial working capital adjustment. The acquisition was funded with cash on hand. The Company also assumed additional debt of $496 million, which represents 51.05% of the CVSR project level debt and 51.05% of the notes issued under the CVSR Holdco Financing Agreement, as of the closing date. The acquisition was funded with cash on hand.

The assets and liabilities transferred to the Company relate to interests under common control by NRG and were recorded at historical cost in accordance with ASC 805-50, *Business Combinations - Related Issues*. The difference between the cash paid and historical value of the CVSR Drop Down of $112 million, as well as $6 million of AOCL, was recorded as a distribution to NRG with the offset to noncontrolling interest. Because the transaction constituted a transfer of net assets under common control, the guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect since the inception of common control. In connection with the retrospective adjustment of prior periods, the Company now consolidates CVSR and 100% of its debt, consisting of $771 million of project level debt and $200 million of notes issued under the CVSR Holdco Financing Agreement as of September 1, 2016. In addition, the Company has removed the equity method investment from all prior periods and adjusted its financial statements to reflect its results of operations, financial position and cash flows as if it had consolidated CVSR from the beginning of the financial statement period.

2015 Acquisitions

November 2015 Drop Down Assets from NRG — On November 3, 2015, the Company acquired the November 2015 Drop Down Assets, a portfolio of 12 wind facilities totaling 814 net MW, from NRG for cash consideration of $207 million. The Company was responsible for its pro-rata share of non-recourse project debt of $193 million and noncontrolling interest associated with a tax equity structure of $159 million (as of the acquisition date).

The Company funded the acquisition with borrowings from its revolving credit facility. The assets and liabilities transferred to the Company relate to interests under common control by NRG and were recorded at historical cost. The difference between the cash paid and historical value of the entities' equity was recorded as a distribution from NRG with the offset to noncontrolling interest.

Desert Sunlight — On June 29, 2015, the Company acquired 25% of the membership interest in Desert Sunlight Investment Holdings, LLC, which owns two solar photovoltaic facilities that total 550 MW, located in Desert Center, California from EFS Desert Sun, LLC, an affiliate of GE Energy Financial Services for a purchase price of $285 million. Power generated by the facilities is sold to Southern California Edison and Pacific Gas and Electric under long-term PPAs with approximately 20 years and 25 years of remaining contract life, respectively. The Company accounts for its 25% investment as an equity method investment.

Spring Canyon — On May 7, 2015, the Company acquired a 90.1% interest in Spring Canyon II, a 32 MW wind facility, and Spring Canyon III, a 28 MW wind facility, each located in Logan County, Colorado, from Invenergy Wind Global LLC. The purchase price was funded with cash on hand. Power generated by Spring Canyon II and Spring Canyon III is sold to Platte River Power Authority under long-term PPAs, each with approximately 24 years of remaining contract life.

University of Bridgeport Fuel Cell — On April 30, 2015, the Company completed the acquisition of the University of Bridgeport Fuel Cell project in Bridgeport, Connecticut from FuelCell Energy, Inc. The project added an additional 1.4 MW of thermal capacity to the Company's portfolio, with a 12-year contract, with the option for a 7-year extension. The acquisition is reflected in the Company's Thermal segment.

January 2015 Drop Down Assets from NRG — On January 2, 2015, the Company acquired the following projects from NRG: (i) Laredo Ridge, an 80 MW wind facility located in Petersburg, Nebraska, (ii) Tapestry, which includes Buffalo Bear, a 19 MW wind facility in Buffalo, Oklahoma; Taloga, a 130 MW wind facility in Putnam, Oklahoma; and Pinnacle, a 55 MW wind facility in Keyser, West Virginia, and (iii) Walnut Creek, a 485 MW natural gas facility located in City of Industry, California, for total cash consideration of $489 million, including $9 million for working capital, plus assumed project-level debt of $737 million. The Company funded the acquisition with cash on hand and drawings under its revolving credit facility. The assets and liabilities transferred to the Company relate to interests under common control by NRG and were recorded at historical cost. The difference between the cash paid and the historical value of the entities' equity of $61 million, as well as $23 million of AOCL, was recorded as a distribution to NRG and reduced the balance of its noncontrolling interest.

Note 4 — *Property, Plant and Equipment*

The Company's major classes of property, plant, and equipment were as follows:

	December 31, 2017	December 31, 2016	Depreciable Lives
	(In millions)		
Facilities and equipment	$ 6,289	$ 6,339	2 - 45 Years
Land and improvements	166	167	
Construction in progress [(a)]	34	24	
Total property, plant and equipment	6,489	6,530	
Accumulated depreciation	(1,285)	(976)	
Net property, plant and equipment	$ 5,204	$ 5,554	

[(a)] As of December 31, 2017 and 2016, construction in progress includes $24 million and $20 million of capital expenditures that relate to prepaid long-term service agreements in the Conventional segment, respectively.

The Company recorded long-lived asset impairments during the years ended December 31, 2017 and 2016, as further described in Note 9, *Asset Impairments.*

Note 5 — Investments Accounted for by the Equity Method and Variable Interest Entities

Equity Method Investments

The following table summarizes the Company's equity method investments as of December 31, 2017:

Name	Economic Interest	Investment Balance
		(In millions)
Utah Solar Portfolio [a]	50%	$345
Desert Sunlight	25%	272
GenConn[b]	50%	102
Agua Caliente Borrower 2	16%	92
Elkhorn Ridge[c]	66.7%	73
San Juan Mesa[c]	75%	66
NRG DGPV Holdco 1 LLC [d]	95%	76
NRG DGPV Holdco 2 LLC [d]	95%	61
NRG DGPV Holdco 3 LLC [d]	99%	39
NRG RPV Holdco 1 LLC[d]	95%	58
Avenal	50%	(6)
Total equity investments in affiliates		$1,178

[a] Economic interest based on cash to be distributed. Four Brothers Solar, LLC, Granite Mountain Holdings, LLC and Iron Springs Holdings, LLC are tax equity structures and VIEs. The related allocations are described below.
[b] GenConn is a variable interest entity.
[c] San Juan Mesa and Elkhorn Ridge are part of the Wind TE Holdco tax equity structure, as described below. San Juan Mesa and Elkhorn Ridge are owned 75% and 66.7%, respectively, by Wind TE Holdco. The Company owns 100% of the Class B interests in Wind TE Holdco.
[d] Economic interest based on cash to be distributed. NRG DGPV Holdco 1 LLC, NRG DGPV Holdco 2 LLC, NRG DGPV Holdco 3 LLC and NRG RPV Holdco 1 LLC are tax equity structures and VIEs. The related allocations are described below.

As of December 31, 2017 and 2016, the Company had $57 million and $51 million, respectively, of undistributed earnings from its equity method investments.

The Company acquired its interest in Desert Sunlight on June 30, 2015, for $285 million, which resulted in a difference between the purchase price and the basis of the acquired assets and liabilities of $171 million. The difference is attributable to the fair value of the property, plant and equipment and power purchase agreements. In addition, the difference between the basis of the acquired assets and liabilities and the purchase price for the Utah Solar Portfolio (Four Brothers Solar, LLC, Granite Mountain Holdings, LLC and Iron Springs Holdings, LLC) of $106 million is attributable to the fair value of the property, plant and equipment. The Company is amortizing the related basis differences to equity in earnings (losses) over the related useful life of the underlying assets acquired.

Non-recourse project-level debt of unconsolidated affiliates

The Company's pro-rata share of non-recourse debt held by unconsolidated affiliates was $777 million as of December 31, 2017.

The following tables present summarized financial information for the Company's significant equity method investments:

	Year Ended December 31,		
	2017	2016	2015
Income Statement Data:		(In millions)	
GenConn			
Operating revenues	$ 71	$ 72	$ 78
Operating income	36	38	40
Net income	26	26	28
Desert Sunlight			
Operating revenues	207	211	206
Operating income	127	129	124
Net income	80	80	73
Utah Solar Portfolio [a]			
Operating revenues	75	13	—
Operating income (loss)	18	(6)	(1)
Net income (loss)	18	(6)	(1)
DGPV entities [b]			
Operating revenues	37	14	1
Operating income	7	2	—
Net loss	(3)	—	—
RPV Holdco			
Operating revenues	16	13	4
Operating income	3	2	(6)
Net income (loss)	$ 3	$ 2	$ (6)

	As of December 31,	
	2017	2016
Balance Sheet Data:	(In millions)	
GenConn		
Current assets	$ 38	$ 36
Non-current assets	374	389
Current liabilities	18	16
Non-current liabilities	189	196
Desert Sunlight		
Current assets	133	281
Non-current assets	1,350	1,401
Current liabilities	64	64
Non-current liabilities	1,003	1,043
Utah Solar Portfolio [a]		
Current assets	13	20
Non-current assets	1,090	1,105
Current liabilities	5	14
Non-current liabilities	24	38
DGPV entities [b]		
Current assets	74	44
Non-current assets	671	562
Current liabilities	83	112
Non-current liabilities	216	23
Redeemable Noncontrolling Interest	44	28
RPV Holdco		
Current assets	3	15
Non-current assets	183	191
Current liabilities	—	11
Non-current liabilities	7	7
Redeemable Noncontrolling Interest	$ 16	$ —

[a] Utah Solar Portfolio was acquired by NRG on November 2, 2016.
[b] Includes DGPV Holdco 1, DGPV Holdco 2 and DGPV Holdco 3.

Variable Interest Entities, or VIEs

Entities that are Consolidated

NRG Wind TE Holdco — As described in Note 3, *Business Acquisitions*, on August 1, 2017, the Company acquired from NRG the remaining 25% interest in NRG Wind TE Holdco. NRG Wind TE Holdco is a VIE and the Company is the primary beneficiary through its position as managing member and consolidates NRG Wind TE Holdco. The Class A interests of NRG Wind TE Holdco are owned by a tax equity investor, or TE Investor, who receives 99% of allocations of taxable income and other items until the flip point, which occurs when the TE Investor obtains a specified return on its initial investment, at which time the allocations to the TE Investor change to 8.53%. The Company generally receives 100% of CAFD until the flip point, at which time the allocations to the Company of CAFD change to 91.47%. If the flip point has not occurred by a specified date, 100% of CAFD is allocated to the TE Investor until the flip point occurs. The Company utilizes the HLBV method to determine the net income or loss allocated to the TE Investor noncontrolling interest.

Alta TE Holdco — On June 30, 2015, the Company sold an economic interest in Alta TE Holdco to a financial institution in order to monetize certain cash and tax attributes, primarily PTCs. The financial institution, or Alta Investor, receives 99% of allocations of taxable income and other items until the flip point, which occurs when the Alta Investor obtains a specified return on its initial investment, at which time the allocations to the Alta Investor change to 5%. The Company receives 94.34% until the flip point, at which time the allocations to the Company of CAFD will change to 97.12%, unless the flip point will not have occurred by a specified date, which would result in 100% of CAFD allocated to the Alta Investor until the flip point occurs. Alta TE Holdco is a VIE and the Company is the primary beneficiary through its position as managing member, and therefore consolidates Alta TE Holdco, with the Alta Investor's interest shown as noncontrolling interest. The Company utilizes the HLBV method to determine the net income or loss allocated to the noncontrolling interest.

Spring Canyon — The Company holds a 90.1% of the Class B interests in Spring Canyon II, a 32 MW wind facility, and Spring Canyon III, a 28 MW wind facility, each located in Logan County, Colorado, and Invenergy Wind Global LLC owns 9.9% of the Class B interests. The projects are financed with a partnership flip tax-equity structure with a financial institution, who owns the Class A interests, to monetize certain cash and tax attributes, primarily PTCs. Until the flip point, the Class A member receives a variable percentage of cash distributions based on the projects' production level during the prior year. The Class A member received 34.81% of the cash distributions and the Company and Invenergy received 65.19% during the period ended December 31, 2017. After the flip point, cash distributions are allocated 5% to the Class A member and 95% to the Company and Invenergy. Spring Canyon is a VIE and the Company is the primary beneficiary through its position as managing member, and therefore consolidates Spring Canyon. The Class A member and Invenergy's interests are shown as noncontrolling interest. The Company utilizes the HLBV method to determine the net income or loss allocated to the Class A member. Net income or loss attributable to the Class B interests is allocated to Invenergy's noncontrolling interest based on its 9.9% ownership interest.

Summarized financial information for the Company's consolidated VIEs consisted of the following as of December 31, 2017:

(In millions)	NRG Wind TE Holdco	Alta TE Holdco	Spring Canyon
Other current and non-current assets	$ 172	$ 17	$ 2
Property, plant and equipment	376	436	95
Intangible assets	2	262	—
Total assets	550	715	97
Current and non-current liabilities	197	9	5
Total liabilities	197	9	5
Noncontrolling interest	9	93	60
Net assets less noncontrolling interests	$ 344	$ 613	$ 32

Entities that are not Consolidated

The Company has interests in entities that are considered VIEs under ASC 810, *Consolidation*, but for which it is not considered the primary beneficiary. The Company accounts for its interests in these entities under the equity method of accounting.

Utah Solar Portfolio Assets — As described in Note 3, *Business Acquisitions*, as part of the March 2017 Drop Down Assets acquisition, the Company acquired from NRG 100% of the Class A equity interests in the Utah Solar Portfolio, comprised of Four Brothers Solar, LLC, Granite Mountain Holdings, LLC, and Iron Springs Holdings, LLC. The Class B interests of the Utah Solar Portfolio are owned by a tax equity investor, or TE Investor, who receives 99% of allocations of taxable income and other items until the flip point, which occurs when the TE Investor obtains a specified return on its initial investment, at which time the allocations to the TE Investor change to 50%. The Company generally receives 50% of distributable cash throughout the term of the tax-equity arrangements. The three entities comprising the Utah Solar Portfolio are VIEs. As the Company is not the primary beneficiary, the Company uses the equity method of accounting to account for its interests in the Utah Solar Portfolio. The Company utilizes the HLBV method to determine its share of the income or losses in the investees.

NRG DGPV Holdco 1 LLC — The Company and NRG are parties to the NRG DGPV Holdco 1 LLC partnership, or DGPV Holdco 1, the purpose of which is to own or purchase solar power generation projects and other ancillary related assets from NRG Renew LLC or its subsidiaries via intermediate funds. The Company owns approximately 47 MW of distributed solar capacity, based on cash to be distributed, with a weighted average contract life of 18 years. Under this partnership, the Company committed to fund up to $100 million of capital.

NRG DGPV Holdco 2 LLC — The Company and NRG are parties to the NRG DGPV Holdco 2 LLC partnership, or DGPV Holdco 2, the purpose of which is to own or hold solar power generation projects as well as other ancillary related assets from NRG Renew LLC or its subsidiaries. The Company owns approximately 113 MW of distributed solar capacity, based on cash to be distributed, with a weighted average contract life of 21 years. Under this partnership, the Company committed to fund up to $60 million of capital.

NRG DGPV Holdco 3 LLC — On September 26, 2017, the Company entered into an additional partnership with NRG by forming NRG DGPV Holdco 3 LLC, or DGPV Holdco 3, in which the Company would invest up to $50 million in an operating portfolio of distributed solar assets, primarily comprised of community solar projects, developed by NRG. The Company owns approximately 43 MW of distributed solar capacity, based on cash to be distributed, with a weighted average contract life of approximately 20 years as of December 31, 2017.

The Company's maximum exposure to loss is limited to its equity investment in DGPV Holdco 1, DGPV Holdco 2 and DGPV Holdco 3, which was $176 million on a combined basis.

NRG RPV Holdco 1 LLC — The Company and NRG are parties to the NRG RPV Holdco 1 LLC partnership, or RPV Holdco, the purpose of which is to hold operating portfolios of residential solar assets developed by NRG's residential solar business, including: (i) an existing, unlevered portfolio of over 2,200 leases across nine states representing approximately 14 MW, based on cash to be distributed, with a weighted average remaining lease term of approximately 15 years that was acquired outside of the partnership; and (ii) a tax equity-financed portfolio of approximately 5,400 leases representing approximately 30 MW, based on cash to be distributed, with a weighted average remaining lease term for the existing and new leases of approximately 18 years. The Company has fully funded the partnership as of December 31, 2017.

The Company's maximum exposure to loss is limited to its equity investment, which was $58 million as of December 31, 2017.

Note 6 — Fair Value of Financial Instruments

For cash and cash equivalents, restricted cash, accounts receivable — affiliate, accounts receivable, accounts payable, current portion of accounts payable — affiliate, accrued expenses and other liabilities, the carrying amount approximates fair value because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

The estimated carrying amounts and fair values of the Company's recorded financial instruments not carried at fair market value are as follows:

	As of December 31, 2017		As of December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
Assets:				
Notes receivable, including current portion	$ 13	$ 13	$ 30	$ 30
Liabilities:				
Long-term debt, including current portion	$ 5,897	$ 5,930	$ 6,122	$ 6,121

Fair Value Accounting under ASC 820

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1—quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2—inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3—unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In accordance with ASC 820, the Company determines the level in the fair value hierarchy within which each fair value measurement in its entirety falls, based on the lowest level input that is significant to the fair value measurement.

The fair value of the Company's publicly-traded long-term debt is based on quoted market prices and is classified as Level 2 within the fair value hierarchy. The fair value of debt securities, non-publicly traded long-term debt and certain notes receivable of the Company are based on expected future cash flows discounted at market interest rates, or current interest rates for similar instruments with equivalent credit quality and are classified as Level 3 within the fair value hierarchy. The following table presents the level within the fair value hierarchy for long-term debt, including current portion as of December 31, 2017 and 2016:

	As of December 31, 2017		As of December 31, 2016	
	Level 2	Level 3	Level 2	Level 3
	(In millions)			
Long-term debt, including current portion	$ 1,502	$ 4,428	$ 1,455	$ 4,666

Recurring Fair Value Measurements

The Company records its derivative assets and liabilities at fair market value on its consolidated balance sheet. The following table presents assets and liabilities measured and recorded at fair value on the Company's consolidated balance sheets on a recurring basis and their level within the fair value hierarchy:

	As of December 31, 2017	As of December 31, 2016	
	Fair Value [a]	Fair Value [a]	Fair Value [a]
(In millions)	Level 2	Level 1	Level 2
Derivative assets:			
Commodity contracts	$ 1	$ 1	$ 1
Interest rate contracts	1	—	1
Total assets	$ 2	1	2
Derivative liabilities:			
Commodity contracts	$ 1	—	1
Interest rate contracts	47	—	78
Total liabilities	$ 48	$ —	$ 79

[a] There were no derivative assets or liabilities classified Level 1 as of December 31, 2017. There were no derivative assets or liabilities classified Level 3 as of December 31, 2017 and 2016.

Derivative Fair Value Measurements

The Company's contracts are non-exchange-traded and valued using prices provided by external sources. For the Company's energy markets, management receives quotes from multiple sources. To the extent that multiple quotes are received, the prices reflect the average of the bid-ask mid-point prices obtained from all sources believed to provide the most liquid market for the commodity.

The fair value of each contract is discounted using a risk free interest rate. In addition, a credit reserve is applied to reflect credit risk, which for interest rate swaps, is calculated based on credit default swaps utilizing the bilateral method. For commodities, to the extent that NRG's net exposure under a specific master agreement is an asset, the Company uses the counterparty's default swap rate. If the exposure under a specific master agreement is a liability, the Company uses NRG's default swap rate. For interest rate swaps and commodities, the credit reserve is added to the discounted fair value to reflect the exit price that a market participant would be willing to receive to assume the liabilities or that a market participant would be willing to pay for the assets. As of December 31, 2017, the credit reserve resulted in a $1 million increase in fair value in interest expense. It is possible that future market prices could vary from those used in recording assets and liabilities and such variations could be material.

Concentration of Credit Risk

In addition to the credit risk discussion as disclosed in Note 2, *Summary of Significant Accounting Policies*, the following item is a discussion of the concentration of credit risk for the Company's financial instruments. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Company monitors and manages credit risk through credit policies that include: (i) an established credit approval process; (ii) daily monitoring of counterparties' credit limits; (iii) the use of credit mitigation measures such as margin, collateral, prepayment arrangements, or volumetric limits; (iv) the use of payment netting agreements; and (v) the use of master netting agreements that allow for the netting of positive and negative exposures of various contracts associated with a single counterparty. Risks surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Company seeks to mitigate counterparty risk by having a diversified portfolio of counterparties.

Counterparty credit exposure includes credit risk exposure under certain long-term agreements, including solar and other PPAs. As external sources or observable market quotes are not available to estimate such exposure, the Company estimates the exposure related to these contracts based on various techniques including but not limited to internal models based on a fundamental analysis of the market and extrapolation of observable market data with similar characteristics. Based on these valuation techniques, as of December 31, 2017, credit risk exposure to these counterparties attributable to the Company's ownership interests was approximately $2.7 billion for the next five years. The majority of these power contracts are with utilities with strong credit quality and public utility commission or other regulatory support. However, such regulated utility counterparties can be impacted by changes in government regulations, which the Company is unable to predict.

Note 7 — Accounting for Derivative Instruments and Hedging Activities

ASC 815 requires the Company to recognize all derivative instruments on the balance sheet as either assets or liabilities and to measure them at fair value each reporting period unless they qualify for a NPNS exception. The Company may elect to designate certain derivatives as cash flow hedges, if certain conditions are met, and defer the change in fair value of the derivatives to accumulated OCI/OCL, until the hedged transactions occur and are recognized in earnings. For derivatives that are not designated as cash flow hedges or do not qualify for hedge accounting treatment, the changes in the fair value will be immediately recognized in earnings. Certain derivative instruments may qualify for the NPNS exception and are therefore exempt from fair value accounting treatment. ASC 815 applies to the Company's energy related commodity contracts and interest rate swaps.

Energy-Related Commodities

To manage the commodity price risk associated with its competitive supply activities and the price risk associated with wholesale power sales, the Company may enter into derivative hedging instruments, namely, forward contracts that commit the Company to sell energy commodities or purchase fuels/electricity in the future. The objectives for entering into derivatives contracts designated as hedges include fixing the price for a portion of anticipated future electricity sales and fixing the price of a portion of anticipated fuel/electricity purchases for the operation of its subsidiaries. As of December 31, 2017, the Company had forward contracts for the purchase of fuel commodities relating to the forecasted usage of the Company’s district energy centers extending through 2020 and electricity contracts to supply retail power to the Company's district energy centers extending through 2020. At December 31, 2017, these contracts were not designated as cash flow or fair value hedges.

Also, as of December 31, 2017, the Company had other energy-related contracts that did not meet the definition of a derivative instrument or qualified for the NPNS exception and were therefore exempt from fair value accounting treatment as follows:

- Power tolling contracts through 2039, and
- Natural gas transportation contracts through 2028.

Interest Rate Swaps

The Company is exposed to changes in interest rates through the issuance of variable rate debt. In order to manage interest rate risk, it enters into interest rate swap agreements.

As of December 31, 2017, the Company had interest rate derivative instruments on non-recourse debt extending through 2036, a portion of which are designated as cash flow hedges.

Volumetric Underlying Derivative Transactions

The following table summarizes the net notional volume buy/(sell) of the Company's open derivative transactions broken out by commodity as of December 31, 2017 and 2016:

		Total Volume	
		December 31, 2017	December 31, 2016
Commodity	Units	(In millions)	
Natural Gas	MMBtu	2	3
Interest	Dollars	$ 1,940	$ 2,090

Fair Value of Derivative Instruments

The following table summarizes the fair value within the derivative instrument valuation on the balance sheet:

	Fair Value			
	Derivative Assets [a]		Derivative Liabilities	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(In millions)			
Derivatives Designated as Cash Flow Hedges:				
Interest rate contracts current	$ —	$ —	$ 4	$ 26
Interest rate contracts long-term	1	1	9	39
Total Derivatives Designated as Cash Flow Hedges	1	1	13	65
Derivatives Not Designated as Cash Flow Hedges:				
Interest rate contracts current	—	—	12	6
Interest rate contracts long-term	—	—	22	7
Commodity contracts current	1	2	1	1
Total Derivatives Not Designated as Cash Flow Hedges	1	2	35	14
Total Derivatives	$ 2	$ 3	$ 48	$ 79

[a] Derivative Asset balances classified as current are included within the prepayments and other current assets line item of the Consolidated Balance Sheet. Derivative Asset balances classified as long-term are included within the other non-current assets line item of the Consolidated Balance Sheet.

The Company has elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and does not offset amounts at the counterparty master agreement level. As of December 31, 2017 and 2016, there was no outstanding collateral paid or received. The following tables summarize the offsetting of derivatives by counterparty master agreement level:

		Gross Amounts Not Offset in the Statement of Financial Position	
As of December 31, 2017	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
	(In millions)		
Commodity contracts:			
Derivative assets	$ 1	$ —	$ 1
Derivative liabilities	(1)	—	(1)
Total commodity contracts	—	—	—
Interest rate contracts:			
Derivative assets	1	(1)	—
Derivative liabilities	(47)	1	(46)
Total interest rate contracts	(46)	—	(46)
Total derivative instruments	$ (46)	$ —	$ (46)

		Gross Amounts Not Offset in the Statement of Financial Position	
As of December 31, 2016	Gross Amounts of Recognized Assets/Liabilities	Derivative Instruments	Net Amount
	(In millions)		
Commodity contracts:			
Derivative assets	$ 2	$ —	$ 2
Derivative liabilities	(1)	—	(1)
Total commodity contracts	1	—	1
Interest rate contracts:			
Derivative assets	1	(1)	—
Derivative liabilities	(78)	1	(77)
Total interest rate contracts	(77)	—	(77)
Total derivative instruments	$ (76)	$ —	$ (76)

Accumulated Other Comprehensive Loss

The following table summarizes the effects on the Company's accumulated OCL balance attributable to interest rate swaps designated as cash flow hedge derivatives, net of tax:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Accumulated OCL beginning balance	$ (70)	$ (83)	$ (76)
Reclassified from accumulated OCL to income due to realization of previously deferred amounts	10	13	14
Mark-to-market of cash flow hedge accounting contracts	—	—	(21)
Accumulated OCL ending balance, net of income tax benefit of $9, $16 and $16, respectively	$ (60)	$ (70)	$ (83)
Accumulated OCL attributable to noncontrolling interests	(32)	(42)	(56)
Accumulated OCL attributable to NRG Yield, Inc.	$ (28)	$ (28)	$ (27)
Losses expected to be realized from OCL during the next 12 months, net of income tax benefit of $2	$ 13		

Amounts reclassified from accumulated OCL into income are recorded to interest expense.

Accounting guidelines require a high degree of correlation between the derivative and the hedged item throughout the period in order to qualify as a cash flow hedge. As of December 31, 2016, the Company's regression analysis for Viento Funding II interest rate swaps, while positively correlated, did not meet the required threshold for cash flow hedge accounting. As a result, the Company de-designated the Viento Funding II cash flow hedges as of December 31, 2016, and will prospectively mark these derivatives to market through the income statement.

The Company's regression analysis for Marsh Landing, Walnut Creek and Avra Valley interest rate swaps, while positively correlated, no longer contain matching terms for cash flow hedge accounting. As a result, the Company voluntarily de-designated the Marsh Landing, Walnut Creek and Avra Valley cash flow hedges as of April 28, 2017, and will prospectively mark these derivatives to market through the income statement.

Impact of Derivative Instruments on the Statements of Income

The Company has interest rate derivative instruments that are not designated as cash flow hedges. The effect of interest rate hedges is recorded to interest expense. For the years ended December 31, 2017, 2016 and 2015 the impact to the consolidated statements of income was a gain of $7 million, loss of $2 million and a gain of $17 million, respectively.

A portion of the Company's derivative commodity contracts relates to its Thermal Business for the purchase of fuel/electricity commodities based on the forecasted usage of the thermal district energy centers. Realized gains and losses on these contracts are reflected in the costs that are permitted to be billed to customers through the related customer contracts or tariffs and, accordingly, no gains or losses are reflected in the consolidated statements of income for these contracts.

In 2015, commodity contracts also hedged the forecasted sale of power for the Elbow Creek until the start of the PPA with NRG Power Marketing LLC, or Power Marketing, with effective date of November 1, 2015. The effect of these commodity hedges was recorded to operating revenues. For the year ended December 31, 2015, the impact to the consolidated statements of income was an unrealized loss of $2 million.

See Note 6, *Fair Value of Financial Instruments*, for a discussion regarding concentration of credit risk.

Note 8 — Intangible Assets

Intangible Assets — The Company's intangible assets as of December 31, 2017 and 2016 primarily reflect intangible assets established from its business acquisitions and are comprised of the following:

- *PPAs* — Established predominantly with the acquisitions of the Alta Wind Portfolio, Walnut Creek, Tapestry and Laredo Ridge, these represent the fair value of the PPAs acquired. These are amortized, generally on a straight-line basis, over the term of the PPA.
- *Leasehold Rights* — Established with the acquisition of the Alta Wind Portfolio, this represents the fair value of

contractual rights to receive royalty payments equal to a percentage of PPA revenue from certain projects. These are amortized on a straight-line basis.

- *Customer relationships* — Established with the acquisition of NRG Energy Center Phoenix and NRG Energy Center Omaha, these intangibles represent the fair value at the acquisition date of the businesses' customer base. The customer relationships are amortized to depreciation and amortization expense based on the expected discounted future net cash flows by year.
- *Customer contracts* — Established with the acquisition of NRG Energy Center Phoenix, these intangibles represent the fair value at the acquisition date of contracts that primarily provide chilled water, steam and electricity to its customers. These contracts are amortized to revenues based on expected volumes.
- *Emission Allowances* — These intangibles primarily consist of SO_2 and NO_x emission allowances established with the El Segundo and Walnut Creek acquisitions. These emission allowances are held-for-use and are amortized to cost of operations, with NO_x allowances amortized on a straight-line basis and SO_2 allowances amortized based on units of production.
- *Development rights* — Arising primarily from the acquisition of solar businesses in 2010 and 2011, these intangibles are amortized to depreciation and amortization expense on a straight-line basis over the estimated life of the related project portfolio.
- *Other* — Consists primarily of the acquisition date fair value of the contractual rights to a ground lease for South Trent and to utilize certain interconnection facilities for Blythe, as well as land rights acquired in connection with the acquisition of Elbow Creek.

The following tables summarize the components of intangible assets subject to amortization:

Year ended December 31, 2017	PPAs	Leasehold Rights	Customer Relationships	Customer Contracts	Emission Allowances	Development Rights	Other	Total
(In millions)								
January 1, 2017	$ 1,286	$ 86	$ 66	$ 15	$ 9	$ 3	$ 6	$ 1,471
Asset impairments [a]	(6)	—	—	—	—	—	—	(6)
December 31, 2017	1,280	86	66	15	9	3	6	1,465
Less accumulated amortization	(205)	(13)	(5)	(8)	(3)	(1)	(2)	(237)
Net carrying amount	$ 1,075	$ 73	$ 61	$ 7	$ 6	$ 2	$ 4	$ 1,228

[a] $6 million of asset impairments relate to one of the November 2017 Drop Down Assets that was recorded by NRG during the quarter ended September 30, 2017, as further described in Note 9, *Asset Impairments.*

Year ended December 31, 2016	PPAs	Leasehold Rights	Customer Relationships	Customer Contracts	Emission Allowances	Development Rights	Other	Total
(In millions)								
January 1, 2016	$ 1,286	$ 86	$ 66	$ 15	$ 15	$ 3	$ 6	$ 1,477
Other	—	—	—	—	(6)	—	—	(6)
December 31, 2016	1,286	86	66	15	9	3	6	1,471
Less accumulated amortization	(143)	(9)	(4)	(7)	(2)	(1)	(2)	(168)
Net carrying amount	$ 1,143	$ 77	$ 62	$ 8	$ 7	$ 2	$ 4	$ 1,303

The Company recorded amortization expense of $71 million during each of years ended December 31, 2017 and 2016, and $56 million during the year ended December 31, 2015. Of these amounts, $70 million for each of the years ended December 31, 2017 and 2016, and $55 million for the year ended December 31, 2015, were recorded to contract amortization expense and reduced operating revenues in the consolidated statements of operations. The Company estimates the future amortization expense for its intangibles to be $71 million for the next five years through 2022.

Out-of-market contracts — The out-of-market contract liability represents the out-of-market value of the PPAs for the Blythe solar project and Spring Canyon wind projects and the out-of-market value of the land lease for Alta Wind XI, LLC, as of their respective acquisition dates. The Blythe solar project's liability of $7 million was recorded to other non-current liabilities on the consolidated balance sheet and is amortized to revenue in the consolidated statements of income on a units-of-production basis over the twenty-year term of the agreement. Spring Canyon's liability of $3 million was recorded to other non-current liabilities and is amortized to revenue on a straight-line basis over the twenty-five year term of the agreement. The Alta Wind XI, LLC's liability of $5 million was recorded to other non-current liabilities and is amortized as a reduction to cost of operations on a straight-line basis over the thirty-four year term of the land lease. At December 31, 2017, accumulated amortization of out-of-market contracts was $4 million and amortization expense was $1 million for each of the years ended December 31, 2017 and 2016.

Note 9 — Asset Impairments

During the quarter ended December 31, 2017, as the Company updated its estimated cash flows in connection with the preparation and review of the Company's annual budget, the Company determined that the cash flows for Elbow Creek, located in Texas, and the Forward project, located in Pennsylvania, were below the carrying value of the related assets, primarily driven by continued declining merchant power prices in post-contract periods, and that the assets were considered impaired. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the long-term budgets for each respective plant. The income approach utilized estimates of discounted future cash flows, which were Level 3 fair value measurement and include key inputs, such as forecasted power prices, operations and maintenance expense, and discount rates. The Company measured the impairment loss as the difference between the carrying amount and the fair value of the assets and recorded impairment losses of $26 million and $5 million for Elbow Creek and Forward, respectively.

Additionally, during the quarter ended September 30, 2017, in connection with the preparation of the model for sale of the November 2017 Drop Down Assets, it was identified that undiscounted cash flows were lower than the book value of certain SPP funds and NRG recorded an impairment expense of $13 million, $8 million of which relates to property, plant, and equipment and $5 million to PPAs, as described in Note 8, *Intangible Assets*. In accordance with the guidance for transfer of assets under common control, the impairment is reflected in the pre-acquisition net income of Drop Down Assets of the Company's consolidated statements of operations for the period ended December 31, 2017.

During the fourth quarter of 2016, as the Company updated its estimated cash flows in connection with the preparation and review of the Company's annual budget, the Company determined that the cash flows for the Elbow Creek and Goat Wind projects and the Forward project were below the carrying value of the related assets, primarily driven by declining merchant power prices in post-contract periods, and that the assets were considered impaired. These projects were acquired in connection with the acquisition of the November 2015 Drop Down Assets and were recorded as part of the Renewables segment of the Company. The projects were recorded at historical cost at acquisition date as they were related to interests under common control by NRG. The fair value of the facilities was determined using an income approach by applying a discounted cash flow methodology to the long-term budgets for each respective plant. The income approach utilized estimates of discounted future cash flows, which were Level 3 fair value measurement and include key inputs, such as forecasted power prices, operations and maintenance expense, and discount rates. The Company measured the impairment loss as the difference between the carrying amount and the fair value of the assets and recorded impairment losses of $117 million, $60 million and $6 million for Elbow Creek, Goat Wind, and Forward, respectively.

Other Impairments — During the fourth quarters of 2016 and 2015, NRG recorded impairment losses of approximately $2 million and $1 million, respectively, related to the projects that were part of the November 2017 Drop Down Assets. Since the acquisition by the Company of the November 2017 Drop Down Assets related to transfer of assets under common control, these impairments were reflected in the Company's consolidated statements of operations for the periods ending December 31, 2016 and 2015.

Note 10 — Long-term Debt

The Company's borrowings, including short term and long term portions consisted of the following:

	December 31, 2017	December 31, 2016	Interest rate % [a]	Letters of Credit Outstanding at December 31, 2017
	(In millions, except rates)			
2026 Senior Notes	$ 350	$ 350	5.000	
2024 Senior Notes	500	500	5.375	
2020 Convertible Notes	288	288	3.250	
2019 Convertible Notes	345	345	3.500	
NRG Yield LLC and NRG Yield Operating LLC Revolving Credit Facility, due 2019 [b]	55	—	L+2.500	$ 74
Project-level debt:				
Agua Caliente Borrower 2, due 2038	41	—	5.430	17
Alpine, due 2022	135	145	L+1.750	16
Alta Wind I - V lease financing arrangements, due 2034 and 2035	926	965	5.696 - 7.015	119
CVSR, due 2037	746	771	2.339 - 3.775	—
CVSR Holdco Notes, due 2037	194	199	4.680	13
El Segundo Energy Center, due 2023	400	443	L+1.75 - L+2.375	102
Energy Center Minneapolis, due 2025	83	96	5.950%	—
Energy Center Minneapolis Series D Notes, due 2031	125	125	3.550	—
Laredo Ridge, due 2028	95	100	L+1.875	10
Marsh Landing, due 2023	318	370	L+1.875	22
Tapestry, due 2021	162	172	L+1.625	20
Utah Solar Portfolio, due 2022	278	287	various	13
Viento, due 2023	163	178	L+3.00	27
Walnut Creek, due 2023	267	310	L+1.625	41
Other	443	505	various	38
Subtotal project-level debt	4,376	4,666		
Total debt	5,914	6,149		
Less current maturities	(306)	(323)		
Less net debt issuance costs	(60)	(73)		
Less discounts[c]	$ (17)	$ (27)		
Total long-term debt	$ 5,531	$ 5,726		

[a] As of December 31, 2017, L+ equals 3 month LIBOR plus x%, except for Viento, due 2023 where L+ equals 6 month LIBOR plus 3.00%.
[b] Applicable rate is determined by the borrower leverage ratio, as defined in the credit agreement.
[c] Discounts relate to the 2019 Convertible Notes and 2020 Convertible Notes.

The financing arrangements listed above contain certain covenants, including financial covenants that the Company is required to be in compliance with during the term of the respective arrangement. As of December 31, 2017, the Company was in compliance with all of the required covenants.

NRG Yield Operating LLC 2026 Senior Notes

On August 18, 2016, NRG Yield Operating LLC issued $350 million of senior unsecured notes, or the 2026 Senior Notes. The 2026 Senior Notes bear interest at 5.00% and mature on September 15, 2026. Interest on the notes is payable semi-annually on March 15 and September 15 of each year. The 2026 Senior Notes are senior unsecured obligations of NRG Yield Operating LLC and are guaranteed by NRG Yield LLC, and by certain of NRG Yield Operating LLC's wholly owned current and future subsidiaries. A portion of the proceeds of the 2026 Senior Notes were used to repay the Company's revolving credit facility during 2016, as described below.

2020 Convertible Senior Notes

The Company has outstanding $288 million aggregate principal amount of 3.25% Convertible Senior Notes due 2020, or the 2020 Convertible Notes. The 2020 Convertible Notes are convertible, under certain circumstances, into the Company's Class C common stock, cash or a combination thereof at an initial conversion price of $27.50 per Class C common share, which is equivalent to a conversion rate of approximately 36.3636 shares of Class C common stock per $1,000 principal amount of notes. Interest on the 2020 Convertible Notes is payable semi-annually in arrears on June 1 and December 1 of each year. Prior to the close of business on the business day immediately preceding December 1, 2019, the 2020 Convertible Notes will be convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The 2020 Convertible Notes are guaranteed by NRG Yield Operating LLC and NRG Yield LLC.

The Company separately accounts for the liability (debt) and equity (conversion option) components of the 2020 Convertible Notes and recognized $23 million as the value for the equity component in 2015 with the offset to debt discount. The debt discount is amortized to interest expense using the effective interest method through June 2020.

As of December 31, 2017, the 2020 Convertible Notes were trading at approximately 98.8% of their face value, resulting in a total market value of $284 million compared to a carrying value of $276 million. The actual conversion value of the 2020 Convertible Notes is based on the product of the conversion rate and the market price of the Company's Class C common stock, as defined in the 2020 Convertible Notes indenture. As of December 31, 2017, the Company's Class C common stock closed at $18.90 per share, resulting in a pro forma conversion value for the 2020 Convertible Notes of approximately $198 million.

2019 Convertible Senior Notes

The Company has outstanding $345 million aggregate principal amount of 3.50% Convertible Notes due 2019, or the 2019 Convertible Notes. The 2019 Convertible Notes were convertible, under certain circumstances, into the Company's Class A common stock, cash or a combination thereof at a conversion rate was of approximately 42.9644 shares of Class A common stock per $1,000 principal amount of 2019 Convertible Notes in accordance with the terms of the related indenture. The 2019 Convertible Notes mature on February 1, 2019, unless earlier repurchased or converted in accordance with their terms. Prior to the close of business on the business day immediately preceding August 1, 2018, the 2019 Convertible Notes will be convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The 2019 Convertible Notes are guaranteed by NRG Yield Operating LLC and NRG Yield LLC.

The Company separately accounts for the liability (debt) and equity (conversion option) components of the 2019 Convertible Notes and recognized $23 million as the value for the equity component in 2014 with the offset to debt discount. The debt discount is amortized to interest expense using the effective interest method through February 2019.

As of December 31, 2017, the 2019 Convertible Notes were trading at approximately 100.9% of their face value, resulting in a total market value of $348 million compared to a carrying value of $340 million. The actual conversion value of the 2019 Convertible Notes is based on the product of the conversion rate and the market price of the Company's Class A common stock, as defined in the Convertible Debt indenture. As of December 31, 2017, the Company's Class A common stock closed at $18.85 per share, resulting in a pro forma conversion value for the Convertible Notes of approximately $279 million.

During each year ended December 31, 2017 and 2016, the Company recorded the following expenses in relation to the 2020 and 2019 Convertible Notes on a combined basis at the effective rates of 5.10% and 5.00%, respectively:

(In millions)	
Interest expense [(a)]	$ 21
Debt discount amortization	9
Debt issuance costs amortization	3
	$ 33

[(a)] Interest expense is calculated using coupon rate of 3.25% and 3.5% for 2020 and 2019 Convertible Notes, respectively.

NRG Yield LLC and NRG Yield Operating LLC Revolving Credit Facility

The Company borrowed $55 million from the revolving credit facility during the year ended December 31, 2017 for general corporate needs as well as to fund dividend payments.

The Company used its proceeds of $97.5 million from the CVSR Holdco Financing Arrangement, a portion of its proceeds from the issuance of the 2026 Senior Notes, as well as its cash on hand to repay the outstanding borrowings under the revolving credit facility during the year ended December 31, 2016.

On February 6, 2018, NRG Yield Operating LLC and NRG Yield LLC amended the revolving credit facility to modify the "change of control" provisions to permit the consummation of the NRG Transaction, and also to permit NRG Yield Operating LLC, NRG Yield LLC and certain subsidiaries to incur up to $1.5 billion of unsecured indebtedness in order to repurchase or make other required cash payments, in each case if applicable, with respect to NRG Yield Operating LLC's outstanding senior notes and NRG Yield's outstanding convertible notes in connection with the NRG Transaction.

Project - level Debt

November 2017 Drop Down Assets Debt

As part of the November 2017 Drop Down acquisition, the Company assumed non-recourse debt of $26 million relating to certain SPP funds. The assumed debt consisted of the following: a) a term loan under a credit agreement with a bank, with a maturity date of December 31, 2038 and interest rate of 4.69%. The credit agreement includes a letter of credit supporting debt service requirements and a letter of credit in support of the PPA; b) and financing obligation in connection with a sale-leaseback transaction with a bank for a period through March 31, 2032. The company will accrete the financing obligation over the lease term based on the lease's implicit interest rate of 8%.

Agua Caliente Borrower 2, due 2038

On February 17, 2017, Agua Caliente Borrower 1 LLC, an indirect subsidiary of NRG, and Agua Caliente Borrower 2 LLC, issued $130 million of senior secured notes under the Agua Caliente Borrower 1 LLC and Agua Caliente Borrower 2 LLC financing agreement, or Agua Caliente Holdco Financing Agreement, that bear interest at 5.43% and mature on December 31, 2038. As described in Note 3, *Business Acquisitions*, on March 27, 2017, the Company acquired Agua Caliente Borrower 2 LLC from NRG as part of the March 2017 Drop Down Assets acquisition and assumed NRG's portion of senior secured notes under the Agua Caliente Holdco Financing Agreement. Agua Caliente Borrower 2 LLC holds $41 million of the Agua Caliente Holdco debt as of December 31, 2017. The debt is joint and several with respect to Agua Caliente Borrower 1 LLC and Agua Caliente Borrower 2 LLC and is secured by the equity interests of each borrower in the Agua Caliente solar facility.

Utah Solar Portfolio, due 2022

As part of the March 2017 Drop Down Assets acquisition, the Company assumed non-recourse debt of $287 million relating to the Utah Solar Portfolio at an interest rate of LIBOR plus 2.625%. The debt matures on December 16, 2022. The $287 million consisted of $222 million outstanding at the time of NRG's acquisition of the Utah Solar Portfolio on November 2, 2016, and

additional borrowings of $65 million, net of debt issuance costs, incurred during 2016. The Company holds $278 million of the Utah Solar Portfolio debt as of December 31, 2017.

Thermal Financing

On October 31, 2016, NRG Energy Center Minneapolis LLC, a subsidiary of the Company, received proceeds of $125 million from the issuance of 3.55% Series D notes due October 31, 2031, or the Series D Notes, and entered into a shelf facility for the anticipated issuance of an additional $70 million of Series E notes at a 4.80% fixed rate. The Series D Notes will be secured by substantially all of the assets of NRG Energy Center Minneapolis LLC. NRG Thermal LLC has guaranteed the indebtedness and its guarantee is secured by a pledge of the equity interests in all of NRG Thermal LLC's subsidiaries. NRG Energy Center Minneapolis LLC distributed the proceeds of the Series D Notes to NRG Thermal LLC, which in turn distributed the proceeds to NRG Yield Operating LLC to be utilized for general corporate purposes, including potential acquisitions.

On March 16, 2017, NRG Energy Center Minneapolis LLC, a subsidiary of NRG Thermal LLC, amended the shelf facility of its existing Thermal financing arrangement to allow for the issuance of an additional $10 million of Series F notes at a 4.60% interest rate, or Series F Notes, increasing the total principal amount of notes available for issuance under the shelf facility to $80 million. The Series E and Series F Notes will be secured by substantially all of the assets of NRG Energy Center Minneapolis LLC. NRG Thermal LLC has guaranteed the indebtedness and its guarantee is secured by a pledge of the equity interests in all of NRG Thermal LLC's subsidiaries.

CVSR Holdco Notes, due 2037

On July 15, 2016, CVSR Holdco, the indirect owner of the CVSR solar facility, issued $200 million of senior secured notes under the CVSR Holdco Financing Agreement, or 2037 CVSR Holdco Notes, that bear interest at 4.68% and mature on March 31, 2037. Net proceeds were distributed to the Company and NRG based on their respective ownership as of July 15, 2016, and, accordingly, the Company received net proceeds of $97.5 million.

As described in Note 3, *Business Acquisitions*, on September 1, 2016, the Company acquired the remaining 51.05% of CVSR, and assumed additional debt of $496 million, which represents 51.05% of the CVSR project level debt and 51.05% of the 2037 CVSR Holdco Notes. In connection with the retrospective adjustment of prior periods, as described in Note 1, *Nature of Business*, the Company now consolidates CVSR and 100% of its debt, consisting of $771 million of project level debt and $200 million of 2037 CVSR Holdco Notes as of September 1, 2016.

Interest Rate Swaps — Project Financings

Many of the Company's project subsidiaries entered into interest rate swaps, intended to hedge the risks associated with interest rates on non-recourse project level debt. These swaps amortize in proportion to their respective loans and are floating for fixed where the project subsidiary pays its counterparty the equivalent of a fixed interest payment on a predetermined notional value and will receive quarterly the equivalent of a floating interest payment based on the same notional value. All interest rate swap payments by the project subsidiary and its counterparty are made quarterly and the LIBOR is determined in advance of each interest period.

The following table summarizes the swaps, some of which are forward starting as indicated, related to the Company's project level debt as of December 31, 2017:

	% of Principal	Fixed Interest Rate	Floating Interest Rate	Notional Amount at December 31, 2017 (In millions)	Effective Date	Maturity Date
Alpine	85%	various	3-Month LIBOR	$ 115	various	various
Avra Valley	85%	2.333%	3-Month LIBOR	46	November 30, 2012	November 30, 2030
AWAM	100%	2.47%	3-Month LIBOR	17	May 22, 2013	May 15, 2031
Blythe	75%	3.563%	3-Month LIBOR	13	June 25, 2010	June 25, 2028
Borrego	75%	1.125%	3-Month LIBOR	5	April 3, 2013	June 30, 2020
El Segundo	75%	various	3-Month LIBOR	340	various	various
Kansas South	75%	2.368%	6-Month LIBOR	21	June 28, 2013	December 31, 2030
Laredo Ridge	75%	2.31%	3-Month LIBOR	75	March 31, 2011	March 31, 2026
Marsh Landing	75%	3.244%	3-Month LIBOR	295	June 28, 2013	June 30, 2023
Roadrunner	75%	4.313%	3-Month LIBOR	26	September 30, 2011	December 31, 2029
South Trent	75%	3.265%	3-Month LIBOR	40	June 15, 2010	June 14, 2020
South Trent	75%	4.95%	3-Month LIBOR	21	June 30, 2020	June 14, 2028
Tapestry	75%	2.21%	3-Month LIBOR	146	December 30, 2011	December 21, 2021
Tapestry	50%	3.57%	3-Month LIBOR	60	December 21, 2021	December 21, 2029
Utah Solar Portfolio	80%	various	1-Month LIBOR	223	various	September 30, 2036
Viento Funding II	90%	various	6-Month LIBOR	148	various	various
Viento Funding II	90%	4.985%	6-Month LIBOR	65	July 11, 2023	June 30, 2028
Walnut Creek Energy	75%	various	3-Month LIBOR	239	June 28, 2013	May 31, 2023
WCEP Holdings	90%	4.003%	3-Month LIBOR	45	June 28, 2013	May 31, 2023
Total				$ 1,940		

Annual Maturities

Annual payments based on the maturities of the Company's debt, for the years ending after December 31, 2017, are as follows:

	(In millions)
2018	$ 306
2019	722
2020	657
2021	455
2022	653
Thereafter	3,121
Total	$ 5,914

Note 11 — (Loss) Earnings Per Share

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding. Shares issued during the year are weighted for the portion of the year that they were outstanding. Diluted earnings per share is computed in a manner consistent with that of basic earnings per share while giving effect to all potentially dilutive common shares that were outstanding during the period.

The number of shares and per share amounts for the period ended December 31, 2015 have been retrospectively restated to reflect the Recapitalization as further described in Note 12, *Stockholders' Equity*.

The reconciliation of the Company's basic and diluted (loss) earnings per share is shown in the following table:

	Year Ended December 31, 2017		Year Ended December 31, 2016		Year Ended December 31, 2015	
(In millions, except per share data) [a]	Common Class A	Common Class C	Common Class A	Common Class C	Common Class A	Common Class C
Basic and diluted (loss) earnings per share attributable to NRG Yield, Inc. common stockholders						
Net (loss) income attributable to NRG Yield, Inc.	$ (6)	$ (10)	$ 20	$ 37	$ 14	$ 19
Weighted average number of common shares outstanding — basic and diluted	35	64	35	63	35	49
(Loss) Earnings per weighted average common share — basic and diluted	$ (0.16)	$ (0.16)	$ 0.58	$ 0.58	$ 0.40	$ 0.40

[a] Net (loss) income attributable to NRG Yield, Inc. and basic and diluted (loss) earnings per share might not recalculate due to presenting values in millions rather than whole dollars.

The following table summarizes the Company's outstanding equity instruments that are anti-dilutive and were not included in the computation of the Company's diluted earnings per share:

	Year Ended December 31,		
	2017	2016	2015
	(In millions of shares)		
2019 Convertible Notes - Common Class A	15	15	15
2020 Convertible Notes - Common Class C	10	10	5

Note 12 — Stockholders' Equity

On July 22, 2013, in connection with its initial public offering, the Company authorized 500,000,000 shares of Class A common stock, of which 22,511,250 were issued to the public and became outstanding. In addition, the Company authorized 500,000,000 shares of Class B common stock, of which 42,738,750 were issued to NRG concurrently with the initial public offering and became outstanding. The Company utilized proceeds from the issuance of the Class A common stock to acquire a controlling interest in NRG Yield LLC from NRG. Each share of the Class A common stock and the Class B common stock entitles the holder to one vote on all matters.

In 2014, the Company issued 12,075,000 shares of Class A common stock and used the proceeds to acquire 12,075,000 additional Class A units of NRG Yield LLC.

Recapitalization

On May 5, 2015, the Company's stockholders approved amendments to the Company's certificate of incorporation that adjusted the Company's capital structure by creating two new classes of capital stock, Class C common stock and Class D common stock, and distributed shares of Class C and Class D common stock to holders of the Company's outstanding Class A and Class B common stock, respectively, through a stock split. The Recapitalization became effective on May 14, 2015.

The Company also retrospectively adjusted all prior period share and per share amounts in the consolidated financial statements for the effect of the stock dividend, so that all periods are comparable.

Class C Common Stock Issuance

On June 29, 2015, the Company closed on its offering of 28,198,000 shares of Class C common stock, which included 3,678,000 shares of Class C common stock purchased by the underwriters through the exercise of an over-allotment option. Net proceeds to the Company from the sale of the Class C common stock were $599 million, net of underwriting discounts and commissions of $21 million. The Company utilized the proceeds of the offering to acquire 28,198,000 additional Class C units of NRG Yield LLC.

At-the-Market Equity Offering Program, or the ATM Program

NRG Yield, Inc. is party to an equity distribution agreement with Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and RBC Capital Markets, LLC, as sales agents. Pursuant to the terms of the equity distribution agreement, NRG Yield, Inc. may offer and sell shares of its Class C common stock par value $0.01 per share, from time to time through the sales agents up to an aggregate sales price of $150 million through an at-the-market equity offering program, or the ATM Program. NRG Yield, Inc. may also sell shares of its Class C common stock to any of the sales agents, as principals for its own account, at a price agreed upon at the time of sale.

As of December 31, 2017, Yield, Inc. issued 1,921,866 shares of Class C common stock under the ATM Program for gross proceeds of $35 million and incurred commission fees of $346 thousand. At December 31, 2017, approximately $115 million of Class C common stock remains available for issuance under the ATM Program.

As a result of the Company's sale of shares of Class C common stock under the ATM Program, the public shareholders of Class A and Class C common stock increased their economic and voting interests in NRG Yield, Inc. to 53.7%, and 44.9%, respectively, as of December 31, 2017.

Dividends to Class A and Class C common stockholders

The following table lists the dividends paid on the Company's Class A and Class C common stock during the year ended December 31, 2017:

	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017
Dividends per Class A share	$ 0.288	$ 0.28	$ 0.27	$ 0.26
Dividends per Class C share	$ 0.288	$ 0.28	$ 0.27	$ 0.26

Dividends on the Class A and Class C common stock are subject to available capital, market conditions, and compliance with associated laws, regulations and other contractual obligations. The Company expects that, based on current circumstances, comparable cash dividends will continue to be paid in the foreseeable future.

On February 15, 2018, the Company declared a quarterly dividend on its Class A and Class C common stock of $0.298 per share payable on March 15, 2018, to stockholders of record as of March 1, 2018.

The Company also authorized 10,000,000 shares of preferred stock, par value $0.01 per share. None of the shares of preferred stock have been issued.

Distributions/Contributions to/from NRG

The following table lists the distributions paid to NRG during the year ended December 31, 2017:

	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017
Distributions per Class B unit	$ 0.288	$ 0.28	$ 0.27	$ 0.26
Distributions per Class D unit	$ 0.288	$ 0.28	$ 0.27	$ 0.26

The portion of the distributions paid by NRG Yield LLC to NRG is recorded as a reduction to the Company's noncontrolling interest balance. The portion of the distributions paid by NRG Yield LLC to the Company was utilized to fund the dividends to the Class A and Class C common stockholders described above.

On February 15, 2018, NRG Yield LLC declared a quarterly distribution on its Class B and Class D common stock of $0.298 per unit payable to NRG on March 15, 2018.

During 2017, 2016, and 2015, the Company acquired the Drop Down Assets from NRG, as described in Note 3, *Business Acquisitions*. The difference between the cash paid and historical value of the acquired Drop Down Assets was recorded as a distribution to/contribution from NRG with the offset to noncontrolling interest. As the projects were owned by NRG prior to the Drop Down Assets acquisitions, the pre-acquisition income (loss) of such projects are recorded as attributable to NRG's noncontrolling interest. Prior to the date of acquisition, certain of the projects made distributions to NRG and NRG made contributions into certain projects. These amounts are reflected within the Company’s statement of stockholders’ equity as changes in the noncontrolling interest balance.

Note 13 — Segment Reporting

The Company's segment structure reflects how management currently operates and allocates resources. The Company's businesses are segregated based on conventional power generation, renewable businesses which consist of solar and wind, and the thermal and chilled water business. The Corporate segment reflects the Company's corporate costs. The Company's chief operating decision maker, its Chief Executive Officer, evaluates the performance of its segments based on operational measures including adjusted earnings before interest, taxes, depreciation and amortization, or Adjusted EBITDA, and CAFD, as well as economic gross margin and net income (loss).

The Company generated more than 10% of its revenues from the following customers for the years ended December 31, 2017, 2016 and 2015:

	2017		2016		2015	
Customer	**Conventional (%)**	**Renewables (%)**	**Conventional (%)**	**Renewables (%)**	**Conventional (%)**	**Renewables (%)**
SCE	21%	20%	21%	21%	22%	17%
PG&E	12%	11%	12%	11%	12%	12%

	Year ended December 31, 2017				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 336	$ 501	$ 172	$ —	$ 1,009
Cost of operations	77	133	116	—	326
Depreciation and amortization	103	210	21	—	334
Impairment losses	—	44	—	—	44
General and administrative	—	—	—	19	19
Acquisition-related transaction and integration costs	—	—	—	3	3
Operating income (loss)	156	114	35	(22)	283
Equity in earnings of unconsolidated affiliates	12	59	—	—	71
Other income, net	1	2	—	1	4
Loss on debt extinguishment	—	(3)	—	—	(3)
Interest expense	(49)	(163)	(10)	(84)	(306)
Income (loss) before income taxes	120	9	25	(105)	49
Income tax expense	—	—	—	72	72
Net Income (Loss)	$ 120	$ 9	$ 25	$ (177)	$ (23)
Balance Sheet					
Equity investment in affiliates	$ 102	$ 1,076	$ —	$ —	$ 1,178
Capital expenditures [(a)]	15	4	16	—	35
Total Assets	$ 1,897	$ 5,811	$ 422	$ 153	$ 8,283

[(a)] Includes accruals.

	Year ended December 31, 2016				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 333	$ 532	$ 170	$ —	$ 1,035
Cost of operations	66	128	114	—	308
Depreciation and amortization	80	203	20	—	303
Impairment losses	—	185	—	—	185
General and administrative	—	—	—	16	16
Acquisition-related transaction and integration costs	—	—	—	1	1
Operating income (loss)	187	16	36	(17)	222
Equity in earnings of unconsolidated affiliates	13	47	—	—	60
Other income, net	1	2	—	—	3
Interest expense	(48)	(151)	(7)	(78)	(284)
Income (loss) before income taxes	153	(86)	29	(95)	1
Income tax benefit	—	—	—	(1)	(1)
Net Income (Loss)	$ 153	$ (86)	$ 29	$ (94)	$ 2
Balance Sheet					
Equity investments in affiliates	$ 106	$ 1,046	$ —	$ —	$ 1,152
Capital expenditures [a]	7	2	14	—	23
Total Assets	$ 1,993	$ 6,114	$ 426	$ 429	$ 8,962

[a] Includes accruals.

	Year ended December 31, 2015				
(In millions)	**Conventional Generation**	**Renewables**	**Thermal**	**Corporate**	**Total**
Operating revenues	$ 336	$ 458	$ 174	$ —	$ 968
Cost of operations	59	138	126	—	323
Depreciation and amortization	81	203	19	—	303
Impairment losses	—	1	—	—	1
General and administrative	—	—	—	12	12
Acquisition-related transaction and integration costs	—	—	—	3	3
Operating income (loss)	196	116	29	(15)	326
Equity in earnings of unconsolidated affiliates	14	17	—	—	31
Other income, net	1	2	—	—	3
Loss on debt extinguishment	(7)	(2)	—	—	(9)
Interest expense	(48)	(151)	(7)	(61)	(267)
Income (loss) before income taxes	156	(18)	22	(76)	84
Income tax expense	—	—	—	12	12
Net Income (Loss)	$ 156	$ (18)	$ 22	$ (88)	$ 72

Note 14 — Income Taxes

Effective Tax Rate

The income tax provision consisted of the following amounts:

	Year Ended December 31,		
	2017	2016	2015
	(In millions, except percentages)		
Current			
U.S. Federal	$ —	$ —	$ —
State	—	—	—
Total — current	—	—	—
Deferred			
U.S. Federal	75	(1)	10
State	(3)	—	2
Total — deferred	72	(1)	12
Total income tax expense (benefit)	$ 72	$ (1)	$ 12

A reconciliation of the U.S. federal statutory rate of 35% to the Company's effective rate is as follows:

	Year Ended December 31,		
	2017	2016	2015
Income Before Income Taxes	$ 49	$ 1	$ 84
Tax at 35%	17	—	29
State taxes, net of federal benefit	(3)	—	2
Tax Cuts and Jobs Act - tax rate change	68	—	—
Investment tax credits	(1)	(1)	(1)
Impact of non-taxable partnership earnings	(9)	(1)	(17)
Production tax credits, including prior year true-up	(1)	4	(4)
Other	1	(3)	3
Income tax expense (benefit)	$ 72	$ (1)	$ 12
Effective income tax rate	147%	(100)%	14%

For the year ended December 31, 2017, the overall effective tax rate was different than the statutory rate of 35% primarily due to tax expense recorded from the revaluation of the existing net deferred tax asset pursuant to the reduction in the corporate income tax rate to 21% in accordance with the Tax Cuts and Jobs Act. In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, which addresses how a company may recognize provisional amounts for the effect of the changes related to the Tax Act. Consistent with that guidance, the Company recognized provisional amounts based upon our interpretation of the tax laws and estimates which require significant judgments.

For the years ended December 31, 2016 and 2015, the overall effective tax rate was different than the statutory rate of 35% primarily due to taxable earnings allocated to NRG resulting from its interest in NRG Yield LLC and production and investment tax credits generated from certain wind and solar assets, respectively.

The Company currently owns 53.7% of NRG Yield LLC and consolidates the results due to its controlling interest. The Company records NRG's 46.3% ownership as noncontrolling interest in the financial statements. For tax purposes, NRG Yield LLC is treated as a partnership; therefore, the Company and NRG each record their respective share of taxable income or loss.

The temporary differences, which gave rise to the Company's deferred tax assets, consisted of the following:

	As of December 31,	
	2017	2016
	(In millions)	
Deferred tax liabilities:		
Investment in projects	$ 70	$ 19
Total deferred tax liabilities	70	19
Deferred tax assets:		
Production tax credits carryforwards	7	5
Investment tax credits	1	1
U.S. Federal net operating loss carryforwards	183	226
Capital loss carryforwards	10	16
State net operating loss carryforwards	7	3
Total deferred tax assets	208	251
Valuation allowance	$ (10)	$ (16)
Total deferred tax assets, net of valuation allowance	$ 198	$ 235
Net deferred noncurrent tax asset	$ 128	$ 216

The primary driver for the decrease in the net deferred tax asset from $216 million to $128 million is the revaluation of the ending balance utilizing a 21% corporate income tax rate pursuant to the Tax Cuts and Jobs Act as of December 22, 2017.

Tax Receivable and Payable

As of December 31, 2017, the Company has no current or long term tax receivable or payable to be recorded.

Deferred Tax Assets and Valuation Allowance

Net deferred tax balance — As of December 31, 2017 and 2016, NRG recorded a net deferred tax asset of $138 million and $232 million, respectively. The Company believes it is more likely than not that the results of future operations will generate sufficient taxable income which includes the future reversal of existing taxable temporary differences to realize deferred tax assets. The Company considered the profit before tax generated in recent years, as well as projections of future earnings and estimates of taxable income in arriving at this conclusion. The Company believes that $10 million, a deferred tax asset, expected to generate a capital loss, for which there are no existing capital gains or available tax planning strategies to utilize the asset in the future may not be realized, resulting in the recording of a valuation allowance.

NOL carryforwards — At December 31, 2017, the Company had domestic NOLs carryforwards for federal income tax purposes of $183 million and cumulative state NOLs of $7 million tax-effected.

Uncertain Tax Positions

The Company had no identified uncertain tax positions that require evaluation as of December 31, 2017.

Note 15 — Related Party Transactions

In addition to the transactions and relationships described elsewhere in the notes to the consolidated financial statements, certain subsidiaries of NRG provide services to the Company's project entities. Amounts due to NRG subsidiaries are recorded as accounts payable — affiliate and amounts due to the Company from NRG subsidiaries are recorded as accounts receivable — affiliate in the Company's balance sheet. The disclosures below summarize the Company's material related party transactions with NRG and its subsidiaries that are included in the Company's operating revenues and operating costs.

Power Hedge Contracts by and between Renewable Entities and NRG Texas Power LLC

Certain NRG Wind TE Holdco entities, which are subsidiaries in the Renewables segment, entered into power hedge contracts with NRG Texas Power LLC, a subsidiary of NRG, and generated $16 million of revenue during the year ended December 31, 2015. Effective October 2015, Elbow Creek entered into a PPA with NRG Power Marketing LLC, or NRG Power Marketing, a wholly-owned subsidiary of NRG, as further described below, and the hedge agreement between Elbow Creek and NRG Texas Power LLC was terminated.

Power Purchase Agreements (PPAs) between the Company and NRG Power Marketing

Elbow Creek and Dover are parties to PPAs with NRG Power Marketing and generate revenue under the PPAs, which are recorded to operating revenues in the Company's consolidated statements of operations. For the years ended December 31, 2017 and 2016, Elbow Creek generated revenues of $8 million each year, and Dover generated revenues of $4 million and $5 million, respectively.

Energy Marketing Services Agreement by and between Thermal entities and NRG Power Marketing

NRG Energy Center Dover LLC, NRG Energy Center Minneapolis, NRG Energy Center Phoenix LLC, and NRG Energy Center Paxton LLC, or Thermal entities, are parties to Energy Marketing Services Agreements with NRG Power Marketing, a wholly-owned subsidiary of NRG. Under the agreements, NRG Power Marketing procures fuel and fuel transportation for the operation of Thermal entities. The Thermal entities purchased a total of $9 million of natural gas during each of the years ended December 31, 2017 and 2016. During the year ended December 31, 2015 total purchases of natural gas under the agreement were $13 million.

Operation and Maintenance (O&M) Services Agreements by and between Company's subsidiaries and NRG

Certain of the Company's subsidiaries are party to O&M Services Agreements with NRG, pursuant to which NRG subsidiaries provide necessary and appropriate services to operate and maintain the subsidiaries' plant operations, businesses and thermal facilities. NRG is reimbursed for the provided services, as well as for all reasonable and related expenses and expenditures, and payments to third parties for services and materials rendered to or on behalf of the parties to the agreements. NRG is not entitled to any management fee or mark-up under the agreements. The fees incurred under this agreement were $39 million for the year ended December 31, 2017, and $36 million for each year ended December 31, 2016 and 2015.

The Company had $13 million due to NRG for the services performed during the year ended December 31, 2017 under the O&M Agreements, $5 million of which was paid off as of March 1, 2018. The Company had $22 million due to NRG for the services performed during the year ended December 31, 2016 under the O&M Agreements.

O&M Services Agreements by and between GenConn and NRG

GenConn incurs fees under two O&M agreements with wholly-owned subsidiaries of NRG. The fees incurred under the agreements were $5 million each year for the years ended December 31, 2017 and 2016, and $4 million for the year ended December 31, 2015.

Administrative Services Agreement by and between Marsh Landing and NRG West Coast LLC

On December 19, 2016, Marsh Landing entered into an administrative services agreement with NRG West Coast LLC, a wholly owned subsidiary of NRG. The administrative services agreement was previously between Marsh Landing and GenOn Energy Services, LLC, a wholly-owned subsidiary of NRG and was subsequently assigned to and assumed by NRG West Coast LLC. The Company reimbursed costs under this agreement of approximately $15 million, $14 million and $13 million for the years ended December 31, 2017, 2016 and 2015, respectively. There was a balance of $1 million due to NRG West Coast LLC in accounts payable — affiliate as of December 31, 2017 and 2016.

Administrative Services Agreements by and between the Company and NRG Renew Operation & Maintenance LLC

Various wholly-owned subsidiaries of the Company in the Renewables segment are party to administrative services agreements with NRG Renew Operation & Maintenance LLC, or RENOM, a wholly-owned subsidiary of NRG, which provides O&M services to these subsidiaries. The Company incurred total expenses for these services in the amount of $23 million, $13 million and $7 million for the years ended December 31, 2017, 2016 and 2015, respectively. There was a balance of $5 million due to RENOM as of December 31, 2017 and 2016.

Management Services Agreement by and between the Company and NRG

NRG provides the Company with various operational, management, and administrative services, which include human resources, accounting, tax, legal, information systems, treasury, and risk management, as set forth in the Management Services Agreement. As of December 31, 2017, the base management fee was approximately $8.5 million per year, subject to an inflation-based adjustment annually, at an inflation factor based on the year-over-year U.S. consumer price index. The fee is also subject to adjustments following the consummation of future acquisitions and as a result of a change in the scope of services provided under the Management Services Agreement. During the year ended December 31, 2017, the fee was increased by approximately $1 million per year, primarily due to the acquisition of the March 2017, August 2017 and November 2017 Drop Down Assets, as further described in Note 3, *Business Acquisitions*. In addition to the base management fee, the Company is also responsible for any expenses that are directly incurred and paid for by NRG on behalf of the Company. Costs incurred under this agreement were approximately $10 million for each of the years ended December 31, 2017 and 2016, and $8 million for the year ended December 31, 2015. There was a balance of $4 million in accounts payable — affiliate due to NRG as of December 31, 2017, which the Company paid off in January 2018.

EPC Agreement by and between NECP and NRG

On October 31, 2016, NRG Business Services LLC, a subsidiary of NRG, and NECP, a wholly owned subsidiary of the Company, entered into an EPC agreement for the construction of a 73 MWt district energy system for NECP to provide 150 kpph of steam, 6,750 tons of chilled water and 7.5 MW of emergency backup power service to UPMC Mercy. The initial term of the energy services agreement with UPMC Mercy will be for a period of twenty years from the service commencement date. Pursuant to the terms of the EPC agreement, NECP agreed to pay NRG Business Services LLC $79 million, subject to adjustment based upon certain conditions in the EPC agreement, upon substantial completion of the project. The project is expected to reach COD in the first half of 2018. As of December 31, 2017, the parties made a number of amendments to the EPC Agreement, based on customer change orders, to increase the capacity of the district energy system from 73 MWt to 80 MWt, which also increased the payment from $79 million to $88 million.

Note 16 — Commitments and Contingencies

Operating Lease Commitments

The Company leases certain facilities and equipment under operating leases, some of which include escalation clauses, expiring on various dates through 2048. The effects of these scheduled rent increases, leasehold incentives, and rent concessions are recognized on a straight-line basis over the lease term unless another systematic and rational allocation basis is more representative of the time pattern in which the leased property is physically employed. Lease expense under operating leases was $17 million, $15 million, and $10 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The Company's future minimum lease commitments under operating leases are $9 million for each of the years ending December 31, 2018 through 2022, and $151 million thereafter.

Gas and Transportation Commitments

The Company has entered into contractual arrangements to procure power, fuel and associated transportation services. For the years ended December 31, 2017, 2016 and 2015, the Company purchased $34 million, $32 million and $40 million, respectively, under such arrangements. As further described in Note 15, *Related Party Transactions*, these purchases include intercompany transactions between certain Thermal entities and NRG Power Marketing under the Energy Marketing Services Agreements in the amount of $9 million for each of the years ended December 31, 2017 and 2016. Total intercompany purchases of natural gas under the agreement were $13 million for the year ended December 31, 2015.

As of December 31, 2017, the Company's commitments under such outstanding agreements are estimated as follows:

Period	(In millions)
2018	$ 11
2019	5
2020	3
2021	3
2022	3
Thereafter	16
Total	$ 41

Contingencies

The Company's material legal proceedings are described below. The Company believes that it has valid defenses to these legal proceedings and intends to defend them vigorously. The Company records reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. As applicable, the Company has established an adequate reserve for the matters discussed below. In addition, legal costs are expensed as incurred. Management assesses such matters based on current information and makes a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought and the probability of success. The Company is unable to predict the outcome of the legal proceedings below or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Company's liabilities and contingencies could be at amounts that are different from its currently recorded reserves and that such difference could be material.

In addition to the legal proceedings noted below, the Company and its subsidiaries are party to other litigation or legal proceedings arising in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect the Company's consolidated financial position, results of operations, or cash flows.

Braun v. NRG Yield, Inc. — On April 19, 2016, plaintiffs filed a putative class action lawsuit against NRG Yield, Inc., the current and former members of its board of directors individually, and other parties in California Superior Court in Kern County, CA. Plaintiffs allege various violations of the Securities Act due to the defendants' alleged failure to disclose material facts related to low wind production prior to NRG Yield, Inc.'s June 22, 2015 Class C common stock offering. Plaintiffs seek compensatory damages, rescission, attorney's fees and costs. The defendants filed objections and a motion challenging jurisdiction on October 18, 2016. On December 1, 2017, the parties agreed to a stipulation which provides the plaintiffs' opposition is due on March 6, 2018 and the defendants' reply is due on May 4, 2018.

Ahmed v. NRG Energy, Inc. and the NRG Yield Board of Directors — On September 15, 2016, plaintiffs filed a putative class action lawsuit against NRG Energy, Inc., the directors of NRG Yield, Inc., and other parties in the Delaware Chancery Court. The complaint alleges that the defendants breached their respective fiduciary duties with regard to the recapitalization of NRG Yield, Inc. common stock in 2015. The plaintiffs generally seek economic damages, attorney's fees and injunctive relief. The defendants filed a motion to dismiss the lawsuit on December 21, 2016. Plaintiffs filed their objection to the motion to dismiss on February 15, 2017. The defendants' reply was filed on March 24, 2017. The court heard oral argument on the defendants' motion to dismiss on June 20, 2017. On September 7, 2017, the court requested additional briefing which the parties provided on September 21, 2017. On December 11, 2017, the court dismissed the lawsuit with prejudice, thereby ending the case.

GenOn Noteholders' Lawsuit — On December 13, 2016, certain indenture trustees for an ad hoc group of holders, or the Noteholders, of the GenOn Energy, Inc., or GenOn, 7.875% Senior Notes due 2017, 9.500% Notes due 2018, and 9.875% Notes due 2020, and the GenOn Americas Generation, LLC 8.50% Senior Notes due 2021 and 9.125% Senior Notes due 2031, along with certain of the Noteholders, filed a complaint in the Superior Court of the State of Delaware against NRG and GenOn alleging certain claims related to the Services Agreement between NRG and GenOn. On April 30, 2017, the Noteholders filed an amended complaint that asserts additional claims of fraudulent transfer, insider preference and breach of fiduciary duties. In addition to NRG and GenOn, the amended complaint names NRG Yield LLC and certain current and former officers and directors of GenOn as defendants. The plaintiffs, among other things, generally seek return of all monies paid under the Services Agreement and any other damages that the court deems appropriate. On April 28, 2017, the bondholders filed an amended complaint adding the GenOn directors and officers as defendants and asserting claims that they breached certain fiduciary duties. Plaintiffs specifically allege that the transfer of Marsh Landing to NRG Yield LLC constituted a fraudulent transfer. On June 12, 2017, certain GenOn entities, NRG and certain holders of the GenOn and GenOn Americas Generation, LLC senior notes entered into a restructuring support

and lock-up agreement. On December 14, 2017, a settlement agreement was entered into between GenOn and NRG which should ultimately resolve this lawsuit.

Note 17 — Unaudited Quarterly Data

Refer to Note 2, *Summary of Significant Accounting Policies*, and Note 3, *Business Acquisitions*, for a description of the effect of unusual or infrequently occurring events during the quarterly periods. Below is summarized unaudited quarterly financial data, which includes the results of the November 2017 Drop Down Assets Acquisition and its impact on every quarter of the 2017 and 2016 results, which were recast to include the November 2017 Drop Down Assets, where applicable:

	Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
	2017			
	(In millions, except per share data)			
Operating Revenues	$ 231	$ 269	$ 288	$ 221
Operating Revenues (as previously reported)	N/A	265	284	218
Change	N/A	4	4	3
Operating Income	19	85	124	55
Operating Income (as previously reported)	N/A	95	122	54
Change	N/A	(10)	2	1
Net (Loss) Income	(98)	30	47	(2)
Net Income (Loss) (as previously reported)	N/A	41	45	(1)
Change	N/A	(11)	2	(1)
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (70)	$ 29	$ 28	$ (3)
Weighted average number of Class A common shares outstanding — basic	35	35	35	35
Weighted average number of Class A common shares outstanding — diluted	35	49	49	35
Weighted average number of Class C common shares outstanding — basic	65	64	63	63
Weighted average number of Class C common shares outstanding — diluted	65	75	74	63
(Loss) Earnings per Weighted Average Class A and Class C Common Share - Basic	(0.71)	0.30	0.29	(0.03)
(Loss) Earnings per Weighted Average Class A Common Share - Diluted	(0.71)	0.27	0.26	(0.03)
(Loss) Earnings per Weighted Average Class C Common Share - Diluted	$ (0.71)	$ 0.29	$ 0.28	$ (0.03)

	Quarter Ended			
	December 31,	September 30,	June 30,	March 31,
	2016			
	(In millions, except per share data)			
Operating Revenues	$ 235	$ 276	$ 287	$ 237
Operating Revenues (as previously reported)	232	272	283	234
Change	3	4	4	3
Operating (Loss) Income	(100)	119	130	73
Operating (Loss) Income (as previously reported)	(99)	117	128	72
Change	(1)	2	2	1
Net (Loss) Income	(115)	51	65	1
Net (Loss) Income (as previously reported)	(114)	50	64	2
(Change)	(1)	1	1	(1)
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (13)	$ 33	$ 32	$ 5
Weighted average number of Class A common shares outstanding — basic	35	35	35	35
Weighted average number of Class A common shares outstanding — diluted	35	49	49	35
Weighted average number of Class C common shares outstanding — basic	63	63	63	63
Weighted average number of Class C common shares outstanding — diluted	63	73	73	63
(Loss) Earnings per Weighted Average Class A and Class C Common Share - Basic	(0.14)	0.34	0.33	0.05
(Loss) Earnings per Weighted Average Class A Common Share - Diluted	(0.14)	0.30	0.29	0.05
(Loss) Earnings per Weighted Average Class C Common Share - Diluted	$ (0.14)	$ 0.32	$ 0.31	$ 0.05

Schedule I

NRG Yield, Inc. (Parent)

Condensed Financial Information of Registrant

Condensed Statements of Operations

(In millions)	Year ended December 31, 2017	2016 [a]	2015 [a]
Total operating expense	$ 1	$ 2	$ 2
Equity earnings in consolidated subsidiaries	62	15	95
Interest expense	(12)	(12)	(9)
Total other income, net	50	3	86
Income Before Income Taxes	49	1	84
Income tax expense (benefit)	72	(1)	12
Net (Loss) Income	(23)	2	72
Less: Pre-acquisition net income (loss) of Drop Down Assets	8	(4)	—
Less: Net (loss) income attributable to noncontrolling interests	(15)	(51)	39
Net (Loss) Income Attributable to NRG Yield, Inc.	$ (16)	$ 57	$ 33

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business.*

See accompanying notes to condensed financial statements.

Schedule I

NRG Yield, Inc. (Parent)

Condensed Balance Sheets

ASSETS	December 31, 2017	December 31, 2016 [a]
	(In millions)	
Current Assets		
Cash and cash equivalents	$ 2	$ 1
Other Assets		
Investment in consolidated subsidiaries	2,008	2,364
Note receivable - Yield Operating	618	618
Deferred income taxes	128	216
Total Assets	$ 2,756	$ 3,199
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Other current liabilities	2	2
Long-term debt	610	598
Other non-current liabilities	6	—
Total Liabilities	618	600
Stockholders' Equity		
Preferred stock, $0.01 par value; 10,000,000 shares authorized; none issued	—	—
Class A, Class B, Class C and Class D common stock, $0.01 par value; 3,000,000,000 shares authorized (Class A 500,000,000, Class B 500,000,000, Class C 1,000,000,000, Class D 1,000,000,000); 184,780,837 shares issued and outstanding (Class A 34,586,250, Class B 42,738,750, Class C 64,717,087, Class D 42,738,750) at December 31, 2017 and 182,848,000 shares issued and outstanding (Class A 34,586,250, Class B 42,738,750, Class C 62,784,250, Class D 42,738,750) at December 31, 2016	1	1
Additional paid-in capital	1,843	1,879
Accumulated deficit	(69)	(2)
Accumulated other comprehensive loss	(28)	(28)
Noncontrolling interest	391	749
Total Stockholders' Equity	2,138	2,599
Total Liabilities and Stockholders' Equity	$ 2,756	$ 3,199

[a] Retrospectively adjusted as discussed in Note 1, *Nature of Business*.

See accompanying notes to condensed financial statements.

Schedule I

NRG Yield, Inc. (Parent)

Condensed Statements of Cash Flows

	Years ended December 31,		
	2017	2016	2015
	(In millions)		
Net Cash (Used in) Provided by Operating Activities	$ —	$ (5)	$ 2
Cash Flows from Investing Activities			
Investments in consolidated affiliates	(33)	5	(600)
Increase in notes receivable - affiliate	—	—	(281)
Net Cash (Used in) Provided by Investing Activities	(33)	5	(881)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	—	—	288
Proceeds from the issuance of common stock	34	—	599
Payment of debt issuance costs	—	—	(7)
Cash received from Yield LLC for the payment of dividends	108	92	69
Payment of dividends	(108)	(92)	(69)
Net Cash Provided by Financing Activities	34	—	880
Net Increase in Cash and Cash Equivalents	1	—	1
Cash and Cash Equivalents at Beginning of Period	1	1	—
Cash and Cash Equivalents at End of Period	$ 2	$ 1	$ 1

See accompanying notes to condensed financial statements.

Schedule I

NRG Yield, Inc. (Parent)

Notes to Condensed Financial Statements

Note 1 — Background and Basis of Presentation

Background

The Company was formed by NRG as a Delaware corporation on December 20, 2012 and closed its initial public offering on July 22, 2013. In connection with its initial public offering, the Company's shares of Class A common stock began trading on the New York Stock Exchange under the symbol “NYLD.”

Effective May 14, 2015, the Company completed a stock split in connection with which each outstanding share of Class A common stock was split into one share of Class A common stock and one share of Class C common stock, and each outstanding share of Class B common stock was split into one share of Class B common stock and one share of Class D common stock. The stock split is referred to as the Recapitalization and all references to share or per share amounts in the accompanying consolidated financial statements and applicable disclosures have been retrospectively adjusted to reflect the Recapitalization. Following the Recapitalization, the Company's Class A common stock continued trading on the New York Stock Exchange under the new ticker symbol "NYLD.A" and the Class C common stock began trading under the ticker symbol "NYLD".

NRG, through its holdings of Class B common stock and Class D common stock, has a 55.1% voting interest in the Company and receives distributions from NRG Yield LLC through its ownership of Class B units and Class D units. The holders of the Company's issued and outstanding shares of Class A common stock and Class C common stock are entitled to dividends as declared and have 44.9% of the voting power in the Company.

The Company is the sole managing member of NRG Yield LLC and operates and controls all of its business and affairs and consolidates the financial results of NRG Yield LLC and its subsidiaries. NRG Yield LLC is a holding company for the companies that directly and indirectly own and operate the Company's business. As of December 31, 2017, the Company and NRG have 53.7% and 46.3% economic interests in NRG Yield LLC, respectively. As a result of the current ownership of the Class B common stock and Class D common stock, NRG continues at the present time to control the Company, and the Company in turn, as the sole managing member of NRG Yield LLC, controls NRG Yield LLC and its subsidiaries.

Basis of Presentation

The condensed parent-only company financial statements have been prepared in accordance with Rule 12-04 of Regulation S-X, as the restricted net assets of NRG Yield, Inc.’s subsidiaries exceed 25% of the consolidated net assets of NRG Yield, Inc. The parent's 100% investment in its subsidiaries has been recorded using the equity basis of accounting in the accompanying condensed parent-only financial statements. These statements should be read in conjunction with the consolidated financial statements and notes thereto of NRG Yield, Inc.

During the years ending December 31, 2017 and 2016, the Company completed four acquisitions of Drop Down Assets from NRG. The accounting guidance requires retrospective combination of the entities for all periods presented as if the combination has been in effect from the beginning of the financial statement period or from the date the entities were under common control (if later than the beginning of the financial statement period). For further discussion, see Note 3, *Business Acquisitions* to the Consolidated Financial Statements.

Note 2 — Long-Term Debt

For a discussion of NRG Yield Inc.’s financing arrangements, see Note 10, *Long-term Debt*, to the Company's consolidated financial statements.

Note 3 — Commitments, Contingencies and Guarantees

See Note 14, *Income Taxes*, and Note 16, *Commitments and Contingencies*, to the Company's consolidated financial statements for a detailed discussion of NRG Yield, Inc.’s commitments and contingencies.

Note 4 — Dividends

Cash distributions paid to NRG Yield, Inc. by its subsidiary, NRG Yield LLC, were $108 million, $92 million, and $69 million for the years ended December 31, 2017, 2016, and 2015, respectively.

SCHEDULE II. VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 2017 and 2016

	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Balance at End of Period
	(In millions)			
Income tax valuation allowance, deducted from deferred tax assets				
Year Ended December 31, 2017	$ 16	$ (6)	$ —	$ 10
Year Ended December 31, 2016	$ —	$ —	$ 16	$ 16

EXHIBIT INDEX

Number	Description	Method of Filing
2.1	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Gas Development Company, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.2	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.3	Purchase and Sale Agreement, dated as of May 5, 2014, by and between NRG Solar PV LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed on May 9, 2014.
2.4	Purchase and Sale Agreement, dated June 3, 2014, by and among NRG Yield, Inc., NRG Yield Operating LLC, Terra-Gen Finance Company, LLC, NTD AWAM Holdings, LLC, CHIPS Alta Wind X Holding Company, LLC and CHIPS Alta Wind XI Holding Company, LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 9, 2014.
2.5	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Wind LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 7, 2014.
2.6	Purchase and Sale Agreement, dated as of November 4, 2014, by and between NRG Arroyo Nogales LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on November 7, 2014.
2.7*^	Purchase and Sale Agreement, dated as of June 17, 2015, by and between EFS Desert Sun, LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
2.8	Purchase and Sale Agreement, dated as of September 17, 2015, by and between NRG Energy Gas & Wind Holdings, Inc. and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 21, 2015.
2.9	Purchase and Sale Agreement, dated as of August 8, 2016, between NRG Solar CVSR Holdings 2 LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on August 9, 2016.
2.10*	Purchase and Sale Agreement, dated as of February 6, 2018, by and between NRG Gas Development Company, LLC and NRG Yield Operating LLC.	Filed herewith.
3.1	Restated Certificate of Incorporation of NRG Yield, Inc., dated as of May 2, 2016.	Incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2016.
3.2	Third Amended and Restated Bylaws of NRG Yield, Inc., dated as of February 23, 2016.	Incorporated herein by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K filed on February 29, 2016.
4.1	Third Amended and Restated Limited Liability Company Agreement of NRG Yield LLC, dated as of May 14, 2015.	Incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 15, 2015.
4.2	Indenture, dated February 11, 2014, among NRG Yield, Inc., NRG Yield Operating LLC and NRG Yield LLC, as Guarantors, and Wilmington Trust, National Association, as trustee, re: the Company's 3.50% Convertible Senior Notes due 2019.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 11, 2014.
4.3	Form of 3.50% Convertible Senior Note due 2019.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 11, 2014.
4.4	Indenture, dated August 5, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York, as trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 5, 2014.
4.5	Form of 5.375% Senior Note due 2024.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 5, 2014.

4.6	Registration Rights Agreement, dated August 5, 2014, among NRG Yield Operating LLC, the guarantors named therein and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the initial purchasers.	Incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 5, 2014.
4.7	Supplemental Indenture, dated as of November 7, 2014, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2014.
4.8	Supplemental Indenture, dated as of February 25, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 27, 2015.
4.9	Third Supplemental Indenture, dated as of April 10, 2015, among NRG Yield Operating LLC, NRG Yield LLC, the other guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 16, 2015.
4.10	Fourth Supplemental Indenture, dated as of May 8, 2015, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 8, 2015.
4.11	Indenture, dated June 29, 2015, among NRG Yield, Inc., NRG Yield Operating LLC and NRG Yield LLC, as Guarantors, and Wilmington Trust, National Association, as Trustee.	Incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 29, 2015.
4.12	Form of 3.25% Convertible Senior Note due 2020.	Incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 29, 2015.
4.13	Specimen Class A Common Stock Certificate.	Incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A/A filed on May 8, 2015.
4.14	Specimen Class C Common Stock Certificate.	Incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form 8-A/A filed on May 8, 2015.
4.15	Indenture, dated August 18, 2016, among NRG Yield Operating LLC, the guarantors named therein and Law Debenture Trust Company of New York.	Incorporated herein by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.16	Form of 5.000% Senior Note due 2026.	Incorporated herein by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.17	Registration Rights Agreement, dated August 18, 2016, among NRG Yield Operating LLC, the guarantors named therein and J.P. Morgan Securities LLC, as representative of the initial purchasers.	Incorporated herein by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed on August 18, 2016.
4.18	Fifth Supplemental Indenture, dated as of January 29, 2018, among NRG Yield Operating LLC, the guarantors named therein and Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.1 to NRG Yield LLC's Current Report on Form 8-K, filed on January 31, 2018.
4.19	Supplemental Indenture, dated as of January 29, 2018, among NRG Yield Operating LLC, the guarantors named therein and the Delaware Trust Company (as successor in interest to Law Debenture Trust Company of New York).	Incorporated herein by reference to Exhibit 4.2 to NRG Yield LLC's Current Report on Form 8-K, filed on January 31, 2018.
10.1	Amended and Restated Registration Rights Agreement, dated as of May 14, 2015, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.2	Amended and Restated Exchange Agreement, dated as of May 14, 2015, by and among NRG Energy, Inc., NRG Yield, Inc. and NRG Yield LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.3	Second Amended and Restated Right of First Offer Agreement, dated as of February 24, 2017, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on February 28, 2017.
10.4	Management Services Agreement, dated as of July 22, 2013, by and between NRG Energy, Inc., NRG Yield, Inc., NRG Yield LLC and NRG Yield Operating LLC.	Incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 26, 2013.
10.5	Trademark License Agreement, dated as of July 22, 2013, by and between NRG Energy, Inc. and NRG Yield, Inc.	Incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on July 26, 2013.

10.6	Loan Guarantee Agreement, dated as of September 30, 2011, by and among High Plains Ranch II, LLC, as borrower, the U.S. Department of Energy, as guarantor, and the U.S. Department of Energy, as loan servicer.	Incorporated herein by reference to Exhibit 10.8 to the Company's Draft Registration Statement on Form S-1, filed on February 13, 2013.
10.7	Operation and Maintenance Agreement, dated as of January 31, 2011, by and between Avenal Solar Holdings LLC and NRG Energy Services LLC.	Incorporated herein by reference to Exhibit 10.11 to the Company's Draft Registration Statement on Form S-1filed on February 13, 2013.
10.8	Asset Management Agreement, dated as of August 30, 2012, by and between NRG Solar Avra Valley LLC and NRG Solar Asset Management LLC.	Incorporated herein by reference to Exhibit 10.12 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.9	Operation and Maintenance Agreement, dated as of August 1, 2012, by and between NRG Energy Services LLC and NRG Solar Borrego I LLC.	Incorporated herein by reference to Exhibit 10.13 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.10	Asset Management Agreement, dated as of March 15, 2012, by and between NRG Solar Alpine LLC and NRG Solar Asset Management LLC.	Incorporated herein by reference to Exhibit 10.14 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.11	Operation and Maintenance Agreement, dated as of September 30, 2011, by and between NRG Energy Services LLC and High Plains Ranch II, LLC.	Incorporated herein by reference to Exhibit 10.15 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.12	Project Administration Agreement, dated as of August 16, 2010, by and between South Trent Wind LLC and NRG Texas Power LLC.	Incorporated herein by reference to Exhibit 10.16 to the Company's Draft Registration Statement on Form S-1 filed on February 13, 2013.
10.13	Operation and Maintenance Agreement, dated as of April 24, 2009, by and between GenConn Devon LLC and Devon Power LLC.	Incorporated herein by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.14	Operation and Maintenance Agreement, dated as of April 24, 2009, by and between GenConn Middletown LLC and Middletown Power LLC.	Incorporated herein by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.15	Administrative Services Agreement, dated as of April 2, 2009, by and between GenOn Energy Services, LLC (formerly Mirant Services, LLC) and NRG Marsh Landing, LLC (formerly Mirant Marsh Landing, LLC.	Incorporated herein by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 filed on June 7, 2013.
10.16†	NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan, dated as of May 14, 2015.	Incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on May 15, 2015.
10.17	Form of Indemnification Agreement.	Incorporated herein by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1/A filed on June 21, 2013.
10.18.1	Amended and Restated Credit Agreement, dated April 25, 2014, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada, as Administrative Agent, the lenders party thereto, Royal Bank of Canada, Goldman Sachs Bank USA and Bank of America, N.A., as L/C Issuers and RBC Capital Markets as Sole Left Lead Arranger and Sole Left Lead Book Runner.	Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 28, 2014.
10.18.2	First Amendment to Amended & Restated Credit Agreement, dated June 26, 2015, by and among NRG Yield Operating LLC, NRG Yield LLC, Royal Bank of Canada and the Lenders party thereto.	Incorporated herein by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.18.3	Second Amendment to Amended & Restated Credit Agreement, dated February 6, 2018, by and among NRG Yield Operating LLC, NRG Yield LLC, the guarantors party thereto, Royal Bank of Canada, as Administrative Agent, and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 12, 2018.
10.19.1	Credit Agreement, dated as of August 23, 2011, among NRG West Holdings LLC, ING Capital LLC, Union Bank, N.A., Mizuho Corporate Bank, Ltd., RBS Securities Inc., Credit Agricole Corporate and Investment Bank, and each of lenders and issuing banks thereto.*	Incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.19.2	Amendment No. 1 to the Credit Agreement, dated October 7, 2011, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.19.3	Amendment No. 2 to the Credit Agreement, dated February 29, 2012, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.

10.19.4	Amendment No. 3 to the Credit Agreement, dated as of January 27, 2014, by and between NRG West Holdings LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.19.5	Amendment No. 4 to the Credit Agreement and Amendment No. 1 to the Collateral Agreement, dated as of May 16, 2014, by and between NRG West Holdings LLC, El Segundo Energy Center LLC and Credit Agricole Corporate and Investment Bank.	Incorporated herein by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.19.6	Amendment No. 5 to the Credit Agreement, dated as of May 29, 2015, by and between NRG West Holdings LLC and ING Capital LLC.	Incorporated herein by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.20.1	Amended and Restated Credit Agreement, dated July 17, 2014, by and among NRG Marsh Landing LLC, The Royal Bank of Scotland Plc, Deutsche Bank Trust Company Americas and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.20.2	First Amendment to the Credit Agreement and Collateral Agency and Intercreditor Agreement, dated July 17, 2014, by and among NRG Marsh Landing LLC, The Royal Bank of Scotland Plc, Deutsche Bank Trust Company Americas and the lenders party thereto.	Incorporated herein by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014.
10.21^	Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of April 9, 2015.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.22^	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 1 LLC, dated as of May 8, 2015.	Incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2015.
10.23^	Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of March 1, 2016, by and between NRG Yield RPV Holding LLC and NRG Residential Solar Solutions LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2016.
10.24^	Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 1 LLC, dated as of March 1, 2016, by and among NRG Yield DGPV Holding LLC, NRG Renew DG Holdings LLC and NRG Renew LLC.	Incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2016.
10.25^	Amended and Restated Limited Liability Company Agreement of NRG DGPV Holdco 2 LLC, dated as of March 1, 2016, by and among NRG Yield DGPV Holding LLC, NRG Renew DG Holdings LLC, and NRG Renew LLC.	Incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2016.
10.26	Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of NRG RPV Holdco 1 LLC, dated as of August 5, 2016, by and between NRG Yield RPV Holding LLC and NRG Residential Solar Solutions LLC.	Incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2016.
10.27†	Employment Agreement, dated as of May 6, 2016, between NRG Yield, Inc. and Christopher S. Sotos.	Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A, filed on August 9, 2016.
10.28†	Amendment, dated January 1, 2018 to Employment Agreement between NRG Yield, Inc. and Christopher Sotos.	Filed herewith.
10.29†	Form of NRG Yield, Inc. 2013 Equity Incentive Plan Restricted Stock Unit Agreement for Officers.	Filed herewith.
10.30†	Form of NRG Yield, Inc. 2013 Equity Incentive Plan Restricted Stock Unit Agreement for Non-officers.	Filed herewith.
10.31†	Form of NRG Yield, Inc. 2013 Equity Incentive Plan Relative Performance Stock Unit Agreement.	Filed herewith.
10.32†	NRG Yield, Inc. Annual Incentive Plan for Designated Corporate Officers.	Incorporated herein by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K, filed on February 28, 2017.
10.33†	NRG Yield, Inc. Executive Change-in-Control and General Severance Plan.	Filed herewith.

10.34^	Consent and Indemnity Agreement, dated as of February 6, 2018, by and among NRG Energy, Inc., NRG Repowering Holdings LLC, NRG Yield, Inc., and GIP III Zephyr Acquisition Partners, L.P., and NRG Yield Operating LLC (solely with respect to Sections E.5, E.6 and G.12).	Filed herewith.
21.1	Subsidiaries of NRG Yield, Inc.	Filed herewith.
23.1	Consent of KPMG LLP.	Filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) certification of Christopher S. Sotos.	Filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) certification of Chad Plotkin.	Filed herewith.
31.3	Rule 13a-14(a)/15d-14(a) certification of David Callen.	Filed herewith.
32	Section 1350 Certification.	Furnished herewith.
101 INS	XBRL Instance Document.	Filed herewith.
101 SCH	XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.

† Indicates exhibits that constitute compensatory plans or arrangements.

* This filing excludes schedules pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementary to the Securities and Exchange Commission upon request by the Commission.

^ Portions of this exhibit have been redacted and are subject to a confidential treatment request filed with the Secretary of the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

Item 16 — Form 10-K Summary

None.

SIGNATURES

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

NRG YIELD, INC.
(Registrant)

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

Date: March 1, 2018

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints David R. Hill and Brian E. Curci, each or any of them, such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments to this report on Form 10-K, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary or desirable to be done in and about the premises, as fully to all intents and purposes as such person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the Exchange Act, this report has been signed by the following persons on behalf of the registrant in the capacities indicated on March 1, 2018.

Signature	Title	Date
/s/ CHRISTOPHER S. SOTOS	President, Chief Executive Officer and Director	March 1, 2018
Christopher S. Sotos	(Principal Executive Officer)	
/s/ CHAD PLOTKIN	Chief Financial Officer	March 1, 2018
Chad Plotkin	(Principal Financial Officer)	
/s/ DAVID CALLEN	Chief Accounting Officer	March 1, 2018
David Callen	(Principal Accounting Officer)	
/s/ MAURICIO GUTIERREZ	Chairman of the Board	March 1, 2018
Mauricio Gutierrez		
/s/ KIRKLAND B. ANDREWS	Director	March 1, 2018
Kirkland B. Andrews		
/s/ JOHN CHILLEMI	Director	March 1, 2018
John Chillemi		
/s/ JOHN CHLEBOWSKI	Director	March 1, 2018
John Chlebowski		
/s/ BRIAN FORD	Director	March 1, 2018
Brian Ford		
/s/ FERRELL MCCLEAN	Director	March 1, 2018
Ferrell McClean		

PURCHASE AND SALE AGREEMENT

dated as of February 6, 2018

by and between

NRG GAS DEVELOPMENT COMPANY, LLC,
a Delaware limited liability company,

as Seller

and

NRG YIELD OPERATING LLC,
a Delaware limited liability company,

as Purchaser

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of February 6, 2018 (the "Effective Date") is made and entered into by and between NRG Gas Development Company, LLC, a Delaware limited liability company ("Seller"), and NRG Yield Operating LLC, a Delaware limited liability company ("Purchaser"). Seller and Purchaser are referred to, collectively, as the "Parties" and each, individually, as a "Party." Capitalized terms used herein shall have the meanings set forth in Section 1.01.

RECITALS

WHEREAS, Seller owns one hundred percent (100%) of the membership interests (the "Acquired Interests") of Carlsbad Energy Holdings LLC, a Delaware limited liability company ("Holdco");

WHEREAS, Holdco owns one hundred percent (100%) of the membership interests in Carlsbad Energy Center LLC (the "Project Company");

WHEREAS, the Project Company is developing and constructing an approximately 530 megawatt natural gas fired project in Carlsbad, California (the "Project"); and

WHEREAS, Seller desires to sell, and Purchaser desires to purchase all of the Acquired Interests on the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS, INTERPRETATION

1.01 Definitions. As used in this Agreement, the following defined terms have the meanings indicated below:

"Acquired Interests" has the meaning set forth in the Recitals.

"Acquisition Proposal" has the meaning set forth in Section 11.11.

"Action or Proceeding" means any action, suit, proceeding, arbitration or investigation by or before any Governmental Authority.

"Affiliate" of a specified Person means any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with the Person specified. For the purposes of this Agreement, NRG Energy, Inc. and its direct or indirect subsidiaries, including Seller, Holdco and the Project Company shall not be considered "Affiliates" of NRG Yield, Inc. and its direct or indirect subsidiaries, including Purchaser.

"Aggregate Net Working Capital Amount" means (without duplication) the sum of the net working capital of Holdco as determined in accordance with the methodology used in the preparation of Aggregate Target Net Working Capital Amount set forth on Exhibit C, and otherwise in accordance with GAAP as of 12:01 A.M. (Eastern time) on the Closing Date. In the event the Closing does not occur on the last day of a month, then each item included as a proration item on Exhibit C and included in the calculation of Aggregate Net Working Capital

Amount shall be prorated to the extent applicable as of the Closing Date by multiplying the amount of each such item for the full calendar month by a fraction, the numerator of which is the number of days elapsed from and including the first day of the month in which the Closing Date occurs to but excluding the Closing Date, and the denominator of which is the total number of days in such month, provided that to the extent items may be determined on a daily basis, such amounts will be allocated on a daily basis.

"Aggregate Target Net Working Capital Amount" means Two Million Nine Hundred Seventy Three Thousand Two Hundred Sixty Five dollars ($2,973,265).

"Agreement" means this Purchase and Sale Agreement and the exhibits, the appendices and the Disclosure Schedules, as any of the same shall be amended or supplemented from time to time.

"Apportioned Obligations" has the meaning set forth in Section 9.01(a).

"Assignment of Membership Interests" means the Assignment and Assumption Agreement, in substantially the form of Exhibit A attached hereto.

"Balance Sheet Date" has the meaning set forth in Section 3.21.

"Base Purchase Price" has the meaning set forth in Section 2.02.

"Business Day" means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

"Cap" has the meaning set forth in Section 11.04(c).

"Carlsbad Construction Budget and Schedule" means that capital expenditure budget and schedule for the Project attached hereto as Exhibit J.

"Carlsbad Financing" means the financing of the Project pursuant to the Credit Agreement and related financing documents.

"Casualty Loss" has the meaning set forth in Section 5.06.

"Claim Threshold" has the meaning set forth in Section 11.04(b).

"Closing" has the meaning set forth in Section 2.03(a).

"Closing Date" is the date on which the transactions contemplated hereunder are consummated.

"Closing Date Aggregate Net Working Capital Adjustment Amount" has the meaning set forth in Section 2.04(a).

"Closing Date Schedule Supplement" has the meaning set forth in Section 5.03(c).

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Company Contracts" has the meaning set forth in Section 3.13(a).

"Commercial Operation" has the meaning ascribed to such term in the Power Purchase Tolling Agreement.

"Consequential Damages" has the meaning set forth in Section 13.15.

"Constitutive Documents" means the certificates of formation and the limited liability company agreements or partnership agreements, as amended (if applicable), of Holdco and the Project Company.

"Contract" means any agreement, purchase order, commitment, evidence of Indebtedness, mortgage, indenture, security agreement or other contract, entered into by a Person or by which a Person or any of its assets are bound.

"Control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management or policies of such Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Credit Agreement" means that certain Credit Agreement, dated as of May 26, 2017, by and among Holdco, the lenders and issuing banks party thereto, and MUFG Union Bank, N.A.

"CSA" means a Contractual Services Agreement to be entered into by and between the Project Company and GE Packaged Power, Inc. or its Affiliate.

"CSA Adjustment Amount" means an amount in dollars equal to (a) $9.14 *multiplied* by (b) (i) the average annual CSA cost for the period January 1, 2019 through December 31, 2023 reflected in the Closing Date Financial Model *minus* (ii) the projected average annual CSA cost for the period January 1, 2019 through December 31, 2023 determined pursuant to the executed CSA.

"Deductible" has the meaning set forth in Section 11.04(a).

"Depositary Agreement" means that Depositary Agreement dated as of May 26, 2017, by and among Holdco, MUFG Union Bank, N.A., as Collateral Agent and MUFG Union Bank, N.A., as Depositary and Securities Intermediary.

"Disclosure Schedules" means the schedules attached to this Agreement, and dated as of the date hereof.

"Effective Date" has the meaning set forth in the Preamble.

"Employee Plan" means any "employee benefit plan," as such term is defined in Section 3(3) of ERISA, that is (or when in effect was) subject to any provision of ERISA, including Title IV of ERISA, and is or was sponsored, maintained or contributed to by Seller, Holdco or the Project Company or any ERISA Affiliate.

"Environmental Laws" means any Law relating to the environment, or to handling, storage, transportation, emissions, discharges, releases or threatened emissions, discharges or releases of Hazardous Substances into the environment, including ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment or disposal of any Hazardous Substances, including, but not limited to, the Clean Air Act, the Federal Water Pollution Control Act (including, but not limited to the Clean Water Act and the Oil Pollution Act), the Safe Drinking Water Act, the Federal Solid Waste Disposal Act (including, but not limited to, the Resource Conservation and Recovery Act of 1976), the Comprehensive Environmental Response, Compensation, and Liability Act, the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Emergency Planning and Community Right-to-Know Act, and the Occupational Safety and Health Act (to the extent relating to human exposure to Hazardous Materials) and any other federal, state or local laws, ordinances, rules or regulations now or hereafter existing relating to any of the foregoing.

"EPC Contract" means that certain Engineering, Procurement and Construction Agreement dated as of June 19, 2015 among the Project Company, ARB, Inc. and Burns & McDonnell Engineering Company, Inc., as amended.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes Seller, Holdco or the Project Company or that is a member of the same "controlled group" as Seller pursuant to Section 4001(a)(14) of ERISA; provided, however, that Holdco and the Project Company shall not be considered to be ERISA Affiliates from and after the Closing Date.

"Estimated Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.04(a).

"FERC" means the Federal Energy Regulatory Commission.

"Final Aggregate Net Working Capital Adjustment Amount" has the meaning set forth in Section 2.04(f).

"Final Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.04(b).

"Final Purchase Price" has the meaning set forth in Section 2.02.

"Financial Statements" has the meaning set forth in Section 3.21.

"FPA" means the Federal Power Act, as amended.

"GAAP" has the meaning set forth in Section 1.02(c).

"Governmental Approval" means any consent or approval required by any Governmental Authority.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, including NERC, FERC and each Regional Entity; or any court or governmental tribunal.

"Hazardous Substances" means any substance, element, compound or mixture, whether solid, liquid or gaseous: (a) which is defined as "hazardous waste" or "hazardous substance" or "pollutant" or "contaminant" under any Environmental Law; (b) which is otherwise hazardous and is subject to regulation by any Governmental Authority; (c) petroleum hydrocarbons (other than naturally occurring petroleum hydrocarbons); (d) polychlorinated biphenyls (PCBs); (e) asbestos-containing materials (other than naturally occurring asbestos); or (f) radioactive materials (other than naturally occurring radioactive materials).

"Holdco" has the meaning set forth in the Recitals.

"Indebtedness" means all obligations of a Person (a) for borrowed money, (b) evidenced by notes, bonds, debentures or similar instruments, (c) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business and not past due), (d) under capital leases, (e) secured by a Lien on the assets of such Person, whether or not such obligation has been assumed by such Person, (f) with respect to reimbursement obligations for letters of credit and other similar instruments (whether or not drawn), (g) in the nature of guaranties of the obligations described in clauses (a) through (f) above of any other Person or as to which such Person has an obligation substantially the economic equivalent of a guaranty, or (h) in respect of any other amount properly characterized as indebtedness in accordance with GAAP.

"Indemnified Party" means any Person claiming indemnification under any provision of Article 11.

"Indemnifying Party" means any Person against whom a claim for indemnification is being asserted under any provision of Article 11.

"Insurance Premium Adjustment Amount" means an amount in dollars equal to (a) $9.14 *multiplied* by (b) the amount by which the aggregate insurance premiums reasonably required to be paid by Holdco or any Subsidiary for the Replacement Insurance Policies in the first year such policies are in effect is greater than or is less than $537,001 (which amount is expressed as a negative number if less than $537,001 and a positive number if greater than $537,001).

"Interim Period" means the period between the Effective Date and the Closing Date.

"IRS" means the United States Internal Revenue Service.

"Knowledge of Seller" means the actual knowledge of Dawn Gleiter, Eric Leuze, Alan Johnson and Larry Kostrzewa, after reasonable inquiry of their direct reports.

"Land" has the meaning set forth in Section 3.14(a).

"Laws" means all laws, statutes, treaties, rules, orders, codes, ordinances, standards, regulations, restrictions, official guidelines, policies, directives, interpretations, permits or other pronouncements having the effect of law of any Governmental Authority.

"Liabilities" means any liability, Indebtedness, obligation, commitment, or expense, in each case, requiring either (i) the payment of a monetary amount, or (ii) any type or fulfillment of an obligation, and in each case whether accrued, absolute, contingent, asserted, matured, unmatured, secured or unsecured.

"Lien" means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind (including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and any agreement to give any lien or security interest).

"Losses" means any and all claims, damages, losses, Liabilities, costs, fines, penalties assessed by any Governmental Authority and expenses (including settlement costs and any reasonable legal, accounting or other expenses for investigating or defending any actions or threatened actions), and excluding any consequential, incidental, indirect, special, exemplary or punitive damages.

"Material Adverse Effect" means any fact, event, circumstance, condition, change or effect that has, or would reasonably be expected to have, individually or in the aggregate, a materially adverse effect on the assets, properties, liabilities, financial condition or results of operations of Holdco or the Project Company; provided, however, that none of the following shall be or will be at the Closing deemed to constitute and shall not be taken into account in determining the occurrence of a Material Adverse Effect: any fact, event, circumstance, condition, change or effect resulting from (a) any economic change generally affecting the international, national or regional (i) electric generating industry or (ii) wholesale markets for electric power; (b) any economic change in markets for commodities or supplies, including electric power, as applicable, used in connection with Holdco or the Project Company; (c) any change in general regulatory or political conditions, including any engagements of hostilities, acts of war or terrorist activities, natural disasters or weather-related events or changes imposed by a Governmental Authority associated with additional security; (d) any change in any Laws (including Environmental Laws), industry standards generally affecting the industry or markets in which Holdco or the Project Company operate or GAAP; (e) any change in the financial condition of Holdco or the Project Company caused by the pending sale of Holdco or the Project Company to Purchaser, including changes due to the credit rating of Purchaser; (f) any change in the financial, banking, or securities markets (including any suspension of trading in, or limitation

on prices for, securities on the New York Stock Exchange, American Stock Exchange or Nasdaq Stock Market) or any change in the general national or regional economic or financial conditions; (g) any actions to be taken pursuant to or in accordance with this Agreement; or (h) the announcement or pendency of the transactions contemplated hereby, including any labor union activities or disputes; provided, however, that any fact, event, circumstance, condition, change or effect resulting from clauses (a) through (f) shall nonetheless be taken into consideration in determining whether a Material Adverse Effect has occurred to the extent such changes, events, effects or occurrences have a materially disproportionate impact on Holdco or the Project Company, taken as whole, as compared to similarly situated businesses in the same industry and in the same geographical area.

"NERC" means the North American Electric Reliability Corporation.

"Neutral Auditor" means Ernst & Young or, if Ernst & Young is unable to serve, an impartial nationally recognized firm of independent certified public accountants other than Seller's accountants or Purchaser's accountants, mutually agreed to by Purchaser and Seller.

"Note Purchase Agreement" means that certain Note Purchase Agreement, dated May 26, 2017, among Holdco and each purchaser party thereto.

"NRG ROFO Asset" has the meaning provided to such term in the ROFO Agreement.

"NYLD" means NRG Yield, Inc., a Delaware corporation.

"NYLD Acquisition Agreement" means that certain Purchase and Sale Agreement by and among Seller Parent, NRG Repowering Holdings LLC and Zephyr Purchaser pursuant to which, *inter alia*, Seller Parent has agreed to sell its interest in NRG Yield LLC to Zephyr Purchaser.

"NYLD Acquisition Closing" means the Closing as such term is defined in the NYLD Acquisition Agreement.

"O&M Adjustment Amount" has the meaning set forth in Section 2.10.

"O&M Agreement" means the Operation and Maintenance Management Agreement, dated as of February 1, 2016, by and between the Project Company and the O&M Contractor.

"O&M Contractor" means NRG California Peaker Operations LLC, a Delaware limited liability company.

"O&M Guaranty" means a guaranty in the form of Exhibit L hereto of O&M Contractor's obligations under the O&M Agreement.

"Option" with respect to any Person means any security, right, subscription, warrant, option, "phantom" stock right or other Contract that gives the right to (i) purchase or otherwise receive or be issued any shares of capital stock or other security or equity interest of such Person or any security or right of any kind convertible into or exchangeable or exercisable for any shares of capital stock or other security or equity interest of such Person, or (ii) receive or exercise any benefits or rights similar to any rights enjoyed by or accruing to the holder of shares of capital stock (or any other equity interest or security) of such Person, including any rights to participate in the equity or income of such Person or to participate in or direct the election of any directors or officers (or similar positions) of such Person or the manner in which any shares of capital stock (or any other security or equity interest) of such Person are voted.

"Order" means any writ, judgment, injunction, ruling, decision, order or similar direction of any Governmental Authority, whether preliminary or final.

"Party" or "Parties" has the meaning set forth in the Preamble.

"PASA" means that Project Administration Services Agreement by and between the Project Company and NRG West Coast LLC dated as of January 1. 2016.

"PASA Administrator" means NRG West Coast LLC, a Delaware limited liability company.

"PASA Amendment" means the Amendment to the PASA, between the Project Company and the PASA Administrator, in the form of Exhibit K.

"PASA Guaranty" means a guaranty in the form of Exhibit M hereto of the PASA Administrator's obligations under the PASA.

"Permit" means all licenses, permits, consents, authorizations, approvals, ratifications, certifications, registrations, exemptions, variances, exceptions and similar consents granted or issued by any Governmental Authority.

"Permitted Exceptions" means, with respect to the Real Property Rights, the following:

(a) all Liens for Taxes, which are not due and payable as of the Closing Date or, if due, are (i) not delinquent or (ii) being contested in good faith through appropriate proceedings and set forth on Schedule 1.01(b) of the Disclosure Schedules and as to which adequate reserves in accordance with GAAP have been taken on the books of Holdco or the Project Company;

(b) all building codes and zoning ordinances and other Laws of any Governmental Authority heretofore, now or hereafter enacted, made or issued by any such Governmental Authority affecting the Real Property Rights;

(c) all easements, rights-of-way, covenants, conditions, restrictions, reservations, licenses, agreements, and other similar matters which would not reasonably be expected to, in the aggregate, have a Material Adverse Effect on the use and enjoyment of the Real Property Rights;

(d) all encroachments, overlaps, boundary line disputes, shortages in area, drainage and other easements, cemeteries and burial grounds and other similar matters which would not reasonably be expected to, in the aggregate, have a Material Adverse Effect on the use and enjoyment of the Real Property Rights;

(e) all electric, telephone, gas, sanitary sewer, storm sewer, water and other utility lines, pipelines, service lines and facilities of any nature now located on, over or under the Real Property Rights, and all licenses, easements, rights-of-way and other similar agreements relating thereto which would not reasonably be expected to, in the aggregate, have a Material Adverse Effect on the use and enjoyment of the Real Property Rights;

(f) all existing public and private roads and streets (whether dedicated or undedicated), and all railroad lines and rights-of-way affecting the Real Property Rights which would not reasonably be expected to, in the aggregate, have a Material Adverse Effect on the use and enjoyment of the Real Property Rights;

(g) all rights with respect to the ownership, mining, extraction and removal of minerals of whatever kind and character (including, without limitation, all coal, iron ore, oil, gas, sulfur, methane gas in coal seams, limestone and other minerals, metals and ores) that have been granted, leased, excepted or

reserved prior to the date hereof which would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on the use and enjoyment of the Real Property Rights; and

(h) inchoate mechanic's and materialmen's liens for construction in progress and workmen's, repairmen's, warehousemen's and carrier's liens arising in the ordinary course of business of Holdco or the Project Company (i) as to which there is no existing default on the part of Holdco or the Project Company or (ii) that are being contested in good faith through appropriate proceedings and as set forth on Schedule 1.01(b) of the Disclosure Schedules and as to which adequate reserves in accordance with GAAP have been taken on the books of Holdco or the Project Company.

"Permitted Liens" means any (a) mechanic's, laborer's, workmen's, repairmen's and carrier's Liens, including all statutory Liens (i) relating to obligations as to which there is no existing default on the part of Holdco or the Project Company or (ii) that Seller is contesting in good faith through appropriate proceedings and set forth on Schedule 1.01(b) of the Disclosure Schedules and as to which adequate reserves in accordance with GAAP have been taken on the books of Holdco and the Project Company, as applicable; (b) Liens for Taxes, assessments and other governmental charges not yet due and payable or, if due, (i) not delinquent or (ii) being contested in good faith through appropriate proceedings and set forth on Schedule 1.01(b) of the Disclosure Schedules and as to which adequate reserves in accordance with GAAP have been taken on the books of Holdco and the Project Company; (c) good faith deposits in connection with bids, tenders, leases, contracts or other agreements, including rent security deposits; (d) pledges or deposits to secure public or statutory obligations or appeal bonds; (e) in the case of personal property owned or held by Holdco or the Project Company, covenants and other restrictions in the Company Contracts; and (f) any other Liens set forth on Schedule 1.01(b) of the Disclosure Schedules.

"Person" means any natural person, corporation, limited liability company, general partnership, limited partnership, proprietorship, other business, entity, organization, trust, union, association or Governmental Authority.

"Post-Closing Aggregate Net Working Capital Adjustment Amount" has the meaning set forth in Section 2.04(f).

"Power Purchase Tolling Agreement" means the Power Purchase Tolling Agreement between San Diego Gas & Electric Company and Project Company, dated June 1, 2015, as amended by the First Amendment dated as of August 21, 2015, by the Second Amendment dated March 1, 2016, by the Third Amendment dated March 31, 2016, by the Fourth Amendment dated July 25, 2016, by the Fifth Amendment dated November 21, 2016, and by the Sixth Amendment dated April 25, 2017.

"Preliminary Purchase Price" has the meaning set forth in Section 2.02.

"Project" has the meaning set forth in the Recitals.

"Project Company" has the meaning set forth in the Recitals.

"Projections" has the meaning set forth in Section 3.27.

"Proposed Aggregate Net Working Capital Amount" has the meaning set forth in Section 2.04(b).

"PUHCA" means the Public Utility Holding Company Act of 2005.

"Purchase Price" means the Base Purchase Price minus the Aggregate Target Net Working Capital Amount.

"Purchaser" has the meaning set forth in the Preamble.

"Purchaser Approvals" has the meaning set forth in Section 4.09.

"Purchaser Consents" has the meaning set forth in Section 4.03.

"Purchaser Indemnified Parties" means Purchaser, its successors and assigns, and each of their Representatives.

"Purchaser Tested Heat Rate Adjustment Amount" means an amount in dollars equal to the sum of (a) $70,000 for each Btu/kWh (up to 100 Btu/kWh) by which the Tested Heat Rate exceeds 9,244 Btu/kWh, *plus* (b) $30,000 for each additional Btu/kWh by which the Tested Heat Rate exceeds 9,344 Btu/kWh, *minus* (c) the amount of any Performance Liquidated Damages (as defined in the Turbine Supply Contract) received by the Project Company under the Turbine Supply Contract in respect of the Project's failure to achieve the Heat Rate Guarantee (as defined in the Turbine Supply Contract), and *minus* (d) the amount of any liquidated damages received by the Project Company under the EPC Contract in respect of the Project's failure to achieve the BOP Performance Guarantee (as such term is defined in the EPC Contract).

"Real Property Rights" means all real property rights and interests of Holdco and the Project Company, including, but not limited to, all options, leases, easements, land use rights, access easements, transmission line easements, rights to ingress and egress, any and all bids, grants, awards, applications, rights to negotiate, and all other rights relating to the Land.

"Regional Entity" means the Western Electricity Coordinating Council or its successor.

"Replacement Insurance Policies" means insurance policies with respect to the Project naming Holdco and/or any of the Subsidiaries as beneficiary (a) providing for the same or equivalent coverages as the insurance policies set forth on Schedule 3.20 and (b) that are policies covering substantially all of the gas fired generating projects owned by Purchaser or its Affiliates.

"Representatives" means, as to any Person, its officers, directors, employees, partners, members, stockholders, counsel, agents, accountants, advisers, engineers, and consultants.

"Restoration Cost" has the meaning set forth in Section 5.06.

"ROFO Agreement" means that Second Amended and Restated Right of First Offer Agreement dated February 24, 2017 by and between Seller Parent and NRG Yield, Inc.

"Satisfaction Date" has the meaning set forth in Section 5.06.

"Seller" has the meaning set forth in the Preamble, and includes its respective successors and assigns.

"Seller Approvals" has the meaning set forth in Section 3.05.

"Seller Consents" has the meaning set forth in Section 3.03.

"Seller Indemnified Parties" means Seller, its successors and assigns, and its Representatives.

"Seller Parent" means NRG Energy, Inc., a Delaware corporation.

"Seller Parent Guaranty" means that guaranty of Seller Parent dated as of the Effective Date and attached hereto as Exhibit I.

"Seller Tested Heat Rate Adjustment Amount" means an amount in dollars equal to the sum of (a) $15,000 for each Btu/kWh (up to 100 Btu/kWh) by which the Tested Heat Rate is less than 9,044 Btu/kWh, plus (b) $70,000 for each Btu/kWh (up to 100 Btu/kWh) by which the Tested Heat Rate is less than 8,944 Btu/kWh, plus (c) $30,000 for each additional Btu/kWh by which the Tested Heat Rate is less than 8,844 Btu/kWh.

"Settlement Agreement" means that certain Settlement Agreement, dated January 14, 2014, by and among City of Carlsbad, Carlsbad Municipal Water District, Cabrillo Power I LLC, the Project Company, and San Diego Gas & Electric Company.

"Tax" or "Taxes" means any income, profits, gross or net receipts, property, sales, use, capital gain, transfer, excise, license, production, franchise, employment, social security, occupation, payroll, registration, capital, governmental pension or insurance, withholding, royalty, severance, stamp or documentary, value added, goods and services, business or occupation or other tax, charge, assessment, duty, levy, unclaimed property or escheat obligation, compulsory loan or fee of any kind (including any interest, additions to tax, or civil or criminal penalties thereon) of the United States or any state or local jurisdiction therein required to be collected, or of any other nation or any jurisdiction therein, together with any obligations for the Taxes of any other person whether as successor, a member of a group, indemnitor, or otherwise, but excluding amounts paid or payable in respect of Permits.

"Tax Returns" means any report, form, return, statement or other information (including any amendments) required to be supplied to or filed with a Governmental Authority by a Person with respect to Taxes, including, but not limited to, information returns, any amendments thereof or schedule or attachment thereto and any documents with respect to or accompanying requests for the extension of time in which to file any such report, form, return, statement or other information.

"Termination Date" has the meaning set forth in Section 12.01(b).

"Tested Capacity Adjustment Amount" means an amount in dollars equal to (a) $1,500,000 *multiplied by* (b) the number of MW by which 530 MW is greater than or less than the Tested Contract Capacity of the Project (determined in MW) (which amount is expressed as a positive number if the number of MW is less than 530 MW and a negative number if the number of MW is greater than 530 MW).

"Tested Contract Capacity" means the Contract Capacity determined during the Contract Capacity Test performed (or re-performed) during the Commercial Operation Test (as each such term is defined in the Power Purchase Tolling Agreement).

"Tested Heat Rate" means the Tested Heat Rate determined during the Heat Rate Test performed (or re-performed) during the Commercial Operation Test (as each such term is defined in the Power Purchase Tolling Agreement).

"Title Policy" has the meaning set forth in Section 3.15.

"Trademark License Agreement" means that Trademark License Agreement dated as of July 22, 2013 by and between NRG Energy, Inc. and NRG Yield, Inc. "Transfer Taxes" has the meaning set forth in Section 9.01(d).

"Turbine Supply Contract" means that Combustion Turbine Generator Supply Contract dated May 11, 2015 by and between the Project Company and GE Packaged Power, Inc. as amended by those 'Change Orders' (as defined in such Turbine Supply Contract) executed and delivered by the Project Company and GE Packaged Power, Inc.

"Zephyr Purchaser" means GIP III Zephyr Acquisition Partners, L.P. or its designated Affiliate.

1.02 Interpretation.

(a) Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (iv) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement, (v) the words "include" and "including" are not words of limitation and shall be deemed to be followed by the words "without limitation," (vi) the use of the word "or" to connect two or more phrases shall be construed as inclusive of all such phrases (*e.g.*, "A or B" means "A or B, or both"), (vii) the use of the conjunction "and/or" shall be construed as "any or all of" and (viii) references to Persons include their respective successors and permitted assigns and, in the case of Governmental Authorities, Persons succeeding to their respective functions and capacities.

(b) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

(c) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under United States generally accepted accounting principles ("GAAP").

(d) Unless the context otherwise requires, a reference to any Law includes any amendment, modification or successor thereto.

(e) Any representation or warranty contained herein as to the enforceability of a Contract shall be subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or other similar Law affecting the enforcement of creditors' rights generally and to general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(f) In the event of a conflict between this Agreement and any exhibit, schedule or appendix hereto, this Agreement shall control.

(g) The Article and Section headings have been used solely for convenience, and are not intended to describe, interpret, define or limit the scope of this Agreement.

(h) Conflicts or discrepancies, errors, or omissions in this Agreement or the various documents delivered in connection with this Agreement will not be strictly construed against the drafter of the contract language, rather, they shall be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the intentions of the Parties at the time of contracting.

(i) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time.

ARTICLE 2
SALE OF MEMBERSHIP INTERESTS AND CLOSING

2.01 Purchase and Sale. Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, all of the right, title and interest of Seller in and to the Acquired Interests at the Closing on the terms and subject to the conditions set forth in this Agreement.

2.02 Payment of Purchase Price. Upon the terms and subject to the conditions hereinafter set forth, in consideration of the delivery by Seller of the Acquired Interests, Purchaser, by wire transfer of immediately available United States funds, shall pay to Seller at the Closing an amount equal to (a) Three Hundred Sixty Five Million Dollars ($365,000,000) which amount shall include the Aggregate Target Net Working Capital Amount and which may be reduced pursuant to Section 5.06 (the "Base Purchase Price"), *plus* (b) the Closing Date Aggregate Net Working Capital Adjustment Amount (whether a positive or a negative amount) (such sum, the "Preliminary Purchase Price"), subject to adjustment to reflect the Final Aggregate Net Working Capital Amount (whether a positive or a negative amount) in accordance with Section 2.04, *minus* (c) the Tested Capacity Adjustment Amount in accordance with Section 2.05, *plus* (in the case of the Seller Tested Heat Rate Adjustment Amount) or *minus* (in the case of the Purchaser Tested Heat Rate Adjustment Amount) (d) the Purchaser Tested Heat Rate Adjustment Amount or the Seller Tested Heat Rate Adjustment Amount in accordance with Section 2.06, *minus* (e) the Insurance Premium Adjustment Amount in accordance with Section 2.07, *plus* (f) the VWAP Adjustment Amount (if a positive number) in accordance with Section 2.08, *plus* (g) the CSA Adjustment Amount in accordance with Section 2.09, *plus* (h) the O&M Adjustment Amount in accordance with Section 2.10 (such adjusted amount, the "Final Purchase Price").

2.03 Closing.

(a) The closing of the transactions described in Section 2.01 (the "Closing") will take place at the offices of Jones Day, counsel to Seller, at 51 Louisiana Avenue, NW, Washington, DC, 20001, or at such other place as the Parties mutually agree, at 10 A.M. local time, upon the fulfillment or waiver of the conditions set forth in Articles 7 and 8.

(b) At the Closing, the following shall occur:

(i) Purchaser shall pay an amount equal to (A) the Preliminary Purchase Price, *minus* (B) the Tested Capacity Adjustment Amount (if any), *plus* (in the case of the Seller Tested Heat Rate Adjustment Amount) or *minus* (in the case of the Purchaser Tested Heat Rate Adjustment Amount) (C) the Purchaser Tested Heat Rate Adjustment Amount (if any) or Seller Tested Heat Rate Adjustment Amount (if any), *minus* (D) the Insurance Premium Adjustment Amount (if any), *plus* (E) the VWAP Adjustment Amount (if a positive number), *plus* (F) the CSA Adjustment Amount (whether a positive or a negative amount), *plus* (G) the O&M Adjustment Amount by wire transfer of immediately available funds to Seller's account as provided on Exhibit B;

(ii) the Parties shall deliver, or cause to be delivered, to the other Parties the certificates and other deliverables pursuant to Articles 7 and 8;

(iii) the execution by both Parties of the Assignment of Membership Interests; and

(iv) Seller shall deliver to Purchaser a certificate or certificates representing the Acquired Interests, duly endorsed for transfer to Purchaser or accompanied by one or more membership interest powers duly endorsed for transfer to Purchaser.

2.04 Aggregate Net Working Capital Adjustment Amount.

(a) At least five (5) Business Days prior to the scheduled Closing Date, Seller will prepare and deliver to Purchaser a worksheet setting forth Seller's good faith estimate of the Aggregate Net Working Capital Amount as of the Closing Date (the "Estimated Aggregate Net Working Capital Amount"), as well as a computation thereof (which computation shall be prepared in the same format and on the same basis used to prepare the Aggregate Target Net Working Capital Amount as set forth on Exhibit C). The Closing Date Aggregate Net Working Capital Adjustment Amount shall be (i) if the Estimated Aggregate Net Working Capital Amount is greater than the Aggregate Target Net Working Capital Amount, a positive amount equal to the difference between the Estimated Aggregate Net Working Capital Amount and the Aggregate Target Net Working Capital Amount; and (ii) if the Estimated Aggregate Net Working Capital Amount is less than the Aggregate Target Net Working Capital Amount, a negative amount equal to difference between the Aggregate Target Net Working Capital Amount and the Estimated Aggregate Net Working Capital Amount.

(b) Within sixty (60) days after the Closing Date, Purchaser will prepare (at Purchaser's expense) and deliver to Seller a worksheet setting forth Purchaser's good faith computation of the actual Aggregate Net Working Capital Amount as of the Closing Date (the "Proposed Aggregate Net Working Capital Amount"), which computation shall be prepared in the same format and on the same basis used to prepare the Estimated Aggregate Net Working Capital Amount, together with a reasonably detailed explanation of, and documentation reasonably sufficient to confirm the accuracy of the computation of, such Proposed Aggregate Net Working Capital Amount. If within thirty (30) days following delivery of such worksheet and supporting documentation, Seller does not object in writing thereto to Purchaser, then the Proposed Aggregate Net Working Capital Amount shall constitute the actual Aggregate Net Working Capital Amount as of the Closing Date for purposes of this Agreement (the "Final Aggregate Net Working Capital Amount"). If, within thirty (30) days following delivery of such worksheet and supporting documentation, Seller objects in writing thereto to Purchaser (describing in reasonable detail the specific line items and values that are in dispute and the reasons for such dispute, and proposing alternative values with respect to such specific line items) such Proposed Aggregate Net Working Capital Amount shall be subject to the objection and resolution provisions set forth in Section 2.04(e) below.

(c) If the Proposed Aggregate Net Working Capital Amount is not prepared and delivered by Purchaser within the sixty (60) day period set forth in Section 2.04(b) above, Seller shall be entitled (but not obligated) during the sixty (60) day period commencing on the sixty-first (61st) day after the Closing Date to prepare (at Seller's expense) and deliver to Purchaser a worksheet setting forth Seller's good faith computation of the Proposed Aggregate Net Working Capital Amount, which computation shall be prepared in the same format and on the same basis used to prepare the Estimated Aggregate Net Working Capital Amount, and based upon information available to Seller, and accompanied by the documentation that supports Seller's determinations and calculations. If within ten (10) days following delivery of such worksheet and supporting documentation, Purchaser does not object in writing thereto to Seller, then the Proposed Aggregate Net Working Capital Amount submitted by Seller pursuant to this Section 2.04(c) shall constitute the Final Aggregate Net Working Capital Amount. If, within ten (10) days following delivery of such worksheet and supporting documentation, Purchaser objects in writing thereto to Seller (describing in reasonable detail the specific line items and values that are in dispute and the reasons for such dispute, and proposing alternative values with respect to such specific line items), such Proposed Aggregate Net Working Capital Amount shall be subject to the objection and resolution provisions set forth in Section 2.04(e) below.

(d) If neither Purchaser nor Seller prepare and timely deliver a Proposed Aggregate Net Working Capital Amount in accordance with Section 2.04(b) or (c), above, the Estimated Aggregate Net Working Capital Amount delivered at Closing shall become the Final Aggregate Net Working Capital Amount for all purposes hereunder.

(e) If Seller timely objects to Purchaser's Proposed Aggregate Net Working Capital Amount pursuant to Section 2.04(b) or if Purchaser timely objects to Seller's Proposed Aggregate Net Working Capital Amount pursuant to Section 2.04(c), then Purchaser and Seller shall negotiate in good faith and attempt to resolve the particular items and values that are identified in the applicable written notice of objection over a twenty (20) day period commencing on delivery of written notice of objection pursuant to Section 2.04(b) or (c), as the case may be. Should such negotiations not result in an agreement as to the Final Aggregate Net Working Capital Amount within such twenty (20) day period (or such longer period as Purchaser and Seller may mutually agree), then either Party may submit such disputed items and values to the Neutral Auditor. Each Party agrees to promptly execute a reasonable engagement letter, if requested to do so by the Neutral Auditor. Purchaser and Seller, and their respective Representatives, shall cooperate fully with the Neutral Auditor. The Neutral Auditor, acting as an expert and not an arbitrator, shall resolve such disputed items and determine the values to be ascribed thereto, and using those values (together with other items not in dispute) determine the Final Aggregate Net Working Capital Amount as of the Closing Date only (prepared on the same basis used to prepare the Estimated Aggregate Net Working Capital Amount). The Parties hereby agree that the Neutral Auditor shall only decide the specific disputed items, the values ascribed thereto and using those values (together with the other items included in the applicable Proposed Aggregate Net Working Capital Amount) determine the Final Aggregate Net Working Capital Amount, and the Neutral Auditor's decision with respect to such disputed items and values must be within the range of values assigned to each such item in the applicable Proposed Aggregate Net Working Capital Amount and the notice of objection, respectively. All fees and expenses relating to the work, if any, to be performed by the Neutral Auditor will be borne equally by Purchaser and Seller. The Neutral Auditor shall be directed to resolve the disputed items and amounts and deliver to Purchaser and Seller a written determination of the Final Aggregate Net Working Capital Amount (such determination to be made consistent with this Section 2.04(e), including a worksheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Neutral Auditor by Purchaser and Seller) within thirty (30) days after being retained, which determination will be final, binding and conclusive on the Parties and their respective Affiliates and representatives, successors and assigns. Notwithstanding anything herein to the contrary, the dispute resolution mechanism contained in this Section 2.04(e) shall be the exclusive mechanism for resolving disputes, if any, regarding the Aggregate Net Working Capital, if any, and neither Seller nor Purchaser shall be entitled to indemnification pursuant to Article 11 for Losses resulting or arising from the amount of the Aggregate Net Working Capital Amount or the determination of Aggregate Net Working Capital.

(f) The "Final Aggregate Net Working Capital Adjustment Amount" shall be calculated by computing the Closing Day Aggregate Net Working Capital Adjustment Amount in accordance with Section 2.04(a) but substituting Final Aggregate Net Working Capital Amount for the Estimated Aggregate Net Working Capital Amount. The "Post-Closing Aggregate Net Working Capital Adjustment Amount" shall be the amount equal to (i) the Final Aggregate Net Working Capital Adjustment Amount minus (ii) the Closing Date Aggregate Net Working Capital Adjustment Amount. If the Post-Closing Aggregate Net Working Capital Adjustment Amount is a positive amount, then Purchaser shall pay in cash to Seller the amount of the Post-Closing Aggregate Net Working Capital Adjustment Amount. If the Post-Closing Aggregate Net Working Capital Adjustment Amount is a negative amount, then Seller shall pay in cash to Purchaser the amount equal to the absolute value of the Post-Closing Aggregate Net Working Capital Adjustment Amount. Any such net excess or deficit payment in respect of the Final Aggregate Net Working Capital Amount will be due and payable within fifteen (15) days after the Final Aggregate Net Working Capital Amount is finally determined as provided in this Section 2.04 and will be payable by wire transfer of immediately available funds to such account or accounts as shall be specified by Purchaser or Seller, as applicable. Any payments made pursuant to this Section 2.04(f) shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by applicable Law.

(g) Following the Closing, Seller and Purchaser shall cooperate and provide each other and, if applicable the Neutral Auditor, and their respective representatives, reasonable assistance and access to such books, records and employees (including those of Holdco and the Project Company) as are reasonably requested in connection with the matters addressed in this Section 2.04. Consistent with the foregoing, if Purchaser prepares the worksheet in accordance with Section 2.04(b), Purchaser shall, at its expense, provide or provide reasonable access (in a manner not unreasonably disruptive to its business) to Seller or the Neutral Auditor to review the books and records, documents and work papers related to the preparation of the worksheet and computation of the Final Aggregate Net Working Capital Amount and if Seller prepares the worksheet in accordance with Section 2.04(c), then Seller shall, at its expense, provide or provide reasonable access (in a manner not unreasonably disruptive to its business) to Purchaser or the Neutral Auditor to review the books and records, documents and work papers related to the preparation of the worksheet and computation of the Final Aggregate Net Working Capital Amount. If Purchaser prepares the worksheet in accordance with Section 2.04(b), Seller and the Neutral Auditor shall be entitled to make reasonable inquiries and information requests of Purchaser regarding the worksheet setting forth the computation of the Final Aggregate Net Working Capital Amount and the calculations set forth therein and if Seller prepares the worksheet in accordance with Section 2.04(c), Purchaser and the Neutral Auditor shall be entitled to make reasonable inquiries and information requests of Seller regarding the worksheet setting forth the computation of the Final Aggregate Net Working Capital Amount and the calculations set forth therein.

2.05 Tested Capacity Adjustment Amount. At least ten (10) Business Days prior to the Closing Date, Seller shall provide to Purchaser Seller's determination of the Tested Capacity Adjustment Amount, if any, along with any reasonable supporting documentation reasonably requested by Purchaser.

2.06 Tested Heat Rate Adjustment Amount. At least ten (10) Business Days prior to the Closing Date, Seller shall provide to Purchaser Seller's determination of the Purchaser Tested Heat Rate Adjustment Amount or the Seller Tested Heat Rate Adjustment Amount, if any, along with any reasonable supporting documentation reasonably requested by Purchaser.

2.07 Insurance Premium Adjustment. At least ten (10) Business Days prior to the Closing Date, Purchaser shall provide to Seller Purchaser's determination of the Insurance Premium Adjustment Amount, if any, along with any reasonable supporting documentation reasonably requested by Seller. If Seller objects in writing to Purchaser's determination of the Insurance Premium Adjustment Amount prior to the Closing Date, then Purchaser and Seller shall negotiate in good faith and attempt to resolve the particular items and values that are identified in the applicable written notice of objection. Should such negotiations not result in an agreement as to the Insurance Premium Adjustment Amount within five (5) days, then either Party may submit such disputed items and values to a mutually agreed upon nationally recognized insurance broker (the "Neutral Broker"). Each Party agrees to promptly execute a reasonable engagement letter, if requested to do so by the Neutral Broker. Purchaser and Seller, and their respective Representatives, shall cooperate fully with the Neutral Broker. The Neutral Broker, acting as an expert and not an arbitrator, shall resolve such disputed items. The Parties hereby agree that the Neutral Broker shall only decide the specific disputed items. All fees and expenses relating to the work, if any, to be performed by the Neutral Broker will be borne equally by Purchaser and Seller. The Neutral Broker shall be directed to resolve the disputed items and amounts and deliver to Purchaser and Seller a written determination of the Insurance Premium Adjustment Amount within thirty (30) days after being retained, which determination will be final, binding and conclusive on the Parties and their respective Affiliates and representatives, successors and assigns. Notwithstanding anything herein to the contrary, the dispute resolution mechanism contained in this Section 2.07 shall be the exclusive mechanism for resolving disputes, if any, regarding the Insurance Premium Adjustment Amount, if any, and neither Seller nor Purchaser shall be entitled to indemnification pursuant to Article 11 for Losses resulting or arising from the determination of the Insurance Premium Adjustment Amount.

2.08 VWAP Adjustment. At least ten (10) Business Days prior to the Closing Date, Purchaser shall provide to Seller Purchaser's determination of the VWAP Adjustment Amount (if a positive number), if any, along with any reasonable supporting documentation reasonably requested by Seller. For purposes of this Section 2.08, the following defined terms have the following meanings:

(a) "Adjusted Trading CAFD Yield" means the greater of (a) the Trading CAFD Yield *plus* 200 bps and (b) ten and one half percent (10.5%).

(b) "Base CAFD" means $39,928,791.

(c) "NYLD Class C Shares" means shares of Class C common stock of NYLD.

(d) "NYLD Equity Offering" means a non-at-the-market public offering of NYLD Class C Shares that (a) is the first such offering to be made following the Effective Date (but prior to the Closing Date) and (b) results in proceeds to NYLD in excess of $1,000,000.

(e) "Trading CAFD Yield" means the quotient (expressed as a percentage) of (a) 1.515 *divided by* (b) the volume-weighted average price of the NYLD Class C Shares traded on the New York Stock Exchange for the thirty (30) Trading Day period concluding on the earlier to occur of (i) the Trading Day immediately prior to the commencement date of the NYLD Equity Offering and (ii) ten (10) Business Days prior to the Closing Date.

(f) "Trading Day" means a day on which the New York Stock Exchange is open for trading in securities.

(g) "VWAP Adjustment Amount" means an amount in dollars equal to the greater of (a) (x) the quotient of the (i) Base CAFD *divided by* (ii) the Adjusted Trading CAFD Yield, *minus* (y) the Base Purchase Price and (b) zero.

2.09 CSA Adjustment. At least ten (10) Business Days prior to the Closing Date, Seller shall provide to Purchaser Seller's determination of the CSA Adjustment Amount (whether a positive or a negative amount), if any, along with any reasonable supporting documentation reasonably requested by Purchaser.

2.10 O&M Adjustment. In the event that any required consent to amend the O&M Agreement as contemplated in Section 7.13 has not been obtained prior to the Closing then, provided that all other conditions to Purchaser's obligations to purchase the Acquired Interests set forth in Article 7 have been satisfied (or waived by Purchaser), and all conditions to Seller's obligations to sell the Acquired Interests set forth in Article 8 have been satisfied (or waived by Seller), Section 7.13 shall be deemed to be null and void and of no effect under this Agreement and the "O&M Adjustment Amount" shall be three million six hundred fifty six thousand dollars ($3,656,000). In all other events the "O&M Adjustment Amount" shall be zero (0).

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser as of the date hereof (unless specifically stated otherwise) as follows:

3.01 Existence. Seller is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware. Seller has full power and authority to execute and deliver this Agreement and any other agreements to be executed and delivered by Seller hereunder, and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, including to own, hold, sell and transfer the Acquired Interests.

3.02 Authority. All actions or proceedings necessary to authorize the execution and delivery by Seller of this Agreement and the performance by Seller of its obligations hereunder have been duly and validly taken. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligations of Seller enforceable against Seller in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

3.03 No Consent. Except as set forth on Schedule 3.03 of the Disclosure Schedules (the "Seller Consents"), and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or would not reasonably be expected to adversely affect the ability of Seller to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder, the execution, delivery and performance by Seller of this Agreement does not require Seller to obtain any consent, approval or action of or give any notice to any Person as a result or under any terms, conditions or provisions of any Contract or Permit by which it is bound.

3.04 No Conflicts. The execution, delivery and performance of this Agreement by Seller does not and will not (a) conflict with, result in a breach of, or constitute a default under, Seller's certificate of formation or operating agreement or any material Contract to which Seller, or Company Contract to which Holdco or the Project Company, is a party; (b) result in the creation of any Lien upon any of the Acquired Interests or assets or properties of Holdco or the Project Company; (c) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which, any duties or obligations are to be performed by Seller, Holdco or the Project Company or any rights or benefits are to be received by any Person, under any Contract to which Seller, Holdco or the Project Company is a party; or (d) violate in any material respect any applicable Law.

3.05 Regulatory Matters. Except as set forth on Schedule 3.05 of the Disclosure Schedules ("Seller Approvals"), no Governmental Approval on the part of Seller, Holdco or the Project Company is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.06 Legal Proceedings. Except as set forth in Schedule 3.06 of the Disclosure Schedules, and except for Actions or Proceedings in respect of Environmental Laws that are governed exclusively by Section 3.16(b), there are no Actions or Proceedings pending or, to the Knowledge of Seller, threatened, as of the date of this Agreement against Seller, Holdco or the Project Company that (a) affect Seller, Holdco or the Project Company or any of their assets or properties (including the Project) or (b) would reasonably be expected to result in the issuance of an Order restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement. None of Seller, Holdco or the Project Company is subject to any Order which materially restricts the operation of its business or which would reasonably be expected to have a Material Adverse Effect.

3.07 Brokers. Except as set forth on Schedule 3.07 of the Disclosure Schedules, no Person has any claim against the Seller, Holdco or the Project Company for a finder's fee, brokerage commission or similar payment directly or indirectly in connection with the transactions contemplated by this Agreement.

3.08 Compliance with Laws. Neither Seller, Holdco nor the Project Company is or, to the Knowledge of Seller, has been in the past three (3) years, in material violation of any material Law or Order applicable to Holdco, the Project Company or the Project or by which any of the Acquired Interests are bound or subject. Notwithstanding the foregoing, compliance with Environmental Laws is exclusively and solely governed by Section 3.16 hereof. None of Seller, Holdco nor the Project Company has received notice from any Governmental Authority of any material violation of any such applicable Law during the three (3) years preceding the date of this Agreement.

3.09 Holdco and the Project Company.

(a) Each of the Holdco and the Project Company is a limited liability company validly existing and in good standing under the Laws of Delaware and each has full power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets. Each of the Holdco and the Project Company is duly qualified, licensed or admitted to do business and is in good standing in those jurisdictions specified in Schedule 3.09(a) of the Disclosure Schedules, which are the only jurisdictions in which the ownership, use or leasing of Holdco's assets or the Project Company's assets, or the conduct or nature of their business, makes such qualification, licensing or admission necessary, except in those jurisdictions where the failure to be so qualified, licensed or admitted to do business would not reasonably be expected to result in a Material Adverse Effect.

(b) All of the issued and outstanding Acquired Interests are owned directly, beneficially and of record by Seller free and clear of all Liens, except as set forth on Schedule 3.09(b)(i) of the Disclosure Schedules. Except as set forth on Schedule 3.09(b)(ii) of the Disclosure Schedules, all of the issued and outstanding equity interests of Project Company are owned directly, beneficially and of record by Holdco, free and clear of all Liens. All of the equity interests of Holdco and the Project Company have been duly authorized, validly issued and are fully paid and non-assessable and have been issued in compliance with federal and state securities laws.

(c) The name of each director and officer (or similar positions) of Holdco and the Project Company, and the position with Holdco or the Project Company held by each, are listed in Schedule 3.09(c) of the Disclosure Schedules.

(d) Seller has, prior to the execution of this Agreement, delivered to Purchaser true and complete copies of the Constitutive Documents of Holdco and the Project Company as in effect on the date hereof.

(e) There are no outstanding Options issued or granted by, or binding upon, Holdco or the Project Company for any Person to purchase or sell or otherwise acquire or dispose of any equity interest or other security or interest in Holdco or the Project Company, other than Purchaser's rights under this Agreement. Except as set forth in Section 3.09(e) of the Disclosure Schedules, none of the Acquired Interests or the membership interests of the Project Company are subject to any voting trust or voting trust agreement, voting agreement, pledge agreement, buy-sell agreement, right of first refusal, preemptive right or proxy.

(f) Except as set forth in Section 3.09(b) and as set forth on Schedule 3.09(f) of the Disclosure Schedules, neither Holdco nor the Project Company have any subsidiaries, equity interests, interests in joint ventures or general or limited partnerships or other investment or portfolio assets of a similar nature.

(g) Except as set forth on Schedule 3.09(g) of the Disclosure Schedules, neither Holdco nor the Project Company conduct (i) any business other than the development, ownership, operation and management of the Project or (ii) any operations other than those incidental to the ownership, operation, and management of the Project.

(h) The books and records of Holdco and the Project Company are (i) in all material respects, accurate and complete and have been maintained in accordance with good business practices and (ii) state in reasonable detail and accurately and fairly reflect the activities and transactions of Holdco and the Project Company.

(i) The (A) execution and delivery by Seller of the Assignment of Membership Interests and (B) if applicable, the delivery of certificates representing the Acquired Interests, duly endorsed for transfer to Purchaser or accompanied by one or more membership interest powers duly endorsed for transfer to Purchaser, will transfer to Purchaser good, valid and marketable title to the Acquired Interests, free and clear of all Liens, except as set forth in Schedule 3.09(i) of the Disclosure Schedules.

3.10 No Undisclosed Liabilities. Neither Holdco nor the Project Company has any liability or obligation that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, except for the liabilities and obligations of Holdco or the Project Company (i) incurred in the ordinary course of business consistent with past practice, (ii) that do not and are not individually or in the aggregate reasonably expected to have a Material Adverse Effect, (iii) that constitute amounts payable under the Company Contracts or (iv) as set forth in Schedule 3.10 of the Disclosure Schedules.

3.11 Taxes. Except as disclosed on Schedule 3.11(a) of the Disclosure Schedules, since the date of formation of Holdco and the Project Company, as applicable, through the Closing Date:

(a) All federal and all other material Tax Returns required to be filed by or with respect to Holdco or the Project Company (or income attributable thereto) have been timely filed with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed. Such Tax Returns are true, correct and complete in all material respects, to the extent such Tax Returns relate to Holdco or the Project Company (or income attributable thereto), and Seller, Affiliates of Seller, Holdco and the Project Company have paid, or made adequate provisions for the payment of, all Taxes, assessments and other charges due or claimed to be due (regardless of whether shown on any Tax Return) from Holdco or the Project Company or for which Holdco, the Project Company or the Purchaser could be held liable.

(b) There are no (i) Actions or Proceedings currently pending or threatened in writing against Holdco or the Project Company or related to their business operations, by any Governmental Authority for the assessment or collection of Taxes, (ii) audits or other examinations of any Tax Return of Holdco or the Project Company (or income attributable thereto) in progress nor has Seller, any Affiliate of Seller, Holdco or the Project Company been notified in writing of any request for examination, (iii) claims for assessment or collection of Taxes that have been asserted in writing against Seller or any Affiliate of Seller, Holdco or the Project Company (or the income attributable thereto), or (iv) matters under discussion with any Governmental Authority regarding claims for assessment or collection of Taxes against Holdco or the Project Company (or income attributable thereto). There are no outstanding agreements, waivers or consents extending the statutory period of limitations applicable to any Tax of Holdco or the Project Company, and, except as set forth on Schedule 3.11 of the Disclosure Schedules, neither Holdco nor the Project Company has requested any extensions of time within which to file any Tax Return. There are no Liens for unpaid or delinquent Taxes, assessments or other charges or deposits with respect to the Acquired Interests, other than Liens for Taxes not yet due or delinquent or being contested in good faith by appropriate proceedings and for which adequate reserves on financial statements have been established.

(c) Seller Parent is not a "foreign person" within the meaning of Section 1445(b)(2) of the Code.

(d) Since the date of formation of Holdco and the Project Company, as applicable, Holdco and the Project Company have been properly classified for federal and state income Tax purposes as disregarded entities under Treasury Regulations Section 301.7701-2 and -3 and neither Seller nor any Affiliate of Seller has made or caused to be made any election for any Tax purposes to classify Holdco or the Project Company as other than a disregarded entity.

(e) Neither Holdco nor the Project Company is a party to any Tax allocation, Tax sharing or other similar agreement, other than customary Tax indemnification or other provisions contained in any credit or other ordinary course commercial agreements the primary purpose of which does not relate to Taxes.

(f) Neither Holdco nor the Project Company, nor Seller or any Affiliate of Seller with respect to the assets or operations of Holdco or the Project Company, is or has ever entered into or been a party to any "listed transaction," as defined in Section 1.6011-4(b)(2) of the Treasury Regulations.

(g) Except as set forth on Schedule 3.11(g) of the Disclosure Schedules, neither Holdco nor the Project Company owns an interest in real property in any state or local jurisdiction in which a Tax is imposed, or the value of the interest is reassessed, on the transfer of an interest in real property and which treats the transfer of an interest in an entity that owns an interest in real property as a transfer of the interest in real property. Neither Holdco nor the Project Company is party to a lease, other than a lease that is, for federal income tax purposes, a "true" lease under which such entity owns or uses the property subject to the lease. Neither Holdco nor the Project Company is a party to a lease arrangement involving a defeasance of rent, interest or principal. None of the property owned by either Holdco or the Project Company is "tax exempt use property" within the meaning of Section 168(h) of the Code or "tax exempt bond financed property" within the meaning of Code Section 168(g)(5).

3.12 Employees. Neither Holdco nor the Project Company has, nor has ever had, any employees or any liability, actual or contingent, with respect to any Employee Plan.

3.13 The Company Contracts. Schedule 3.13(a) of the Disclosure Schedules contains a true, correct and complete list of all material Contracts and amendments, modifications and supplements thereto, to which Holdco or the Project Company is a party or by which Holdco, the Project Company or any of their assets or properties are bound (collectively, the "Company Contracts"), which includes:

(i) all Contracts for the purchase, exchange or sale of electric power, capacity, or ancillary services;

(ii) all Contracts for the transmission of electric power;

(iii) all interconnection Contracts for electricity;

(iv) all Contracts with Seller or any Affiliate of Seller;

(v) all Contracts relating to the Acquired Interests or membership interests of Holdco or the Project Company; and

(vi) all Contracts otherwise material to Holdco or the Project Company which provide for payments by or to Holdco or the Project Company in excess of $100,000 for each individual Contract or $500,000 in the aggregate for all such Contracts.

(b) Seller has provided Purchaser with, or access to, true, correct and complete copies of all the Company Contracts and all amendments, modifications and supplements thereto. Each Company Contract constitutes the legal, valid, binding and enforceable obligation of the Holdco or the Project Company party thereto and to the Knowledge of Seller, the other parties thereto, except as may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting the rights and remedies of creditors, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law). Each Company Contract is in full force and effect, except to the extent such non-compliance would not reasonably be expected to have a Material Adverse Effect.

(c) Except as disclosed on Schedule 3.13(c) of the Disclosure Schedules, neither Holdco nor the Project Company or, to the Knowledge of Seller, the other parties thereto, is in material violation or breach of or default under any Company Contract to which it is a party.

(d) None of Seller, Holdco or the Project Company has given or received notice or other communication regarding any actual, alleged, possible or potential material violation or material breach with respect to any material provision of, or any material default under, or intent to cancel or terminate, any Company Contract.

3.14 Real Property.

(a) Schedule 3.14(a) of the Disclosure Schedules lists all Real Property Rights of Holdco and the Project Company, the real property in which Holdco and the Project Company have Real Property Rights, and appurtenances thereto (collectively, the "Land"). The Land is free and clear of all Liens except (x) for Permitted Exceptions and (y) as disclosed in the Title Policy.

(b) Except as set forth on Schedule 3.14(b) of the Disclosure Schedules, neither Holdco nor the Project Company has entered into any assignment, lease, license, sublease, easement or other agreement granting to any Person any right to the possession, use, occupancy or enjoyment of the Land.

(c) Neither Holdco nor the Project Company has caused or suffered to exist any easement, right-of-way, covenant, condition, restriction, reservation, license, agreement or other similar matter that would materially interfere with the operation of the Project or the business of Holdco or the Project Company in respect of the Real Property Rights, except as set forth on Schedule 3.14(c) of the Disclosure Schedules or in the Title Policy.

(d) Except as set forth on Schedule 3.14(d), the Real Property Rights are all the real property rights necessary for Holdco and the Project Company to develop, construct, own and operate the Project.

(e) As of the Closing Date, the Project will have access to and will receive services from all utilities necessary to operate the Project according to Prudent Industry Practice.

(f) None of Seller, Holdco or the Project Company has received any written notice of (i) condemnation, eminent domain or similar governmental proceeding materially affecting, individually or in the aggregate, any Project or (ii) zoning, ordinance, building, fire, health, or safety code violations materially affecting, individually or in the aggregate, any Project.

3.15 Title Policy. Seller has provided to Purchaser a true and correct copy of the title policy covering the Real Property Rights (the "Title Policy"). The Real Property Rights are subject only to (a) Permitted Exceptions, (b) matters disclosed in the Title Policy and (c) matters consented to in writing by Purchaser.

3.16 Environmental.

(a) Except as set forth on Schedule 3.16(a) of the Disclosure Schedules, Holdco and the Project Company are in compliance with all Environmental Laws, except to the extent that any such material non-compliance would not reasonably be expected to have a Material Adverse Effect. There is no material violation of any Environmental Law or other material liability arising under any Environmental Law with respect to the Land or the business of Holdco or the Project Company.

(b) There are no Actions or Proceedings pending or, to the Knowledge of Seller, threatened, as of the date of this Agreement against Seller, Holdco or the Project Company relating to any material violation of Environmental Law. None of Seller, Holdco or the Project Company has received notice from any Governmental Authority of any material violation of any Environmental Law in the last three (3) years.

(c) Schedule 3.16(c) of the Disclosure Schedules sets forth all material Permits required pursuant to any Environmental Law to be acquired or held by Seller, Holdco or the Project Company for the development, construction, ownership, use or operation of the Land or the business of Holdco and the Project Company as currently conducted. Except as set forth in Schedule 3.16(c) of the Disclosure Schedules, such Permits have been obtained in a timely manner and are presently maintained in full force and effect in the name of Holdco or the Project Company.

(d) To the Knowledge of Seller, there has been no release of Hazardous Substances at or from the Project in violation of Environmental Laws or Permits required by or issued pursuant to any Environmental Law for the development, construction, ownership, use or operation of the Land or the business of Holdco and the Project Company as currently conducted that would be reasonably expected to trigger any obligation of Seller, Holdco or the Project Company under Environmental Laws to report, investigate, remove or remediate such release.

(e) Seller has made available to Purchaser all material environmental reports, assessments and documents that are in the possession of Seller, Holdco or the Project Company and that relate to actual or potential material liabilities or obligations under Environmental Laws with respect to the Project.

3.17 Permits.

(a) Schedule 3.17(a) of the Disclosure Schedules sets forth all material Permits required pursuant to any Law to be acquired or held by Seller, Holdco or the Project Company in connection with the development, construction, ownership, maintenance, or operation of the Project, except for those required by the Environmental Laws, which are exclusively and solely governed by Section 3.16 hereof. Except as set forth in Schedule 3.17(a) of the Disclosure Schedules, such Permits have been obtained in a timely manner and are presently maintained in full force and effect in the name of Holdco or the Project Company.

(b) Except as set forth on Schedule 3.17(b) of the Disclosure Schedules, and except as relates to compliance with Environmental Laws which is exclusively and solely governed by Section 3.16 hereof, Seller, Holdco and the Project Company are in material compliance with each such Permit, and in compliance with the FPA and PUHCA, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect, and have received no written notice of violation or noncompliance

from any Governmental Authority or any written notice or claim asserting or alleging that any such Permit (i) is not in full force and effect, or (ii) is subject to any legal proceeding or unsatisfied condition.

(c) There are no proceedings pending or, to the Knowledge of Seller, threatened which would reasonably be expected to result in the modification, revocation or termination of any material Permit set forth in Schedule 3.17(a) of the Disclosure Schedules.

3.18 Affiliate Transactions. Except as disclosed on Schedule 3.18 of the Disclosure Schedules or under the Company Contracts, and except for this Agreement, there are no existing or pending transactions, Contracts or Liabilities between or among Holdco or the Project Company on the one hand, and Seller or any of Seller's Affiliates on the other hand.

3.19 Intellectual Property.

(a) To the Knowledge of Seller, except as set forth in Schedule 3.19 of the Disclosure Schedules, there is not now and has not been during the past three (3) years any infringement or misappropriation by Seller of any valid patent, trademark, trade name, servicemark, copyright, trade secret or similar intellectual property which relates to the Acquired Interests or the assets of Holdco or the Project Company and which is owned by any third party, and there is not now any existing or, to the Knowledge of Seller, threatened claim against Seller of infringement or misappropriation of any patent, trademark, trade name, servicemark, copyright trade secret or similar intellectual property which directly relates to the Acquired Interests or the assets of Holdco or the Project Company and which is owned by any third party and which, in each case, would reasonably be expected to have a Material Adverse Effect.

(b) Subject to the Trademark License Agreement, Holdco and each of the Project Company owns or has the valid right to use pursuant to license, sublicense, agreement or permission, in each case free and clear of all Liens other than Permitted Liens, any intellectual property necessary for it to conduct its business as currently conducted, other than such intellectual property the absence of which ownership or the right to use would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) There is no pending or, to the Knowledge of Seller, threatened claim by Seller against others for infringement or misappropriation of any trademark, trade name, servicemark, copyright, trade secret or similar intellectual property owned by Seller and which is utilized in the conduct of the business of Holdco or the Project Company that would reasonably be expected to have a Material Adverse Effect.

3.20 Insurance. Schedule 3.20 of the Disclosure Schedules contains a true, correct and complete list of all insurance policies as of the date of this Agreement that insure the assets and properties and business of Holdco or the Project Company or affect or relate to the ownership of any of the assets and properties Holdco or the Project Company. Seller has delivered to Purchaser detailed summaries of all the insurance policies set forth on Schedule 3.20 of the Disclosure Schedules, all of which are in full force and effect. None of Seller, Holdco or the Project Company has received any notice with respect to the assets and properties and business of Holdco or the Project Company from any insurer under any insurance policy applicable to the assets and properties and business of Holdco or the Project Company disclaiming coverage, reserving rights with respect to a particular claim or such policy in general or canceling any such policy. All premiums due and payable under all such policies have been paid and the terms of such policies have been complied with by Seller, Holdco and the Project Company, as applicable, in all material respects. The insurance maintained by or on behalf of Holdco or the Project Company is adequate to comply with all applicable Laws and Company Contracts. Except as set forth on Schedule 3.20 of the Disclosure Schedules, there are no pending insurance claims. Seller expects insurance coverage for property damage and business interruption for the Project as described in the property and casualty policies set forth on Schedule 3.20 of the Disclosure Schedules to continue in all material respects after the Closing. Furthermore, at the expiration of such policies, Seller expects the aforementioned policies to be renewed with terms substantially identical to those described in the policies above.

3.21 Financial Statements. Prior to the Closing (and simultaneously with delivery of the Financial Statements under the Credit Agreement), Seller has delivered to Purchaser true, correct and complete copies of the audited financial statements of Holdco (including balance sheets, income statements and statements of cash flows) on a consolidated basis as of and for the year ended December 31, 2017 (the "Financial Statements" and the date of the latest balance sheet, December 31, 2017 the "Balance Sheet Date"). As of such delivery, the Financial Statements will (i) fairly present, in all material respects, the consolidated financial position and consolidated results of operations of the Project Company, as of the respective dates set forth therein, (ii) be prepared in conformity with GAAP consistently applied during the period(s) involved except as otherwise noted therein, subject to normal and recurring year-end adjustments that have not been and are not expected to be material in amount, and (iii) be prepared from the books and records of the Project Company.

3.22 Absence of Changes. Neither Holdco nor the Project Company has engaged in any business unrelated to the development, construction, financing, ownership operation and maintenance of the Project. Except as set forth on Schedule 3.22 of the Disclosure Schedules, since the Balance Sheet Date (except as otherwise indicated in subparagraph (g) below) until the date of this Agreement, there has not been:

(a) any repurchase, redemption or other acquisition of any equity interests of Holdco or the Project Company or any interests convertible into equity interests of Holdco or the Project Company or any other change in the capitalization or ownership of Holdco or the Project Company;

(b) any merger of Holdco or the Project Company into or with any other Person, consolidation of Holdco or the Project Company with any other Person or acquisition by Holdco or the Project Company of all or substantially all of the business or assets of any Person;

(c) any action by Holdco or the Project Company or any commitment entered into by any member of Holdco or the Project Company with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization or other winding up of its business or operations;

(d) any material change in accounting policies or practices (including any change in depreciation or amortization policies) of Holdco or the Project Company, except as required under GAAP;

(e) any sale, lease (as lessor), transfer or other disposal of (including any transfers to any of its Affiliates), or mortgage or pledge, or imposition of any Lien on, any of its assets or properties,

or interests therein, other than (x) inventory and personal property sold or otherwise disposed of in the ordinary course of business, and (y) Permitted Liens;

(f) any creation, incurrence, assumption or guarantee, or agreement to create, incur, assume or guarantee any Indebtedness for borrowed money or entry into any "keep well" or other agreement to maintain the financial condition of another Person into any arrangement having the economic effect of any of the foregoing (including entering into, as lessee, any capitalized lease obligations as defined in Statement of Financial Accounting Standards No. 13); or

(g) any event, circumstance, condition or change relating or with respect to Holdco or the Project Company that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect since the date of formation of Holdco and the Project Company, as applicable.

3.23 Sufficiency of Assets; Tangible Personal Property. As of the Closing Date:

(a) Holdco and the Project Company will own, lease, license or contract all of the assets that are necessary to operate the Project.

(b) Holdco and the Project Company will have good title to all of their tangible personal property, free and clear of all Liens, except for Permitted Liens.

(c) Except as set forth on Schedule 3.23 of the Disclosure Schedule, all material items of equipment owned, leased or used by Holdco or the Project Company in the business of Holdco and the Project Company will be suitable for the purposes for which they are employed, will be in good operating condition and repair, subject to ordinary wear and tear, and will have been maintained by Holdco and the Project Company in accordance with good industry practice.

3.24 Bank Accounts. Schedule 3.24 of the Disclosure Schedules sets forth the names and locations of banks, trust companies and other financial institutions at which Holdco or the Project Company maintain bank accounts or safe deposit boxes, in each case listing the type of account, the account number, and the names of all Persons authorized to draw thereupon or who have access thereto and lists the locations of all safe deposit boxes used by Holdco or the Project Company.

3.25 Regulatory Status.

(a) As of the Effective Date, neither Holdco nor Project Company is subject to regulation as a "public utility" as that term is defined under FPA Section 201(e).

(b) As of the Effective Date, neither Holdco nor Project Company is a "holding company" or "public-utility company" as those terms are defined in PUHCA and FERC's implementing regulations.

(c) To the Knowledge of Seller, no Person has registered with NERC with respect to the Project. NERC registration with respect to the Project is not required as of the Effective Date, and the Project is not in violation of any applicable NERC requirement.

3.26 Support Obligations. Schedule 3.26 of the Disclosure Schedules sets forth a true and complete list of all credit support obligations and related agreements provided by Seller or certain Affiliates in respect of Holdco or the Project Company.

3.27 Disclosures. To the Knowledge of Seller, no representation or warranty by Seller contained in this Agreement, and no statement contained in the Disclosure Schedules or any other document, certificate or other instrument delivered to or to be delivered by or on behalf of Seller, Holdco or the Project Company contains, or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading.

3.28 Projections. Seller has prepared the financial projections for Holdco and the Project Company (the "Projections"), which are reflected in Schedule 3.28, in good faith. To the Knowledge of Seller, the Projections (i) are based on reasonable assumptions, (ii) are consistent in all material respects with Prudent Industry Practice, and (iii) reflect all material payments to be made by Holdco or the Project Company to Sellers or its Affiliates.

3.29 No Other Warranties. EXCEPT FOR THE WARRANTIES SET FORTH HEREIN, THE ACQUIRED INTERESTS ARE BEING SOLD HEREUNDER ON AN "AS IS," "WHERE IS" BASIS. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, WRITTEN OR ORAL, EXPRESS OR IMPLIED; SELLER PROVIDES NO OTHER WARRANTIES WITH RESPECT TO THE ACQUIRED INTERESTS, HOLDCO, THE PROJECT COMPANY, THE ASSETS OF HOLDCO OR THE ASSETS OF THE PROJECT COMPANY, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE 3, SELLER MAKES NO REPRESENTATION OR WARRANTY TO PURCHASER WITH RESPECT TO ANY FINANCIAL PROJECTIONS, FORECASTS OR FORWARD LOOKING STATEMENTS OF ANY KIND OR NATURE WHATSOEVER RELATING TO HOLDCO, THE PROJECT COMPANY, THE ASSETS OF HOLDCO, THE ASSETS OF THE PROJECT COMPANY OR THE ACQUIRED INTERESTS.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller as of the date hereof (unless specifically stated otherwise) as follows:

4.01 Existence. Purchaser is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware. Purchaser has full power and authority to execute and deliver this Agreement and each other agreement required to be executed by it pursuant to the terms hereof, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby and to own or lease its assets and properties and to carry on its business as currently conducted.

4.02 Authority. All actions or proceedings necessary to authorize the execution and delivery by Purchaser of this Agreement, and the performance by Purchaser of its obligations hereunder, have been duly and validly taken. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles.

4.03 No Consent. Except as set forth on Schedule 4.03 of the Disclosure Schedules (the "Purchaser Consents"), and except as would not, individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect, or would not reasonably be expected to adversely affect the ability of Purchaser to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder, the execution, delivery and performance by Purchaser of this Agreement does not require Purchaser to obtain any consent, approval or action of or give any notice to any Person as a result or under any terms, conditions or provisions of any Contract by which it is bound.

4.04 No Conflicts. The execution, delivery and performance of this Agreement by Purchaser does not and will not (a) conflict with, result in a breach of, or constitute a default under, Purchaser's certificate of incorporation or operating agreement, or any material Contract to which Purchaser is a party; (b) result in the creation of any Lien upon any of the assets or properties of Purchaser or (c) accelerate or modify, or give any party the right to accelerate or modify, the time within which, or the terms under which, any duties or obligations are to be performed by Purchaser, or any rights or benefits are to be received by any Person, under any material Contract to which Purchaser is a party.

4.05 Permits and Filings. Except as disclosed on Schedule 4.05 of the Disclosure Schedules, no Permit on the part of Purchaser is required in connection with the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby or thereby or any borrowing or other action by Purchaser or any of its Affiliates in connection with obtaining or maintaining sufficient financing to provide the payment of the Purchase Price.

4.06 Legal Proceedings. There are no Actions or Proceedings pending or, to the knowledge of Purchaser, threatened as of the date of this Agreement against Purchaser that affects Purchaser or any of its assets or properties which would reasonably be expected to result in the issuance of an Order restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement.

4.07 Purchase for Investment. Purchaser (a) is acquiring the Acquired Interests for its own account and not with a view to distribution, (b) is an "accredited investor" as such term is defined in Rule 501(a) under the Securities Act of 1933, (c) has sufficient knowledge and experience in financial and business matters so as to be able to evaluate the merits and risk of an investment in the Acquired Interests and is able financially to bear the risks thereof, and (d) understands that the Acquired Interests will, upon purchase, be characterized as "restricted securities" under state and federal securities laws and that under such laws and applicable regulations the Acquired Interests may be resold without registration under such laws only in certain limited circumstances. Purchaser agrees that it will not sell, convey, transfer or dispose of the Acquired Interests, unless such transaction is made pursuant to an effective registration statement under applicable federal and state securities laws or an exemption from registration requirements of such securities laws.

4.08 Brokers. Except as set forth on Schedule 4.08 of the Disclosure Schedules, no Person has any claim against Purchaser for a finder's fee, brokerage commission or similar payment directly or indirectly in connection with the transactions contemplated by this Agreement.

4.09 Governmental Approvals. Except as set forth on Schedule 4.09 of the Disclosure Schedules ("Purchaser Approvals") or which have already been obtained, no Governmental Approval on the part of Purchaser is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

4.10 Compliance with Laws. Purchaser is not in material violation of any Law except where any such material violation would not in the aggregate reasonably be expected to have a Material Adverse Effect.

4.11 Due Diligence. Purchaser, or its Representatives, have had the opportunity to conduct all such due diligence investigations of the Acquired Interests, Holdco, the Project Company and the Project as they deemed necessary or advisable in connection with entering into this Agreement and the related documents and the transactions contemplated hereby and thereby. PURCHASER HAS RELIED SOLELY ON ITS INDEPENDENT INVESTIGATION AND THE REPRESENTATIONS AND WARRANTIES MADE BY SELLER IN ARTICLE 3 IN MAKING ITS DECISION TO ACQUIRE THE ACQUIRED INTERESTS AND HAS NOT RELIED ON ANY OTHER STATEMENTS OR ADVICE FROM SELLER OR ITS REPRESENTATIVES.

ARTICLE 5
COVENANTS OF SELLER

Seller covenants and agrees with Purchaser that Seller will comply with all covenants and provisions of this Article 5, except to the extent Purchaser may otherwise consent in writing.

5.01 Regulatory and Other Permits.Seller shall or shall cause Holdco and the Project Company to, as promptly as practicable, use commercially reasonable efforts to make all filings with all Governmental Authorities and other Persons required by Seller or its Affiliates to consummate the transactions contemplated hereby and shall use commercially reasonable efforts to obtain as promptly as practicable all Permits and all consents, approvals or actions of all Governmental Authorities and other Persons necessary to consummate the transactions contemplated hereby, including the Seller Approvals and Seller Consents. Seller shall promptly provide Purchaser with a copy of any filing, order or other document delivered to or received from any Governmental Authority or other Person relating to the obtaining of any such Permits, consents, approvals, or actions of Governmental Authorities and other Persons. Seller shall provide a status report to Purchaser upon the reasonable request of Purchaser. Seller shall use commercially reasonable efforts not to cause its Representatives, or Holdco, the Project Company or other Affiliates of Seller or any of their respective Representatives, to take any action which would reasonably be expected to materially and adversely affect the likelihood of any approval or consent required to consummate the transactions contemplated hereby. Seller shall bear its own costs and legal fees contemplated by this Section 5.01.

5.02 Access to Information. During the Interim Period, Seller shall at all reasonable times and upon reasonable prior notice during regular business hours make the properties, assets, books and records pertaining to Holdco and the Project Company, the Acquired Interests or the Project reasonably available for examination, inspection and review by Purchaser and its Representatives; provided, however, Purchaser's inspections and examinations shall not unreasonably disrupt the normal operations of Seller, Holdco, the Project Company or the Project and shall be at Purchaser's sole cost and expense; and provided, further, that neither Purchaser, nor any of its Affiliates or representatives, shall conduct any intrusive environmental site assessment or activities with respect to Holdco, the Project Company or their properties without the prior written consent of Seller.

5.03 Notification of Certain Matters.

(a) All exhibits and schedules and the Disclosure Schedules attached hereto are hereby incorporated herein by reference and made a part hereof.

(b) Neither the specification of any dollar amount in any representation nor the mere inclusion of any item in a schedule or in the Disclosure Schedules as an exception to a representation or warranty shall be deemed an admission by a Party that such item represents a material fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect on, HoldCo the Project Company or Purchaser.

(c) Seller shall have the right (but not the obligation) to deliver to Purchaser, not later than ten (10) Business Days prior to the Closing Date, a supplement to the Seller Disclosure Schedule (the "Closing Date Schedule Supplement") to disclose any matter arising after the date hereof, that, if existing at or arising prior to the date hereof, would have been required to be set forth in the Seller Disclosure Schedule for the representations and warranties of Seller set forth herein to be true and correct as of the date hereof, and the Seller Disclosure Schedule shall be deemed to be modified, supplemented and amended to include the items listed in the Closing Date Schedule Supplement for all purposes hereunder, other than to cure any breach or inaccuracy of any representation or warranty of Seller contained in this Agreement for purposes of Article 11. If any item set forth in the Closing Date Schedule Supplement discloses any event, circumstance or development that, individually or in the aggregate when taken together with other previously disclosed events, circumstances or developments, would prevent any of the conditions set forth in Section 7.01 to be satisfied, then Purchaser may terminate this Agreement by delivering notice of termination to Seller within ten (10) Business Days of its receipt of such

Closing Date Schedule Supplement; provided, that if Purchaser does not deliver such notice within such ten (10) Business Day period, then Purchaser shall be deemed to have irrevocably waived its right to terminate this Agreement with respect to such item and its right to not consummate the transactions contemplated hereby with respect to such item, in each case, after giving effect to such item under any of the conditions set forth in Section 7.01, but shall not be deemed to have irrevocably waived their right to indemnification under Section 11.01 with respect to such item.

5.04 Conduct of Business.

(a) Seller covenants and agrees that, except (i) as described on Schedule 5.04(b) and as contemplated by Exhibit J (Carlsbad Construction Budget and Schedule), or (ii) as otherwise approved in writing by Purchaser (which approval shall not be unreasonably withheld, conditioned or delayed), during the Interim Period, Seller shall cause Holdco and the Project Company to be operated in the ordinary course of business consistent with past practice, and shall use commercially reasonable efforts to (A) preserve, maintain and protect the assets and properties of Holdco and the Project Company and (B) develop and construct the Project consistent with Exhibit J (Carlsbad Construction Budget and Schedule); provided, that, such efforts shall not include any requirement or obligation to make any material payment or assume any material Liability not otherwise required to be paid or assumed by the terms of any existing Contract or offer or grant any material financial accommodation or other material benefit not otherwise required to be made by the terms of an existing Contract. Without limiting the foregoing, Seller shall cause Holdco and the Project Company to perform in all material respects the Company Contracts to which Holdco or the Project Company is a party and use commercially reasonable efforts consistent with good business practice to preserve the goodwill of the suppliers, contractors, lenders, Governmental Authorities, licensors, customers, distributors and others having business relations with Holdco or the Project Company.

(b) Without limiting Section 5.04(a), except as (A) set forth on Schedule 5.04(b), (B) otherwise contemplated by Exhibit J (Carlsbad Construction Budget and Schedule), (C) required by applicable Law, or (D) with the express written approval of Purchaser (other than with respect to subparagraph (b)(xviii)), such approval not to be unreasonably withheld, during the Interim Period, Seller shall cause Holdco and the Project Company not to:

(i) transfer any of the Acquired Interests to any Person or create or suffer to exist any Lien upon the Acquired Interests;

(ii) issue, grant, deliver or sell or authorize or propose to issue, grant, deliver or sell, or purchase or propose to purchase, any of its equity securities (other than the sale and delivery of the Acquired Interests pursuant to this Agreement), options, warrants, calls, rights, exchangeable or convertible securities, commitments or agreements of any character, written or oral, obligating it to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any of its equity securities;

(iii) declare, set aside or pay any dividends on or make any other distributions in respect of the Acquired Interests, or combine, split or reclassify any of the Acquired Interests or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any of the Acquired Interests;

(iv) take any action or enter into any commitment with respect to or in contemplation of any liquidation, dissolution, recapitalization, reorganization, or other winding up of business or operations;

(v) open or establish any new accounts with financial institutions;

(vi) make any material change in its business or operations, except such changes as may be required to comply with any applicable Law;

(vii) make any material capital expenditures (or enter into any Contracts in respect of material capital expenditures) other than as contemplated by the Company Contracts;

(viii) merge Holdco or the Project Company into or with any other Person or consolidate Holdco or the Project Company with any other Person;

(ix) enter into any Contract for the purchase of real property or any interests therein;

(x) acquire, or enter into any Contract for any acquisitions (by merger, consolidation, or acquisition of stock or assets or any other business combination), of any Person or business or any division thereof;

(xi) sell, lease (as lessor), transfer or otherwise dispose of (including any transfers to any of its Affiliates), or mortgage or pledge, or impose or suffer to be imposed any Lien on, any of its assets or properties, other than (x) inventory and personal property sold or otherwise disposed of in the ordinary course of business, and (y) Permitted Liens;

(xii) create, incur, assume or guarantee, or agree to create, incur, assume or guarantee any Indebtedness for borrowed money or enter into any "keep well" or other agreement to maintain the financial condition of another Person into any arrangement having the economic effect of any of the foregoing (including entering into, as lessee, any capitalized lease obligations as defined in Statement of Financial Accounting Standards No. 13);

(xiii) make any loans or advances to any Person, except in the ordinary course of business consistent with past practice;

(xiv) enter into, amend, modify, grant a waiver in respect of, cancel or consent to the termination of any Company Contract other than any amendment, modification or waiver which is not material to such Company Contract and is otherwise in the ordinary course of business;

(xv) enter into or adversely amend, modify or waive any rights under, in each case, in any material respect, any material Contract (or series of related Contracts) with Seller or any Affiliate of the Seller other than the entry into or amendment, modification, or waiver of any such Contracts on an arms' length basis which are not in the aggregate materially adverse to the business of Holdco or the Project Company;

(xvi) make any material change in accounting policies or practices (including any change in depreciation or amortization policies) of Holdco or the Project Company, except as required under Seller's GAAP or revalue any of the Holdco's or the Project Company's assets;

(xvii) make or change any material Tax election, change an annual accounting period, adopt or change any accounting method with respect to Taxes, file any amended Tax Return with respect to any material Taxes, enter into any closing agreement, settle or compromise any proceeding with respect to any material Tax claim or assessment, surrender any right to claim a refund of material Taxes, consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment relating to Holdco or the Project Company, or take any other similar action relating to the filing of any Tax Return or the payment of any material Tax;

(xviii) submit a self-report or mitigation plan to FERC, NERC or the applicable Regional Entity in connection with the violation or possible violation of an applicable NERC reliability standard without first notifying Purchaser and providing information regarding the violation or possible violation;

(xix) pay, discharge, settle or satisfy any claims, liabilities or obligations prior to the same being due in excess of $175,000 in the aggregate;

(xx) hire any employees or adopt any Employee Benefit Plans;

(xxi) enter into any joint venture;

(xxii) fail to maintain insurance coverage substantially equivalent to its insurance coverage as in effect on the date hereof; or

(xxiii) agree to enter into any Contract or otherwise make any commitment to do any of the foregoing in this Section 5.04.

Notwithstanding the foregoing, Seller may permit Holdco and any of the Project Company to take commercially reasonable actions with respect to emergency situations so long as Seller shall, upon receipt of notice of any such actions, promptly inform Purchaser of any such actions taken outside the ordinary course of business.

5.05 Insurance Claims.

(a) Following the Closing, Seller shall use commercially reasonable efforts to assist Purchaser in asserting claims with respect to the activities and ownership of Holdco and the Project Company covered under insurance policies of Seller, Holdco or the Project Company (as the case may be) arising out of insured incidents occurring from the date of coverage thereunder first commenced until the Closing. Except as provided in Section 5.06, any recoveries in respect of such claims under any property insurance policies for periods of coverage (i) prior to the Closing Date (A) to the extent any receivable for such claims is not included in the calculation of Aggregate Net Working Capital, such recoveries shall be for the account of Seller and (B) to the extent any receivable for such claims is included in the calculation of Aggregate Net Working Capital, such recoveries shall be for the account of Purchaser and (ii) after the Closing Date shall be for the account of Purchaser. In furtherance of the foregoing, to the extent that either Party receives any recoveries from any property insurance policies that are for the account of the other Party pursuant to the preceding sentence, other than as set forth in Section 5.06, the receiving Party shall pay over such recoveries to the other Party as promptly as practicable.

(b) Seller shall not, and during the Interim Period shall cause Holdco and the Project Company not, to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any insurance policies under which Purchaser has rights to assert or continue to prosecute claims pursuant to Section 5.05(a) in a manner that would adversely affect any such rights of Purchaser; provided, however, that Purchaser shall pay or reimburse Seller for all costs and expenses of complying with this Section 5.05(b).

5.06 Casualty Loss. If the Project, or any portion thereof, is damaged or destroyed by casualty loss or as a result of any fact, event or circumstance which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (a "Casualty Loss") after the date hereof and prior to the satisfaction of all the closing conditions (the "Satisfaction Date") of the Parties, and the cost of restoring such damaged or destroyed Project to a condition reasonably comparable to its prior condition (net of and after giving effect to any insurance proceeds received by Holdco or the Project Company for such restoration) (such cost as estimated by a qualified firm reasonably acceptable to Purchaser and Seller and selected by Purchaser and Seller in good faith and promptly after the date of the event giving rise to the Casualty Loss, the "Restoration Cost") does not exceed ten percent (10%) of the Base Purchase Price, Purchaser shall reduce the amount of the Base Purchase Price (as adjusted pursuant to Section 2.04) by the amount of the Restoration Cost and, subject to the prior written consent of the Seller, such Casualty Loss shall not affect the Closing; provided, however, that if Seller does not provide such written consent within thirty (30) days after the date the Restoration Cost is provided to the Parties, then Purchaser may, in its sole discretion, terminate this Agreement by providing written notice thereof to the Seller. If the Restoration Cost is in excess of ten percent (10%) of the Base Purchase Price, Purchaser may, by notice to Seller at any time prior to or within thirty (30) days after the date such Restoration Cost is provided to Purchaser elect to either: (i) subject to Seller's prior written consent, reduce the Base Purchase Price by the Restoration Cost; or (ii) in its sole discretion, terminate this Agreement, in the latter case by providing written notice to Seller. To the extent Purchaser elects and Seller consents to reduce the amount of the Base Purchase Price pursuant to this Section 5.06, Purchaser will, at Seller's election: (a) assign to Seller any rights to any contribution available under any rights to insurance claims or recoveries available under insurance policies covering the Project; or (b) at Seller's sole cost and expense, use commercially reasonable efforts to pursue such available contribution, claims or recoveries on Seller's behalf for the benefit of Seller, in either case only up to the amount of such reduction in the Base Purchase Price. During the period between the Satisfaction Date and the Closing, Seller shall consult with Purchaser in respect of remediating the Casualty Loss, including promptly commencing the restoration work with respect to such Casualty Loss and promptly filing claims with insurance companies under applicable insurance policies in respect of such Casualty Loss. To the extent Seller, Holdco or the Project Company has made any actual capital expenditures in respect of the Restoration Cost, the amounts of such actual capital expenditures, up to the amount equal to the Restoration Cost by which the Base Purchase Price (as adjusted pursuant to Section

2.04) was reduced in accordance with this Section 5.06, shall be added to the Base Purchase Price (as adjusted pursuant to Section 2.04).

5.07 Seller Parent Guaranty. Seller shall concurrently with the execution and delivery of this Agreement, cause to be executed and delivered to Purchaser the Seller Parent Guaranty.

5.08 Fulfillment of Conditions. Seller (a) shall take all commercially reasonable steps necessary or desirable, and proceed diligently and in good faith to satisfy each other condition to the obligations of Purchaser contained in this Agreement and (b) shall not, and shall not permit Holdco, the Project Company or any of its other Affiliates to, take or fail to take any action that would reasonably be expected to result in the non-fulfillment of any such condition.

5.09 Further Assurances. During the Interim Period, Seller shall use its commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as may be necessary to consummate the transactions contemplated by this Agreement, including such actions at its expense as are necessary in connection with obtaining any third-party consents and all Governmental Approvals required to be obtained by Seller. During the Interim Period, Seller shall cooperate with Purchaser and provide any information regarding Seller necessary to assist Purchaser in making any filings or applications required to be made with any Governmental Authority. Notwithstanding anything to the contrary contained in this Section 5.09, if the Parties are in an adversarial relationship in litigation or arbitration, the furnishing of any documents or information in accordance herewith shall be solely subject to applicable rules relating to discovery and the remainder of this Section 5.09 shall not apply.

5.10 Reports. During the Interim Period, Seller shall provide Purchaser with copies of all reports, documents and certificates delivered (a) to Holders of the Notes under the Note Purchase Agreement and (b) the Bank Facility Agent under the Credit Agreement.

ARTICLE 6
COVENANTS OF PURCHASER

Purchaser covenants and agrees with Seller that Purchaser will comply with all covenants and provisions of this Article 6, except to the extent Seller may otherwise consent in writing.

6.01 Regulatory and Other Permits. Purchaser shall, as promptly as practicable, use commercially reasonable efforts to make all filings with all Governmental Authorities and other Persons required by Purchaser or its Affiliates to consummate the transactions contemplated hereby and shall use commercially reasonable efforts to obtain, as promptly as practicable, all Permits and all consents, approvals or actions of all Governmental Authorities and other Persons necessary to consummate the transactions contemplated hereby. Purchaser shall promptly provide Seller with a copy of any material filing, order or other document delivered to or received from any Governmental Authority or other Person relating to the obtaining of any such Permits, consents, approvals, or actions of Governmental Authorities and other Persons. Purchaser shall provide a status report to Seller upon the reasonable request of Seller. Purchaser shall use commercially reasonable efforts not to cause its Representatives or Affiliates to take any action which would reasonably be expected to materially and adversely affect the likelihood of any approval or consent required to consummate the transactions contemplated hereby. Purchaser shall bear its own costs and legal fees contemplated by this Section 6.01.

6.02 Fulfillment of Conditions. Purchaser (a) shall take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each other condition to the obligations of Seller contained in this Agreement, and (b) shall not, and shall not permit any of its Affiliates to, take or fail to take any action that would reasonably be expected to result in the non-fulfillment of any such condition.

6.03 Further Assurances. During the Interim Period, Purchaser shall use its commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as may be necessary to consummate the transactions contemplated by this Agreement, including such actions at its expense as are necessary in connection with obtaining any third-party consents and all Governmental Approvals required to be obtained by Purchaser. During the Interim Period, Purchaser shall cooperate with Seller and provide any information regarding Purchaser necessary to assist Seller in making any filings or applications required to be made with any Governmental Authority. Notwithstanding anything to the contrary contained in this Section 6.03, if the Parties are in an adversarial relationship in litigation or arbitration, the furnishing of any documents or information in accordance herewith shall be solely subject to applicable rules relating to discovery and the remainder of this Section 6.03 shall not apply.

6.04 NYLD Acquisition Agreement Support. If, prior to the Closing, Purchaser lacks sufficient funds to pay the Purchase Price at the Closing, and (a) the NYLD Acquisition Closing has occurred and (b) Seller has satisfied, or is capable of satisfying, all of its conditions precedent to Closing set forth in Article VII, then Purchaser shall be required to assign all of its rights and obligations under this Agreement, including its obligation to pay the Purchase Price, to Zephyr Purchaser upon five (5) days' prior written notice to Seller.

ARTICLE 7
CONDITIONS TO OBLIGATIONS OF PURCHASER

The obligations of Purchaser hereunder to purchase the Acquired Interests are subject to the fulfillment, at or before the Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Purchaser in its sole discretion):

7.01 Bring-Down of Seller's Representations and Warranties. The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects as of the Closing Date (except for any of such representations and warranties that are qualified by materiality, including by reference to Material Adverse Effect, which shall be true and correct in all respects) as though such representations and warranties were made on and as of the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date.

7.02 Performance at Closing. Seller shall have performed all agreements, covenants and obligations required by Article 2 of this Agreement to be so performed by Seller at the Closing.

7.03 Litigation. No Order shall have been entered which restrains, enjoins or otherwise prohibits or makes illegal the consummation of any of the transactions contemplated by this Agreement and no Action or Proceeding shall have been instituted before any Governmental Authority of competent jurisdiction seeking to restrain, enjoin or otherwise prohibit or make illegal the consummation of any of the transactions contemplated by this Agreement.

7.04 Assignment of Membership Interests.(a) The Assignment of Membership Interests shall have been fully executed and delivered to Purchaser and (b) certificates representing the Acquired Interests, duly endorsed for transfer to Purchaser or accompanied by one or more membership interest powers duly endorsed for transfer to Purchaser shall have been delivered to Purchaser.

7.05 Approvals and Consents. All Seller Approvals and Seller Consents shall have been obtained and shall be in full force and effect.

7.06 Officers' Certificates. Seller shall have delivered to Purchaser (a) a certificate, dated the Closing Date and executed by an authorized officer or board member of Seller substantially in the form and to the effect of Exhibit D; and (b) a certificate, dated the Closing Date and executed by the Secretary of Seller substantially in the form and to the effect of Exhibit E.

7.07 FIRPTA Certificate. Seller shall have caused to be delivered a certificate, dated as of the Closing Date and substantially in the form and to the effect of Exhibit F, which satisfies the requirements set forth in Treasury Regulation Section 1.1445-2, attesting that Seller Parent is not a "foreign person" for U.S. federal income tax purposes.

7.08 Commercial Operation. The Project shall have achieved Commercial Operation.

7.09 Term Conversion. The Term Conversion Date (as defined in the Credit Agreement) shall have occurred and none of the conditions set forth in Section 4.03 of the Credit Agreement shall have been waived.

7.10 PASA Amendment. The PASA Amendment shall have been executed and delivered by the parties thereto.

7.11 CSA. Purchaser shall have received an executed copy of the CSA, which shall be in form and substance materially consistent with Exhibit N hereto.

7.12 Amendment to Note Purchase Agreement. The Note Purchase Agreement shall have been amended to confirm the principal amortization start date of December 31, 2027.

7.13 Amendment to O&M Agreement. Subject to Section 2.10, the O&M Agreement shall have been amended to revise the fixed fee in Section 7.1 thereof to be $700,000.

7.14 Amendment to Settlement Agreement. Seller shall have amended the Settlement Agreement to remove all obligations of the Project Company under Article 5 thereof to any of the parties thereto.

7.15 Guaranties. The O&M Guaranty and the PASA Guaranty shall have been executed and delivered to Purchaser.

ARTICLE 8
CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller hereunder to sell the Acquired Interests are subject to the fulfillment, at or before the Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Seller, in its sole discretion).

8.01 Bring-Down of Purchaser's Representations and Warranties. The representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects as of the Closing Date (except for any of such representations and warranties that are qualified by materiality which shall be true and correct in all respects) as though such representations and warranties were made on and as of the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date.

8.02 Performance at Closing. Purchaser shall have performed all agreements, covenants and obligations required by Article 2 of this Agreement to be so performed by Purchaser at the Closing.

8.03 Approvals and Consents. All Purchaser Approvals and Purchaser Consents required for the consummation of the transactions contemplated hereby shall have been obtained and shall be in full force and effect.

8.04 Litigation. No Order shall have been entered which restrains, enjoins or otherwise prohibits or makes illegal the consummation of any of the transactions contemplated by this Agreement and no Action or Proceeding shall have been instituted before any Governmental Authority of competent jurisdiction seeking to restrain, enjoin or otherwise prohibit or make illegal the consummation of any of the transactions contemplated by this Agreement.

8.05 Assignment of Membership Interests. The Assignment of Membership Interests shall have been fully executed and delivered to Seller.

8.06 Certificates. Purchaser shall have delivered to Seller: (a) a certificate, dated the Closing Date and executed by an authorized officer or board member of the Purchaser substantially in the form and to the effect of Exhibit G, and (b) a certificate, dated the Closing Date and executed by the Secretary of Purchaser substantially in the form and to the effect of Exhibit H.

8.07 Commercial Operation. The Project shall have achieved Commercial Operation.

8.08 Term Conversion. The Term Conversion Date (as defined in the Credit Agreement) shall have occurred and none of the conditions set forth in Section 4.03 of the Credit Agreement shall have been waived.

8.09 NYLD Acquisition Agreement. The NYLD Acquisition Closing shall have occurred; provided, however, that if the NYLD Acquisition Agreement is terminated such that this condition precedent to Closing is not satisfied, the Project Company shall be reinstated as an NRG ROFO Asset under the ROFO Agreement as if Purchaser's rights under the ROFO Agreement with respect to the Project Company had never been exercised.

ARTICLE 9
TAX MATTERS

9.01 Certain Taxes. All real property Taxes, personal property Taxes and similar obligations of Holdco and the Project Company imposed by the State of California, or any other Governmental Authority that are due or become due for Tax periods within which the Closing Date occurs (collectively, the "Apportioned Obligations") shall be apportioned between Seller for the pre-Closing Date period, on the one hand, and Purchaser for the post-Closing Date Period, on the other hand, as of the Closing Date, based upon the actual number of days of the Tax period that have elapsed before and after the Closing Date, and all income Taxes and Transfer Taxes imposed on Holdco and the Project Company shall be allocated between the pre-Closing Date period and the post-Closing Date period as though a taxable year of Holdco and the Project Company have ended on the Closing Date. Seller shall be responsible for the portion of such Apportioned Obligations attributable to the period ending before the Closing Date. Purchaser shall be responsible for the portion of such Apportioned Obligations attributable to the period beginning on or after the Closing Date. Each Party shall cooperate in assuring that Apportioned Obligations that are the responsibility of Seller pursuant to the preceding sentences are paid by Seller, and that Apportioned Obligations that are the responsibility of Purchaser pursuant to the preceding sentence shall be paid by Purchaser. If any refund, rebate or similar payment is received by Holdco, the Project Company and/or Purchaser for any real property Taxes, personal property Taxes or similar obligations referred to above that are Apportioned Obligations, such refund shall be apportioned between Seller and Purchaser as aforesaid on the basis of the obligations of Holdco and the Project Company during the applicable Tax period. Any refund, rebate or similar payment received by Holdco, the Project Company and/or Purchaser for any income Tax or Transfer Tax attributable to the pre-Closing Date period, as determined above, shall be for the benefit of Seller; and any such refund, rebate or similar payment attributable to the post-Closing Date period, as determined above, shall be for the benefit of Purchaser.

(a) For any Taxes with respect to which the taxable period of Holdco or the Project Company ends before the Closing Date, Seller shall timely prepare and file with the appropriate authorities all Tax Returns required to be filed by Holdco or the Project Company. On and after the Closing Date, Purchaser shall timely prepare and file with the appropriate authorities all other Tax Returns required to be filed by Holdco and the Project Company.

(b) Seller and Purchaser shall reasonably cooperate, and shall cause their respective Affiliates, employees and agents reasonably to cooperate, in preparing and filing all Tax Returns of Holdco and the Project Company, including maintaining and making available to each other all records that are necessary for

the preparation of any Tax Returns that the Party is required to file under this Article 9, and in resolving all disputes and audits with respect to such Returns.

(c) All sales, use transfer, controlling interest transfer, recording, stock transfer, real property transfer, value-added and other similar Taxes and fees ("Transfer Taxes"), if any, arising out of or in connection with the consummation of the transactions contemplated by this Agreement shall be shared equally by Purchaser and Seller. Tax Returns that must be filed in connection with such Transfer Taxes shall be prepared and filed by the Party primarily or customarily responsible under applicable local Law for filing such Tax Returns, and such party will use commercially reasonable efforts to provide such Tax Returns to the other Party at least ten (10) Business days prior to the date such Tax Returns are due to be filed.

9.02 Allocation of Purchase Price. No later than one hundred twenty (120) days after the Closing, Seller and Purchaser shall agree on the draft allocation of the Purchase Price and the liabilities of Holdco and the Project Company (in each case to the extent treated as consideration for U.S. federal income tax purposes) among Holdco's and the Project Company's assets consistent with section 1060 of the Code and the Treasury Regulations thereunder. Seller and Purchaser agree that the agreed allocation shall be used by Seller and Purchaser as the basis for reporting asset values and other items for purposes of all federal, state, and local Tax Returns, and that neither Seller nor Purchaser or their respective Affiliates will take positions inconsistent with such allocation in notices to any Governmental Authority, in audits or other proceedings with respect to Taxes, or in other documents or notices relating to the transactions contemplated by this Agreement.

ARTICLE 10
SURVIVAL

10.01 Survival of Representations, Warranties, Covenants and Agreements. The representations, warranties, covenants, agreements and obligations of Seller and Purchaser contained in this Agreement are material, were relied on by such Parties, and will survive the Closing Date as provided in Section 11.03.

ARTICLE 11
INDEMNIFICATION

11.01 Indemnification by Seller. Seller hereby indemnifies and holds harmless the Purchaser Indemnified Parties in respect of, and holds each of them harmless from and against, any and all Losses suffered, incurred or sustained by any of them or to which any of them become subject, resulting from, arising out of or related to any breach of any representation, warranty, covenant, agreement or obligation made by Seller in this Agreement or any certificate delivered by Seller pursuant to this Agreement, provided, however, that the foregoing indemnity shall not apply to Losses caused by the gross negligence or willful misconduct of Purchaser or its agents, officers, employees or contractors.

11.02 Indemnification by Purchaser. Purchaser hereby indemnifies and holds harmless the Seller Indemnified Parties in respect of, and holds each of them harmless from and against, any and all Losses suffered, incurred or sustained by any of them or to which any of them become subject, resulting from, arising out of or relating to any breach by Purchaser of any representation, warranty, covenant, agreement or obligation made by Purchaser in this Agreement or any certificate delivered by Purchaser pursuant to this Agreement, provided, however, that the foregoing indemnity shall not apply to Losses to the extent caused by the gross negligence or willful misconduct of Seller or its agents, officers, employees or contractors.

11.03 Period for Making Claims. No claim under this Agreement (except as provided below) may be made unless such Party shall have delivered, with respect to any claim under Section 11.01, a written notice of claim prior to the date falling twelve (12) months after the Closing Date provided that, (i) the representations and warranties contained in Section 3.01 (Existence), Section 3.02 (Authority), Section 3.07 (Brokers), Sections 3.09(a), (b) and (e) (Holdco and the Project Company), Section 4.01 (Existence), Section 4.02 (Authority) and Section 4.08 (Brokers) shall survive the Closing for five (5) years following the Closing Date (collectively, with the representation and warranties contained in Section 3.11 (Taxes) the "Fundamental Representations"), (ii) the representations and warranties in Section 3.11 (Taxes) shall survive until thirty (30) days after the expiration of the applicable Tax statute of limitations, and (iii) the covenants, agreements and obligations in this Agreement to be performed shall survive until the date on which they have been fully performed; provided further that, if written notice for a claim of indemnification has been provided by the Indemnified Party pursuant to Section 11.05(a) on or prior to the applicable survival expiration date, then the obligation of the Indemnifying Party to indemnify the Indemnified Party pursuant to this Article 11 shall survive with respect to such claim until such claim is finally resolved. With respect to any claims related to violations or possible violations of an applicable NERC reliability standard, no claim under this Agreement may be made unless such Party shall have delivered, with respect to any such claim for breach of any representation, warranty, covenant, agreement or obligation made in this Agreement, a written notice of claim prior to the date occurring six months after the conclusion of any Regional Entity compliance audit covering a period prior to the Closing Date.

11.04 Limitations on Claims.

(a) An Indemnifying Party shall have no obligation to indemnify an Indemnified Party until the aggregate amount of all Losses incurred that are subject to indemnification by such Indemnifying Party pursuant to this Article 11 equal or exceed one percent (1%) of the Purchase Price (the "Deductible") in which event the Indemnifying Party shall be liable for Losses only to the extent they are in excess of the Deductible; provided that, the Deductible shall not apply to Losses resulting from, arising out of or relating to (i) any willful breach of any representation or warranty, (ii) fraud or (iii) a breach of any representation or warranty made by Seller in this Agreement resulting from any failure of the Project Company to comply with applicable Law regarding the provision of security to the Project's construction contractor.

(b) Neither Party shall have any obligation to indemnify the other Indemnified Party in connection with any single item or group of related items that result in Losses that are subject to

indemnification in the aggregate of less than Fifty Thousand Dollars ($50,000) (the "Claim Threshold"); provided, that the Claim Threshold shall not apply to Losses resulting from, arising out of or relating to a breach of any representation or warranty made by Seller in this Agreement resulting from any failure of the Project Company to comply with applicable Law regarding the provision of security to the Project's construction contractor.

(c) The aggregate liability of the Seller Indemnifying Parties and the Purchaser Indemnifying Parties under this Article 11 resulting from any claims under any breaches of representations or warranties herein and in any certificates delivered pursuant hereto, shall be limited to an amount equal to twenty percent (20%) of the Purchase Price (the "Cap"); provided that, the Cap shall not apply to Losses resulting from, arising out of or relating to any willful breach of any representation or warranty or fraud.

(d) The amount of any claim pursuant to this Article 11 will be reduced by the amount of any insurance proceeds actually recovered (less the cost to collect the proceeds of such insurance and the amount, if any, of any retroactive or other premium adjustments reasonably attributable thereto) and the amount of any Tax benefit (which for this purpose means any reduction in cash Taxes payable that would otherwise be due or the receipt of a refund of Taxes by the Indemnified Parties, in each case only with respect to the taxable year in which the Loss was incurred or paid) to the Indemnified Party in respect of such claim or the facts or events giving rise to such indemnity obligation. If the Indemnified Party realizes such Tax benefit after the date on which an indemnity payment has been made to the Indemnified Party, the Indemnified Party shall promptly make payment to the Indemnifying Party in an amount equal to such Tax benefit; provided, that such payment shall not exceed the amount of the indemnity payment.

11.05 Procedure for Indemnification of Third Party Claims.

(a) Notice. Whenever any claim by a third party shall arise for indemnification under this Article 11, the Indemnified Party shall promptly notify the Indemnifying Party of the claim and, when known, the facts constituting the basis for such claim and, if known, the notice shall specify the amount or an estimate of the amount of the liability arising therefrom. The Indemnified Party shall provide to the Indemnifying Party copies of all material notices and documents (including court papers) received or transmitted by the Indemnified Party relating to such claim. The failure or delay of the Indemnified Party to deliver prompt written notice of a claim shall not affect the indemnity obligations of the Indemnifying Party hereunder, except to the extent the Indemnifying Party was actually disadvantaged by such failure or delay in delivery of notice of such claim.

(b) Settlement of Losses. If the Indemnified Party has assumed the defense of any claim by a third party which may give rise to indemnity hereunder pursuant to Section 11.06(d), the Indemnified Party shall not settle, consent to the entry of a judgment of or compromise such claim without the prior written consent (which consent shall not be unreasonably withheld or delayed) of the Indemnifying Party.

11.06 Rights of Indemnifying Party in the Defense of Third Party Claims.

(a) Right to Assume the Defense. In connection with any claim by a third party which may give rise to indemnity hereunder, the Indemnifying Party shall have thirty (30) days after the date the Indemnifying Party is notified of such claim by the Indemnified Party to assume the defense of any such claim, which defense shall be prosecuted by the Indemnifying Party to a final conclusion or settlement in accordance with the terms hereof.

(b) Procedure. If the Indemnifying Party assumes the defense of any such claim, the Indemnifying Party shall (i) select counsel reasonably acceptable to the Indemnified Party to conduct the defense of such claim and (ii) take all steps necessary in the defense or settlement thereof, at its sole cost and expense. The Indemnified Party shall be entitled to participate in (but not control) the defense of any such claim, with its own counsel and at its sole cost and expense; provided that, if the claim includes allegations for which the Indemnifying Party both would and would not be obligated to indemnify the Indemnified Party, the Indemnifying Party and the Indemnified Party shall in that case jointly assume the defense thereof. The Indemnified Party and the Indemnifying Party shall fully cooperate with each other and their respective counsel in the defense or settlement of such claim. The Party in charge of the defense shall keep the other Party appraised at all times as to the status of the defense or any settlement negotiations with respect thereto.

(c) Settlement of Losses. The Indemnifying Party shall not consent to a settlement of or the entry of any judgment arising from, any such claim or legal proceeding, without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed).

(d) Decline to Assume the Defense. The Indemnified Party may defend against any such claim, at the sole cost and expense of the Indemnifying Party, in such manner as it may deem reasonably appropriate, including settling such claim in accordance with the terms hereof if (i) the Indemnifying Party does not assume the defense of any such claim resulting therefrom within thirty (30) days after the date the Indemnifying Party is notified of such claim by the Indemnified Party or (ii) the Indemnified Party reasonably concludes that the Indemnifying Party is (a) not diligently defending the Indemnified Person, (b) not contesting such claim in good faith through appropriate proceedings or (c) has not taken such action (including the posting of a bond, deposit or other security) as may be necessary to prevent any action to foreclose a Lien against or attachment of any asset or property of the Indemnified Party for payment of such claim.

11.07 Direct Claims. In the event that any Indemnified Party has a claim against any Indemnifying Party which may give rise to indemnity hereunder that does not involve a claim brought by a third party, the Indemnified Party shall promptly notify the Indemnifying Party of the claim and the facts constituting the basis for such claim and, if known, the amount or an estimate of the amount of the liability arising therefrom. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days from receipt of such claim notice that the Indemnifying Party disputes such claim, the amount of such claim shall be conclusively deemed a liability of the Indemnifying Party hereunder; however if the Indemnifying Party does notify the Indemnified Party that it disputes such claim within the require thirty (30) day period, the Parties shall attempt in good faith to agree upon the rights of the respective Parties with respect to such claim. If the Parties should so agree, a memorandum setting forth such agreement shall be prepared and signed by both Parties. If such Parties shall not agree, the Indemnified Party shall be entitled to take any action in law or in equity as such Indemnified Party shall deem necessary to enforce the provisions of this Article 11 against the Indemnifying Party.

11.08 Exclusive Remedy. Absent fraud or willful breach, the indemnities set forth in this Article 11 shall be the exclusive remedies of Purchaser and Seller and their respective members, officers, directors, employees, agents and Affiliates due to misrepresentation, breach of warranty, nonfulfillment or failure to perform any covenant or agreement contained in this Agreement, and the Parties shall not be entitled to a rescission of this Agreement or to any further indemnification rights or claims of any nature whatsoever in respect thereof, all of which the Parties hereto hereby waive.

11.09 Indemnity Treatment. Any amount of indemnification payable pursuant to the provisions of this Article 11 shall to the extent possible, be treated as an adjustment to the Purchase Price.

11.10 Mitigation.

(a) Each of the Parties agrees to take all commercially reasonable steps to mitigate their respective Losses upon and after becoming aware of any event or condition which would reasonably be expected to give rise to any Losses that are indemnifiable hereunder.

(b) Upon making any payment to the Indemnified Party for any indemnification claim pursuant to this Article 11, the Indemnifying Party shall be subrogated, to the extent of such payment, to any rights which the Indemnified Party may have against any third parties with respect to the subject matter underlying such indemnification claim and the Indemnified Party shall assign any such rights to the Indemnifying Party.

11.11 No Solicitation. Seller shall not, and shall not authorize or permit Holdco, the Project Company, any of its or their Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall immediately cease and cause to be terminated, and shall cause Holdco, the Project Company, any of its and their Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "Acquisition Proposal" shall mean any inquiry, proposal or offer from any Person concerning (a) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving Holdco or the Project Company; (b) the issuance or acquisition of equity securities of Holdco or the Project Company; or (c) the sale, lease, exchange or other disposition of any significant portion of Holdco's or the Project Company's properties or assets.

ARTICLE 12
TERMINATION

12.01 Termination. This Agreement may be terminated at any time prior to Closing as follows:

(a) by mutual written consent of the Purchaser and the Seller;

(b) by either Seller or Purchaser if the Closing has not occurred on or before March 31, 2019 (the "Termination Date") and the failure to consummate the Closing is not caused by a breach of this Agreement by the terminating party;

(c) by Seller if the NYLD Acquisition Agreement is terminated for any reason;

(d) by Purchaser if there has been a breach by Seller of any representation, warranty, covenant or agreement contained in this Agreement which (i) would result in a failure of a condition set forth in Section 7.01 or 7.02, and (ii) either (x) is a breach of Seller's obligations to transfer the Acquired Interests at Closing in accordance with this Agreement or (y) such breach has not been cured within 30 days following written notification thereof; provided, however, that if, at the end of such 30 day period, Seller is endeavoring in good faith, and proceeding diligently, to cure such breach, Seller shall have an additional 30 days in which to effect such cure; and

(e) by Seller if there has been a breach by Purchaser of any representation, warranty, covenant or agreement contained in this Agreement which (i) would result in a failure of a condition set forth in Section 8.01 or 8.02, and (ii) such breach has not been cured within 30 days following written notification thereof; provided, however, that if, at the end of such 30 day period, Purchaser is endeavoring in good faith, and proceeding diligently, to cure such breach, Purchaser shall have an additional 30 days in which to effect such cure.

12.02 Effect of Termination. If this Agreement is validly terminated pursuant to Section 12.01, this Agreement will forthwith become null and void, and there will be no liability or obligation on the part of either Seller or Purchaser (or any of their respective Representatives or Affiliates) in respect of this Agreement, except that the applicable portions of Article 1, this Section 12.02, and the entirety of Articles 11 (except for Section 11.11) and 13 will continue to apply following any termination; provided, however, that nothing in this Section 12.02 shall release any Party from liability for any breach of this Agreement by such Party prior to the termination of this Agreement (and any attempted termination by the breaching Party shall be void).

(a) Upon termination of this Agreement by a Party for any reason, Purchaser shall return all documents and other materials of Seller relating to Holdco and the Project Company, the assets or properties of Holdco and the Project Company and the transactions contemplated hereby. Each Party shall also return to the other Party any information relating to the Parties to this Agreement furnished by one Party to the other, whether obtained before or after the execution of this Agreement. All information received by Purchaser with respect to Holdco, the Project Company, the assets of Holdco, the assets of the Project Company or Seller shall remain subject to the provisions of Section 13.06.

ARTICLE 13
MISCELLANEOUS

13.01 Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally, by facsimile transmission, by reputable national overnight courier service or by registered or certified mail (postage prepaid) to the Parties at the following addresses or facsimile numbers, as applicable:

If to Purchaser, to: NRG YIELD OPERATING LLC
c/o NRG Yield, Inc.
804 Carnegie Center Drive
Princeton, NJ 08540
Attn:
Fax:

With a copy to: CROWELL & MORING LLP
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2595
Attn:
Fax:

If to Seller, to: NRG GAS DEVELOPMENT COMPANY, LLC
c/o NRG Energy, Inc.
804 Carnegie Center Drive
Princeton, NJ 08540
Attn:
Fax:

With a copy to: Jones Day
51 Louisiana Avenue, NW
Washington, DC 20001
Attn:
Fax:

Notices, requests and other communications will be deemed given upon the first to occur of such item having been (a) delivered personally to the address provided in this Section 13.01, (b) delivered by confirmed facsimile transmission to the facsimile number provided in this Section 13.01, or (c) delivered by registered or certified mail (postage prepaid) or by reputable national overnight courier service in the manner described above to the address provided in this Section 13.01 (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section 13.01). Any Party from time to time may change its address, facsimile number or other information for the purpose of notices to that Party by giving notice specifying such change to the other Party.

13.02 Entire Agreement. This Agreement and the documents referenced herein supersede all prior discussions and agreements, whether oral or written, between the Parties with respect to the subject matter hereof, and contains the entire agreement between the Parties with respect to the subject matter hereof.

13.03 Specific Performance. The Parties to this Agreement agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur and money damages may not be a sufficient remedy. In addition to any other remedy at law or in equity, each of Purchaser and Seller shall be entitled to specific performance by the other Party of its obligations under this Agreement and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy.

13.04 Time of the Essence. Time is of the essence with regard to all duties and time periods set forth in this Agreement.

13.05 Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement.

13.06 Confidentiality; Disclosures. Neither Seller, Purchaser nor any of their Affiliates shall make any written or other public disclosures regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other Party, except as required by law, any regulatory authority or under the applicable rules and regulations of a stock exchange or market on which the securities of the disclosing Party or any of its affiliates are listed.

13.07 Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition and delivered pursuant to Section 13.01. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

13.08 Amendment. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party.

13.09 No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person other than any Person entitled to indemnity under Article 11.

13.10 Assignment. The obligations of the Parties under this Agreement are not assignable without the prior written consent of the other Party, which such Party may withhold in its discretion; provided, that Purchaser may assign this Agreement, including the right to purchase the Acquired Interests, without the prior written consent of Seller, to (a) Zephyr Purchaser as provided in Section 6.04, (b) any Affiliate of Purchaser, or (c) any financial institution providing purchase money or other financing to Purchaser from time to time as collateral security for such financing, in each case so long as Purchaser remains fully liable for its obligations under this Agreement.

13.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Agreement shall not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

13.12 Governing Law. THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS BY THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF EXCEPT FOR SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

13.13 Consent to Jurisdiction. For all purposes of this Agreement, and for all purposes of any Action or Proceeding arising out of or relating to the transactions contemplated hereby or for recognition or enforcement of any judgment, each Party hereto submits to the personal jurisdiction of the courts of the State of New York and the federal courts of the United States sitting in New York County, and hereby irrevocably and unconditionally agrees that any such Action or Proceeding may be heard and determined in such New York court or, to the extent permitted by law, in such federal court. Each Party hereto agrees that a final judgment in any such Action or Proceeding may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement shall affect any right that any Party may otherwise have to bring any Action or Proceeding relating to this Agreement against the other Party or its properties in the courts of any jurisdiction.

(a) Each Party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so:

(i) any objection which it may now or hereafter have to the laying of venue of any Action or Proceeding arising out of or relating to this Agreement or any related matter in any New York state or federal court located in New York County, and

(ii) the defense of an inconvenient forum to the maintenance of such Action or Proceeding in any such court.

Each Party hereto irrevocably consents to service of process by registered mail, return receipt requested, as provided in Section 13.01. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by Law.

13.14 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY LEGAL ACTION TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT OR THAT OTHERWISE RELATES TO THIS AGREEMENT.

13.15 Limitation on Certain Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, SPECULATIVE, EXEMPLARY, OR PUNITIVE DAMAGES (COLLECTIVELY, "CONSEQUENTIAL DAMAGES") FOR ANY REASON WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER BASED ON STATUTE, CONTRACT, TORT OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT; PROVIDED, HOWEVER, THAT ANY LOSSES ARISING OUT OF THIRD PARTY CLAIMS FOR WHICH A PARTY IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT SHALL NOT CONSTITUTE CONSEQUENTIAL DAMAGES. FOR THE AVOIDANCE OF DOUBT, AN ACTION FOR THE PAYMENT OF THE PURCHASE PRICE SHALL NOT BE CONSIDERED CONSEQUENTIAL DAMAGES.

13.16 Disclosures. Seller or Purchaser may, at its option, include in the Disclosure Schedules items that are not material in order to avoid any misunderstanding, and any such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgment or representation that such items are material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. In no event shall the inclusion of any matter in the Disclosure Schedules be deemed or interpreted to broaden Seller's or Purchaser's representations, warranties, covenants or agreements contained in this Agreement. The mere inclusion of an item in the Disclosure Schedules shall not be deemed an admission by Seller or Purchaser that such item represents a material exception or fact, event, or circumstance.

13.17 Facsimile Signature; Counterparts. This Agreement may be executed by facsimile signature in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized representative of each Party as of the date first above written.

"Purchaser"

NRG YIELD OPERATING LLC
A Delaware limited liability company

By: /s/ Chad Plotkin
Name: Chad Plotkin
Title: Senior Vice President, Chief Financial Officer & Treasurer

"Seller"

NRG GAS DEVELOPMENT COMPANY, LLC,
a Delaware limited liability company

By: /s/ Gaetan Frotte
Name: Gaetan Frotte
Title: Treasurer

Exhibit 10.28

AMENDMENT DATED JANUARY 1, 2018 TO EMPLOYMENT AGREEMENT
Between
NRG Yield, Inc.
and
Christopher Sotos

Reference is made to that certain Employment Agreement (the "Agreement") made as of May 6, 2016 between NRG Yield, Inc. (the "Company"), and Christopher Sotos ("Executive"). Per Paragraph 21 of the Agreement, the Company and Executive mutually agree to amend the Agreement effective January 1, 2018 as set forth herein (the "Amendment").

I. Paragraph 6(a) of the Agreement is superseded and replaced in its entirety as follows:

6. Severance.

(a) Involuntary Termination without Cause or Voluntary for Good Reason.

(i) In the event of Executive's employment with the Company (i) is involuntarily terminated by the Company without Cause, or (ii) voluntarily terminated by Executive for Good Reason, Executive shall be entitled to the severance benefits set forth below in Section 6(a)(ii); provided, however, if such termination of employment or election of non-renewal occurs within six (6) months immediately prior to, or twelve (12) months immediately following a Change in Control (as defined herein) of the Company, Executive shall in lieu of the severance benefits provided under Section 6(a)(ii) hereof become entitled to the severance benefits set forth below in Section 6(a)(iii).

(ii) Severance absent a Change in Control. As a condition to the payment of the following severance benefits under this Section 6(a)(ii), within forty-five (45) calendar days of the Executive's termination of employment that is not within six (6) months immediately prior to, or twelve (12) months immediately following a Change in Control, the Executive shall execute and deliver, and the applicable revocation period shall have expired with respect to, the "Release" in the form substantially similar to that attached hereto as Exhibit A, in consideration for which the Company agrees to the following:

(A) The Company shall pay Executive, upon the date that is forty-five (45) calendar days following the termination of employment, a lump-sum cash payment (minus applicable tax withholding) in an amount no less than one and one-half (1.5) times the Executive's annual Base Salary in effect as of the Effective Date.

(B) The Company shall pay Executive, a lump-sum amount (minus applicable tax withholding), paid upon the date that is forty-five (45) calendar days after termination of employment, at least equal to Executive's target bonus opportunity as set forth in Section 3(b)(i) of this Agreement, adjusted on a pro rata basis based on the number of days Executive was actually employed by the Company during the calendar year in which the termination of employment occurs.

(C) In the event that Executive's termination of employment under this Section 6(a)(ii) occurs following the close of the fiscal year but prior to the payment of the bonus applicable for such year (if any), the Company shall pay Executive, a lump-sum amount (minus applicable tax withholding), paid upon the date that is forty-five (45) calendar days after termination of employment, equal to the amount of such bonus (if any) that Executive

have received for such prior fiscal year, had Executive's employment with the Company continued and he was employed through such date the bonuses would be paid.

(D) For eighteen (18) months from the date of termination (the "Benefits Continuation Period"), the Company shall reimburse the Executive for his cost to participate in continuation coverage for the Company's medical plans under the Consolidated Omnibus Budget and Reconciliation Act of 1985, as amended ("COBRA"), provided however, that if it is not commercially feasible to offer Executive COBRA, the Board, in its discretion, may reimburse Executive for Executive's reasonable costs in obtaining medical coverage for himself and his dependents during the Benefits Continuation Period.

(E) The Company shall pay Executive the amounts described in Section 6(e).

(iii) Severance with a Change in Control. As a condition to the payment of the following severance benefits under this Section 6(a)(iii), within forty-five (45) calendar days of the Executive's termination of employment without Cause or with Good Reason within the six (6) months immediately prior to, or twelve (12) months immediately following a Change in Control, the Executive shall execute and deliver, and the applicable revocation period shall have expired with respect to, the "Release" in the form attached hereto as Exhibit A, in consideration for which the Company agrees to the following:

(A) The Company shall pay Executive, upon the date that is forty-five (45) calendar days after termination of employment, a lump-sum cash payment (minus applicable tax withholding) in an amount no less than three times the sum of the following: (x) Executive's annual Base Salary in effect as of the Effective Date and (y) Executive's target Annual Bonus opportunity as set forth in Section 3(b)(i) of this Agreement.

(B) For eighteen (18) months from the date of termination (the "Change in Control Benefits Continuation Period"), the Company shall reimburse the Executive for his cost to participate in benefits continuation coverage for the Company's medical plans under the Consolidated Omnibus Budget and Reconciliation Act of 1985, as amended ("COBRA") provided however, that if it is not commercially feasible to offer Executive COBRA, the Board, in its discretion, may reimburse Executive for Executive's reasonable costs in obtaining medical coverage for himself and his dependents during the Benefits Continuation Period.

(C) The Company shall pay Executive, a lump-sum amount (minus applicable tax withholding), paid upon the date that is forty-five (45) calendar days after termination of employment, at least equal to Executive's then target bonus opportunity as set forth in Section 3(b)(i) of this Agreement, adjusted on a pro rata basis based on the number of days Executive was actually employed by the Company during the calendar year in which the termination of employment occurs.

(D) In the event that Executive's termination of employment under this Section 6(a)(iii) occurs following the close of the fiscal year but prior to the payment of the bonus applicable for such year (if any), the Company shall pay Executive, a lump-sum amount (minus applicable tax withholding), paid upon the date that is forty-five (45) calendar days after termination of employment, equal to the amount of such bonus (if any) that Executive have received for such prior fiscal year, had Executive's employment with the Company continued and he was employed through such date the bonuses would be paid.

(E) The Company shall pay Executive the amounts described in Section 6(e).

(iv) Notwithstanding anything in this Section 6(a) to the contrary, the benefit reimbursement provided pursuant to Section 6(a)(ii)(C) and Section 6(a)(iii)(B) shall be discontinued prior to the end of the Benefits Continuation Period or Change in Control Benefits Continuation Period, as applicable, in the event Executive becomes eligible for benefits from a subsequent employer (including self-employment or consulting) similar to those benefits Executive was receiving pursuant to the Benefits Continuation Period , as determined by the Company in good faith. Executive shall have a duty to inform the Company as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment, and shall provide, or cause to be provided, to the Company in writing correct, complete and timely information concerning the same.

(v) Notwithstanding anything herein to the contrary, if Executive is a "specified employee" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")) as of his termination of employment, then to the extent necessary to comply with the requirements of Section 409A of the Code, no payments due Executive under this Section 6(a) shall be made earlier than the date that is six months following Executive's termination of employment, at which time all payments that would otherwise have been made or provided to Executive within that six month period shall be paid to Executive in a lump sum.

II. Except as specifically modified herein, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of January 1, 2018.

NRG Yield, Inc.

/s/ Mauricio Gutierrez

Mauricio Gutierrez, Chairman of the Board

Date of Signature: 2/6/18

Christopher Sotos

/s/ Christopher Sotos

President and CEO

Date of Signature: 2/6/2018

Exhibit 10.29

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN NOTICE OF RESTRICTED STOCK UNIT GRANT

%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-% %%ZIPCODE%-%

Congratulations on your selection as a Participant under the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan (the "Plan"). You have been chosen to receive Restricted Stock Units ("RSUs") under the Plan. This Notice of Restricted Stock Unit Grant (the "Grant Notice") and the attached Restricted Stock Unit Agreement (collectively referred to as the "Agreement") constitute an agreement between you and NRG Yield, Inc. (the "Company") pursuant to Section 8 of the Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement. Capitalized terms used but not defined in this Agreement shall have the meaning assigned to them in the Plan. You are sometimes referred to as the "Participant" in this Agreement.

%%FIRST_NAME%-% %%LAST_NAME%-%, is hereby granted RSUs as follows:

Date of Grant:	**%%OPTION_DATE,'Month DD, YYYY'%-%**
Vesting Commencement Date:	Date of Grant
Vesting Period:	Please refer to Section 2 of this Agreement
Total Number of RSUs:	**%%TOTAL_SHARES_GRANTED,'999,999,999'%-%**

Subject to Section 8 of this Agreement, if you do not remain an employee of the Company at all times during the Vesting Period, this Award shall terminate, and you will not be entitled to any Class C Common Stock underlying the RSUs or any dividend equivalents that may have accrued with respect thereto.

If you disagree with any of the terms of this Award or choose not to accept this Award, please contact Peter Johnson at xxx-xxx-xxxx within 45 days of the Date of Grant. Otherwise, you will be deemed to have accepted this Award under the terms and conditions set forth in this Agreement and the Plan.

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement, dated as of the Date of Grant set forth in the Notice of Restricted Stock Unit Grant (the "Grant Notice," and together with this Restricted Stock Unit Agreement, the "Agreement") to which this Agreement is attached, is made between NRG Yield, Inc. (the "Company") and the Participant, as set forth in the Grant Notice. The Grant Notice is included in, and made part of, this Agreement.

1. **Grant of RSUs**

Subject to the provisions of this Agreement and the provisions of the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan (the "Plan"), the Company hereby grants to the Participant the number of Restricted Stock Units ("RSUs") set forth in the Grant Notice.

2. **Vesting Schedule**

Provided that you have been continuously employed by the Company during the vesting period, the RSUs will vest one-third each year beginning on the first anniversary of the Date of Grant. For the avoidance of doubt, the vesting period for the second and third portions of the RSUs begins when the previous one-third portion of the RSUs has completed vesting.

3. **Conversion of RSUs and Issuance of Shares**

As soon as reasonably practicable following vesting of the RSUs, subject to satisfaction of applicable tax withholding obligations in accordance with Section 12(g), the Company shall cause to be paid to the Participant one (1) share of NRG Yield, Inc. Class C Common Stock for each RSU that vests on such vesting date, provided, however, that if the Participant incurs a Termination of Service as described in Section 8, then such payment shall be made within sixty (60) days after the vesting date described in the applicable subsection of Section 8, and, in accordance with Section 12(g), the Fair Market Value of the RSUs shall be determined as of such vesting date, less applicable taxes.

Notwithstanding the foregoing provisions of this Section 3 to the contrary, if at the time of the Participant's separation from service within the meaning of Code Section 409A, the Participant is a "specified employee" within the meaning of Code Section 409A, any payment hereunder that constitutes a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service, shall be delayed, and payment shall be made in full upon the earlier of (a) a date during the thirty-day period commencing six (6) months and one (1) day following such separation from service and (b) the date of the Participant's death.

4. **Dividend Equivalent Rights**

Cash dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant; provided that such cash dividends shall be deemed to be reinvested in shares of Class C Common Stock immediately following the time declared at the then Fair Market Value of the Class C Common Stock and shall vest and be paid at the same time that the shares of Class C Common Stock underlying the RSUs vest and are delivered to the Participant in accordance with the provisions hereof. Stock dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant; provided that such stock dividends shall vest and be paid at the same time that the shares of Class C Common Stock underlying the RSUs vest and are delivered to the Participant in accordance with the provisions hereof. Notwithstanding the foregoing, in the event that there are insufficient shares of Class C Common Stock available in the Plan to settle the accrued dividends in shares of Class C Common Stock, such shares of Class C Common Stock shall be settled in cash in an amount equal to the Fair Market Value of such shares of Class C Common Stock at the time of settlement. Except as otherwise provided herein, the Participant shall have no rights as a stockholder with respect to any shares of Class C Common Stock underlying any RSU unless and until the Participant has become the holder of record of such shares.

5. **Transfer of RSUs**

Unless otherwise permitted by the Committee or Section 16 of the Plan, the RSUs may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than pursuant to a will or the laws of descent and distribution. Any attempted disposition in violation of this Section 5 and Section 16 of the Plan shall be void.

6. **Status of Participant**

The Participant shall not be, and, except as otherwise provided herein, shall not have rights as, a stockholder of the Company with respect to any of the shares of Class C Common Stock subject to this Award, unless the Award has vested and shares of Class C Common Stock underlying the RSUs have been issued and delivered to the Participant. The Company shall not be required to issue or transfer any certificates for shares of Class C Common Stock upon vesting of the Award until all applicable requirements of law have been complied with and such shares have been duly listed on any securities exchange on which the Class C Common Stock may then be listed.

7. **No Effect on Capital Structure**

This Award shall not affect the right of the Company or any Subsidiary to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

8. **Expiration and Forfeiture of Award**

This Award shall vest and/or expire in the circumstances described in this Section 8. As used herein, "Termination of Service" means termination of a Participant's employment by, or service to, the Company, including any of its Affiliates.

(a) Death

Upon a Termination of Service by reason of death, the Award shall vest in full and the Class C Common Stock underlying the RSUs shall be issued and delivered to the Participant's legal representatives, heirs, legatees, or distributees in accordance with Section 3.

(b) Retirement

Upon a Termination of Service in the event of Retirement, the Award shall continue to vest according to the vesting schedule; provided that Retirement occurs more than twelve (12) months following the Date of Grant. Upon vesting, the Award shall be issued and delivered to the Participant in accordance with Section 3.

(c) Disability

Upon a Termination of Service as a result of Disability, the Award shall vest in full, and the Class C Common Stock underlying the RSUs shall be issued and delivered to the Participant in accordance with Section 3.

(d) Change in Control

Notwithstanding anything in this Section 8 to the contrary, if the Company terminates the Participant's employment without Cause in connection with a Change in Control, the RSUs shall vest in full immediately upon the later of such Change in Control or such termination of employment. Upon vesting, the Award shall be issued and delivered to the Participant in accordance with Section 3. The Company's termination of the Participant's employment may be treated as being in connection with a Change in Control only if such termination occurs during the period beginning six (6) months prior to the Change in Control and ending twelve (12) months following the Change in Control.

(e) Termination of Service other than as a result of Death, Retirement, Disability or Change in Control

Upon a Termination of Service by any reason other than death, Retirement, Disability or in connection with a Change in Control, including, without limitation, as a result of retirement or disability that does not meet the requirements set forth in the definitions of such terms in the Plan, voluntary resignation or termination for Cause, any unvested portion of this Award shall expire and be forfeited to the Company.

(f) Clawback as a result of misconduct

Unless otherwise determined by the Committee, if the Company is required to prepare a material restatement of its financial statements as a result of misconduct, and the Committee determines that the Participant knowingly engaged in the misconduct, was grossly negligent with respect to such misconduct, or acted knowingly or with gross negligence in failing to prevent the misconduct, or the Committee concludes that the Participant engaged in willful fraud, embezzlement or other similar activity (including acts of omission) materially detrimental to the Company, the Company may require the Participant (or the Participant's beneficiary) to reimburse the Company for all or any portion of this Award, and/or to forfeit the proceeds of any sale (including any sales to the Company) of any Company securities acquired by or on behalf of the Participant (or the Participant's beneficiary) pursuant to the Award granted under this Agreement during the 12-month period following the first public filing of the financial document requiring restatement or during the 12-month period following the date of the Participant's misconduct.

9. **Committee Authority**

Any question concerning the interpretation of this Agreement, any adjustments required to be made under the Plan, and any controversy that may arise under the Plan or this Agreement shall be determined by the Committee in its sole discretion. Any decisions by the Committee regarding the Plan or this Agreement shall be final and binding.

10. **Plan Controls**

The terms of this Agreement are governed by the terms of the Plan, as it exists on the Date of Grant and as the Plan may be amended from time to time thereafter. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan shall control.

11. **Limitation on Rights; No Right to Future Grants**

By entering into this Agreement and accepting this Award, the Participant acknowledges that: (a) the Plan is discretionary and may be modified, suspended or terminated by the Company at any time, as provided in the Plan; provided that, except as provided in Section 24 of the Plan, no amendment to this Agreement shall adversely affect in a material manner the Participant's rights under this Agreement without his or her written consent; (b) the grant of this Award is a one-time benefit and does not create any contractual or other right to receive future grants of awards or benefits in lieu of awards; (c) all determinations with respect to any such future grants, including, but not limited to, the times when awards will be granted, the number of shares subject to each award, the award price, if any, and the time or times when each award will be settled, will be at the sole discretion of the Company; (d) participation in the Plan is voluntary; (e) the value of this Award is an extraordinary item that is outside the scope of the Participant's employment contract, if any, unless expressly provided for in any such employment contract; (f) this Award is not part of normal or expected compensation for any purpose, including, without limitation, for calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and the Participant will have no entitlement to compensation or damages as a consequence of any forfeiture of any portion of this Award pursuant to Section 8; (g) the future value of the Class C Common Stock subject to this Award is unknown and cannot be predicted with certainty, (h) neither the Plan, this Award nor the issuance of the shares of Class C Common Stock underlying this Award confers upon the Participant any right to continue in the employ or service of (or any other relationship with) the Company or any Subsidiary, nor do they limit in any respect the right of the Company or any Subsidiary to terminate the Participant's employment or other relationship with the Company or any Subsidiary, as the case may be, at any time with or without Cause, and (i) the grant of this Award will not be interpreted to form an employment relationship with the Company or any Subsidiary; and furthermore, the grant of this Award will not be interpreted to form an employment contract with the Company or any Subsidiary.

12. **General Provisions**

(a) ***Notice***

Whenever any notice is required or permitted hereunder, such notice must be in writing and delivered in person or by mail (to the address set forth below if notice is being delivered to the Company) or electronically. Any notice delivered in person or by mail shall be deemed to be delivered on the date on which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address set forth in this Agreement. Any notice delivered electronically shall be deemed to be delivered when transmitted and receipt is confirmed. Notices delivered to the Participant in person or by mail shall be addressed to the address for the Participant in the records of the Company. Notices delivered to the Company in person or by mail shall be addressed as follows:

Company: NRG Yield, Inc.
Attn: Deputy General Counsel & Corporate Secretary
804 Carnegie Center
Princeton, NJ 08450

The Company or the Participant may change, by written notice to the other, the address previously specified for receiving notices.

(b) No Waiver

No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right under this Agreement constitute a continuing waiver of the same or a waiver of any other right hereunder.

(c) Undertaking

The Participant hereby agrees to take whatever additional action, and execute whatever additional documents, the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the Award pursuant to the express provisions of this Agreement.

(d) Entire Contract

This Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will, in all respects, be construed in conformity with the express terms and provisions of the Plan.

(e) Successors and Assigns

The provisions of this Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns and Participant and Participant's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law.

(f) Securities Law Compliance

The Company currently has an effective registration statement on file with the Securities and Exchange Commission with respect to the shares of Class C Common Stock underlying this Award. The Company intends to maintain this registration statement but has no obligation to the Participant to do so. If the registration statement ceases to be effective, the Participant will not be able to transfer or sell shares of Class C Common Stock issued pursuant to this Award, unless exemptions from registration under applicable securities laws are available. Such exemptions from registration are very limited and might be unavailable. Participant agrees that any resale of the shares of Class C Common Stock issued pursuant to this Award shall comply in all respects with the requirements of all applicable securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the respective rules and regulations promulgated thereunder) and any other law, rule or regulation applicable thereto, as such laws, rules, and regulations may be amended from time to time. The Company shall not be obligated to either issue shares of Class C Common Stock or permit the resale of any such shares if such issuance or resale would violate any such requirements.

(g) Taxes

The Participant acknowledges that the removal of restrictions with respect to RSUs will give rise to a withholding tax liability and that no shares of Class C Common Stock are issuable hereunder until such withholding obligation is satisfied in full. The Participant agrees to remit to the Company the amount of any taxes required to be withheld. The Committee, in its sole discretion, may permit the Participant to satisfy all or part of such tax obligation by (i) withholding the number of shares of Class C Common Stock otherwise issuable to the Participant hereunder and/or (ii) the Participant transferring to the Company unrestricted shares of Class C Common Stock previously owned by the Participant for at least six (6) months prior to the vesting of the Award hereunder, that have a Fair Market Value equal to the amount of the withholding to be credited. Such value shall be based on the Fair Market Value of the Class C Common Stock as of the date the amount of tax to be withheld is determined.

(h) Confidentiality

As partial consideration for the granting of this Award, the Participant agrees that he or she will keep confidential all information and knowledge that the Participant has relating to the manner and amount of his or her participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to the Participant's spouse, tax and financial advisors, or to a financial institution to the extent that such information is necessary to secure a loan.

(i) Governing Law

Except as may otherwise be provided in the Plan, the provisions of this Agreement shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.

(j) Code Section 409A Compliance

To the extent that the Committee determines that the Award granted under this Agreement is subject to Section 409A of the Code and fails to comply with the requirements of such Section, notwithstanding anything to the contrary contained in the Plan or in this Agreement, the Committee reserves the right to amend, restructure, terminate or replace this Award in order to cause the Award to either not be subject to Section 409A of the Code or comply with the applicable provisions of such Section.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Agreement has been executed as of the Date of Grant.

NRG YIELD, INC.

Name: Christopher Sotos

Title: President & CEO

Exhibit 10.30

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT GRANT _____

%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-% %%ZIPCODE%-%

Congratulations on your selection as a Participant under the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan (the "Plan"). You have been chosen to receive Restricted Stock Units ("RSUs") under the Plan. This Notice of Restricted Stock Unit Grant (the "Grant Notice") and the attached Restricted Stock Unit Agreement (collectively referred to as the "Agreement") constitute an agreement between you and NRG Yield, Inc. (the "Company") pursuant to Section 8 of the Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement. Capitalized terms used but not defined in this Agreement shall have the meaning assigned to them in the Plan. You are sometimes referred to as the "Participant" in this Agreement.

%%FIRST_NAME%-% %%LAST_NAME%-%, is hereby granted RSUs as follows:

Date of Grant:	**%%OPTION_DATE,'Month DD, YYYY'%-%**
Vesting Commencement Date:	Date of Grant
Vesting Period:	Please refer to Section 2 of this Agreement
Total Number of RSUs:	**%%TOTAL_SHARES_GRANTED,'999,999,999'%-%**

Subject to Section 8 of this Agreement, if you do not remain an employee of the Company at all times during the Vesting Period, this Award shall terminate, and you will not be entitled to any Class C Common Stock underlying the RSUs or any dividend equivalents that may have accrued with respect thereto.

If you disagree with any of the terms of this Award or choose not to accept this Award, please contact Peter Johnson at xxx-xxx-xxxx within 45 days of the Date of Grant. Otherwise, you will be deemed to have accepted this Award under the terms and conditions set forth in this Agreement and the Plan.

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT _____

This Restricted Stock Unit Agreement, dated as of the Date of Grant set forth in the Notice of Restricted Stock Unit Grant (the "Grant Notice," and together with this Restricted Stock Unit Agreement, the "Agreement") to which this Agreement is attached, is made between NRG Yield, Inc. (the "Company") and the Participant, as set forth in the Grant Notice. The Grant Notice is included in, and made part of, this Agreement.

1. Grant of RSUs

Subject to the provisions of this Agreement and the provisions of the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan (the "Plan"), the Company hereby grants to the Participant the number of Restricted Stock Units ("RSUs") set forth in the Grant Notice.

2. Vesting Schedule

Provided that you have been continuously employed by the Company during the vesting period, the RSUs will vest one-third each year beginning on the first anniversary of the Date of Grant. For the avoidance of doubt, the vesting period for the second and third portions of the RSUs begins when the previous one-third portion of the RSUs has completed vesting.

3. Conversion of RSUs and Issuance of Shares

As soon as reasonably practicable following vesting of the RSUs, subject to satisfaction of applicable tax withholding obligations in accordance with Section 12(g), the Company shall cause to be paid to the Participant one (1) share of NRG Yield, Inc. Class C Common Stock for each RSU that vests on such vesting date, provided, however, that if the Participant incurs a Termination of Service as described in Section 8, then such payment shall be made within sixty (60) days after the vesting date described in the applicable subsection of Section 8, and, in accordance with Section 12(g), the Fair Market Value of the RSUs shall be determined as of such vesting date, less applicable taxes.

Notwithstanding the foregoing provisions of this Section 3 to the contrary, if at the time of the Participant's separation from service within the meaning of Code Section 409A, the Participant is a "specified employee" within the meaning of Code Section 409A, any payment hereunder that constitutes a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service, shall be delayed, and payment shall be made in full upon the earlier of (a) a date during the thirty-day period commencing six (6) months and one (1) day following such separation from service and (b) the date of the Participant's death.

4. Dividend Equivalent Rights

Cash dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant; provided that such cash dividends shall be deemed to be reinvested in shares of Class C Common Stock immediately following the time declared at the then Fair Market Value of the Class C Common Stock and shall vest and be paid at the same time that the shares of Class C Common Stock underlying the RSUs vest and are delivered to the Participant in accordance with the provisions hereof. Stock dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant; provided that such stock dividends shall vest and be paid at the same time that the shares of Class C Common Stock underlying the RSUs vest and are delivered to the Participant in accordance with the provisions hereof. Notwithstanding the foregoing, in the event that there are insufficient shares of Class C Common Stock available in the Plan to settle the accrued dividends in shares of Class C Common Stock, such shares of Class C Common Stock shall be settled in cash in an amount equal to the Fair Market Value of such shares of Class C Common Stock at the time of settlement. Except as otherwise provided herein, the Participant shall have no rights as a stockholder with respect to any shares of Class C Common Stock underlying any RSU unless and until the Participant has become the holder of record of such shares.

5. Transfer of RSUs

Unless otherwise permitted by the Committee or Section 16 of the Plan, the RSUs may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than pursuant to a will or the laws of descent and distribution. Any attempted disposition in violation of this Section 5 and Section 16 of the Plan shall be void.

6. Status of Participant

The Participant shall not be, and, except as otherwise provided herein, shall not have rights as, a stockholder of the Company with respect to any of the shares of Class C Common Stock subject to this Award, unless the Award has vested and shares of Class C Common Stock underlying the RSUs have been issued and delivered to the Participant. The Company shall not be required to issue or transfer any certificates for shares of Class C Common Stock upon vesting of the Award until all applicable requirements of law have been complied with and such shares have been duly listed on any securities exchange on which the Class C Common Stock may then be listed.

7. No Effect on Capital Structure

This Award shall not affect the right of the Company or any Subsidiary to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

8. Expiration and Forfeiture of Award

This Award shall vest and/or expire in the circumstances described in this Section 8. As used herein, "Termination of Service" means termination of a Participant's employment by, or service to, the Company, including any of its Affiliates.

(a) Death

Upon a Termination of Service by reason of death, the Award shall vest in full and the Class C Common Stock underlying the RSUs shall be issued and delivered to the Participant's legal representatives, heirs, legatees, or distributees in accordance with Section 3.

(b) Retirement

Upon a Termination of Service in the event of Retirement, the Award shall continue to vest according to the vesting schedule; provided that Retirement occurs more than twelve (12) months following the Date of Grant. Upon vesting, the Award shall be issued and delivered to the Participant in accordance with Section 3.

(c) Disability

Upon a Termination of Service as a result of Disability, the Award shall vest in full, and the Class C Common Stock underlying the RSUs shall be issued and delivered to the Participant in accordance with Section 3.

(d) Change in Control

Notwithstanding anything in this Section 8 to the contrary, if the Company terminates the Participant's employment without Cause in connection with a Change in Control, the RSUs shall vest in full immediately upon the later of such Change in Control or such termination of employment. Upon vesting, the Award shall be issued and delivered to the Participant in accordance with Section 3. The Company's termination of the Participant's employment may be treated as being in connection with a Change in Control only if such termination occurs during the period beginning six (6) months prior to the Change in Control and ending twelve (12) months following the Change in Control.

(e) Eligible Termination

Upon a Termination of Service by reason of an Eligible Termination (as defined below), the Award shall vest in full on the fifteenth (15th) day of the month that follows the month in which the Release (as defined below) becomes irrevocable; provided, that in the event the aggregate consideration and revocation period applicable to the Release spans two (2) calendar years, vesting of the Award shall occur in the second calendar year. Notwithstanding the foregoing, in the event the Release becomes irrevocable in December, the Award shall vest on December 31. Upon vesting, the Award shall be issued and delivered to the Participant in accordance with Section 3.

For purposes of this Section 8(e), "Eligible Termination" means an involuntary Termination of Service in connection with the sale of a business segment, restructuring or reduction in workforce. In order to be deemed an Eligible Termination, the Participant must execute and not revoke a general release of claims in favor of the Company in a form and with terms and conditions drafted by and acceptable to the Company, which is executed, and not revoked, by the Participant as a condition to receiving the benefit described herein (the "Release"). For the avoidance of doubt: (i) an involuntary Termination of Service by reason of a Change in Control, Cause, death, or Disability is not an Eligible Termination and (ii) in the event an Eligible Termination occurs and the Participant also meets the requirements for Retirement, the Award shall vest in accordance with Section 8(b).

(f) Termination of Service other than as a result of Death, Retirement, Disability, Change in Control or Eligible Termination

Upon a Termination of Service by any reason other than death, Retirement, Disability, Eligible Termination or in connection with a Change in Control, including, without limitation, as a result of retirement or disability that does not meet the requirements set forth in the definitions of such terms in the Plan, voluntary resignation or termination for Cause, any unvested portion of this Award shall expire and be forfeited to the Company.

(g) Clawback as a result of misconduct

Unless otherwise determined by the Committee, if the Company is required to prepare a material restatement of its financial statements as a result of misconduct, and the Committee determines that the Participant knowingly engaged in the misconduct, was grossly negligent with respect to such misconduct, or acted knowingly or with gross negligence in failing to prevent the misconduct, or the Committee concludes that the Participant engaged in willful fraud, embezzlement or other similar activity (including acts of omission) materially detrimental to the Company, the Company may require the Participant (or the Participant's beneficiary) to reimburse the Company for all or any portion of this Award, and/or to forfeit the proceeds of any sale (including any sales to the Company) of any Company securities acquired by or on behalf of the Participant (or the Participant's beneficiary) pursuant to the Award granted under this Agreement during the 12-month period following the first public filing of the financial document requiring restatement or during the 12-month period following the date of the Participant's misconduct.

9. Committee Authority

Any question concerning the interpretation of this Agreement, any adjustments required to be made under the Plan, and any controversy that may arise under the Plan or this Agreement shall be determined by the Committee in its sole discretion. Any decisions by the Committee regarding the Plan or this Agreement shall be final and binding.

10. Plan Controls

The terms of this Agreement are governed by the terms of the Plan, as it exists on the Date of Grant and as the Plan may be amended from time to time thereafter. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan shall control.

11. Limitation on Rights; No Right to Future Grants

By entering into this Agreement and accepting this Award, the Participant acknowledges that: (a) the Plan is discretionary and may be modified, suspended or terminated by the Company at any time, as provided in the Plan; provided that, except as provided in Section 24 of the Plan, no amendment to this Agreement shall adversely affect in a material manner the Participant's rights under this Agreement without his or her written consent; (b) the grant of this Award is a one-time benefit and does not create any contractual or other right to receive future grants of awards or benefits in lieu of awards; (c) all determinations with respect to any such future grants, including, but not limited to, the times when awards will be granted, the number of shares subject to each award, the award price, if any, and the time or times when each award will be settled, will be at the sole discretion of the Company; (d) participation in the Plan is voluntary; (e) the value of this Award is an extraordinary item that is outside the scope of the Participant's employment contract, if any, unless expressly provided for in any such employment contract; (f) this Award is not part of normal or expected compensation for any purpose, including, without limitation, for calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and the Participant will have no entitlement to compensation or damages as a consequence of any forfeiture of any portion of this Award pursuant to Section 8; (g) the future value of the Class C Common Stock subject to this Award is unknown and cannot be predicted with certainty, (h) neither the Plan, this Award nor the issuance of the shares of Class C Common Stock underlying this Award confers

upon the Participant any right to continue in the employ or service of (or any other relationship with) the Company or any Subsidiary, nor do they limit in any respect the right of the Company or any Subsidiary to terminate the Participant's employment or other relationship with the Company or any Subsidiary, as the case may be, at any time with or without Cause, and (i) the grant of this Award will not be interpreted to form an employment relationship with the Company or any Subsidiary; and furthermore, the grant of this Award will not be interpreted to form an employment contract with the Company or any Subsidiary.

12. General Provisions

(a) Notice

Whenever any notice is required or permitted hereunder, such notice must be in writing and delivered in person or by mail (to the address set forth below if notice is being delivered to the Company) or electronically. Any notice delivered in person or by mail shall be deemed to be delivered on the date on which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address set forth in this Agreement. Any notice delivered electronically shall be deemed to be delivered when transmitted and receipt is confirmed. Notices delivered to the Participant in person or by mail shall be addressed to the address for the Participant in the records of the Company. Notices delivered to the Company in person or by mail shall be addressed as follows:

Company: NRG Yield, Inc.
Attn: Deputy General Counsel & Corporate Secretary
804 Carnegie Center
Princeton, NJ 08450

The Company or the Participant may change, by written notice to the other, the address previously specified for receiving notices.

(b) No Waiver

No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right under this Agreement constitute a continuing waiver of the same or a waiver of any other right hereunder.

(c) Undertaking

The Participant hereby agrees to take whatever additional action, and execute whatever additional documents, the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the Award pursuant to the express provisions of this Agreement.

(d) Entire Contract

This Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will, in all respects, be construed in conformity with the express terms and provisions of the Plan.

(e) Successors and Assigns

The provisions of this Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns and Participant and Participant's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law.

(f) Securities Law Compliance

The Company currently has an effective registration statement on file with the Securities and Exchange Commission with respect to the shares of Class C Common Stock underlying this Award. The Company intends to maintain this registration statement but has no obligation to the Participant to do so. If the registration statement ceases to be effective, the Participant will not be able to transfer or sell shares of Class C Common Stock issued pursuant to this Award, unless exemptions from registration under applicable securities laws are available. Such exemptions from registration are very limited and might be unavailable. Participant agrees that any resale of the shares of Class C Common Stock issued pursuant to this Award shall comply in all respects with the requirements of all applicable securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the respective rules and regulations promulgated thereunder) and any other law, rule or regulation applicable thereto, as such laws, rules, and regulations may be amended from time to time. The Company shall not be obligated to either issue shares of Class C Common Stock or permit the resale of any such shares if such issuance or resale would violate any such requirements.

(g) Taxes

The Participant acknowledges that the removal of restrictions with respect to RSUs will give rise to a withholding tax liability and that no shares of Class C Common Stock are issuable hereunder until such withholding obligation is satisfied in full. The Participant agrees to remit to the Company the amount of any taxes required to be withheld. The Committee, in its sole discretion, may permit the Participant to satisfy all or part of such tax obligation by (i) withholding the number of shares of Class C Common Stock otherwise issuable to the Participant hereunder and/or (ii) the Participant transferring to the Company unrestricted shares of Class C Common Stock previously owned by the Participant for at least six (6) months prior to the vesting of the Award hereunder, that have a Fair Market Value equal to the amount of the withholding to be credited. Such value shall be based on the Fair Market Value of the Class C Common Stock as of the date the amount of tax to be withheld is determined.

(h) Confidentiality

As partial consideration for the granting of this Award, the Participant agrees that he or she will keep confidential all information and knowledge that the Participant has relating to the manner and amount of his or her participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to the Participant's spouse, tax and financial advisors, or to a financial institution to the extent that such information is necessary to secure a loan.

(i) Governing Law

Except as may otherwise be provided in the Plan, the provisions of this Agreement shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.

(j) Code Section 409A Compliance

To the extent that the Committee determines that the Award granted under this Agreement is subject to Section 409A of the Code and fails to comply with the requirements of such Section, notwithstanding anything to the contrary contained in the Plan or in this Agreement, the Committee reserves the right to amend, restructure, terminate or replace this Award in order to cause the Award to either not be subject to Section 409A of the Code or comply with the applicable provisions of such Section.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Agreement has been executed as of the Date of Grant.

NRG YIELD, INC.

Name: Christopher Sotos

Title: President & CEO

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN
NOTICE OF RELATIVE PERFORMANCE STOCK UNITS Exhibit 10.31

%%FIRST_NAME%-% %%LAST_NAME%-%
%%ADDRESS_LINE_1%-%
%%ADDRESS_LINE_2%-%
%%CITY%-%, %%STATE%-% %%ZIPCODE%-%

Congratulations on your selection as a Participant under the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan ("Plan"). This Notice of Relative Performance Stock Units (the "Grant Notice") and the attached Relative Performance Stock Unit Agreement (collectively referred to as the "Agreement") constitute an agreement between you and NRG Yield, Inc. (the "Company") pursuant to Section 9 of the Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this Agreement. Capitalized terms used but not defined in this Agreement shall have the meaning assigned to them in the Plan. You are sometimes referred to as the "Participant" in this Agreement.

%%FIRST_NAME%-% %%LAST_NAME%-% is hereby granted Relative Performance Stock Units ("RPSUs") as follows:

Date of Grant:	**%%OPTION_DATE,'Month DD, YYYY'%-%**
Performance Period:	January 2, 2018 through January 2, 2021
Target Award:	**%%TOTAL_SHARES_GRANTED,'999,999,999'%-%**
Final Award:	Target Award multiplied by "Payout Percentage" based on the Company's total shareholder return relative to total shareholder return of peer group members and two indices, as set forth in this Agreement.

Payment of the Final Award shall be made in NRG Yield, Inc. Class C Common Stock and shall be made no earlier than January 2, 2021 and no later than March 15, 2021, subject to the terms and conditions of the Agreement.

Subject to Section 8 of this Agreement, if your employment by, or service to, the Company is terminated at any time during the Performance Period, any award or right granted hereunder shall expire and be forfeited, and no Final Award or dividend equivalent related thereto shall be paid.

If you disagree with any of the terms of this award or choose not to accept this award, please contact Peter Johnson at 609-524-4759 within 45 days of the Date of Grant. Otherwise, you will be deemed to have accepted this award under the terms and conditions set forth in this Agreement and the Plan.

NRG YIELD, INC. 2013 EQUITY INCENTIVE PLAN
RELATIVE PERFORMANCE STOCK UNIT AGREEMENT

This Relative Performance Stock Unit Agreement, dated as of the Date of Grant set forth in the Notice of Relative Performance Stock Units (the "Grant Notice," and together with this Relative Performance Stock Unit Agreement, the "Agreement") to which this Agreement is attached, is made between NRG Yield, Inc. (the "Company") and the Participant, as set forth in the Grant Notice. The Grant Notice is included in, and made part of, this Agreement.

1. Performance Criteria and Award Determination

(a) General - Award Determination

Subject to the provisions of this Agreement and the provisions of the NRG Yield, Inc. Amended and Restated 2013 Equity Incentive Plan (the "Plan"), the Company hereby grants to the Participant the number of Relative Performance Stock Units ("RPSUs"), set forth in the Grant Notice ("Target Award"), each of which will have a value equivalent to one (1) share of the Company's Class C Common Stock.

At the end of the Performance Period, the Participant shall be entitled to receive a payment, payable in shares of the Company's Class C Common Stock, equal to the Target Award times a "Payout Percentage" (the "Final Award"). The "Payout Percentage" is based on the achievement of the performance criteria set forth in Section 1(b) of this Agreement, as determined and certified in writing by the Compensation Committee of the Company's Board of Directors (the "Committee").

(b) Performance Criteria and Relative TSR Comparison

Except as provided in Section 8 of this Agreement, a "Payout Percentage" is used to determine the Final Award under this Agreement. Subject to Section 1(c) of this Agreement, the "Payout Percentage" shall be based upon the Company's total shareholder return ("TSR") percentile ranking, as determined pursuant to Section 2 of this Agreement, and the Company's TSR percentile ranking relative to "Chart A" below, where interpolation shall be used to determine the Company's percentile ranking during the Performance Period, as described in Section 2(b).

Chart A	
TSR Performance Relative to Companies in the Peer Group	**Payout Percentage (% of Target)**
75th Percentile or Above	**150%**
50th Percentile - TARGET	**100%**
25th Percentile	**25%**
Below the 25th Percentile	**0%**

(c) Relative TSR Comparison if absolute TSR of Company is less than negative 20%

Notwithstanding the foregoing, if the Company's absolute TSR for the Performance Period is less than negative twenty percent (-20%), the Final Award will be based on the following chart.

Chart B	
TSR Performance Relative to Companies in Peer Group	**Payout (% of Target)**
75th Percentile or Above	**150%**
60th Percentile - TARGET	**100%**
25th Percentile	**25%**
Below the 25th Percentile	**0%**

2. Measuring Performance and relative TSR Ranking

(a) Performance Measure and RPSUs

For purposes of determining the Final Award, as soon as practicable after the completion of the Performance Period, (i) the TSRs of the Company and each of the companies and/or indices set forth on Exhibit A, which comprise the peer group for purposes of this Agreement (each company or index is referred to as a "Peer Group Member"), shall be calculated pursuant to Section 2(d) and (ii) the relative ranking of the Company's TSR for the Performance Period, as compared to the TSR for each Peer Group Member for the Performance Period, shall be determined and expressed as a percentile ranking as described in Section 2(b).

(b) Total Shareholder Percentile Ranking

The Company's TSR percentile ranking is based on the TSR to the Company's stockholders during the Performance Period, inclusive of dividends paid, relative to the TSR during the Performance Period, inclusive of dividends paid, achieved by each of the Peer Group Members.

The Company's TSR percentile ranking shall be determined as follows: the TSR percentile ranking shall be determined by ranking each Peer Group Member (excluding the Company) from the highest TSR to the lowest TSR. The Peer Group Member ranked highest will be assigned the one hundred percentile (100%) rank and the Peer Group Member ranked lowest will be assigned the zero percentile (0%) rank. Each Peer Group Member ranked in between will be assigned a percentile equal to one hundred divided by n minus one (100/(n-1)), plus the percentile assigned to the Peer Group Member ranked directly below it, where "n" is the total number of companies in the Peer Group. The Company's TSR percentile ranking is then interpolated based on the Company's TSR.

i. In the event a bankruptcy proceeding is commenced during the Performance Period with respect to any Peer Group Member, or if at any time during the Performance Period a Peer Group Member is liquidated, such company shall be treated as having a TSR of negative one hundred (-100%) for the Performance Period for purposes of TSR percentile ranking.

ii. In the event that a merger, acquisition or business combination of a Peer Group Member by or with another Peer Group Member is consummated during the Performance Period, then the entity that survives as a result of such merger, acquisition, or business combination will be considered a Peer Group Member for purposes of TSR percentile ranking for the Performance Period.

iii. In the event that a merger, acquisition or business combination of a Peer Group Member by or with an entity that is not Peer Group Member is consummated during the Performance Period, and such Peer Group Member is the entity that survives as a result of such merger, acquisition, or business combination, then such Peer Group Member will continue to be considered a Peer Group Member for purposes of TSR percentile ranking for the Performance Period.

iv. In the event that (i) a Peer Group Member ceases to be a publicly-traded company, or (ii) a merger, acquisition or business combination of a Peer Group Member by or with an entity that is not Peer Group Member is consummated during the Performance Period, and such Peer Group Member is not the entity that survives as a result of such merger, acquisition, or business combination, then such Peer Group Member shall be removed and treated as if it had never been in the peer group for purposes of TSR percentile ranking for the Performance Period.

(c) Performance Period

The Performance Period, for purposes of this Agreement, shall be determined by the Compensation Committee and shall be the period set forth in the Grant Notice.

(d) Performance Goal and TSR

For purposes of this Agreement, TSR for the Company and each of the Peer Group Members shall be measured by dividing (A) the sum of (1) the dividends paid (regardless of whether paid in cash or property) on the common stock of such company during the Performance Period, assuming reinvestment of such dividends in such stock (based on the closing price of such stock on the ex-dividend date), plus (2) the difference between the average closing price of a share of such company's common stock on the principal exchange on which such stock trades for the twenty (20) trading days occurring immediately prior to and including the first day of the Performance Period (the "Beginning Average Value") and the average closing price of a share of such stock on the principal exchange on which such stock trades for the twenty (20) trading days immediately prior to and including the last day of the Performance Period (the "Ending Average Value") (appropriately adjusted for any stock dividend, stock split, spin-off, merger or other similar corporate events affecting such stock) (the "Change in Stock Price"), by (B) the Beginning Average Value.

For the avoidance of doubt, it is intended that the foregoing calculation of TSR shall take into account not only the reinvestment of dividends in a share of common stock of the Company or any Peer Group Member, as applicable, but also capital appreciation or depreciation in the shares deemed acquired by such reinvestment. All determinations under this Section 2(d) shall be made by the Committee.

Illustration of formula described above		
Total Shareholder Return	=	Change in Stock Price + Dividends Paid Beginning Average Value

3. Settlement of Final Award

As soon as reasonably practicable following completion of all determinations and certifications contemplated by Sections 1 and 2, but in no event later than March 15 of the year following the year in which the Performance Period ends, subject to satisfaction of applicable tax withholding obligations in accordance with Section 12(g), the Company shall cause to be paid to the Participant the number of shares of the Company's Class C Common Stock equal to the product of the number of RPSUs representing the Final Award, as determined under Section 1 of this Agreement, multiplied by the Fair Market Value of a share of Class C Common Stock as of the last trading day of the Performance Period, provided, however, that if the Participant incurs a Termination of Service as described in Section 8, then such payment shall be made within sixty (60) days after the date a Final Award, if any, is determined or becomes payable, as described in the applicable subsection of Section 8, and, in accordance with Section 12(g), the Fair Market Value of the RPSUs shall be determined as of such date, less applicable taxes.

Notwithstanding the foregoing provisions of this Section 3 to the contrary, if at the time of the Participant's separation from service within the meaning of Code Section 409A, the Participant is a "specified employee" within the meaning of Code Section 409A, any payment hereunder that constitutes a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service shall be delayed, and payment shall be made in full upon the earlier of (a) a date during the thirty (30) day period commencing six (6) months and one (1) day following such separation from service and (b) the date of the Participant's death.

4. Dividend Equivalent Rights

Cash dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to the Target Award; provided that such cash dividends shall be deemed to be reinvested in shares of Class C Common Stock immediately following the time declared at the then Fair Market Value of the Class C Common Stock and shall be paid at the same time that the Final

Award is delivered to the Participant in accordance with the provisions hereof. Stock dividends on shares of Class C Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to the Target Award; provided that such stock dividends shall be paid at the same time that the Final Award is delivered to the Participant in accordance with the provisions hereof. Notwithstanding the foregoing, in the event that there are insufficient shares of Class C Common Stock available in the Plan to settle the accrued dividend book entry account in shares of Class C Common Stock, such accrued book entry account shall be settled in cash in an amount equal to the Fair Market Value of such shares of Class C Common Stock at the time of settlement. Except as otherwise provided herein, the Participant shall have no rights as a stockholder with respect to any shares of Class C Common Stock underlying any RPSU unless and until the Participant has become the holder of record of such shares.

5. Transfer of RPSUs

Unless otherwise permitted by the Committee or Section 16 of the Plan, no award or right granted hereunder may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than pursuant to a will or the laws of descent and distribution. Any attempted disposition in violation of this Section 5 and Section 16 of the Plan shall be void.

6. Status of Participant

The Participant shall not be, and, except as otherwise provided herein, shall not have rights as, a stockholder of the Company with respect to any of the shares of Class C Common Stock subject to, or underlying, the Target Award or Final Award, unless such shares have been issued and delivered to the Participant pursuant to the terms of this Agreement. The Company shall not be required to issue or transfer any certificates for shares of Class C Common Stock until all applicable requirements of law have been complied with and such shares have been duly listed on any securities exchange on which the Class C Common Stock may then be listed.

7. No Effect on Capital Structure

No award or right granted hereunder shall affect the right of the Company or any Subsidiary to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

8. Expiration and Forfeiture of Award

The Final Award, if any, shall be paid and/or expire in the circumstances described in this Section 8. As used herein, "Termination of Service" means termination of a Participant's employment by, or service to, the Company, including any of its Subsidiaries.

(a) Death

Upon a Termination of Service by reason of death, a Final Award equal to one hundred percent (100%) of the Target Award shall be paid to the Participant's legal representatives, heirs, legatees, or distributees in accordance with Section 3.

(b) Retirement

Upon a Termination of Service in the event of Retirement, the Participant shall continue to be eligible to receive a Final Award, if any, as though the Participant was continuously employed by the Company throughout the Performance Period. At the end of the Performance Period, the Company will determine the Final Award that the Participant would have received had the Participant been continuously employed by the Company throughout the Performance Period in accordance with Sections 1 and 2, and any such Final Award shall be paid to the Participant in accordance with Section 3.

(c) Disability

Upon a Termination of Service as a result of Disability, a Final Award equal to one hundred percent (100%) of the Target Award shall be paid to the Participant in accordance with Section 3.

(d) Change in Control

Notwithstanding any provision in this Section 8 to the contrary, if the Company terminates the Participant's employment without Cause in connection with a Change in Control, the Final Award payable to the Participant, if any, shall be determined by the Committee and shall be paid to the Participant in accordance with Section 3. The Company's termination of the Participant's employment may be treated as being in connection with a Change in Control only if such termination occurs during the period beginning six (6) months prior to the Change in Control and ending twelve (12) months following the Change in Control.

(e) Termination of Service other than as a result of Death, Retirement, Disability, or Change in Control

Upon a Termination of Service by any reason other than death, Retirement, Disability or in connection with a Change in Control, including, without limitation, as a result of retirement or disability that does not meet the requirements set forth in the definitions of such terms in the Plan, voluntary resignation and termination for Cause, any award or right granted hereunder shall expire and be forfeited, and no Final Award or dividend equivalent related thereto shall be paid.

(f) Clawback as a result of misconduct

Unless otherwise determined by the Committee, if the Company is required to prepare a material restatement of its financial statements as a result of misconduct, and the Committee determines that the Participant knowingly engaged in the misconduct, was grossly negligent with respect to such misconduct, or acted knowingly or with gross negligence in failing to prevent the misconduct, or the Committee concludes that the Participant engaged in willful fraud, embezzlement or other similar activity (including acts of omission) materially detrimental to the Company, the Company may require the Participant (or the Participant's beneficiary) to reimburse the Company for all or any portion of the Final Award, and/or to forfeit the proceeds of any sale (including any sales to the Company) of any Company securities acquired by or on behalf of the Participant (or the Participant's beneficiary) pursuant to the Final Award paid under this Agreement during the twelve (12) month period following the first public filing of the financial document requiring restatement, or during the twelve (12) month period following the date of the Participant's misconduct.

9. Committee Authority

Any question concerning the interpretation of this Agreement, any adjustments required to be made under the Plan, and any controversy that may arise under the Plan or the Grant Agreement shall be determined by the Committee in its sole discretion. Any decisions by the Committee regarding the Plan or this Agreement shall be final and binding.

10. Plan Controls

The terms of this Agreement are governed by the terms of the Plan, as it exists on the Date of the Grant and as the Plan may be amended from time to time thereafter. In the event of any conflict between the provisions of this Agreement and the provisions of the Plan, the terms of the Plan shall control.

11. Limitation on Rights; No Right to Future Grants

By entering into this Agreement, the Participant acknowledges that: (a) the Plan is discretionary and may be modified, suspended or terminated by the Company at any time, as provided in the Plan; provided that, except as provided in Section 24 of the Plan, no amendment to this Agreement shall adversely affect in a material manner the Participant's rights hereunder without his or her written consent; (b) the grant of any award hereunder is a one-time benefit and does not create any contractual or other right to receive future grants of awards or benefits in lieu of awards; (c) all determinations with respect to any such future grants, including, but not limited to, the times when awards will be granted, the number of shares subject to each award, the award price, if any, and the time or times when each award will be settled, will be at the sole discretion of the Company; (d) participation in the Plan is voluntary; (e) the value of an award is an extraordinary item that is outside the scope of the Participant's employment contract, if any, unless expressly provided for in any such employment contract; (f) an

award is not part of normal or expected compensation for any purpose, including without limitation for calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and the Participant will have no entitlement to compensation or damages as a consequence of any forfeiture pursuant to Section 8; (g) the future value of the Class C Common Stock subject to the award is unknown and cannot be predicted with certainty, (h) neither the Plan, the award nor the issuance of the shares underlying the award confers upon the Participant any right to continue in the employ or service of (or any other relationship with) the Company or any Subsidiary, nor do they limit in any respect the right of the Company or any Subsidiary to terminate the Participant's employment or other relationship with the Company or any Subsidiary, as the case may be, at any time with or without Cause, and (i) the grant of the award will not be interpreted to form an employment relationship with the Company or any Subsidiary; and furthermore, the grant of the award will not be interpreted to form an employment contract with the Company or any Subsidiary.

12. General Provisions

(a) Notice

Whenever any notice is required or permitted hereunder, such notice must be in writing and delivered in person or by mail (to the address set forth below if notice is being delivered to the Company) or electronically. Any notice delivered in person or by mail shall be deemed to be delivered on the date on which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address set forth in this Agreement. Any notices delivered electronically shall be deemed to be delivered when transmitted and receipt is confirmed. Notices delivered to the Participant in person or by mail shall be addressed to the address for the Participant in the records of the Company. Notices delivered to the Company in person or by mail shall be addressed as follows:

Company: NRG Yield, Inc.
Attn: Deputy General Counsel & Corporate Secretary
804 Carnegie Center
Princeton, NJ 08450

The Company or the Participant may change, by written notice to the other, the address previously specified for receiving notices.

(b) No Waiver

No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right under this Agreement constitute a continuing waiver of the same or a waiver of any other right hereunder.

(c) Undertaking

The Participant hereby agrees to take whatever additional action, and execute whatever additional documents, the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the award pursuant to the express provisions of this Agreement.

(d) Entire Contract

This Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will in all respects be construed in conformity with the express terms and provisions of the Plan.

(e) Successors and Assigns

The provisions of this Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns and Participant and Participant's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law.

(f) Securities Law Compliance

The Company currently has an effective registration statement on file with the Securities and Exchange Commission with respect to the shares of Class C Common Stock underlying the RPSUs awarded under this Agreement. The Company intends to maintain this registration statement but has no obligation to the Participant to do so. If the registration statement ceases to be effective, the Participant will not be able to transfer or sell shares of Class C Common Stock issued pursuant to the award, unless exemptions from registration under applicable securities laws are available. Such exemptions from registration are very limited and might be unavailable. Participant agrees that any resale of the shares of Class C Common Stock issued pursuant to the award shall comply in all respects with the requirements of all applicable securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the respective rules and regulations promulgated thereunder) and any other law, rule or regulation applicable thereto, as such laws, rules, and regulations may be amended from time to time. The Company shall not be obligated to either issue shares of Class C Common Stock or permit the resale of any such shares if such issuance or resale would violate any such requirements.

(g) Taxes

The Participant acknowledges that the removal of restrictions with respect to an award will give rise to a withholding tax liability, and that no shares of Class C Common Stock are issuable hereunder until such withholding obligation is satisfied in full. The Participant agrees to remit to the Company the amount of any taxes required to be withheld. The Committee, in its sole discretion, may permit the Participant to satisfy all or part of such tax obligation by (i) withholding the number of shares of Class C Common Stock otherwise issuable to the Participant hereunder and/or (ii) the Participant transferring to the Company unrestricted shares of Class C Common Stock previously owned by the Participant for at least six (6) months prior to the vesting of the award hereunder that have a Fair Market Value equal to the amount of the withholding to be credited. Such value shall be based on the Fair Market Value of the Class C Common Stock as of the date the amount of tax to be withheld is determined.

(h) Confidentiality

As partial consideration for the granting of this award, the Participant agrees that he or she will keep confidential all information and knowledge that the Participant has relating to the manner and amount of his or her participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to the Participant's spouse, tax and financial advisors, or to a financial institution to the extent that such information is necessary to secure a loan.

(i) Governing Law

Except as may otherwise be provided in the Plan, the provisions of this Agreement shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.

(j) Code Section 409A Compliance

To the extent that the Committee determines that the award granted under this Agreement is subject to Section 409A of the Code and fails to comply with the requirements of such Section, notwithstanding anything to the contrary contained in the Plan or in this Agreement, the Committee reserves the right to amend, restructure, terminate or replace this award in order to cause the award to either not be subject to Section 409A of the Code or comply with the applicable provisions of such Section.

[*Signature Page Follows*]

IN WITNESS WHEREOF, this Agreement has been executed as of the Date of Grant.

NRG YIELD, INC.

Name: Christopher Sotos

Title: President & CEO

EXHIBIT A

RELATIVE TOTAL SHAREHOLDER RETURN PEER GROUP AND INDICES

COMPANY	TICKER
Atlantica Yield plc	ABY
The AES Corporation	AES
Antero Midstream Partners LP	AM
Brookfield Renewable Partners L.P.	BEP
Buckeye Partners, L.P.	BPL
Boardwalk Pipeline Partners, LP	BWP
Crestwood Equity Partners LP	CEQP
Dominion Midstream Partners, LP	DM
DCP Midstream Partners, LP	DPM
El Paso Electric Company	EE
Enbridge Energy Partners, L.P.	EEP
Enable Midstream Partners, LP	ENBL
EQT Midstream Partners, LP	EQM
Genesis Energy, L.P.	GEL
Golar LNG Partners LP	GMLP
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	HASI
Holly Energy Partners, L.P.	HEP
Martin Midstream Partners L.P.	MMLP
MPLX LP	MPLX
NextEra Energy Partners, LP	NEP
NGL Energy Partners LP	NGL
Ormat Technologies, Inc.	ORA
Plains All American Pipeline, L.P.	PAA
Pattern Energy Group Inc.	PEGI
Phillips 66 Partners LP	PSXP
Spectra Energy Partners, LP	SEP
Shell Midstream Partners, L.P.	SHLX
South Jersey Industries, Inc.	SJI
Summit Midstream Partners, LP	SMLP
Suburban Propane Partners, L.P.	SPH
Sunoco, LP	SUN

TransAlta Corporation	TAC
TC PipeLines, LP	TCP
Tallgrass Energy Partners, LP	TEP
Teekay LNG Partners L.P.	TGP
Tesoro Logistics LP	TLLP
Teekay Offshore Partners L.P.	TOO
Valero Energy Partners LP	VLP
Western Gas Partners, LP	WES

Exhibit 10.33

NRG Yield, Inc.

Executive Change-in-Control
and General Severance Plan for Tier IA and Tier IIA Executives

(Amended and Restated Effective January 1, 2018)

Contents

NRG Yield, Inc.
Executive Change-in-Control
and General Severance Plan for Tier I and Tier II Executives

Article 1. Establishment and Term of the Plan

1.1 Establishment of the Plan. NRG Yield, Inc. (hereinafter referred to as the "Company") hereby adopts this plan known as the "NRG Yield, Inc. Executive Change-in-Control and General Severance Plan for Tier I and Tier II Executives" (the "Plan"). The Plan was adopted on January 1, 2017, and the Company hereby amends and restates the Plan, effective January 1, 2018. The Plan provides Severance Benefits to Tier IA Executives and Tier IIA Executives of the Company (each an "Executive" and collectively the "Executives") upon certain terminations of employment from the Company.

The Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its stockholders. In this connection, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control may arise and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

Accordingly, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in circumstances arising from the possibility of a Change in Control of the Company.

1.2 Initial Term. This Plan commenced on January 1, 2017 (the "Effective Date") and shall continue for a period of three (3) years (the "Initial Term").

1.3 Successive Periods. The term of this Plan shall automatically be extended for one (1) additional year at the end of the Initial Term, and then again after each successive one (1) year period thereafter (each such one (1) year period following the Initial Term is referred to as a "Successive Period"). However, the Committee may terminate this Plan at the end of the Initial Term, or at the end of any Successive Period thereafter, by giving the Executives written notice of intent to terminate the Plan, delivered at least six (6) months prior to the end of such Initial Term or Successive Period. If such notice is properly delivered by the Company, this Plan, along with all corresponding rights, duties, and covenants, shall automatically expire at the end of the Initial Term or Successive Period then in progress.

1.4 Change-in-Control Renewal. Notwithstanding the provisions of Section 1.3 above, in the event that a Change in Control of the Company occurs during the Initial Term or any Successive Period, upon the effective date of such Change in Control, the term of this Plan shall automatically and irrevocably be renewed for a period of two (2) years from the effective date of such Change in Control. Further, this Plan may be assigned to the successor in such Change in Control, as further provided in Article 8 herein. This Plan shall thereafter automatically terminate following such two (2) year Change-in-Control renewal period; provided that such termination shall not affect or diminish the rights of Executives who become entitled to benefits or payments under this Plan.

Article 2. Definitions

Whenever used in this Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized.

(a)"**Accountants**" shall have the meaning set forth in Article 6.

(b)"**Base Salary**" means the greater of the Executive's annual rate of salary, whether or not deferred, at: (i) the Effective Date of Termination or (ii) at the date of the Change in Control.

(c)"**Beneficiary**" means the persons or entities designated or deemed designated by the Executive pursuant to Section 9.6 herein.

(d)"**Board**" means the Board of Directors of the Company.

(e)"**Cause**" shall mean one or more of the following:

(i) the Executive's willful misconduct or gross negligence in the performance of the Executive's duties to the Company that has or could reasonably be expected to have an adverse effect on the Company;

(ii) the Executive's willful failure to perform the Executive's duties to the Company (other than as a result of death or a physical or mental incapacity);

(iii) indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude;

(iv) the Executive's performance of any material act of theft, fraud, malfeasance or dishonesty in connection with the performance of the Executive's duties to the Company;

(v) breach of any written agreement between the Executive and the Company, or a violation of the Company's code of conduct or other written policy; or

(vi) any other material breach of Article 5 of this Plan.

For purposes of this Plan, there shall be no termination for Cause pursuant to subsections (i) through (vi) above, unless a written notice, containing a detailed description of the grounds constituting Cause hereunder, is delivered to the Executive stating the basis for the termination. Upon receipt of such notice, the Executive shall be given thirty (30) days to fully cure and remedy the neglect or conduct that is the basis of such claim, provided that the Executive's right to cure shall not apply if there are egregious, habitual or repeated breaches by the Executive.

(f)"**Change-in-Control Severance Benefits**" means the Severance Benefit described in Section 3.2.

(g)"**Change in Control**" shall mean the first to occur of any of the following events:

(i) Any "person" (as that term is used in Sections 13 and 14(d)(2) of the Securities Exchange Act of 1934 ("Exchange Act")) other than NRG Energy, Inc. or one of its subsidiaries or affiliates (A) becomes the "Beneficial Owner" (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the Company's capital stock entitled to vote in the election of directors, excluding any "person" who becomes a "beneficial owner" in connection with a Business Combination (as defined in paragraph (iii) below) which does not constitute a Change in Control under said paragraph (iii); or (B) obtains the power to, directly or indirectly, vote or cause to be voted fifty percent (50%) or more of the Company's capital stock entitled to vote in the election of directors, including by contract or through proxy; or

(ii) Persons who on the Effective Date constitute the Board (the "Incumbent Directors") cease for any reason, including without limitation, as a result of a tender offer, proxy contest, merger, or similar transaction, to constitute at least a majority thereof, provided that any person becoming a director of the Company subsequent to the Effective Date shall be considered an Incumbent Director if such person's election or nomination for election was approved by a vote of at least two-thirds (2/3) of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as defined in Sections 13(d) and 14(d) of the Exchange Act) other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iii) Consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of outstanding voting securities of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the company resulting from such Business Combination (including, without limitation, a company which, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the outstanding voting securities of the Company; or

(iv) The stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company.

(h)"**Code**" means the United States Internal Revenue Code of 1986, as amended, and any successors thereto.

(i)"**Committee**" means the Compensation Committee of the Board or any other committee appointed by the Board to perform the functions of the Compensation Committee.

(j)"**Company**" means NRG Yield, Inc., a Delaware corporation, or any successor thereto as provided in Article 8 herein.

(k)"**Confidential Information**" shall have the meaning set forth in Article 5(a).

(l)"**Delay Period**" shall have the meaning set forth in Section 3.4(b).

(m)"**Disability**" shall mean a disability that would entitle Executive to payment of monthly disability payments under any Company long-term disability plan.

(n)"**Effective Date**" means the commencement date of this Plan as specified in Section 1.2 of this Plan.

(o)"**Effective Date of Termination**" means the date on which a Qualifying Termination occurs, as defined hereunder, which triggers the payment of Severance Benefits hereunder.

(p)"**Executive**" shall have the meaning set forth in Section 1.1.

(q)"**Former Parent Company**" means, collectively NRG Energy, Inc., a Delaware corporation, Xcel Energy, Inc., a Minnesota corporation, and their affiliates and any successors thereto.

(r)"**General Severance Benefits**" means the Severance Benefit described in Section 3.3.

(s)"**Good Reason**" shall mean without the Executive's express written consent the occurrence of any one or more of the following:

(i) The Company materially reduces the amount of the Executive's then current Base Salary or the target for his annual bonus; or

(ii) A material reduction in the Executive's benefits under or relative level of participation in the Company's employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates as of the Effective Date of this Plan; or

(iii) A material diminution in the Executive's title, authority, duties, or responsibilities or the assignment of duties to the Executive which are materially inconsistent with his position; or

(iv) The failure of the Company to obtain in writing the obligation to perform or be bound by the terms of this Plan by any successor to the Company or a purchaser of all or substantially all of the assets of the Company within fifteen (15) days after a merger, consolidation, sale, or similar transaction.

For purposes of this Plan, the Executive is not entitled to assert that his termination is for Good Reason unless the Executive gives the Board written notice of the event or events which are the basis for such claim within ninety (90) days after the event or events occur, describing such claim in reasonably sufficient detail to allow the Board to address the event or events and a period of not less than thirty (30) days after to cure or fully remedy the alleged condition.

(t)"**Initial Term**" shall have the meaning set forth in Section 1.2.

(u)"**Noncompete Period**" shall have the meaning set forth in Article 5(c).

(v)"**Notice of Termination**" shall mean a written notice which shall indicate the specific termination provision in this Plan relied upon, and shall set forth in reasonable detail the facts and

circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(w) "**Parachute Payment Ratio**" shall have the meaning set forth in Article 6.

(x) "**Plan**" shall have the meaning set forth in Section 1.1.

(y) "**Qualifying Termination**" means:

(i) If such event occurs within the time period that is six (6) months immediately prior to, or twelve (12) months immediately following a Change in Control:

(A) An involuntary termination of the Executive's employment by the Company for reasons other than Cause, death, or Disability pursuant to a Notice of Termination delivered to the Executive by the Company; or

(B) A voluntary termination by the Executive for Good Reason pursuant to a Notice of Termination delivered to the Company by the Executive; or

(ii) If such event occurs at any other time:

(A) An involuntary termination of the Executive's employment by the Company for reasons other than Cause, death, or Disability pursuant to a Notice of Termination delivered to the Executive by the Company.

(z) "**Release Effective Date**" shall have the meaning set forth in Section 3.1(d).

(aa) "**Severance Benefits**" means the payment of Change-in-Control or General (as appropriate) Severance compensation as provided in Article 3 herein.

(bb) "**Specified Employee**" means any Executive described in Section 409A(a)(2)(B)(i) of the Code.

(cc) "**Successive Period**" shall have the meaning set forth in Section 1.3.

(dd) "**Third Party Information**" shall have the meaning set forth in Article 5(a).

(ee) "**Tier IA Executives**" shall include those employees of the Company with the Job Level of EVP prior to the Change in Control, or such other employee who is designated as a Tier IA Executive in the Company's human resources information system immediately prior to the Change in Control other than the CEO.

(ff) "**Tier IIA Executives**" shall include those employees of the Company with the Job Level of SVP prior to the Change in Control, or such other employee who is designated as a Tier IIA Executive in the Company's human resources information system immediately prior to the Change in Control.

(gg) "**Total Payments**" shall have the meaning set forth in Article 6.

(hh) "**Work Product**" shall have the meaning set forth in Article 5(b).

Article 3. Severance Benefits

3.1 Right to Severance Benefits

(a) **Change-in-Control Severance Benefits.** The Executive shall be entitled to receive from the Company Change-in-Control Severance Benefits, as described in Section 3.2 herein, if a Qualifying Termination of the Executive's employment has occurred within six (6) months immediately prior to or twelve (12) months immediately following a Change in Control of the Company.

(b) **General Severance Benefits**. The Executive shall be entitled to receive from the Company General Severance Benefits, as described in Section 3.3 herein, if a Qualifying Termination of the Executive's employment has occurred other than during the six (6) months immediately prior to or twelve (12) months immediately following a Change in Control.

(c) **No Severance Benefits**. The Executive shall not be entitled to receive Severance Benefits if the Executive's employment with the Company ends for reasons other than a Qualifying Termination.

(d) **General Release and Acknowledgement of Restrictive Covenants**. As a condition to receiving Severance Benefits under either Section 3.2 or 3.3 herein, the Executive shall be obligated to execute a general waiver and release of claims in favor of the Company, its current and former affiliates and stockholders, and the current and former directors, officers, employees, and agents of the Company in a form drafted by and acceptable to the Company, and any revocation period for such release must have expired, in each case within sixty (60) days of the date of termination. The date upon which the executed release is no longer subject to revocation shall be referred to herein as the "Release Effective Date". The Executive must also execute a notice acknowledging the restrictive covenants in Article 5 within sixty (60) days of the date of termination. Any payments under Section 3.2 or 3.3 shall commence only after execution of the release and acknowledgement, and in the manner provided in Section 3.4. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(e) **No Duplication of Severance Benefits**. If the Executive becomes entitled to Change-in-Control Severance Benefits, the Severance Benefits provided for under Section 3.2 hereunder shall be in lieu of all other Severance Benefits provided to the Executive under the provisions of this Plan and any other Company-related or Former Parent Company-related severance plans, programs, or agreements including, but not limited to, the Severance Benefits under Section 3.3 herein. Likewise, if the Executive becomes entitled to General Severance Benefits, the Severance Benefits provided under Section 3.3 hereunder shall be in lieu of all other Severance Benefits provided to the Executive under the provisions of this Plan and any other Company-related severance plans, programs, or other agreements including, but not limited to, the Severance Benefits under Section 3.2 herein**.**

3.2 Description of Change-in-Control Severance Benefits. In the event the Executive becomes entitled to receive Change-in-Control Severance Benefits, as provided in Section 3.1 herein, the Company shall provide the Executive with the following:

(a) A lump-sum amount, paid upon the date that is sixty (60) calendar days following the Effective Date of Termination, equal to the Executive's unpaid Base Salary, accrued vacation pay, unreimbursed business expenses, and all other items earned by and owed to the Executive through

and including the Effective Date of Termination, provided that to the extent the payment of any amounts pursuant to this Section 3.2(a) does not constitute "deferred compensation" for purposes of Code Section 409A, such amounts shall be paid upon the Release Effective Date. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(b) A lump-sum amount, paid upon the date that is sixty (60) calendar days following the Effective Date of Termination, equal to: (i) two and ninety-nine one-hundredths (2.99) for Tier I Executives, or (ii) two (2) for Tier II Executives times the sum of the following: (A) the Executive's Base Salary and (B) the Executive's annual target bonus opportunity in the year of termination; provided that to the extent the payment of any amounts pursuant to this Section 3.2(b) does not constitute "deferred compensation" for purposes of Code Section 409A, such amounts shall be paid upon the Release Effective Date. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(c) A lump-sum amount, paid upon the date that is sixty (60) calendar days following the Effective Date of Termination, equal to the Executive's then current target bonus opportunity established under the bonus plan in which the Executive is then participating, for the plan year in which a Qualifying Termination occurs, adjusted on a pro rata basis based on the number of days the Executive was actually employed during the bonus plan year in which the Qualifying Termination occurs, provided that to the extent the payment of any amounts pursuant to this Section 3.2(c) does not constitute "deferred compensation" for purposes of Code Section 409A, such amounts shall be paid upon the Release Effective Date. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(d) Payment of all or a portion of the Executive's cost to participate in COBRA medical and dental continuation coverage for eighteen (18) months following the Executive's Effective Date of Termination, such that Executive maintains the same coverage level and cost, on an after tax basis, as in effect immediately prior to the Executive's Effective Date of Termination.

Notwithstanding the above, these medical benefits shall be discontinued prior to the end of the stated continuation period in the event the Executive is eligible to receive substantially similar benefits from a subsequent employer, as determined solely by the Committee in good faith. For purposes of enforcing this offset provision, the Executive shall be deemed to have a duty to keep the Company informed as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment, and shall provide, or cause to provide, to the Company in writing correct, complete, and timely information concerning the same.

(e) Treatment of outstanding long-term incentives shall be in accordance with the governing plan document and award agreements, if any.

3.3 Description of General Severance Benefits. In the event the Executive becomes entitled to receive General Severance Benefits as provided in Section 3.1(b) herein, the Company shall provide the Executive with the following:

(a) A lump-sum amount, paid upon the date that is sixty (60) calendar days following the Effective Date of Termination, equal to the Executive's unpaid Base Salary, accrued vacation pay, unreimbursed business expenses, and all other items earned by and owed to the Executive through

and including the Effective Date of Termination; provided that to the extent the payment of any amounts pursuant to this Section 3.3(a) does not constitute "deferred compensation" for purposes of Code Section 409A, such amounts shall be paid upon the Release Effective Date. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(b) A lump-sum amount, paid upon the date that is sixty (60) calendar days following the Effective Date of Termination, equal to one and one-half (1.5) times the Executive's Base Salary; provided that to the extent the payment of any amounts pursuant to this Section 3.3(b) does not constitute "deferred compensation" for purposes of Code Section 409A, such amounts shall be paid upon the Release Effective Date. Notwithstanding the foregoing, in any instance in which the period in which the Executive could adopt a release (along with its accompanying revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

(c) Payment of all or a portion of the Executive's cost to participate in COBRA medical and dental continuation coverage for eighteen (18) months following the Executive's Effective Date of Termination, such that Executive maintains the same coverage level and cost, on an after tax basis, as in effect immediately prior to the Executive's Effective Date of Termination.

Notwithstanding the above, these medical insurance benefits shall be discontinued prior to the end of the stated continuation period in the event the Executive is eligible to receive substantially similar benefits from a subsequent employer, as determined solely by the Committee in good faith. For purposes of enforcing this offset provision, the Executive shall be deemed to have a duty to keep the Company informed as to the terms and conditions of any subsequent employment and the corresponding benefits earned from such employment, and shall provide, or cause to provide, to the Company in writing correct, complete, and timely information concerning the same.

(d) Treatment of outstanding long-term incentives shall be in accordance with the governing plan document and award agreements, if any.

3.4 Coordination with Release and Delay Required by Code Section 409A.

(a) To the extent any continuing benefit (or reimbursement thereof) to be provided is not "deferred compensation" for purposes of Code Section 409A, then such benefit shall commence or be made immediately after the Release Effective Date. To the extent any continuing benefit (or reimbursement thereof) to be provided is "deferred compensation" for purposes of Code Section 409A, then such benefits shall be reimbursed or commence upon the sixtieth (60) day following the Executive's termination of employment. The delayed benefits shall in any event expire at the time such benefits would have expired had the benefits commenced immediately upon Executive's termination of employment.

(b) Notwithstanding any other payment schedule provided herein to the contrary, if the Executive is deemed on the date of termination to be a Specified Employee, then, once the release and acknowledgement required by Section 3.1(d) is executed and delivered and no longer subject to revocation, any payment that is considered deferred compensation under Code Section 409A payable on account of a "separation from service" shall be made on the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 3.4(b) (whether they would have otherwise been

payable in a single sum or in installments in the absence of such delay) shall be paid to the Executive in a lump sum, and any remaining payments due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

Article 4. Ineligibility

4.1 Comparable Position. Subject to the provisions of Article 2(y)(i)(B), the Company may offer an Executive a comparable position, may require an Executive to apply for a comparable position with the Company or any affiliate, or may reassign an Executive to a new position or a reclassification of the Executive's current position; provided, that all such positions shall be located within reasonably the same geographic area where the Executive is located at the time a Qualifying Termination occurs. The Company shall determine, in its sole and reasonable discretion, what constitutes a comparable position under this Section 4.1. The failure of an Executive to accept the position, or apply for the position when required by the Company will render the Executive ineligible for benefits under this Plan.

4.2 Other Circumstances. Unless otherwise determined by the Committee, an Executive shall also be ineligible for benefits under this Plan if the Executive:

(a) voluntarily terminates employment or retires prior to the Qualifying Termination;

(b) is receiving long-term Disability benefits;

(c) is entitled to any other compensation or benefit which is determined, in the Company's sole discretion, to supersede the Severance Benefits offered under this Plan;

(d) was discharged for Cause; and

(e) was offered employment by a successor employer or by a purchaser in the event of a spin-off or sale of a subsidiary, business unit or business assets of the Company or its subsidiaries, whether or not the Executive accepts or declines the offer of employment.

Article 5. Restrictive Covenants

In the event the Executive becomes entitled to receive Change-in-Control Severance Benefits as provided in Section 3.2 herein or General Severance Benefits as provided in Section 3.3 herein, the following shall apply:

(a) **Confidential Information**. The Executive acknowledges that the information, observations, and data (including trade secrets) obtained by him while employed by the Company concerning the business or affairs of the Company or any of its affiliates ("Confidential Information") are the property of the Company or such affiliate. Therefore, except in the course of the Executive's duties to the Company or as may be compelled by law or appropriate legal process, the Executive agrees that he shall not disclose to any person or entity or use for his own purposes any Confidential Information or any confidential or proprietary information of other persons or entities in the possession of the Company and its affiliates ("Third Party Information"), without the prior written consent of the Board, unless and to the extent that the Confidential Information or Third Party Information becomes generally known to and available for use by the public other than as a result of the Executive's acts or omissions. Except in the course of the Executive's duties to Company or as may be compelled by law or appropriate legal process, the Executive will not, during his employment with the Company, or permanently thereafter, directly or indirectly use, divulge, disseminate, disclose, lecture upon, or publish any Confidential Information, without having first obtained written permission from the Board to do so. As of the Effective Date of Termination, the Executive shall deliver to the Company, or at any other time the Company may reasonably request, all memoranda, notes, plans, records, reports, computer files, disks and tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to Third Party Information, Confidential Information, or the business of the Company, or its affiliates which he may then possess or have under his control.

(b) **Intellectual Property, Inventions, and Patents**. The Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, trade secrets, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any Confidential Information), and all registrations or applications related thereto, all other proprietary information and all similar or related information (whether or not patentable) which may relate to the Company's or any of its affiliates' actual or anticipated business, research and development, or existing or future products or services and which are conceived, developed, or made by the Executive (whether alone or jointly with others) while employed by the Company and its affiliates ("Work Product"), belong to the Company or such affiliate. The Executive shall promptly disclose such Work Product to the Board and, at the Company's expense, perform all actions reasonably requested by the Board (whether during or after the Executive's employment with the Company) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments). The Executive acknowledges that all applicable Work Product shall be deemed to constitute "works made for hire" under the U.S. Copyright Act of 1976, as amended. To the extent any Work Product is not deemed a work made for hire, then the Executive hereby assigns to the Company or such affiliate all right, title, and interest in and to such Work Product, including all related intellectual property rights.

The Executive is hereby advised that the above paragraph regarding the Company's and its affiliates' ownership of Work Product does not apply to any invention for which no equipment, supplies, facilities, or trade secret information of the Company or any affiliate was used and which was developed entirely on the Executive's own time, unless: (i) the invention relates to the business of the Company or any affiliate or to the Company's or any affiliate's actual or demonstrably anticipated research or development, or (ii) the invention results from any work performed by the Executive for the Company or any affiliate.

(c)**Noncompete**. In further consideration of the compensation to be paid to the Executive hereunder, the Executive acknowledges that during the course of his employment with the Company and its affiliates he shall become familiar with the Company's trade secrets and with other Confidential Information concerning the Company and its affiliates and that his services shall be of special, unique, and extraordinary value to the Company and its affiliates, and therefore, the Executive agrees that, during the Executive's employment with the Company and for one (1) year thereafter (the "Noncompete Period"), the Executive shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial, or administrative capacity by, or in any manner engage in any company engaged in the business of wholesale or retail power generation, or any other business which competes with the businesses of the Company or its affiliates, as such businesses exist or are in process during the Executive's employment with the Company, within any geographical area in which the Company or its affiliates engage or have definitive plans to engage in such businesses. Nothing herein shall prohibit the Executive from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation. Notwithstanding the foregoing, the provisions of this Article 5(c) shall not apply in the case of termination of the Executive's employment pursuant to any material breach of the Company's obligations under Article 3 which remains uncured for more than twenty (20) days after notice is received from the Executive of such breach, which such notice shall include a detailed description of the grounds constituting such breach.

(d)**Nonsolicitation**. During the Noncompete Period, the Executive shall not directly or indirectly through another person or entity: (i) induce or attempt to induce any employee of the Company or any of its affiliates to leave the employ of the Company or such affiliate, or in any way interfere with the relationship between the Company or any affiliate and any employee thereof; (ii) hire any person who was an employee of the Company or any affiliate during the last six (6) months of the Executive's employment with the Company; or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee, or other business relation of the Company or any affiliate to cease doing business with the Company or such affiliate, or in any interfere with the relationship between any such customer, supplier, licensee, or business relation and the Company or any affiliate (including, without limitation, making any negative or disparaging statements or communications regarding the Company or its affiliates).

(e)**Nondisparagement.** During the Noncompete Period, Executive shall not disparage the Company, its subsidiaries and parents, and their respective officers, managers and employees, or make any public statement (whether written or oral) reflecting negatively on the Company, its subsidiaries and parents, and their respective officers, managers, and employees, including, but not limited to, any matters relating to the operation or management of the Company, irrespective of the truthfulness or falsity of such statement, except as may otherwise be required by applicable law or compelled by process of law. By way of example and not limitation, Executive agrees that he will not make any written or oral statements that cast in a negative light the services, qualifications, business operations or business ethics of the Company or its employees. During the Noncompete Period, the Company shall not disparage Executive, or make any public statement (whether written or oral) reflecting negatively on Executive, including, but not limited to, any matters relating to the operation or management of the Company, irrespective of the truthfulness or falsity of such statement, except as may otherwise be required by applicable law or compelled by process of law. Nothing in this Article 5(e) shall restrict either party's ability to: (i) consult with counsel, (ii) make truthful statements under oath or to a government agency or official, or (iii) take any legal action with respect to his employment or termination of employment with the Company.

(f) **Duration, Scope, or Area**. If, at the time of enforcement of this Article 5, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope, or area reasonable under such circumstances shall be substituted for the stated duration, scope, or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope, and area permitted by law. Article 5(c) and 5(d) shall not apply to any Executive whose principal work location for the Company at the time of termination was in the State of California.

(g) **Company Enforcement**. In the event of a breach or a threatened breach by the Executive of any of the provisions of this Article 5, the Company would suffer irreparable harm, and in addition and supplementary to other rights and remedies existing in its favor, the Company shall be entitled to specific performance and/or injunctive or other equitable relief from a court of competent jurisdiction in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). In addition, in the event of a breach or violation by the Executive of Article 5(c), the Noncompete Period shall be automatically extended by the amount of time between the initial occurrence of the breach or violation and when such breach or violation has been duly cured.

Article 6. Certain Change in Control Payments

Notwithstanding any provision of the Plan to the contrary, if any payments or benefits an Executive would receive from the Company under the Plan or otherwise in connection with the Change in Control (the "Total Payments") (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Article 6, would be subject to the excise tax imposed by Section 4999 of the Code, then such Executive will be entitled to receive either (i) the full amount of the Total Payments or (ii) a portion of the Total Payments having a value equal to One Dollar ($1) less than three (3) times such individual's "base amount" (as such term is defined in Section 280G(b)(3)(A) of the Code), whichever of (i) and (ii), after taking into account applicable federal, state, and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by such employee on an after-tax basis, of the greatest portion of the Total Payments. Any determination required under this Article 6 shall be made in writing by the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Section 280G(b)(2) of the Code) or tax counsel selected by such accountants (the "Accountants"), whose determination shall be conclusive and binding for all purposes upon the applicable Executive. For purposes of making the calculations required by this Article 6, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good-faith interpretations concerning the application of Sections 280G and 4999 of the Code. If there is a reduction pursuant to this Article 6 of the Total Payments to be delivered to the applicable Executive, the payment reduction contemplated by the preceding sentence shall be implemented by determining the Parachute Payment Ratio (as defined below) for each "parachute payment" and then reducing the "parachute payments" in order beginning with the "parachute payment" with the highest Parachute Payment Ratio. For "parachute payments" with the same Parachute Payment Ratio, such "parachute payments" shall be reduced based on the time of payment of such "parachute payments," with amounts having later payment dates being reduced first. For "parachute payments" with the same Parachute Payment Ratio and the same time of payment, such "parachute payments" shall be reduced on a pro rata basis (but not below zero) prior to reducing "parachute payments" with a lower Parachute Payment Ratio. For purposes hereof, the term "Parachute Payment Ratio" shall mean a fraction the numerator of which is the value of the applicable "parachute payment" for purposes of Section 280G of the Code and the denominator of which is the actual present value of such payment.

Article 7. Legal Fees and Notice

7.1 Payment of Legal Fees. Except as otherwise agreed to by the parties, the Company shall pay the Executive for costs of litigation or other disputes including, without limitation, reasonable attorneys' fees incurred by the Executive in asserting any claims or defenses under this Plan, except that the Executive shall bear his own costs of such litigation or disputes (including, without limitation, attorneys' fees) if the court (or arbitrator) finds in favor of the Company with respect to any claims or defenses asserted by the Executive.

7.2 Notice. Any notices, requests, demands, or other communications provided for by this Plan shall be sufficient if in writing and if sent by registered or certified mail to the Executive at the last address he or she has filed in writing with the Company or, in the case of the Company, at its principal offices.

Article 8. Successors and Assignment

8.1 Successors to the Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, acquisition of property or stock, liquidation, or otherwise) of all or a significant portion of the assets of the Company by agreement, in form and substance satisfactory to the Executive, to expressly assume and agree to perform under this Plan in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Regardless of whether such agreement is executed, the terms of this Plan shall be binding upon any successor in accordance with the operation of law and such successor shall be deemed the "Company" for purposes of this Plan.

8.2 Assignment by the Executive. This Plan shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable to him or her hereunder had he or she continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts shall be paid to the Executive in accordance with the Company's regular payroll practices or to the Executive's estate, as applicable.

Article 9. Miscellaneous

9.1 Employment Status. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and may be terminated by either the Executive or the Company at any time, subject to applicable law.

9.2 Code Section 409A.

(a) All expenses or other reimbursements under this Plan shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive (provided that if any such reimbursements constitute taxable income to the Executive, such reimbursements shall be paid no later than March 15th of the calendar year following the calendar year in which the expenses to be reimbursed were incurred), and no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year.

(b) For purposes of Code Section 409A, the Executive's right to receive any installment payment pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments.

(c) Whenever a payment under this Plan specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(d) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(e) Notwithstanding any other provision of this Plan to the contrary, in no event shall any payment under this Plan that constitutes "deferred compensation" for purposes of Code Section 409A be subject to offset unless otherwise permitted by Code Section 409A.

(f) Notwithstanding any provisions in this Plan to the contrary, whenever a payment under this Plan may be made upon the Release Effective Date, and the period in which the Executive could adopt the release (along with its accompany revocation period) crosses calendar years, no payments shall be made until the succeeding calendar year.

9.3 Entire Plan. This Plan supersedes any prior agreements or understandings, oral or written, between the parties hereto, with respect to the subject matter hereof, and constitutes the entire agreement of the parties with respect thereto. Without limiting the generality of the foregoing sentence, this Plan completely supersedes any and all prior employment agreements entered into by and between the Company and the Executive, and all amendments thereto, in their entirety. Notwithstanding the foregoing, if the Executive has entered into any agreements or commitments with the Company with regard to Confidential Information, noncompetition, nonsolicitation, or nondisparagement, such agreements or commitments will remain valid and will be read in harmony with this Plan to provide maximum protection to the Company.

9.4 Severability. In the event that any provision or portion of this Plan shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Plan shall be unaffected thereby and shall remain in full force and effect.

9.5 Tax Withholding. The Company may withhold from any benefits payable under this Plan all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

9.6 Beneficiaries. The Executive may designate one (1) or more persons or entities as the primary and/or contingent beneficiaries of any amounts to be received under this Plan.

Such designation must be in the form of a signed writing acceptable to the Board or the Board's designee. The Executive may make or change such designation at any time.

9.7 Payment Obligation Absolute. The Company's obligation to make the payments provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right which the Company may have against the Executive or anyone else.

Except as provided in Article 3 of this Plan, the Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Plan, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Plan.

9.8 Contractual Rights to Benefits. Subject to approval and ratification by the Board, this Plan establishes and vests in the Executive a contractual right to the benefits to which he or she is entitled hereunder. However, nothing herein contained shall require or be deemed to require, or prohibit or be deemed to prohibit, the Company to segregate, earmark, or otherwise set aside any funds or other assets, in trust or otherwise, to provide for any payments to be made or required hereunder.

9.9 Modification. No provision of this Plan may be modified, waived, or discharged with respect to any particular Executive unless such modification, waiver, or discharge is agreed to in writing and signed by such Executive and by an authorized member of the Committee, or by the respective parties' legal representatives and successors, provided, however, that the Committee may unilaterally amend this Plan without the Executive's consent if such amendment does not materially adversely alter or impair in any significant manner any rights or obligations of the Executive under the Plan.

9.10 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

9.11 Applicable Law. To the extent not preempted by the laws of the United States, the laws of the state of New Jersey shall be the controlling law in all matters relating to this Plan.

IN WITNESS WHEREOF, the Company has executed this Plan on this January 1, 2018.

ATTEST

NRG Yield, Inc.

/S/ Christopher Sotos
Christopher Sotos
President and Chief Executive

Exhibit 10.34
EXECUTION VERSION

CONSENT AND INDEMNITY AGREEMENT

dated as of February 6, 2018

by and among

NRG ENERGY, INC.,
a Delaware corporation,

and

NRG REPOWERING HOLDINGS LLC,
a Delaware limited liability company,

and

NRG YIELD, INC., a Delaware corporation,

and

GIP III ZEPHYR ACQUISITION PARTNERS, L.P.,
a Delaware limited partnership

and

NRG YIELD OPERATING LLC, a Delaware limited liability company (solely with respect to Sections E.5, E.6 and G.12)

Table of Contents

Exhibits and Schedules:

Disclosure Schedule:

CONSENT AND INDEMNITY AGREEMENT

This CONSENT AND INDEMNITY AGREEMENT (this "Agreement"), dated as of February 6, 2018 (the "Effective Date"), is made and entered into by and among NRG Energy, Inc., a Delaware corporation ("NRG"), NRG Repowering Holdings LLC, a Delaware limited liability company ("Repowering" and, collectively with NRG, "NRG Energy"), NRG Yield, Inc., a Delaware corporation ("NYLD"), GIP III Zephyr Acquisition Partners, L.P., a Delaware limited partnership ("Purchaser"), and, solely for purposes of Sections E.5, E.6 and G.12, NRG Yield Operating LLC, a Delaware limited liability company ("NYLD Op"). NRG Energy, NYLD and Purchaser are referred to herein, collectively, as the "Parties" and each, individually, as a "Party."

RECITALS

WHEREAS, on the Effective Date, NRG Energy and Purchaser have entered into that certain Purchase and Sale Agreement (the "PSA"), pursuant to which NRG Energy has agreed to sell to Purchaser one hundred percent (100%) of the outstanding membership interests (the "Zephyr Interests") of Zephyr Renewables LLC, a Delaware limited liability company (the "Company"), which shall include ownership by the Company of (a) one hundred percent (100%) of the Class B shares and one hundred percent (100%) of the Class D shares (collectively, the "NYLD Shares") of NYLD and (b) one hundred percent (100%) of the Class B membership units and one hundred percent (100%) of the Class D membership units (collectively, the "NYLD Units", and, collectively with the NYLD Shares, the "NYLD Securities") of NRG Yield LLC, a Delaware limited liability company ("NYLD LLC"). The sale of the NYLD Securities owned by NRG Energy to Purchaser is referred to herein as the "NYLD Securities Transaction", and the NYLD Securities and the Zephyr Interests are referred to herein, collectively, as the "Acquired Interests"; and

WHEREAS, in connection with the transactions contemplated by the PSA and this Agreement, including the NYLD Securities Transaction (such transactions, the "Transaction"), NYLD has agreed to provide its consent to the NYLD Securities Transaction on the terms and conditions set forth herein. Capitalized terms used but not defined herein shall have the meaning set forth in the PSA.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

A. NYLD Consent.

NYLD hereby consents to the NYLD Securities Transaction provided that each of the conditions set forth in this Section A is satisfied as of the Closing Date (or in the case of a condition that speaks of a specified date, as of such specified date):

1. CAFD Leakage Cap.

(a) The Transaction and all other transactions contemplated hereby (including entry into the agreements contemplated by Sections A.2 and A.3) and in the PSA result in no more than $10 million in CAFD Leakage (the "CAFD Leakage Cap"). For the purposes of this Agreement, "CAFD Leakage" means a reduction in NYLD's cash available for distribution calculated pro forma for the Transaction on an annualized basis for fiscal 2018, in accordance with the accounting policies and

procedures used for the calculation of cash available for distribution in NYLD's most recent quarterly financial filings with the U.S. Securities and Exchange Commission, resulting from (i) obtaining any of the third party consents in connection with power purchase agreements or debt financings relating to projects owned by NYLD Subsidiaries as set forth on Schedule 3.03 of the PSA, (ii) changes to any asset management or operations and maintenance agreements for any of the NYLD Entities, (iii) annual costs under the Master Services Agreement and (iv) the hiring of NYLD corporate employees to support operations on a standalone basis (such costs, the "Direct Labor Costs"). Direct Labor Costs in excess of ********** Dollars ($*********) shall not be counted toward the CAFD Leakage Cap. CAFD Leakage shall not include any one-time costs or expenses incurred in connection with obtaining such consents, which shall be borne by NRG Energy as set forth in the PSA. Projected CAFD Leakage shall be calculated from time to time prior to the Closing in accordance with the methodology set forth in Exhibit N.

(b) NYLD shall take all commercially reasonable steps necessary or desirable, and proceed diligently and in good faith to assist NRG Energy in the satisfaction of the condition to receive the Seller Consents for the projects owned by NYLD Subsidiaries; provided, however, in no event shall NYLD be required to take any action that it reasonably believes could result in the incurrence of CAFD Leakage in excess of the CAFD Leakage Cap.

2. New Sponsor Agreements. At the Closing, each of the Company and NYLD shall enter into (a) the Master Services Agreement in the form attached as Exhibit B to this Agreement (the "Master Services Agreement"); (b) the Zephyr ROFO Agreement in the form attached as Exhibit C to this Agreement (the "Zephyr ROFO Agreement"); (c) the Voting and Governance Agreement in the form attached as Exhibit D to this Agreement (the "Voting and Governance Agreement"); (d) the Fourth Amended and Restated Limited Liability Company Agreement of NYLD LLC in the form attached as Exhibit L to this Agreement (the "Fourth A&R NYLD LLC LLCA"); and (e) the Assignment and Assumption Agreement related to the Exchange Agreement and the Registration Rights Agreement in the form attached as Exhibit O to this Agreement (the "Assignment of Exchange and Registration Rights Agreements").

3. NRG Energy Agreements. At the Closing, each of NRG and NYLD shall enter into (a) the Third Amended and Restated Right of First Offer Agreement in the form attached as Exhibit E to this Agreement (the "Third A&R NRG/NYLD ROFO Agreement"); (b) the Transition Services Agreement in the form attached as Exhibit F to this Agreement (the "NRG Transition Services Agreement"); and (c) the Letter Agreement in the form attached as Exhibit G to this Agreement (the "Letter Agreement"). At the Closing, the Existing MSA shall be terminated.

4. NRG Energy's and Purchaser's Representations and Warranties.

(a) The representations and warranties of NRG Energy in Section B shall be true and correct in all material respects as of the date hereof and as of the Closing Date (except for any such representation and warranty that is qualified by materiality, including by reference to Material Adverse Effect, which shall be true and correct in all respects) as though such representations and warranties were made on and as of the Closing Date.

(b) The representations and warranties of Purchaser in Sections C.1 and C.2 shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

5. Schedule A.5. The consents set forth on Schedule A.5 are obtained or, if such consents shall not have been obtained, the Parties shall have taken the other actions set forth on Schedule A.5.

B. Representations and Warranties of NRG Energy.

NRG Energy hereby represents and warrants to NYLD and Purchaser as of the date hereof and as of the Closing Date as follows:

1. Existence. NRG Energy is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. NRG Energy has full power and authority to execute and deliver this Agreement, the PSA and any other agreements to be executed and delivered by NRG Energy hereunder and thereunder, and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, including to own, hold, sell and transfer the Acquired Interests, subject to NYLD's consent granted pursuant to this Agreement. NRG Energy is duly qualified, licensed or admitted to do business and in good standing in each other jurisdiction in which the assets owned, used or leased by it, or the nature of the business conducted by it, and in which the actions required to be performed by it hereunder make such qualification, licensing or admission necessary, except for those jurisdictions where the failure to be so qualified, licensed or admitted would not, in the aggregate, reasonably be expected to result in a Material Adverse Effect.

2. Authority. All actions or proceedings necessary to authorize the execution and delivery by NRG Energy of this Agreement, the PSA and the performance by NRG Energy of its obligations hereunder and thereunder (as applicable), have been duly and validly taken. This Agreement and the PSA have been duly and validly executed and delivered by NRG Energy and constitute the legal, valid and binding obligations of NRG Energy enforceable against NRG Energy in accordance with its terms.

3. Employees and Benefits.

(a) A list of each individual who, as of the date of this Agreement, is an NYLD Thermal Employee is set forth on Schedule B.3(a), along with (i) such individual's status as active or inactive, (ii) if such individual has an inactive status, the reason for such status and such individual's expected return date (if any), and (iii) if such individual has announced an intended retirement date, such date. Schedule B.3(a) may be updated from time to time as mutually agreed by the Parties and shall be updated as of five (5) Business Days prior to the Closing. "NYLD Thermal Employee" means each employee of NRG and its Affiliates who provides services at a plant that is owned or operated in the course of the Business of NYLD and who is listed on Schedule B.3(a).

(b) Schedule B.3(b)(I) sets forth an accurate and complete list of each collective bargaining agreement with a labor organization to which NYLD, NRG or any of their respective Affiliates is a party with respect to the Business of NYLD or NYLD Thermal Employees (collectively, the "Collective Bargaining Agreements"). Except as disclosed on Schedule B.3(b)(II), no NYLD Thermal Employee is represented by a labor organization and there is no Collective Bargaining Agreement that is being negotiated. In addition, except as disclosed on Schedule B.3(a), during the past three (3) years,

(x) no petition has been filed or proceedings instituted by any labor union or other labor organization with any Governmental Authority seeking recognition as the bargaining representative of any NYLD Thermal Employees or group of NYLD Thermal Employees and (y) no demand for recognition of NYLD Thermal Employees has been made by, or on behalf of, any labor union or other labor organization. To the knowledge of NRG, there is no effort currently being made or threatened by, or on behalf of, any labor union or other labor organization to organize any NYLD Thermal Employees, and, to the knowledge of NRG, no such activity has been conducted within the past three (3) years. No material labor strike, slowdown, work stoppage, dispute, lockout or other material labor controversy involving NYLD Thermal Employees is in effect or, to the knowledge of NRG, threatened, and none of the NYLD Entities has experienced any such labor controversy within the past three (3) years. No unfair labor practice charge or complaint involving NYLD Thermal Employees is pending or, to the knowledge of NRG, threatened. The execution and delivery of this Agreement, shareholder or other approval of this Agreement and the consummation of the transactions contemplated by this Agreement, either alone or in combination with another event, will not entitle any third party (including any labor organization or Governmental Authority) to any payments under any of the Collective Bargaining Agreements. Solely with respect to the Business of NYLD or as applicable to the NYLD Thermal Employees, NRG and its Affiliates are in compliance in all material respects with their obligations pursuant to all notification and bargaining obligations arising under any Collective Bargaining Agreements. Solely with respect to the Business of NYLD or, as applicable, to the NYLD Thermal Employees, each of NRG and its Affiliates is in compliance in all material respects with the Collective Bargaining Agreements and all applicable Laws respecting labor, employment, fair employment practices (including equal employment opportunity laws), workers' compensation, occupational safety and health, affirmative action, employee privacy and wages and hours.

(c) There has been no action, during the ninety (90) day period prior to the Effective Date, that would trigger notice or other obligations to any NYLD Thermal Employees under the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §2109 et seq. or the regulations promulgated thereunder or similar Law.

(d) Schedule B.3(d)(i) contains a true and complete list of each Employee Plan in which any NYLD Thermal Employee participates (each, an "NYLD Employee Plan"). Schedule B.3(d)(ii) lists each "multiemployer plan" within the meaning of Section 3(37) or 4001(a)(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (each, a "Multiemployer Plan") to which NRG or any of its Affiliates has contributed in respect of any employees of the Business of NYLD or in which any NYLD Thermal Employees participate. Other than as set forth on Schedule B.3(d)(iii), with respect to each such Multiemployer Plan (A) none of NRG, NYLD nor any of their respective Affiliates, have incurred a "complete withdrawal" or a "partial withdrawal," as such terms are defined in Sections 4203 and 4205 of ERISA, therefrom at any time during the five (5) calendar year period immediately preceding the date of this Agreement, and the transactions contemplated by this Agreement will not, in and of themselves, give rise to such a "complete withdrawal" or "partial withdrawal," (B) no such Multiemployer Plan, to the knowledge of NRG, is insolvent (as such term is defined in Section 4245 of ERISA), (C) NRG and its Affiliates have made all contributions to such Multiemployer Plans when due, and no such Multiemployer Plan is currently asserting that any contributions from NRG or any of its Affiliates are due and owing and not fully paid, (D) to the knowledge of NRG, there has been no "mass withdrawal" of all employers from the Multiemployer Plan (within the meaning of Department of Labor Regulation Section 4001.2) and (E) if NRG and its Affiliates were to withdraw from each Multiemployer

Plan on the date of this Agreement, NRG estimates that, based on the latest public filings of each Multiemployer Plan, NRG and its Affiliates would owe no withdrawal liability to any Multiemployer Plan. All of the NYLD Employee Plans have been established, maintained and administered in all material respects with their terms and applicable Law (including the applicable provisions of the Code and ERISA). There are no proceedings or audits pending, or to the knowledge of NRG, threatened with respect to any NYLD Employee Plan or the assets of any NYLD Employee Plan or any related trust (other than routine claims for benefits).

(e) Except as set forth on Schedule B.3(e), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein (whether alone or in connection with any other event) will (or could reasonably be expected to) (i) entitle any NYLD Thermal Employee to severance, retention, change in control or other similar payment or benefit, (ii) accelerate the time of payment or vesting or increase the amount of compensation due to any NYLD Thermal Employee, or (iii) require any contributions or payments to fund any obligations under any NYLD Employee Plan. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein (whether alone or in connection with any other event) will (or could reasonably be expected to) result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local or foreign Tax law). No Employee Plan provides for any gross-up payment with respect to payments subject to Section 280G or Section 409A of the Code.

C. Representations and Warranties of Purchaser.

Purchaser hereby represents and warrants to NYLD and NRG Energy as of the date hereof and as of the Closing Date as follows:

1. Existence. Purchaser is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware. Purchaser has the full power and authority to execute and deliver this Agreement, the PSA and each other agreement required to be executed by it pursuant to the terms hereof and thereof, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby and to own or lease its assets and to carry on its business as currently conducted.

2. Authority. All actions or proceedings necessary to authorize the execution and delivery by Purchaser of this Agreement and the PSA and the performance by Purchaser of its obligations hereunder and thereunder, have been duly and validly taken. This Agreement and the PSA have been duly and validly executed and delivered by Purchaser and constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

D. Representations and Warranties of NYLD.

Except as otherwise disclosed to Purchaser in the Disclosure Schedule or as set forth in the NYLD SEC Documents filed prior to the Effective Date (but excluding any forward looking disclosures set forth in any risk factor section, any disclosures in any section relating to forward looking statements and any other disclosures included therein to the extent they are predictive or forward-looking in nature), NYLD hereby represents and warrants to Purchaser as of the date hereof and as of the Closing Date as follows:

1. Existence. Each of NYLD and NYLD LLC is a corporation or limited liability company, as applicable, validly existing and in good standing under the Laws of the State of Delaware and each has full power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets. Each of NYLD and NYLD LLC is duly qualified, licensed or admitted to do business and in good standing in each other jurisdiction in which the assets owned, used or leased by it, or the nature of the business conducted by it, and in which the actions required to be performed by it hereunder make such qualification, licensing or admission necessary, except for those jurisdictions where the failure to be so qualified, licensed or admitted would not, in the aggregate, reasonably be expected to result in an NYLD Material Adverse Effect.

2. No Violations. There are no and have not been any violations, breaches or defaults by NYLD, NYLD LLC or, to the Knowledge of NYLD, any other party, to the NYLD Constitutive Documents. None of NYLD, NYLD LLC or, to the Knowledge of NYLD, any other party, has given or received notice or other communication regarding any actual, alleged,

possible or potential material violation or material breach of any NYLD Constitutive Document since the date of formation with respect NYLD or NYLD LLC.

3. Subsidiaries.

(a) Schedule D.3(a) sets forth the name of each NYLD Subsidiary and the state or jurisdiction of its organization. Each NYLD Subsidiary (i) is a corporation, limited liability company, partnership or other entity duly incorporated or organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, (ii) has all requisite corporate, limited liability company, partnership or similar power and authority to own, lease and operate its assets and to carry on its business as now conducted and (iii) is duly qualified or licensed to do business as a foreign corporation, limited liability company, partnership or other organization and is, to the extent applicable, in good standing under the laws of any other jurisdiction in which the character of the assets owned, leased or operated by it therein or in which the transaction of its business makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing, individually or in the aggregate, would not reasonably be expected to have an NYLD Material Adverse Effect.

(b) Except as set forth in Schedule D.3(b), NYLD LLC is, directly or indirectly, the record and beneficial owner of all of the outstanding shares of capital stock or other equity interests of each of the NYLD Subsidiaries. All of such shares and other equity interests so owned by NYLD LLC are validly issued, fully paid and nonassessable and free and clear of preemptive rights and are owned by it free and clear of any Liens, other than (i) Liens securing indebtedness for borrowed money of any NYLD Entity that are reflected in the NYLD SEC Documents or incurred in the ordinary course of business since the date of the most recent Annual Report on Form 10-K filed with the SEC by NYLD and (ii) transfer restrictions of general applicability on such shares and other equity interests imposed by applicable Law.

(c) None of the NYLD Entities owns, directly or indirectly, any capital stock or other equity or voting securities or equity or voting interests, or has any interest convertible into or exercisable or exchangeable therefor, in any Person other than the NYLD Entities.

4. Capitalization.

(a) As of the Effective Date, the authorized capital stock of NYLD consists of 3,010,000,000 shares of capital stock, consisting of (i) 10,000,000 shares of Preferred Stock, par value $0.01 per share, (ii) 500,000,000 shares of Class A Common Stock, par value $0.01 per share, (iii) 500,000,000 shares of Class B Common Stock, par value $0.01 per share, (iv) 1,000,000,000 shares of Class C Common Stock, par value $0.01 per share, and (v) 1,000,000,000 shares of Class D Common Stock, par value $0.01 per share.

(b) As of the Effective Date, (i) zero (0) shares of Preferred Stock were issued and outstanding, (ii) 34,586,250 shares of Class A Common Stock were issued and outstanding and zero (0) shares of Class A Common Stock were held in treasury by NYLD, (iii) 42,738,750 shares of Class B Common Stock (all of which are owned by NRG) were issued and outstanding and zero (0) shares of Class B Common Stock were held in treasury by NYLD, (iv) 64,730,519 shares of Class C Common Stock were issued and outstanding and zero shares of Class C Common Stock were held in treasury by NYLD, (v) 42,738,750 shares of Class D Common Stock (all of which are owned by NRG) were issued and outstanding and zero shares of Class D Common Stock were held in treasury by NYLD, (vi) 18,898,893 shares of Class A Common Stock were reserved for issuance pursuant to NYLD's outstanding three and one-half percent (3.50%) convertible notes due 2019 (the "2019 Convertible Notes") and 13,068,169 shares of Class C Common Stock were reserved for issuance pursuant to NYLD's outstanding three and one-quarter percent (3.25%) convertible notes due 2020 (the "2020 Convertible Notes") and (vii) 29,183 shares of Class A Common Stock and 413,581 shares of Class C Common Stock were reserved for issuance pursuant to outstanding restricted stock units and dividend equivalent rights. Except as set forth above, as of the Effective Date, there are no shares of capital stock, or other equity or voting securities or equity or voting interests of NYLD issued, reserved for issuance or outstanding. All issued and outstanding shares of common stock have been, and all shares of common stock reserved for issuance as set forth above will be when issued, duly authorized and validly issued and are or will be fully paid, free of preemptive rights and nonassessable.

(c) As of the Effective Date, (i) 34,586,250 Class A Units of NYLD LLC (all of which are owned by NYLD) were issued and outstanding, (ii) 42,738,750 Class B Units of NYLD LLC (all of which are owned by NRG) were issued and outstanding, (iii) 64,730,519 Class C Units of NYLD LLC (all of which are owned by NYLD) were issued and outstanding, (iv) 42,738,750 Class D Units of NYLD LLC (all of which are owned by NRG) were issued and outstanding, (v) 18,898,893 Class A Units were reserved for issuance in order to effectuate the corresponding conversion of NYLD's outstanding 2019 Convertible Notes set forth above and 13,068,169 Class C Units were reserved for issuance in order to effectuate the corresponding conversion of NYLD's 2020 Convertible Notes set forth above and (vi) 29,183 Class A Units and 413,581 Class C Units were reserved for issuance in order to effectuate the corresponding vesting of the restricted stock units and dividend equivalent rights issued by NYLD set forth above. Except as set forth above, as of the Effective Date, there are no shares of capital stock, or other equity or voting securities or equity or voting interests of NYLD LLC issued, reserved for issuance or outstanding. All issued and outstanding equity interests of NYLD LLC have been will be when issued, duly authorized and validly issued and are or will be fully paid, free of preemptive rights and nonassessable.

(d) Except as set forth in Schedule D.4(d), there are no preemptive or similar rights granted by any NYLD Entity on the part of any holders of any class of securities of the NYLD Entities. Except for the 2019 Convertible Notes and 2020 Convertible Notes, no NYLD Entity has outstanding any bonds, debentures, notes or other indebtedness, securities or obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the equityholders of any NYLD Entity on any matter ("Voting Company Debt"). As of the Effective Date, there are no (i) options, warrants, rights, convertible, exercisable or exchangeable securities, "phantom" equity rights, equity appreciation rights, profit

participation rights, equity-based performance units, or (ii) commitments, Contracts, arrangements or undertakings of any kind to which any of the NYLD Entities is a party or by which any of them is bound (A) obligating any of the NYLD Entities to issue, deliver or sell or cause to be issued, delivered or sold, additional shares of capital stock of, or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of, or other equity interest in, NYLD or any Voting Company Debt, or any interests based on the value of equity interests in NYLD or (B) obligating any of the NYLD Entity to issue, grant, extend or enter into any such option, warrant, right, security, unit, commitment, Contract, arrangement or undertaking.

(e) Except as set forth in Schedule D.4(e), there are not any outstanding contractual obligations of any of the NYLD Entities to repurchase, redeem or otherwise acquire any equity interests of any of the NYLD Entities. There are no proxies, voting trusts or other agreements or understandings to which any of the NYLD Entities is a party or is bound with respect to the voting or registration of the capital stock of, or other equity interests in, any of the NYLD Entities.

(f) NYLD has not taken any action or failed to take any action since January 1, 2018, that, if taken after the date hereof, would have required Purchaser's consent under Section G.3.

5. NYLD Board Approvals.

(a) The NYLD Board and the NYLD Corporate Governance, Conflicts and Nominating Committee have duly adopted resolutions (i) determining that (A) this Agreement, (B) the Master Services Agreement, (C) the Zephyr ROFO Agreement, (D) the Voting and Governance Agreement, (E) the NRG Transition Services Agreement, (F) the Fourth A&R NYLD LLC LLCA, (G) the Third A&R NRG/NYLD ROFO Agreement, (H) the Letter Agreement; (I) the Assignment of Exchange and Registration Rights Agreements (clauses (A)-(I), the "Transaction Documents"); (J) the transfer of the NYLD Shares to the Company pursuant to Section 7.13 of the PSA; and (K) the NYLD Securities Transaction, in each case, are advisable and in the best interest of, NYLD, and (ii) approving the Transaction Documents, the transfer of the NYLD Shares to the Company pursuant to Section 7.13 of the PSA and the NYLD Securities Transaction.

(b) The NYLD Board and the NYLD Corporate Governance, Conflicts and Nominating Committee have taken all necessary actions to render inapplicable to the Transaction Documents and the NYLD Securities Transaction the provisions of Section 203 of the Delaware General Corporation Law, and accordingly, no such section nor other "fair price", "business combination" or "control share acquisition" statute or other similar statute or regulation applies or purports to apply to the Transaction Documents or the NYLD Securities Transaction.

(c) The NYLD Board and the NYLD Corporate Governance, Conflicts and Nominating Committee have taken all necessary actions to render inapplicable to the Transaction Documents and the NYLD Securities Transaction the provisions of Article Four, Section 5 of the Restated Certificate of Incorporation of NYLD, and accordingly, no such section applies or purports to apply to the Transaction Documents and the NYLD Securities Transaction.

(d) The NYLD Board and the NYLD Corporate Governance, Conflicts and Nominating Committee have taken all necessary actions to renounce any interest or expectancy of NYLD or any of its Affiliates in any corporate opportunities that may be presented to Purchaser or any of its Affiliates.

(e) NYLD, as managing member of NYLD LLC, has duly adopted resolutions (i) determining that (A) this Agreement, (B) the Fourth A&R NYLD LLC LLCA, (C) the transfer of the NYLD Units to the Company pursuant to Section 7.13 of the PSA and the admission of the Company as a member of NYLD LLC; and (D) the NYLD Securities Transaction, in each case, are advisable and in the best interest of, NYLD LLC and its members, and (ii) approving the foregoing documents and transactions.

(f) A true and complete copy of the resolutions adopted by the NYLD Board and the NYLD Corporate Governance, Conflicts and Nominating Committee implementing the foregoing is attached hereto as Exhibit H and will remain in full force and effect following the Effective Date. The foregoing resolutions are referred to herein as the "NYLD Board and Committee Approvals".

6. For the purposes of this Agreement, "NYLD Material Adverse Effect" means any fact, event, circumstance, condition, change or effect that has, or would reasonably be expected to have, a material adverse effect on (a) the assets, properties, liabilities, condition (financial or otherwise) or results of operations of the NYLD Entities, taken as a whole, or (b) the NYLD Entities' ability to timely perform their obligations under this Agreement or to consummate the transactions contemplated hereby; provided, however, that, solely with respect to clause (a), none of the following shall be or will be at the Closing deemed to constitute and shall not be taken into account in determining the occurrence of an NYLD Material Adverse Effect: any fact, event, circumstance, condition, change or effect resulting from (i) any economic change generally affecting the international, national or regional (A) electric generating industry or (B) wholesale markets for electric power; (ii) any economic change in markets for commodities or supplies, including electric power, as applicable, used in connection with the business of the NYLD Entities; (iii) any change in general regulatory or political conditions, including (A) geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the Effective Date, (B) any hurricane, tornado, flood, earthquake or other natural disaster or weather-related event, or (C) changes imposed by a Governmental Authority associated with additional security; (iv) any change in any Laws (including Environmental Laws and Tax Laws) or GAAP; (v) any change in the financial condition of the NYLD Entities caused by the pending sale of the Acquired Interests to Purchaser, including changes due to the credit rating of Purchaser or the NYLD Entities or any decline in the market price of the common stock of NYLD or change in the trading volume of its securities; (vi) any change in the financial, banking, or securities markets (including any suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange or Nasdaq Stock Market) or any change in general national or regional economic or financial conditions; (vii) any failure, in and of itself, by the NYLD Entities to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings, cash available for distribution or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may, if not otherwise excluded, be deemed to constitute, or be taken into account in determining whether there has been an NYLD Material Adverse Effect); or (viii) the announcement or pendency of the transactions contemplated hereby and in the PSA; provided, however, that any fact, event, circumstance, condition, change or effect resulting from clauses (i) through (iv) and (vi) shall nonetheless be taken into consideration in determining whether an NYLD Material Adverse Effect has occurred to the extent such changes, events, effects or occurrences have a materially disproportionate impact on the NYLD Entities, taken as whole, as compared to similarly situated Persons in the same industry and in the same geographical areas in which the NYLD Entities operate.

7. For the purposes of this Agreement, "Knowledge of NYLD" means the actual knowledge of and , after reasonable inquiry.

E. Property Tax Indemnity.

1. NRG Energy, NYLD and Purchaser acknowledge that following the Transaction there will be (i) a loss of the exclusion from reassessment for California property tax purposes for new construction of active solar energy property available under Section 73 of the California Revenue and Taxation Code (the "CRT") for the active solar energy properties located in California (each such property, a "Utility Scale Solar Property") held by the project companies set forth on Exhibit A-1 (the "Utility Scale Project Companies" and each a "Utility Scale Project Company") and (ii) a reassessment under Section 64(c) or 64(d) of the CRT (a "Reassessment") of such Utility Scale Solar Properties. NRG Energy, NYLD and Purchaser acknowledge that following the Transaction (i) there will be a loss of the exclusion from reassessment for California property tax purposes for new construction of active solar energy property available under Section 73 of the CRT for the active distributed generation solar energy properties located in California (each such property, a "DG Solar Property", and together with the Utility Scale Solar Properties, each such property a "Solar Property") held by the project companies set forth on Exhibit A-2 (the "DG Project Companies" and each a "DG Project Company", and together with the Utility Scale Project Companies, the "Project Companies", and each a "Project Company") and (ii) a Reassessment of such DG Solar Properties may be triggered either (x) as a result of the Transaction or (y) upon the "flip date" of the tax equity fund structure implemented in each of the DG Project Companies (the date a Reassessment is triggered with respect to a DG Solar Property, the "DG Reassessment Trigger Date"). NRG Energy shall prepare and timely file a Form BOE-100-B for each Utility Scale Solar Project Company and each DG Project Company that holds one or more properties subject to a Reassessment (with respect to any DG Project Company, solely to the extent the Reassessment is triggered as a result of the Transaction as described in clause (x) above) and NYLD and Purchaser agree to cooperate, and shall cause their respective affiliates, employees and agents reasonably to cooperate, in connection with the foregoing; provided, that no such Form BOE-100-B shall be filed for a Utility Scale Project Company or DG Project Company without both NYLD and Purchaser's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). NYLD and Purchaser shall prepare and timely file a Form BOE-100-B for each DG Project Company that holds one or more properties subject to a Reassessment (solely to the extent the Reassessment is triggered upon a "flip date" as described in clause (y) above) and NRG Energy agrees to cooperate, and shall cause its respective affiliates, employees and agents reasonably to cooperate, in connection with the foregoing; provided, that no such Form BOE-100-B shall be filed for a DG Project Company without NRG Energy's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). NRG Energy shall make available to NYLD and Purchaser (and NYLD and Purchaser shall make available to NRG Energy, as applicable) all records that are necessary for the preparation of such forms. Notwithstanding the foregoing, prior to the applicable DG Reassessment Trigger Date with respect to a DG Project Company, NRG Energy, NYLD and Purchaser agree to work together in good faith to alter, to the extent commercially practicable, the structure of such DG Project Company in order to mitigate any Tax Indemnity Payment (as defined below) that may be required with respect to the applicable DG Solar Properties (any such alterations to the structure, an "Alternative Structure"); provided, that Purchaser and NYLD shall not be obligated to undertake any such Alternative Structure, including if such Alternative Structure would result in a material risk of a Reassessment, have any adverse impact on the value of such DG Project Company and/or subject Purchaser, NYLD, or any of their subsidiaries (including any DG Project Company) to any unreimbursed cost or expense; provided, further, NRG Energy shall indemnify and hold harmless the applicable Project Companies with respect to any cost or expense incurred in connection with implementing such Alternative Structure or any other loss

resulting from such Alternative Structure (including any California property taxes, and interest, penalties and other additions to tax with respect thereto).

2. Each of NRG Energy, NYLD and Purchaser shall provide as promptly as practicable to the other Party copies of any communications received by Purchaser, NYLD or any Project Company from any local assessor or taxing authority regarding the assessed value of the Solar Properties. NRG Energy shall have the right, in its reasonable discretion and at its expense, to control the conduct of any administrative or judicial proceeding regarding the valuation or revaluation for property tax purposes of the Solar Properties from the Closing Date until conclusion of any proceeding regarding valuation for any period in the Indemnity Term (as defined below), including any proceeding resulting from a request for a decrease in the assessed value as a result of a reduction in value of one or more Solar Properties (any such proceeding regarding valuation for the Solar Properties during the Indemnity Term, a "Proceeding"). NRG Energy agrees to consult with each of Purchaser and NYLD in advance on its proposed actions and give reasonable consideration to the views and interests of Purchaser and NYLD with the conduct of such Proceeding; provided, that each of NYLD and Purchaser shall have the right to participate in any such Proceeding at its own expense and shall have the right to control any such Proceeding if NRG Energy does not timely exercise its right to control such Proceeding. Purchaser and NYLD agree to cooperate, and shall cause each Project Company to cooperate, with NRG Energy with respect to any Proceeding, and shall provide NRG Energy with reasonable access to all information or records within its possession that may be reasonably necessary for such Proceeding (but solely if providing such information or records would not violate any obligations of confidentiality of Purchaser or any NYLD Entity or restrictions required by Law or result in a loss of legal privilege held by Purchaser or any NYLD Entity), and grant to NRG Energy any required authorizations or powers of attorney reasonably necessary for NRG Energy to conduct or participate in such Proceeding. None of NRG Energy, NYLD, Purchaser or any Project Company shall enter into any binding agreement or settlement with a taxing authority regarding the value of the Solar Properties without the prior written consent of both NRG Energy and Purchaser (such consent not to be unreasonably withheld, conditioned or delayed). Each Project Company shall file all returns and statements relating to the Solar Properties (including any locally issued county Form 571L or its successor) in a manner consistent with the value agreed to by NRG Energy in accordance with this Section E. Purchaser, NYLD or the Project Companies (as applicable) shall provide drafts of all such returns, statements, and forms to NRG Energy for review at least thirty (30) days before the due date. For purposes of this Section E, the "Indemnity Term" (i) with respect to the Utility Scale Solar Properties shall begin on the Closing Date and last until the date set forth on Exhibit A-1 as the "Indemnity Expiration Date" for such Project Company, unless the indemnity is terminated before the Indemnity Expiration Date in accordance with Section E.4, and (ii) with respect to the DG Solar Properties shall begin on the DG Reassessment Trigger Date for such DG Solar Property and last until the date set forth on Exhibit A-2 as the "Indemnity Expiration Date" for such Project Company, unless the indemnity is terminated before the Indemnity Expiration Date in accordance with Section E.4.

3. NRG Energy agrees to pay to each Project Company each year an amount equal to the excess, if any, of (i) the California property taxes, and interest, penalties and other additions to tax with respect thereto payable by such Project Company with respect to the related Solar Properties for each fiscal year during the Indemnity Term, over (ii) the California property taxes that would have been due with respect to such Solar Properties for such fiscal year if a Reassessment had not occurred (such excess for such fiscal year with respect to the applicable Project Company, a "Tax Indemnity Payment"). For the avoidance of doubt, a Tax Indemnity Payment shall not include any amount representing penalties or interest imposed on the applicable Project Company, Purchaser (with respect to the DG Solar Properties) or NYLD resulting from the failure of such Project

Company, Purchaser (with respect to the DG Solar Properties) or NYLD to timely file any return or statement or pay any tax, in each case that is due following the Closing. NRG Energy shall pay the Tax Indemnity Payment with respect to each Project Company at the earlier of (a) thirty (30) days after receiving copies of all property tax statements received by such Project Company from the local taxing authorities with respect to the related Solar Properties, and (b) fifteen (15) days before the due date of any property tax and penalty payment as prescribed by such local taxing authorities so long as such Project Company provides NRG Energy with such property tax statements within a reasonable time period before NRG Energy's payment of such Tax Indemnity Payment.

4. Notwithstanding anything to the contrary, NRG Energy shall have no obligation to pay any Tax Indemnity Payment (i) with respect to any Solar Property that has been reassessed in its entirety since the Reassessment of such Solar Property as the result of a direct or indirect (excluding any indirect transfer by reason of the transfer of any equity interest of NYLD Op or a direct or indirect owner of NYLD Op) transfer of equity interests in the Project Company owning such Solar Property (for the avoidance of doubt, other than a sale of an interest that does not constitute a change of ownership under Sections 64(c) or 64(d) of the CRT); (ii) with respect to all or any portion of a Solar Property that is transferred after the Closing by the applicable Project Company to any other person in a transfer that constitutes a change of ownership of such Solar Property or such portion; or (iii) to the extent of any incremental amount that is attributable to any new construction or capital improvements made to a Solar Property after the Reassessment of such Solar Property. For the avoidance of doubt, any direct or indirect transfer by Purchaser or any of its affiliates of any or all of their respective interests in NYLD Op shall not relieve or otherwise affect NRG Energy's obligation to make Tax Indemnity Payments under this Agreement.

5. If Purchaser (with respect to the DG Solar Properties), NYLD, any Project Company, or any Affiliate thereof receives a refund of California property tax with respect to a Solar Property that is attributable to a tax for which NRG Energy has made a Tax Indemnity Payment, Purchaser (only with respect to the DG Solar Properties), NYLD and NYLD Op shall be jointly obligated to pay the amount of such refund to NRG Energy within fifteen (15) days of the date on which it was received by Purchaser (with respect to the DG Solar Properties), NYLD, the Project Company, or such Affiliate. Any refund of property taxes received by Purchaser, NYLD, a Project Company, or an Affiliate relating to both Solar Properties and other properties shall be reasonably apportioned among the properties, and Purchaser, NYLD and NYLD Op shall be obligated to pay to NRG Energy only the portion attributable to the Solar Properties. Notwithstanding anything to the contrary in this Agreement, any obligation of Purchaser or NYLD pursuant to this Section E.5 with respect to a Project Company shall terminate on the date on which Purchaser or NYLD, as applicable, no longer owns the applicable Project Company.

6. The Parties acknowledge that NRG Energy and/or certain of its Affiliates provided to NYLD or its Affiliates indemnification for California property taxes for certain of the Solar Properties under purchase and sale agreements pursuant to which NRG Energy or its Affiliates sold to NYLD or its Affiliates equity interests in the Project Companies or in entities that directly or indirectly owned the equity interests in the Project Companies (collectively, the "Dropdown PSAs"). NYLD, the Project Companies and Purchaser acknowledge that neither Purchaser, NYLD Op nor any Project Company will have the right to a Tax Indemnity Payment under this Agreement to the extent it is duplicative of an amount received in respect of indemnification for property taxes in connection with the Solar Properties under the Dropdown PSAs.

7. No later than thirty (30) days after the end of each fiscal year during the Indemnity Term for each Project Company (the "Determination Date"), NRG Energy shall provide, at its sole cost and expense,

a letter of credit (i) with respect to the Utility Scale Solar Properties for the benefit of NYLD LLC (the "NYLD Letter of Credit") in an amount equal to the aggregate of Project Level Support Amounts for the Utility Scale Project Companies (the "Utility Scale Required Letter of Credit Amount"), and (ii) with respect to the DG Solar Properties for the benefit of the tax equity funds set forth on Exhibit A-2 (the "DG Letter of Credit") in an amount equal to the aggregate of Project Level Support Amounts for the DG Project Companies (the "DG Required Letter of Credit Amount", and collectively with the Utility Scale Required Letter of Credit Amount, the "Required Letter of Credit Amount"); ** ** ** ** **. The "Project Level Support Amount" for each Project Company shall equal the product of (a) **** percent (**%) (the "Letter of Credit Percentage"), (b) the amount of the Tax Indemnity Payment owed to the applicable Project Company for the applicable fiscal year or, if the amount of such Tax Indemnity Payment cannot be determined at such time because the relevant property tax statements have not been received, the amount of the Tax Indemnity Payment that would be owed to the applicable Project Company based upon the most recent fiscal year for which property tax statements are available or the Tax Indemnity Payment is known, subject to reasonable adjustments based on the information available to the parties and (c) the remaining Indemnity Term for such Project Company. ** ** ** ** ** ***. NRG Energy shall annually adjust the amount of the NYLD Letter of Credit and the DG Letter of Credit (by amendment, supplement or replacement) in accordance with the calculations set forth in this Section E.7. If NRG Energy fails to make the Tax Indemnity Payment pursuant to Section E.3, then ten (10) Business Days after written notice of such breach, during which time NRG Energy shall have the right to attempt to cure such breach, (i) the beneficiary of such indemnity shall have the right to draw upon the applicable letter of credit in satisfaction of the Tax Indemnity Payment owed to such Project Company and hold the proceeds as security for NRG Energy's obligations under this Section E.7, and (ii) the Letter of Credit Percentage shall thereafter be one hundred percent (100%) and NRG Energy shall promptly (within twenty (20) Business Days) supplement such letter of credit with a new letter of credit in an amount equal to the Required Letter of Credit Amount. NYLD LLC or the tax equity funds set forth on Exhibit A-2, as applicable, shall also be permitted to draw on any letter of credit provided pursuant to this Section E.7 if such letter of credit is not extended or otherwise replaced at least twenty (20) Business Days prior to its scheduled expiration date. Any letter of credit issued pursuant to this Section E.7 shall be issued by a U.S. financial institution (or a U.S. branch of a foreign bank) having a senior unsecured debt rating by S&P of not less than "A-" and by Moody's of not less than "A3" (the "Requisite Issuer Ratings"), and, in the event the issuer of any such letter of credit ceases to have the Requisite Issuer Ratings, NRG Energy shall replace such letter of credit with a letter of credit in the same stated amount issued by a U.S. financial institution (or a U.S. branch of a foreign bank) with the Requisite Issuer Ratings.

8. Notwithstanding anything to the contrary provided herein, the provisions of this Section E shall only be effective in the event that a Closing occurs under the PSA. If the PSA is terminated or if a Closing does not occur thereunder, this Section E shall be of no further force and effect.

F. Changes to the NYLD Board of Directors.

NRG Energy agrees that upon the Closing, it shall cause its employees on the Board of Directors of NYLD (collectively, the "NRG Board Members") to resign from the Board of Directors of NYLD (the "NYLD Board"), effective as of the Closing Date. NYLD agrees that upon the resignations of the NRG Board Members, the NYLD Board shall be expanded to nine (9) members, and five (5) persons presented to NYLD by Purchaser prior to the Closing will be appointed to fill the directorship vacancies created by such resignations and the expansion of the NYLD Board.

G. NYLD Undertakings in Connection with the PSA.

1. Regulatory and Other Permits. NYLD shall, and shall cause the other NYLD Entities to, cooperate with NRG Energy and Purchaser (a) in connection with the preparation and submission of all necessary filings in connection with the Transaction that may be required under the HSR Act or any other federal, state or local laws prior to the Closing Date; and (b) in connection with obtaining all Permits and all Consents to and by all Governmental Authorities and other Persons necessary to consummate the Transaction, including the Seller Approvals and Seller Consents and NRG Energy's obtaining Consent from FERC pursuant to Section 203 of the FPA in order to consummate the Transaction, including in respect of any required execution of, or consenting to, FPA Section 203-related applications or submissions with FERC, including any inquiries from staff. NRG Energy will (i) keep NYLD and Purchaser reasonably informed on a current basis of the matters in this Section G.1, (ii) give reasonable consideration to the comments and interests of NYLD in connection therewith and (iii) promptly meet with the NYLD Board or their representatives to discuss any material developments in connection therewith upon NYLD's reasonable request in writing. In furtherance of the foregoing, NRG Energy will notify NYLD promptly upon the receipt by NRG Energy or its Affiliates of (i) any comments or questions from any officials of any Governmental Authority in connection with any filings made pursuant to this Section G.1 or the Transaction and (ii) any request by any officials of any Governmental Authority for amendments or supplements to any filings made pursuant to any Laws of any Governmental Authority or answers to any questions, or the production of any documents, relating to an investigation of the Transaction by any Governmental Authority. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to this Section G.1, NRG Energy shall promptly inform NYLD of such occurrence and cooperate in filing promptly with the applicable Governmental Authority such amendment or supplement. Without limiting the generality of the foregoing, NRG Energy shall provide NYLD (or its advisors), upon request, copies of all correspondence between NRG Energy and any Governmental Authority relating to the Transaction. NRG Energy may, as reasonably advisable and necessary, designate any competitively sensitive materials provided to NYLD under this Section G.1 as "outside counsel only". Such materials and the information contained therein shall be given only to outside counsel of the recipient and shall not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of NRG Energy. In addition, to the extent reasonably practicable, all discussions, telephone calls, and meetings with a Governmental Authority regarding the Transaction shall include representatives of each of NRG Energy, Purchaser and upon NYLD's request, NYLD. Subject to applicable Law, NRG Energy and Purchaser shall consult and cooperate with NYLD in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, and proposals made or submitted to any Governmental Authority regarding the Transaction by or on behalf of NRG Energy, NYLD or Purchaser.

2. Access to Information; Confidentiality.

(a) Prior to the Closing Date, or, if earlier, the date the PSA or this Agreement is terminated, Purchaser may make or cause to be made such review of the Business of NYLD and of its financial and legal condition as Purchaser deems reasonably necessary or advisable. With the assistance of NRG Energy as appropriate, NYLD shall, and shall cause the NYLD Entities to, permit Purchaser and its authorized agents or representatives, including its independent accountants, to have reasonable access to the properties, books and records of the NYLD Entities during normal business hours to review information and documentation relative to the properties, books, contracts, commitments and other records of the NYLD Entities; provided, that such investigation shall only be upon reasonable notice and shall not unreasonably disrupt personnel and operations of the Business of NYLD and shall be at Purchaser's sole cost and expense; provided, further, that none of Purchaser, its Affiliates or their respective representatives shall conduct any on-site environmental site assessment, compliance evaluation or investigation with respect to any Project or Company Entity or NYLD Entity without the prior written consent of NYLD, which shall not be unreasonably delayed, withheld or conditioned. All requests for access to the offices, properties, books and records of the NYLD Entities shall be made to such representatives of NYLD as NYLD shall designate, who shall be solely responsible for coordinating all such requests and all access permitted hereunder. It is further agreed that none of Purchaser, its Affiliates or their respective representatives shall, prior to the Closing Date, contact any of the customers, suppliers or parties that have business relationships with the NYLD Entities in connection with the Transaction, whether in person or by telephone, mail or other means of communication, without the specific prior authorization of NYLD or its representatives (not to be unreasonably withheld, conditioned or delayed). Any access to the offices, properties, books and records of the NYLD Entities shall be subject to the following additional limitations: (i) Purchaser, its Affiliates, and their respective representatives, as applicable, shall give NYLD notice of at least four (4) Business Days prior to conducting any inspections or communicating with any third party relating to any property of the NYLD Entities, and a representative of NYLD shall have the right to be present when Purchaser, its Affiliates or their respective representatives conducts its or their investigations on such property; (ii) none of Purchaser, its Affiliates or their respective representatives shall damage the property of the NYLD Entities or any portion thereof; and (iii) Purchaser, its Affiliates, and their respective representatives, as applicable, shall (A) use commercially reasonable efforts to perform all on-site reviews and all communications with any Person in an expeditious and efficient manner, and (B) indemnify, defend and hold harmless the NYLD Entities, their respective Affiliates, and each of their respective employees, directors and officers from and against all damages resulting from or relating to the activities of Purchaser, its Affiliates and their respective representatives under this Section G.2(a). The foregoing indemnification obligation shall survive the Closing or termination of this Agreement or the PSA. Notwithstanding anything herein to the contrary, prior to the Closing Date, none of the NYLD Entities shall be required to provide any access or information to Purchaser, its Affiliates or any of their respective representatives which NYLD reasonably believes it or the NYLD Subsidiaries are prohibited from providing to Purchaser, its Affiliates or their respective representatives by reason of attorney-client privilege.

(b) NRG Energy and Purchaser agree that NYLD is hereby made an express third party beneficiary of the Confidentiality Agreement for the purpose of enforcing the Confidentiality Agreement against Purchaser and its Representatives (as defined in the Confidentiality Agreement) with

respect to the NYLD Confidential Information (as defined below). This Section G.2(b) shall survive the termination of this Agreement.

(c) NRG Energy hereby agrees that it will not, and will cause its Affiliates and Representatives not to, at any time, directly or indirectly, without the prior written consent of NYLD, disclose or use any NYLD Confidential Information; provided, that this Section G.2(c) will not prohibit disclosure of NYLD Confidential Information (i) as required by applicable Law so long as reasonable prior notice is given to NYLD of such disclosure and a reasonable opportunity is afforded to contest the same or (ii) in accordance with the terms of this Agreement. NRG Energy agrees that it will be responsible for any breach or violation of the provisions of this Section G.2(c) by any of its Affiliates and Representatives. Notwithstanding anything contained in this Agreement or the PSA, the obligations of NRG Energy set forth in this Section G.2(c) shall remain in full force and effect following the execution of this Agreement and the PSA and shall survive any termination of this Agreement and the PSA in accordance with their terms. For purposes hereof, "NYLD Confidential Information" shall mean any and all information (in any form) relating to any NYLD Entity (or any customers or clients thereof), together with any written or electronic materials prepared by or on behalf of NRG Energy or its Affiliates to the extent containing or based in whole or in part upon or generated from such information; provided, however, that "NYLD Confidential Information" will not include any information that (x) is or becomes (other than as a result of disclosure by NRG Energy in violation of this Agreement or the PSA) generally available to, or known by, the public, (y) is independently developed by NRG Energy without use of or reference to information that would be "NYLD Confidential Information" but for the exclusions set forth in this proviso or (z) is received by NRG Energy from a third party not known after reasonable inquiry by NRG Energy to be bound by a duty of confidentiality to NYLD with respect to such information.

3. Conduct of Business.

(a) NYLD covenants and agrees that, except (i) as otherwise expressly contemplated by this Agreement or the PSA (including as described on Schedule 7.04(b) thereof) or as required by applicable Law, (ii) for the effect of the announcement and consummation of the Transaction or (iii) as otherwise approved in writing by Purchaser (which approval shall not be unreasonably withheld, conditioned or delayed), during the Interim Period, NYLD shall, and shall cause the other NYLD Entities to, operate in the ordinary course of business and in accordance with Good Industry Practice and in accordance with the budget of NYLD for 2018 attached hereto as Exhibit I (the "NYLD Budget"), the CEO Delegation of Authority, dated December 5, 2017, attached hereto as Exhibit J (the "Delegation of Authority."), and the Monthly Business Plan Schedule attached hereto as Exhibit K (the "Monthly Business Plan Schedule") (it being understood that, to the extent there is a conflict between the Delegation of Authority and the Monthly Business Plan Schedule, the Delegation of Authority shall control) and shall use commercially reasonable efforts to preserve, maintain and protect the assets of the NYLD Entities and the Business of NYLD and maintain existing or satisfactory relations with Governmental Authorities and customers, suppliers, service providers, creditors, tax equity partners and lessors having significant business dealings with them, and keep available the services of the NYLD Entities' key employees; provided, that such efforts (A) shall not include any requirement or obligation to make any payment or assume any Liability not otherwise required to be paid or assumed by the terms of an existing Contract or offer or grant any financial accommodation or other benefit not otherwise required to be made by the terms of an existing Contract and (B) to the extent applicable, shall be subject to NRG Energy and its Affiliates performing their respective obligations under the Existing MSA and other contractual

arrangements between any NYLD Entity and NRG Energy and its Affiliates. NRG Energy shall, and shall cause its Affiliates to, perform their respective obligations under the Existing MSA and other contractual arrangements between any NYLD Entity and NRG Energy and its Affiliates in order to permit NYLD to comply with its obligations under this Section G.3.

(b) Without limiting Section G.3(a), except as (A) set forth on Schedule G.3(b), (B) otherwise contemplated by this Agreement or the PSA, (C) required by applicable Law or (D) with the express written approval of Purchaser (which approval shall not be unreasonably withheld, conditioned or delayed), during the Interim Period, NYLD shall not (with respect to the Business of NYLD or any NYLD Entity), and shall cause the NYLD Entities not to, and solely with respect to the NYLD Thermal Employees as it relates to Sections G.3(b)(vi), G.3(b)(xii), G.3(b)(xiii) and G.3(b)(xiv), NRG Energy shall not, and shall cause its Affiliates not to:

(i) adopt any change in its certificate of incorporation or by-laws, committee charters or other applicable governing documents or instruments, other than ministerial or administrative changes that are not adverse to the interests of Purchaser;

(ii) (A) merge or consolidate any of the NYLD Entities with any other Person, or restructure, reorganize or completely or partially liquidate any of the NYLD Entities, except for any such transactions among wholly-owned Affiliates of the NYLD Entities, or (B) commence or file any petition seeking (x) liquidation, reorganization or other relief under any U.S. federal, U.S. state or other bankruptcy, insolvency, receivership or similar Law or (y) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official;

(iii) issue, sell, pledge, grant, transfer or encumber or otherwise dispose of or redeem, repurchase or otherwise acquire any shares of capital stock or other equity interests of the NYLD Entities or profits interests, stock appreciation rights, phantom stock or securities convertible into or exchangeable for, or subscriptions, options, warrants, calls, agreements, arrangements, undertakings, commitments or other rights of any kind to acquire, any shares of capital stock of the NYLD Entities (other than the issuance of shares or interests by a wholly-owned Affiliate to the NYLD Entities or another wholly-owned Affiliate of the NYLD Entities); provided, that the foregoing shall not apply to issuances of up to $115 million of Class C common stock of NYLD pursuant to NYLD's $150 million at-the market facility as in effect on the Effective Date so long as such issuances are consummated in accordance with Schedule G.3(b)(iii);

(iv) make any material changes with respect to financial accounting policies or procedures, except as required by GAAP;

(v) make, change or revoke any election relating to Taxes, file any material amended Tax Return, surrender any right to claim a refund of a material amount of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, enter into any closing agreement or similar agreement relating to Taxes with any Governmental Authority, settle or compromise any claim or assessment by any Governmental Authority relating to Taxes;

(vi) voluntarily recognize any labor union as the representative of any of NYLD Thermal Employees or enter into any new or amended collective bargaining agreement with any labor organization applicable to NYLD Thermal Employees;

(vii) except for (A) transactions among NYLD and wholly-owned Affiliates of the NYLD Entities or among the wholly-owned Affiliates of the NYLD Entities or (B) pursuant to Contracts in effect as of the Effective Date (copies of which have been made available to Purchaser), reclassify, split, combine, subdivide or redeem, purchase or otherwise acquire any of its capital stock (or other equity securities) or securities convertible or exchangeable into or exercisable for any shares of its capital stock (or other equity securities);

(viii) except as otherwise permitted under Section G.5, adversely amend, modify or waive any rights under, the NYLD Subsidiary Credit Agreement, in each case, in any material respect, or reduce the commitments of the lenders thereunder to fund borrowings thereunder, or adversely amend, modify or waive any rights under the NYLD Notes or the indentures governing such notes;

(ix) take any action that would reasonably be expected to lead to the CAFD Leakage Cap being exceeded other than any actions taken pursuant to this Agreement or with Purchaser's prior written consent or at Purchaser's request;

(x) incur corporate overhead expenses in excess of ********* dollars ($********) (as shown in the line item "MSA and Direct Costs" in the Monthly Business Plan Schedule) on an ongoing annualized basis or otherwise take any action inconsistent with the Monthly Business Plan Schedule, other than incurring (i) the Direct Labor Costs, (ii) any legal, financial advisor and other advisory fees payable for services rendered on behalf of the NYLD Corporate Governance, Conflicts and Nominating Committee, (iii) any accrued (but unpaid) expenses incurred in fiscal year 2017, including annual incentive payments owed to employees of or services providers to the NYLD Entities and (iv) any other fees and expenses in connection with the Transaction or as provided hereunder;

(xi) take any action that is not specifically authorized by the Delegation of Authority, and for the avoidance of doubt, any action that requires NYLD Board approval shall be deemed not authorized under the Delegation of Authority for the purposes of this Section G.3(b)(xi);

(xii) except as may be required by applicable Law, a Collective Bargaining Agreement or pursuant to the terms of any NYLD Employee Plan, (A) establish, adopt, terminate or materially amend any material NYLD Employee Plan; (B) grant to any NYLD Employee any material increase in base salary, wages, bonuses, incentive compensation or severance, retention or other employee benefits; (C) grant any equity-based awards; (D) accelerate the time of payment for, or vesting of, any compensation or benefits; or (E) materially change any actuarial or other assumption used to calculate funding obligations or liabilities under any NYLD Employee Plan;

(xiii) except as otherwise permitted under Sections I.2 and A.1(a)(iv), (A) hire any individual who, if employed on the date of this Agreement would be an NYLD Employee or other service provider; provided, however, that the NYLD Entities shall be permitted to (I)

hire NYLD Employees or engage other service providers to fill existing positions that are or become vacant in the ordinary course of business and (II) hire NYLD Employees or engage other service providers to fill positions that are newly created in the ordinary course of business to the extent that the annual compensation opportunity provided to any such NYLD Employee or other service provider does not exceed $1,000,000 in the aggregate for all such hires and engagements and, in the case of service providers other than NYLD Employees, the duration of engagement does not exceed six (6) months, and, in the case of (I) and (II), the compensation and benefits provided to any such NYLD Employee or other service provider are consistent with terms previously provided by the NYLD Entities in the ordinary course of business; or (B) terminate any NYLD Employee or other service provider whose annual compensation opportunity exceeds $400,000 other than for cause; or

(xiv) agree, authorize or commit to do any of the foregoing.

Notwithstanding the foregoing restrictions in Sections G.3(a) and G.3(b), the NYLD Entities may take commercially reasonable actions with respect to emergency situations so long as (a) the NYLD Entities shall use Good Industry Practice in mitigation of any such emergency situation and (b) NYLD shall promptly (but in any event within twenty-four (24) hours) inform Purchaser of any such actions taken with respect to an emergency situation.

4. Employee Matters.

(a) NYLD shall have the right, but not the obligation, to solicit and to provide offers of employment with NYLD, to become effective upon the Closing, to each of the Potential Offer Employees, as defined in Section I.2. Any Potential Offer Employee who accepts such offer of employment with NYLD and becomes an employee of NYLD as of the Closing shall be referred to herein as a "Hired Employee."

(b) Prior to the Closing Date, NRG and NYLD shall take all actions necessary such that each NYLD Thermal Employee other than any NYLD Thermal Employee who, immediately prior to the Closing, is not actively at work due to an unauthorized leave of absence, shall become an employee of NYLD, effective immediately prior to the Closing. NRG shall release each NYLD Thermal Employee and each Hired Employee from any confidentiality agreement or other agreement solely as it applies to Purchaser and solely with respect to matters relating to the Business of the Company or the Business of NYLD, NYLD, any of the Company Entities or the sale of the Projects that may interfere with such NYLD Thermal Employee's or such Hired Employee's prospective employment with NYLD. NRG and NYLD shall take all actions necessary for NYLD to assume all obligations and Liabilities under the Collective Bargaining Agreements set forth on Schedule G.4(b) (including any obligations to contribute to any Multiemployer Plans that are set forth on Schedule B.3(d)(ii) that are incurred following the Closing Date but not including (i) any obligations to contribute to any Multiemployer Plans that are incurred prior to the Closing Date or (ii) any withdrawal liability in respect of any Multiemployer Plan that is incurred as a result of the transactions contemplated by this Agreement), and NYLD shall become a party to, and the employer with respect to, such Collective Bargaining Agreements.

(c) From the Closing Date through December 31, 2018 (the "Continuation Period") (but only for so long as the applicable NYLD Thermal Employee or Hired Employee remains employed

by NYLD), NRG shall ensure that each NYLD Thermal Employee and Hired Employee may continue to participate in each of the NYLD Employee Plans set forth on Schedule G.4(c) (as such plans may be amended from time to time, the "Continuation Plans"), on the same basis as such NYLD Thermal Employee or Hired Employee was participating in such Continuation Plans immediately prior to the Closing Date. On December 31, 2018, all NYLD Thermal Employees and Hired Employees shall cease participating in the Continuation Plans. NYLD shall pay to NRG (i) with respect to the NYLD Thermal Employees' and Hired Employees' continued participation in NRG's medical plan during the Continuation Period and for each NYLD Thermal Employee or Hired Employee and eligible dependent who participates in such plan during the Continuation Period, the applicable premium rate for coverage under such plan pursuant to Part 6 of Subtitle B of Title I of ERISA (less any employee-paid amounts received by NRG or its Affiliates), and (ii) with respect to the NYLD Thermal Employees' and Hired Employees' continued participation in each other Continuation Plan during the Continuation Period and for each NYLD Thermal Employee or Hired Employee and eligible dependent who participates in such plans during the Continuation Period, the applicable premium rate due from NRG to the applicable insurance company with respect to such plan (less any employee-paid amounts received by NRG or its Affiliates), (collectively, (i) and (ii), the "Benefit Fee"). On no less than a monthly basis, NRG shall provide to NYLD a written invoice with respect to the Benefit Fee owed by NYLD to NRG for the preceding month, and NYLD shall pay the amounts set forth on such invoice to NRG within ten (10) Business Days of receipt of such invoice from NRG.

(d) During the period beginning immediately following the Closing and ending on the first anniversary of the Closing Date (or such shorter period of employment, as the case may be), NYLD and Purchaser will, or will cause one of their controlled Affiliates or designated third-party operators to, (i) provide (A) each NYLD Thermal Employee with an annual rate of salary (or an hourly wage) and cash bonus opportunity that is not less than the annual rate of salary (or hourly wage) and cash bonus opportunity with respect to such NYLD Thermal Employee immediately prior to the Closing Date, and (B) employee benefits (excluding equity compensation and defined benefit pension plans) that are substantially comparable in the aggregate to the employee benefits that were provided to such NYLD Thermal Employee immediately prior to the Closing Date, and (ii) credit each NYLD Thermal Employee with his or her accrued vacation (provided, that such credited vacation accruals shall be subject to the terms and conditions of NYLD's vacation policy in effect as of the Closing). Without limiting the generality of the foregoing, Purchaser and NYLD will, or will cause one of their controlled Affiliates or designated third-party operators to, maintain in effect until the first anniversary of the Closing Date severance plans, practices and policies applicable to the NYLD Thermal Employees that are set forth on Schedule B.3(d)(i) (the "NYLD Severance Plans") that provide severance benefits that are not less favorable than the severance benefits provided under the NYLD Employee Plans with respect to such NYLD Thermal Employees, and Purchaser and NYLD shall indemnify and hold harmless NRG, its Affiliates and the other Seller Indemnified Parties from any Liabilities or obligations arising under such NYLD Severance Plans. Notwithstanding the foregoing or anything else in this Section G.4, the terms and conditions of employment of the NYLD Thermal Employees who are covered by any Collective Bargaining Agreements shall be as set out in the applicable Collective Bargaining Agreement until such applicable Collective Bargaining Agreement's expiration, modification or termination in accordance with its terms or applicable Law.

(e) Following the Closing, Purchaser and NYLD agree that, for each NYLD Thermal Employee and, to the extent applicable, each Hired Employee, (i) Purchaser's, NYLD's, their controlled Affiliates' and their designated third-party operator's Employee Plans, which are analogous to the NYLD Employee Plans (and which, for the avoidance of doubt, shall include the NYLD Severance Plans), shall recognize all previous service recognized by such NYLD Employee Plan for the purpose of determining eligibility for and entitlement to benefits (except where doing so would result in a duplication of benefits and excluding any defined benefit plans or arrangements), including vesting, and such NYLD Thermal Employees and Hired Employees shall be eligible to receive benefits under, and participate in, such analogous Employee Plans to the same extent as similarly situated employees of Purchaser, NYLD, their controlled Affiliates or designated third-party operator immediately prior to the Closing, and (ii) Purchaser and NYLD will cause their or their controlled Affiliate's or designated third-party operator's group health plan to waive any preexisting condition limitations, actively at work exclusions and waiting periods for the NYLD Thermal Employees and Hired Employees.

(f) Notwithstanding anything to the contrary herein, if Purchaser or NYLD requests, prior to the Closing, that any NYLD Thermal Employee be removed from Schedule B.3(a) and that, from that point forward, such employee no longer be considered an NYLD Thermal Employee, NRG shall cause such NYLD Thermal Employee to be removed from such schedule (each such individual, an "Excluded Employee"), and if such Excluded Employee terminates employment with NRG or one of its Affiliates within one (1) year of the Closing Date under circumstances entitling such Excluded Employee to severance payments and/or benefits under the NYLD Severance Plans, Purchaser reimburse NRG the amounts of any such payments and/or benefits within thirty (30) days of any such payment by NRG to such Excluded Employee.

(g) Following the Closing, to the extent any NYLD Employee Plan or other Employee Plan in which a Hired Employee or NYLD Thermal Employee participates is qualified under Section 401(a) of the Code, NYLD and Purchaser shall take the necessary action to cause NYLD's, Purchaser's, one of their controlled Affiliate's or designated third-party operator's defined contribution plan or plans to accept the rollovers of any "eligible rollover distributions" (as defined in the Code) from such NYLD Employee Plan or Employee Plan, including outstanding plan loans of NYLD Employees and Hired Employees from any NYLD Employee Plan or Employee Plan, which is a qualified defined contribution plan, in which NYLD Thermal Employees or Hired Employees are participating immediately prior to the Closing.

(h) Nothing in this Agreement shall require NYLD to sponsor or maintain any defined benefit pension plan, except as required by Law or under any Collective Bargaining Agreement. In the event of any such requirement, any such defined benefit pension plan shall provide for benefit accrual solely with respect to a participating NYLD Thermal Employee's period of employment with NYLD or any of its subsidiaries following the Closing and benefits provided under any such plan shall not be determined, or otherwise relate in any way, to benefits accrued, paid or payable under any NRG defined benefit pension plan. To the extent any such defined benefit pension plan is required to be sponsored or maintained by NYLD under applicable Law or any Collective Bargaining Agreement, any such plan shall recognize, for the purposes of eligibility and vesting (but not for purposes of benefit accrual), all previous service of participating NYLD Thermal Employees with NRG and any of its Affiliates that is recognized by an analogous NYLD Employee Plan.

(i) NRG agrees to pay to each Hired Employee and NYLD Thermal Employee who continues in employment with NYLD immediately following the Closing a bonus with respect to the calendar year in which the Closing occurs in an amount that is equal to such Hired Employee's or NYLD Thermal Employee's target annual cash incentive bonus with respect to such year, prorated based on the number of days that have elapsed from the first day of the calendar year through the Closing Date. Such bonuses shall be paid within thirty (30) days after the Closing Date.

(j) Purchaser, NYLD and NRG intend that the transactions contemplated by this Agreement should not constitute a separation, termination or severance of employment of any NYLD Thermal Employee or Hired Employee that is consistent with the requirements of this Section G.4 and that each such NYLD Thermal Employee and Hired Employee shall have continuous employment immediately before and immediately after the Closing.

(k) All shares of common stock of NRG that are held in the account of any NYLD Thermal Employee or Hired Employee under the NRG Employee Stock Purchase Plan as of immediately prior to the Closing shall be released from any sale restrictions to the NYLD Thermal Employee or Hired Employee effective as soon as possible following the Closing.

(l) Purchaser, NYLD and NRG agree that the transactions contemplated by this Agreement shall constitute a "change in control" for purposes of the compensation and benefit plans set forth in Schedule G.4(l).

(m) No provision in this Section G.4, whether express or implied, shall create any third party beneficiary or other rights in any employee or former employee of Purchaser, NRG, NYLD or any of their respective subsidiaries or Affiliates (including any beneficiary or dependent thereof), any other participant in any NYLD Employee Plan or any other Person; (ii) create any rights to continued employment with Purchaser, NRG, NYLD or any of their respective subsidiaries or Affiliates or in any way limit the ability of Purchaser, NRG, NYLD or any of their respective subsidiaries or Affiliates to terminate the employment of any individual at any time and for any reason; or (iii) constitute or be deemed to constitute an amendment to any NYLD Employee Plan or any other employee benefit plan, program, policy, agreement or arrangement sponsored or maintained by Purchaser, NRG, NYLD or any of their respective subsidiaries or Affiliates.

(n) ********** **********
****
****
****
********** **********.

(o) For the purposes of this Agreement, an "NYLD Employee" means (i) each employee of NYLD as of the Effective Date; and (ii) each NYLD Thermal Employee.

5. Financing Cooperation.

(a) Prior to the Closing, each of Purchaser and NYLD agrees to, and with respect to NYLD, to cause the NYLD Entities to, reasonably consult and cooperate with each other (and, in the case of the NYLD Entities, to provide assistance) in connection with the marketing, arrangement, syndication and consummation of the Debt Financing and to use its and their reasonable efforts to cause its and their respective Representatives to provide such cooperation and, in the case of the NYLD Entities, such assistance that is reasonably necessary and customary in connection therewith. Without limiting the generality of the foregoing, such cooperation (and, in the case of the NYLD Entities, such assistance) in any event shall include:

(i) participation in, and assistance with, the marketing efforts related to the Debt Financing, including the preparation of customary confidential information memoranda (including an additional bank information memorandum that does not contain material non-public information and the execution and delivery by the NYLD Entities of customary authorization and representation letters), offering memoranda, lender presentations, private placement memoranda and other customary or similar marketing materials and information for delivery to prospective lenders and other investors or participants in the Debt Financing, including assisting in the preparation of estimates, forecasts, projections and other forward-looking financial information regarding the future performance of the Business of NYLD and the NYLD Entities to be included in customary confidential information memorandum to be made available to private-side lenders;

(ii) preparation of rating agency presentations, participation in a reasonable number of lender and investor meetings, conference calls and presentations, due diligence sessions, sessions with rating agencies, drafting sessions, roadshows and other sessions with prospective lenders and investors (in each case at mutually agreeable times and locations) and cooperation and, in the case of the NYLD Entities, assistance in obtaining or maintaining ratings as contemplated by the Debt Financing;

(iii) in the case of the NYLD Entities, delivery to Purchaser and the Debt Financing Sources of all documentation and other information reasonably requested by the Debt Financing Sources necessary for compliance with (A) applicable "know-your-customer" and anti-money laundering rules and regulations, including the PATRIOT Act, and (B) the OFAC and the Anti-Corruption Laws or any other similar Laws (and in any case at least four (4) Business Days prior to the Closing Date, to the extent requested in writing at least eight (8) Business Days prior to the Closing Date);

(iv) in the case of the NYLD Entities, delivery to Purchaser and the Debt Financing Sources of (A) audited consolidated balance sheets and related statements of income and cash flows of each of NYLD and NYLD LLC for each fiscal year not later than sixty (60) days (in the case of NYLD) or ninety (90) days (in the case of NYLD LLC) after the end of such fiscal year, (B) unaudited consolidated balance sheets and related statements of income and cash flows of each of NYLD and NYLD LLC for each fiscal quarter not later than forty (40) days (in the case of NYLD) or forty-five (45) days (in the case of NYLD LLC) after the end of such fiscal quarter (but excluding the fourth quarter of any fiscal year), (C) such other information

customarily included in (1) confidential bank information memoranda (including customary pro forma financial information for use therein) and (2) any preliminary offering memoranda or preliminary private placement memoranda, which, in each case, contains all financial statements and other financial data (including all audited financial statements, all unaudited financial statements (which shall have been reviewed by the independent accountants as provided in Statement on Auditing Standards No. 100 (subject to exceptions customary for a Rule 144A offering)) and pro forma financial statements prepared in accordance with, or reconciled to, GAAP and prepared in accordance with Regulation S-X under the Securities Act) that would be required to receive customary "comfort" (including "negative assurance" comfort) from the independent accountants for NYLD or NYLD LLC in connection with an offering of unsecured senior notes and (D) any other information relating to the Business of NYLD and the NYLD Entities or their businesses customary or reasonably necessary in connection with the Debt Financing;

(v) in the case of the NYLD Entities, as promptly as reasonably practicable, (A) informing Purchaser if it will or expects to restate any financial statements included in the information required by clause (iv) above in order for such financial statements to comply with GAAP and (B) supplementing the information provided pursuant to clause (iv) above so that the same does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances in which the statements contained therein are made, not materially misleading;

(vi) in the case of the NYLD Entities, requesting NYLD's and NYLD LLC's independent auditors to cooperate with the Debt Financing consistent with their customary practice, including by providing (A) customary "comfort letters" (including customary "negative assurances") which the auditors would be prepared to issue at the time of pricing and at closing of any Debt Financing that is in the form of debt securities upon completion of customary procedures, (B) customary assistance with the due diligence activities of Purchaser and the Debt Financing Sources and (C) customary consents to the inclusion of audit reports in any relevant marketing materials, information memoranda, offering memoranda, private placement memoranda and related government filings;

(vii) preparation of (in the case of Purchaser) and assistance with the preparation of (in the case of the NYLD Entities) pro forma financial information and pro forma financial statements; it being understood that notwithstanding anything in this Agreement to the contrary, there shall be no obligation on any NYLD Entity to prepare pro forma financial information or pro forma financial statements;

(viii) cooperating with each other's legal counsel in connection with any legal opinions that such legal counsel may be required to deliver in connection with the Debt Financing;

(ix) using commercially reasonable efforts to assist the Debt Financing Sources in benefiting from the existing material lending relationships of Purchaser or NYLD and NYLD LLC (as the case may be);

(x) in the case of the NYLD Entities, executing and delivering a certificate of the chief financial officer of NYLD and NYLD LLC with respect to solvency matters in the form of Annex I of Exhibit B of the Debt Commitment Letter;

(xi) in the case of the NYLD Entities, executing and delivering (or assisting in the execution and delivery of), as of the Closing Date, definitive financing documents, including any required guarantees, and certificates, management representation letters and other documents, to the extent reasonably requested by Purchaser; provided, that (A) none of the documents or certificates shall be executed or delivered by NYLD except in connection with the Closing and (B) the effectiveness thereof shall be conditioned upon, or become operative upon, the occurrence of the Closing; and

(xii) cooperating with respect to due diligence in connection with the Debt Financing, to the extent customary and reasonable.

(b) NYLD hereby consents (for itself and on behalf of the NYLD Entities) to the use of all of its and the NYLD Entities' logos in connection with the Debt Financing; provided, that such logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage the NYLD Entities or the reputation or goodwill thereof.

(c) Notwithstanding any other provision set forth herein or in any other agreement between the NYLD Entities, on the one hand, and Purchaser (or its Affiliates), on the other hand, upon the reasonable request of Purchaser, NYLD agrees (for itself and on behalf of the NYLD Entities) to share customary projections and other non-public information provided pursuant to this Section G.5 with respect to the NYLD Entities on a customary basis with the Debt Financing Sources, and such Debt Financing Sources may share such information with potential Debt Financing Sources in connection with any marketing efforts in connection with the Debt Financing; provided, that such Debt Financing Sources and potential Debt Financing Sources agree to customary confidentiality arrangements directly with NYLD (and to which Purchaser may be a party) that are reasonably acceptable to NYLD.

(d) Notwithstanding anything to the contrary in this Agreement, none of the NYLD Entities or any of their respective directors or officers or other personnel shall be required by this Section G.5 to: (i) take any action or provide any assistance to the extent it would unreasonably disrupt or interfere with the business or ongoing operations of any NYLD Entity; (ii) enter into any definitive agreement or commitment that would be effective prior to the Closing (other than such management representation letters and authorization letters with respect to information memoranda, authorizing the distribution of information to prospective lenders and placement agents and containing customary representations that such information does not contain a material misstatement or omission, and that the public-side versions of such documents, if any, do not include material non-public information with respect to NYLD, NYLD LLC or their securities for purposes of federal securities laws); (iii) pay any commitment or other fee in connection with the Debt Financing which is payable on or prior to the Closing Date; (iv) take any action that would (A) conflict with the terms of this Agreement or the PSA, (B) violate any Laws binding upon any NYLD Entity, (C) cause any NYLD Entity to violate any obligation of confidentiality (not created in contemplation hereof) binding on such entity (provided, that in the event that any NYLD Entity does not provide information in reliance on the exclusion in this clause (C), the NYLD Entities shall use commercially reasonable efforts to provide notice to Purchaser promptly upon obtaining knowledge that

such information is being withheld (but solely if providing such notice would not violate such obligation of confidentiality)) or (D) result in a loss of legal privilege held by any NYLD Entity; or (v) require any officer, director or employee of any NYLD Entity to deliver or be required to deliver any certificate or take any other action pursuant to this Section G.5 to the extent any such action could reasonably be expected to result in personal liability to such officer, director or employee prior to the Closing Date.

(e) Notwithstanding anything to the contrary in this Agreement, NYLD shall lead all lender and investor meetings, conference calls and presentations, due diligence sessions, sessions with rating agencies, roadshows and other sessions with prospective lenders and investors in connection with the Debt Financing in consultation with Purchaser. Purchaser shall promptly furnish NYLD with copies of any information memoranda, lender presentations and other marketing materials in connection with the Debt Financing and shall provide NYLD and its outside counsel a reasonable opportunity to review and comment on, and rights of approval (which approval shall not be unreasonably withheld or delayed) with respect to, any material drafts of any marketing materials related to the Debt Financing prior to the dissemination of such documents to any third parties.

(f) As of the date of this Agreement, Purchaser has delivered to NYLD a true, correct and complete copy of the Debt Commitment Letter. Without the prior written consent of NYLD (which consent shall not be unreasonably withheld, conditioned or delayed), Purchaser shall not amend, supplement or otherwise modify any provision of the Debt Commitment Letter (or any definitive agreements related thereto) or replace the Debt Commitment Letter, if such amendment, modification, supplement or replacement would (i) increase the aggregate amount of the Debt Financing, (ii) increase the interest rates or fees payable (other than any fees payable and due on the date of Closing for which Purchaser is responsible) under the Debt Commitment Letter or such definitive agreements related thereto, (iii) change the mandatory prepayment conditions in the Debt Commitment Letter or such definitive agreements related thereto, (iv) include additional collateral of NYLD in the Debt Commitment Letter or such definitive agreements related thereto or (v) otherwise be adverse in any material respect to the interests of the borrower under the Debt Commitment Letter or such definitive agreements related thereto. Purchaser shall promptly deliver to NYLD true, correct and complete copies of all amendments, supplements or other modifications or replacements of the Debt Commitment Letter.

(g) Notwithstanding anything to the contrary contained herein, no Seller Related Party shall have any rights or claims against any Lender Related Party in connection with this Agreement, the PSA, the Debt Financing or the transactions contemplated hereby or thereby, and no Lender Related Party shall have any rights or claims against any Seller Related Party in connection with this Agreement, the PSA, the Debt Financing or the transactions contemplated hereby or thereby, in each case, whether at law or equity, in contract, in tort or otherwise; provided, that, following consummation of the Transaction, nothing herein shall affect the rights or claims of the Company, the NYLD Entities and any of their respective subsidiaries against the Lender Related Parties, whether under any commitment letter, other applicable definitive documentation governing the Debt Financing or otherwise.

(h) For the purposes of this Agreement:

(i) "Debt Commitment Letter" means the debt commitment letter (together with the exhibits, schedules and annexes thereto, and as the same may be amended, supplemented or otherwise modified or replaced in accordance with the terms of this Agreement,

and any related executed fee letter), by and among Purchaser and the Lenders, dated as of February 6, 2018.

(ii) "Debt Financing" means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter or any other debt financing arrangement or commitment that may from time to time be entered into that is not prohibited by Section G.5(f) of this Agreement in lieu of, or in replacement of, the financing contemplated by the Debt Commitment Letter, including any permanent term loan, bridge loan, or working capital facility or the offering or private placement of debt securities (but in no event shall include any public offering of debt securities), in each case, the proceeds of which will be used to (i) refinance the existing indebtedness of NYLD set out on Schedule G.5 hereto (including to refinance any bridge facility incurred pursuant to the Debt Commitment Letter), including the Existing Senior Notes (as defined in the Debt Commitment Letter) tendered and accepted for payment pursuant to the Tender Offers (as defined in the Debt Commitment Letter), plus any tender or similar premium payable with respect thereto, (ii) repay intercompany indebtedness or make a dividend or distribution to NYLD LLC, which shall in turn shall make a dividend to NYLD so NYLD can, in each case, repay, redeem or otherwise acquire for value indebtedness under the Existing Convertible Notes (as defined in the Debt Commitment Letter) tendered and accepted for payment pursuant to the Fundamental Change Offer (as defined in the Debt Commitment Letter), plus any payment of cash upon conversion of the Existing Convertible Notes in connection with the "Fundamental Change" and the "Make-Whole Change" related to the Transactions in an amount not to exceed the principal amount of such Existing Convertible Notes, together with cash in lieu of any fractional shares of NYLD's common stock and (iii) to the extent contemplated by this Agreement, pay the fees and expenses incurred in connection with the transactions contemplated by this Agreement.

(iii) "Debt Financing Sources" means the agents, arrangers, lenders and other entities that have committed to provide or arrange any of the Debt Financing, including the Lender Related Parties and any other parties to any joinder agreements and any definitive agreements relating thereto (other than the NYLD Entities and Purchaser).

(iv) "Lender Related Parties" means the agents, arrangers, lenders and other parties (other than the NYLD Entities and Purchaser) to the Debt Commitment Letter (collectively, the "Lenders"), together with their respective affiliates and their and their respective affiliates' officers, directors, employees, controlling persons, agents and representatives and their respective successors and permitted assigns.

(v) "Seller Related Party" shall mean the Seller and each of their respective affiliates (other than, upon consummation of the Transaction, the NYLD Entities) and their and such respective affiliates' members, officers, directors, employees, controlling persons, agents and representatives.

(i) Notwithstanding anything to the contrary herein, the NYLD Entities shall not be liable to any other Party for any damages arising out of any breach by the NYLD Entities of their obligations under this Section G.5, except to the extent such breach of this Section G.5 is material and

intentional (it being understood and agreed that the foregoing shall not limit the application of Section 9.02 of the PSA).

(j) Each of Purchaser and NYLD agrees that, substantially concurrently with the Closing, Purchaser shall assign to NYLD all of its rights and obligations under (i) the Debt Commitment Letter and/or (ii) if the definitive documentation relating to the Debt Commitment Letter or any other Debt Financing shall have been executed prior to the Closing Date, such definitive documentation (including credit agreements, indentures, notes, bonds and debentures), effective only upon the Closing, and NYLD shall implement the senior unsecured bridge facility described in Exhibit B to the Debt Commitment Letter or any other Debt Financing to the extent required to refinance the existing indebtedness of NYLD set out on Schedule G.5 hereto, and NYLD shall pay all related fees and expenses with respect to such bridge facility or other Debt Financing, except that Purchaser shall remain responsible for paying the commitment, structuring and similar fees with respect to such bridge facility (but not any other Debt Financing) which are due on the date of Closing, but, for the avoidance of doubt, Purchaser shall have no responsibility for any fees, expenses or other amounts payable upon any actual drawdown of such bridge facility.

(k) Each of NRG Energy, Purchaser and NYLD agrees to, and with respect to NYLD, to cause the NYLD Entities to, reasonably consult and cooperate with each other (and, in the case of the NYLD Entities, to provide assistance) in connection with the marketing, arrangement, syndication and consummation of any new revolving credit facility to refinance, renew, extend or replace the Amended and Restated Credit Agreement, dated April 25, 2014, by and among NYLD Op, NYLD LLC, Royal Bank of Canada, as Administrative Agent, the lenders party thereto, Royal Bank of Canada, Goldman Sachs Bank USA and Bank of America, N.A., as L/C Issuers and RBC Capital Markets as sole left lead arranger and sole left lead book runner (as it may be amended, supplemented or otherwise modified) and to use its and their reasonable efforts to cause its and their respective officers, employees, consultants and advisors, including legal and accounting advisors, to provide such cooperation and, in the case of the NYLD Entities, such assistance that is reasonably necessary and customary in connection therewith. Each of NRG Energy, Purchaser and NYLD shall be liable for their own respective fees and expenses with respect to the marketing, arrangement, syndication and consummation of such new revolving credit facility.

(l) NYLD shall, and shall cause the NYLD Entities and use its reasonable best efforts to cause its and their respective Representatives to, use its and their reasonable best efforts to provide to Purchaser such information as is reasonably requested by Purchaser in connection with any debt financing of Purchaser, in each case at Purchaser's sole expense.

(m) Purchaser shall indemnify and hold harmless the NYLD Entities and their respective Representatives from and against any and all Losses suffered, asserted against or incurred by any of them, directly or indirectly, in connection with any cooperation or assistance provided in connection with this Section G.5 at the request of Purchaser, in each case other than to the extent any of the foregoing arises from (A) the bad faith, gross negligence or willful misconduct by any of the NYLD Entities or (B) financial or other information furnished or otherwise provided by or on behalf of NYLD and/or the NYLD Entities (including financial statements and audits thereof).

6. Cooperation as to Certain Indebtedness.

(a) To the extent mutually agreed by Purchaser and NYLD, Purchaser may, or may request NYLD and NYLD LLC to, commence one or more consent solicitations to solicit the consent of the holders of any NYLD Notes regarding certain proposed amendments to the indentures governing any NYLD Notes as requested by Purchaser, including to eliminate, waive or amend the change of control provisions in such indentures (the "Notes Consent Solicitations"). Any Notes Consent Solicitations shall be made on such terms and conditions (including price to be paid and conditionality) as mutually agreed by Purchaser and NYLD; provided, that, in any event, Purchaser and NYLD (for itself and on behalf of NYLD LLC) agree that (A) any such Notes Consent Solicitations shall comply with applicable Law and the terms of the indenture governing the applicable NYLD Notes, (B) the terms and conditions of any Notes Consent Solicitations shall provide that the closing thereof or the effectiveness of the substantive provisions thereof, as the case may be, shall be contingent upon, or shall only become operative substantially concurrently with, Closing and (C) assuming the requisite consents have been received with respect to the applicable NYLD Notes, the NYLD Entities (to the extent necessary) shall execute (or cause to be executed) a supplemental indenture to the indenture governing such NYLD Notes reflecting the terms of such Notes Consent Solicitation, and shall use commercially reasonable efforts to cause the trustee under such indenture to enter into such supplemental indenture, as the case may be; provided, that the substantive provisions thereof shall only become operative substantially concurrently with the Closing. If at any time prior to the completion of the Notes Consent Solicitations, any information should be discovered by Purchaser, NYLD or NYLD LLC that Purchaser, NYLD or NYLD LLC reasonably believes should be set forth in an amendment or supplement to the documentation relating thereto, so that such documentation shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of circumstances under which they are made, not misleading, the Person that discovers such information shall promptly notify the other Parties, and an appropriate amendment or supplement prepared by Purchaser (or at the direction of Purchaser, prepared by NYLD or NYLD LLC) describing such information shall be disseminated to the holders of the applicable NYLD Notes (which amendment or supplement and dissemination may, at the sole discretion of NYLD, take the form of the furnishing or filing of a Current Report on Form 8-K). Each of Purchaser and NYLD agrees to, and with respect to NYLD, to cause the NYLD Entities to, reasonably consult and cooperate with each other (and, in the case of the NYLD Entities, to provide assistance) in connection with the commencement and conduct of any Notes Consent Solicitation, and to use its and their reasonable efforts to cause its and their respective officers, employees, consultants and advisors, including legal and accounting advisors, to provide such assistance and cooperation reasonably requested by Purchaser that is reasonably necessary and customary in connection therewith, including assistance with the preparation of one or more consent solicitation statements, letters of transmittal and consents and press releases and provision of the financial statements described in Section G.6. In connection with the Notes Consent Solicitations, Purchaser and NYLD may select one or more dealer managers, consent solicitation agents, information agents and other agents or service providers acceptable to each of Purchaser and NYLD to assist therewith, and NYLD and NYLD LLC shall enter into customary agreements engaging such parties and cooperate with such parties in performing their roles. NYLD shall request the legal counsel to NYLD and NYLD LLC to provide all legal opinions required in connection with the transactions contemplated by this Section G.6 to the extent any such legal opinion is required to be delivered on or prior to the Closing Date.

(b) Notwithstanding anything to the contrary in this Agreement, none of the NYLD Entities or any of their respective directors or officers or other personnel shall be required by this Section

G.6 to: (i) take any action or provide any assistance to the extent it would unreasonably disrupt or interfere with the business or ongoing operations of any NYLD Entity; (ii) enter into any definitive agreement or commitment that would be effective prior to the Closing; (iii) pay any fee or be required to bear any cost or expense or incur any other liability that is not subject to reimbursement from Purchaser prior to the Closing except as otherwise provided herein; (iv) take any action that would (A) conflict with the terms of this Agreement or the PSA, (B) violate any Laws binding upon any NYLD Entity, (C) cause any NYLD Entity to violate any obligation of confidentiality (not created in contemplation hereof) binding on such entity (provided, that in the event that any NYLD Entity does not provide information in reliance on the exclusion in this clause (C), the NYLD Entities shall use commercially reasonable efforts to provide notice to Purchaser promptly upon obtaining knowledge that such information is being withheld (but solely if providing such notice would not violate such obligation of confidentiality)) or (D) result in a loss of legal privilege held by any NYLD Entity; or (v) require any officer, director or employee of any NYLD Entity to deliver or be required to deliver any certificate or take any other action pursuant to this Section G.6 to the extent any such action could reasonably be expected to result in personal liability to such officer, director or employee prior to the Closing Date.

(c) Purchaser agrees that consent fees in connection with any Notes Consent Solicitation shall be borne by Purchaser. NYLD agrees that all other costs, fees and expenses in connection with any Notes Consent Solicitations shall be borne by NYLD.

(d) Notwithstanding anything to the contrary herein, the NYLD Entities shall not be liable to any other Party for any damages arising out of any breach by the NYLD Entities of their obligations under this Section G.6, except to the extent such breach of this Section G.6 is material and intentional (it being understood and agreed that the foregoing shall not limit the application of Section 9.02 of the PSA).

(e) For the purposes of this Agreement, the "NYLD Notes" mean the (i) 5.375% unsecured senior notes due 2024 issued by NYLD Op, and (ii) 5.00% unsecured senior notes due 2026, issued by NYLD Op.

7. No Solicitation. From the Effective Date until the earlier of the Closing Date or the termination of this Agreement or the PSA in accordance with its terms, NYLD shall not, and shall cause each other NYLD Entity, any of its other Affiliates or any of its or their Representatives not to, directly or indirectly: (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. NYLD shall immediately cease and cause to be terminated, and shall cause any other NYLD Entity, any of its other Affiliates, and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "Acquisition Proposal" shall mean any inquiry, proposal or offer from any Person concerning (a) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving an NYLD Entity; (b) the issuance or acquisition of equity securities of an NYLD Entity or (c) the sale, lease, exchange or other disposition of any significant portion of an NYLD Entity's assets, in each case, other than as permitted under Section G.3(b).

8. Waiver of Rights under the Second A&R NRG/NYLD ROFO Agreement. NYLD expressly waives any and all rights it may have under the Second A&R NRG/NYLD ROFO Agreement, dated February 24, 2017, by and between NRG and NYLD ("Second A&R NRG/NYLD ROFO Agreement"), with respect to the transfer to Purchaser of the NRG ROFO Assets (as such term is defined in the Second A&R NRG/NYLD ROFO Agreement) that are included for sale to Purchaser in the PSA; provided, that if the Transaction is terminated (for any reason), this Section G.8 and the waiver herein will automatically become null and void.

9. Delivery of Agreements and Officer's Certificates. At or prior to the Closing, NYLD shall deliver to (a) Purchaser and NRG Energy executed copies of the agreements listed in Sections A.2 and A.3 and (b) Purchaser a certificate, dated the Closing Date, and duly executed by an authorized officer of NYLD substantially in the form and to the effect of Exhibit M.

10. Further Assurances. During the Interim Period, subject to the terms of this Agreement, NYLD shall use its commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as may be necessary to consummate the Transaction. Notwithstanding anything to the contrary contained in this Section G.10, if the Parties are in an adversarial relationship in litigation or arbitration, the furnishing of any documents or information in accordance herewith shall be solely subject to applicable rules relating to discovery and the remainder of this Section G.10 shall not apply.

11. Verification of CAFD Leakage.

(a) From time to time after the Effective Date, NYLD may, or if requested by NRG or Purchaser, NYLD shall, prepare and provide to the Parties a current schedule showing projected CAFD Leakage as of the anticipated Closing Date. If Purchaser or NRG have any disagreements regarding any such schedule, the Parties shall endeavor to resolve such disagreements in good faith. In connection with the review of any such schedule by Purchaser or NRG, NYLD will make available to Purchaser and NRG all records and work papers that either of them reasonably requests in connection with its review of any such schedule.

(b) No later than forty-five (45) days before the anticipated Closing Date, NYLD shall prepare in good faith a proposed final schedule showing CAFD Leakage as of the anticipated Closing Date (the "CAFD Leakage Schedule"). Purchaser and NRG shall have fifteen (15) days from the date of receipt of the CAFD Leakage Schedule to review the calculation of CAFD Leakage. In connection with the review of the CAFD Leakage Schedule, NYLD will make available to Purchaser and NRG all records and work papers that Purchaser or Seller reasonably requests in connection with its review of the CAFD Leakage Schedule. If Purchaser or NRG disagrees with the amount of the amount of CAFD Leakage, Purchaser or NRG shall deliver written notice of such disagreement to NYLD, which notice shall include Purchaser's or NRG's reasonably detailed explanation of the basis of the disagreement and a reasonably detailed calculation of CAFD Leakage (a "CAFD Leakage Objection Notice"). If Purchaser or NRG has delivered a CAFD Leakage Objection Notice to NYLD, the Parties will endeavor to resolve any disagreements noted in the CAFD Leakage Objection Notice in good faith as soon as practicable after the delivery of such notice, but if they do not obtain a final resolution within fifteen (15) days after NYLD has received the CAFD Leakage Objection Notice, any Party may submit the matters in dispute to the Neutral Auditor to resolve any remaining disagreements. The Parties will direct the Neutral Auditor to use its commercially reasonable best efforts to render a determination within fifteen (15) days of its

receipt of the Parties' supporting documentation, and the Parties and their respective agents will cooperate with the Neutral Auditor during its resolution of any disagreements included in the CAFD Leakage Objection Notice. The Neutral Auditor will consider only those items and amounts set forth in the CAFD Leakage Objection Notice that the Parties are unable to resolve. In resolving any disputed item, the Neutral Auditor may not assign a value to any item greater than the greatest value for such item claimed by any Party or less than the smallest value for such item claimed by any Party. The scope of the disputes to be arbitrated by the Neutral Auditor is limited to whether the preparation of the CAFD Leakage Schedule and the calculation of CAFD Leakage were done in a manner consistent with the terms of this Agreement and in the manner specified in the definition of "CAFD Leakage" and whether there were mathematical errors in the preparation of the CAFD Leakage Schedule or the calculation of CAFD Leakage, and the Neutral Auditor is not to make any other determination. All fees and expenses relating to the work, if any, to be performed by the Neutral Auditor will be borne equally by the Parties. The determination of the Neutral Auditor as to the final CAFD Leakage and any disputed matters shall be set forth in a written statement delivered to the Parties and will be final, binding and conclusive on the Parties and their respective Affiliates and representatives, successors and assigns.

(c) For the purposes of this Agreement, "Neutral Auditor" means Ernst & Young or, if Ernst & Young is unable to serve, an impartial nationally recognized firm of independent certified public accountants other than NRG Energy's accountants, NYLD's accountants or Purchaser's accountants, mutually agreed to by NRG Energy, NYLD and Purchaser.

12. Carlsbad Acquisition Support. If NYLD Op is required to assign its rights and obligations, including the obligation to pay the Purchase Price (as defined in the Carlsbad PSA), under the Carlsbad PSA to Zephyr Purchaser (as defined in the Carlsbad PSA) pursuant to Section 6.04 of the Carlsbad PSA, NYLD Op agrees that such rights and obligations shall be assigned to Purchaser or one of its controlled Affiliates. Purchaser agrees, subject to the terms and conditions set forth in the Carlsbad PSA, to accept, or to cause its controlled Affiliate to accept, the assignment by NYLD Op of such rights and obligations, including the obligation to pay the Purchase Price under the Carlsbad PSA. NRG Energy, on behalf of NRG Gas Development Company, LLC, hereby consents to the assignment of such rights and obligations, and agrees that following the assignment of such rights and obligations but subject to the terms and conditions of the Carlsbad PSA, Purchaser or one of its controlled Affiliates shall purchase the Acquired Interests (as defined in the Carlsbad PSA) at the Closing under the Carlsbad PSA. The Parties acknowledge and agree that Purchaser's obligation to pay the Purchase Price under the Carlsbad PSA shall be covered by the Carlsbad Backstop Equity Commitment Letter.

H. Payments and Cost Reimbursement in the event of a Termination of the Transaction.

1. If the Transaction is terminated prior to the Closing and Purchaser makes any payment (including pursuant to a court order or a settlement agreement) to NRG Energy in respect of (a) any Losses or other damages suffered by NRG Energy arising under or relating to the PSA or the transactions contemplated thereby, or (b) the Purchaser Termination Fee, then NRG Energy shall pay to NYLD an amount in cash equal to ten percent (10%) of such payment no later than two (2) Business Days after NRG Energy's receipt thereof by wire transfer to an account designated by NYLD in writing; provided, however, that NRG Energy shall be entitled to deduct from such amount any amounts paid to NYLD pursuant to Sections H.2 or H.3 below.

2. Notwithstanding anything to the contrary in this Agreement, if the Transaction is terminated prior to the Closing, NRG Energy shall reimburse NYLD an amount in cash equal to NYLD's reasonable

and documented costs incurred in connection with the Transaction. For the avoidance of doubt, subject to Section H.3, NRG Energy shall not reimburse NYLD for the cost of any financial advisor or legal counsel hired in connection with the Transaction.

3. At the earlier to occur of the Closing and the termination of the Transaction, NRG Energy shall reimburse NYLD an amount in cash equal to NYLD's reasonable and documented one-time costs incurred in connection obtaining consents required in connection with the Transaction; provided, however, that (i) in no event shall such reimbursement exceed Five Hundred Thousand Dollars ($500,000), (ii) the incurrence of such costs shall be subject to NRG Energy's prior approval, not to be unreasonably withheld, and (iii) in no event shall such reimbursement apply to any consents required in connection with the Debt Financing or the Notes Consent Solicitations.

I. Nonsolicitation of NRG Employees.

1. From the Effective Date until the **** (***) anniversary of the Closing Date, NYLD shall not, and shall cause its controlled Affiliates not to, directly or indirectly, without the prior written consent of NRG, recruit, solicit, hire or retain any Prohibited Employee, or induce, or attempt to induce, any Prohibited Employee to terminate his or her employment or service with, or otherwise cease his or her relationship with, NRG or any of its controlled Affiliates (other than a Company Entity or an NYLD Entity); provided, however, that the foregoing restrictions shall not prohibit general solicitations of employment not directed to employees of NRG or any of its controlled Affiliates (other than a Company Entity or an NYLD Entity). For purposes of this Section I.1, a "Prohibited Employee" is any individual who (a) is, as of the relevant time, a current employee of NRG or any of its controlled Affiliates (other than a Company Entity or an NYLD Entity), or (b) was, within the sixty (60) days prior to the relevant time, an employee of NRG or any of its controlled Affiliates (other than a Company Entity or an NYLD Entity) and who voluntarily terminated employment with such employer.

2. Notwithstanding any agreement among NRG Energy, NYLD and their respective Affiliates to the contrary, NRG Energy agrees that NYLD shall be permitted to recruit, solicit or hire the employees of NRG Energy listed on Schedule I.2 (each such employee, a "Potential Offer Employee") following the Effective Date until the Closing Date. Schedule I.2 may be updated from time to time as mutually agreed by the Parties. NRG Energy hereby agrees to provide reasonable cooperation to onboard the Hired Employees within a reasonable time period prior to the Closing pursuant to the Existing MSA. At the Closing, NRG Energy hereby agrees to transfer to NYLD the computers, docking stations, monitors and other reasonably necessary equipment of the Hired Employees and the NYLD Thermal Employees at no cost to NYLD.

J. Cooperation of NRG Energy.

To the extent that NYLD breaches any of its obligations under this Agreement and such breach is a direct result of NRG Energy's failure to perform its material obligations under

existing contractual agreements with NYLD (and provided that NYLD is not otherwise in material breach of its obligations under such existing contractual agreements), then NYLD will not be liable for such breach hereunder. Prior to the Closing, NRG Energy shall, and shall cause its Affiliates to, perform their respective obligations under the Existing MSA and other contractual arrangements between any NYLD Entity and NRG Energy and its Affiliates in order to permit NYLD to comply with its obligations under this Agreement.

K. Trademark Licenses.

NYLD acknowledges and agrees that it has, and upon consummation of the transactions contemplated hereby shall have, no right, title, interest, license, or any other right whatsoever to use the Seller Marks, except as provided herein. NYLD shall promptly after the Closing Date but in no event later than one hundred eighty (180) days after the Closing Date, cease and discontinue all uses of the Seller Marks and remove or permanently cover any Seller Marks from the assets of the NYLD Entities that are removable. NRG hereby grants to NYLD a non-exclusive license to use the Seller Marks during such one hundred eighty (180) day period, solely for purposes consistent with "phase out" use and in a manner consistent with past practice. NRG will not seek to terminate the NRG/NYLD Trademark License Agreement before the end of such one hundred eighty (180) day period. Notwithstanding anything in this Section K or the NRG/NYLD Trademark License Agreement to the contrary, NYLD will not intentionally hold itself out to the market or customers, conduct any business or offer any goods or services under any Seller Marks after the Closing Date. Nothing in this Section K shall preclude the NYLD Entities from using the Seller Marks at any time after the Closing Date in legal or business documents and records, as required by any applicable Laws or as otherwise reasonably necessary or appropriate to describe their historical relationship with NRG.

L. Existing Agreements.

1. To the extent any agreement between NYLD or any of its Affiliates, on the one hand, and any Company Entity, on the other hand, would permit NYLD, its Affiliates or such Company Entity to terminate such agreement based on a direct or indirect transfer of membership interests of NYLD, its Affiliates or such Company Entity, NYLD and NRG Energy hereby waive and agree to take all reasonable actions to waive such provision with respect to the Transaction.

2. NRG Energy hereby agrees that, for a period of one hundred eighty (180) days following the Closing, it shall not, and shall cause its Affiliates not to, terminate any operation and maintenance, asset management or other project level agreement with any NYLD Entity relating to any NYLD project without the prior written consent of NYLD; provided, however, if an NYLD Entity is in default under the terms of such agreement, NRG Energy and its Affiliates may terminate such agreement in accordance with its terms. Notwithstanding the foregoing, in the event NRG Energy or its Affiliates intends to terminate any such operation and maintenance, asset management or other project level agreement with NYLD or its Affiliate during the one (1) year period following the Closing, NRG Energy shall, and shall cause its Affiliates to, provide at least ninety (90) days' prior written notice of such termination.

M. Miscellaneous Provisions.

1. Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally, by facsimile transmission, by reputable national overnight courier service or by registered or certified mail (postage prepaid) or by email to the Parties at the following addresses or facsimile numbers, as applicable:

If to Purchaser, to: c/o Global Infrastructure Management, LLC

12 East 49th Street, 38th Floor
New York, New York 10017
Attention:
Fax:

Email:

With a copy to: c/o Global Infrastructure Management, LLP

The Peak
5 Wilton Road, 6th Floor
London, SW1V 1AN
United Kingdom
Attention:
Fax:
Email:

With a copy to: Simpson Thacher & Bartlett LLP

425 Lexington Avenue
New York, New York 10017
Attn:
Fax:
E-mail:

If to NRG Energy, to: NRG Energy, Inc.

804 Carnegie Center Drive
Princeton, NJ 08540
Attn:
Fax:
E-mail:

With a copy to: Jones Day

Jones Day
51 Louisiana Avenue, N.W.
Washington, DC 20001
Attn:
Fax:
E-mail:

If to NYLD, to: NRG Yield, Inc.

804 Carnegie Center
Princeton, NJ 08540
Attn:
E-mail:

With a copy to: Sullivan & Cromwell LLP

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
Attn:
Fax:
E-mail:

Notices, requests and other communications will be deemed given upon the first to occur of such item having been (a) delivered personally to the address provided in this Section M.1, (b) delivered by email or by confirmed facsimile transmission to the facsimile number provided in this Section M.1, or (c) delivered by registered or certified mail (postage prepaid), by reputable national overnight courier service in the manner described above to the address provided in this Section M.1 (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this Section M.1). Any Party from time to time may change its address, facsimile number, email address or other information for the purpose of notices to that Party by giving notice specifying such change to the other Party.

2. Entire Agreement. This Agreement and the documents referenced herein supersede all prior discussions and agreements, whether oral or written, between the Parties with respect to the subject matter hereof, and contains the entire agreement between the Parties with respect to the subject matter hereof. For the avoidance of doubt, to the extent there is a conflict between the subject matter of this Agreement and the Confidentiality and Access Agreement, dated July 17, 2017, by and between NRG Energy and NYLD, the terms of this Agreement shall control.

3. Specific Performance. The Parties agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise

breached, irreparable damage would occur and money damages may not be a sufficient remedy even if available. In addition to any other remedy at law or in equity, each of Purchaser, NYLD and NRG Energy shall be entitled to specific performance by the other Parties of their obligations under this Agreement and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as a remedy.

4. Time of the Essence. Time is of the essence with regard to all duties and time periods set forth in this Agreement.

5. Expenses. Except as otherwise expressly provided in this Agreement and regardless of whether or not the Transaction is consummated, each Party will pay its own costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement.

6. Public Disclosures. None of the Parties nor any of their Affiliates shall make any written or other public disclosure, announcement or other similar statement regarding this Agreement or the PSA or the Transaction without the prior written consent of the other Parties, except as required by Law, any regulatory authority or under the applicable rules and regulations of a stock exchange or market on which the securities of the disclosing Party or any of its Affiliates are listed; provided, however, that NRG Energy and its Affiliates may disclose in marketing materials and otherwise its role in developing any of the Projects owned by the Company Entities or the NYLD Entities prior to the Closing.

7. Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition and delivered pursuant to Section M.1. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same on any future occasion or any other term or condition of this Agreement on that or any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

8. Amendment. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each Party. Notwithstanding anything to the contrary contained herein, Section G.5(g), Section G.5(h)(iii)-(v), this sentence of Section M.8, the exception to Section M.9, Section M.12, Section M.13(d), Section M.14 and Section M.15 (in each case, to the extent that any such Section relates to the Lender Related Parties) (and any other provision of this Agreement to the extent an amendment, supplement, waiver or other modification of such provision would modify the substance of such Sections) may not be amended, supplemented, waived or otherwise modified in any manner that is adverse to the Lender Related Parties without the prior written consent of the Lenders.

9. No Third Party Beneficiary. Except as otherwise expressly provided in this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person, except that the Lender Related Parties shall be express third party beneficiaries of Section G.5(g), the second sentence of Section M.8, this exception to Section M.9, Section M.12, Section M.13(d), Section M.14 and Section M.15 (in each case, to the extent that any such Section relates to the Lender Related Parties), and each of such Sections shall expressly inure to the benefit of the Lender Related Parties.

10. Assignment. The obligations of the Parties under this Agreement are not assignable without the prior written consent of the other Parties, which such Parties may withhold in their discretion; provided, that Purchaser may assign this Agreement without the prior written consent of the other Parties to (a) any Affiliate of Purchaser or (b) any financial institution providing purchase money or other financing to Purchaser from time to time as collateral security for such financing, in each case so long as Purchaser remains fully liable for its obligations under this Agreement. If after the Effective Date, NRG Energy effects the separation of a substantial portion of its business into one or more entities (each, a "NewCo"), whether existing or newly formed, including by way of spin-off, split-off, carve-out, demerger, recapitalization, reorganization or similar transaction, prior to such separation NRG Energy shall cause any such NewCo to enter into an agreement with Purchaser and NYLD whereby such NewCo will agree to obligations of NRG Energy that are substantially identical to those set forth in this Agreement.

11. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any Party under this Agreement shall not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

12. Governing Law. THIS AGREEMENT AND ITS ENFORCEMENT, AND ANY CONTROVERSY ARISING OUT OF OR RELATING TO THE MAKING OR PERFORMANCE OF THIS

AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO NEW YORK'S PRINCIPLES OF CONFLICTS OF LAW.

13. Consent to Jurisdiction.

(a) For all purposes of this Agreement and for all purposes of any Action arising out of or relating to this Agreement or for recognition or enforcement of any judgment, each Party hereto submits to the exclusive personal jurisdiction of the courts of the State of New York and the federal courts of the United States sitting in New York County, and hereby irrevocably and unconditionally agrees that any such Action shall exclusively be heard and determined in such New York court or, to the extent permitted by Law, in such federal court. Each Party hereto agrees that a final judgment in any such Action may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Law.

(b) Each Party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so:

(i) any objection which it may now or hereafter have to the laying of venue of any Action arising out of or relating to this Agreement or any related matter in any New York state or federal court located in New York County, and

(ii) the defense of an inconvenient forum to the maintenance of such Action in any such court.

(c) Each Party hereto irrevocably consents to service of process by registered mail, return receipt requested, as provided in Section M.1. Nothing in this Agreement or the PSA will affect the right of any Party hereto to serve process in any other manner permitted by Law.

(d) Notwithstanding anything herein to the contrary, each Seller Related Party agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against the Lender Related Parties in any way relating to this Agreement or the PSA or any of the transactions contemplated by this Agreement or the PSA, including but not limited to any dispute arising out of or relating in any way to the Debt Financing or the performance thereof or the transactions contemplated thereby, in any forum other than exclusively in the Supreme Court of the State of New York, County of New York, or, if under applicable law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof).

14. Waiver of Jury Trial. To the fullest extent permitted by Law, each Party hereby waives all rights to a trial by jury in any legal action to enforce or interpret the provisions of this Agreement or that otherwise relates to this Agreement (including any action, proceeding or counterclaim against any Lender Related Party).

15. Limitation on Certain Damages. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, SPECULATIVE, EXEMPLARY, OR PUNITIVE DAMAGES

(COLLECTIVELY, "EXCLUDED DAMAGES") FOR ANY REASON WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER BASED ON STATUTE, CONTRACT, TORT OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT; PROVIDED, THAT (A) THE FOREGOING SHALL APPLY SOLELY TO THE EXTENT THAT ANY SUCH EXCLUDED DAMAGES WERE NOT A REASONABLY FORESEEABLE CONSEQUENCE OF A BREACH OF THIS AGREEMENT AND (B) ANY LOSSES ARISING OUT OF THIRD PARTY CLAIMS FOR WHICH A PARTY IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT SHALL NOT CONSTITUTE EXCLUDED DAMAGES. NO LENDER RELATED PARTY SHALL BE LIABLE TO ANY SELLER RELATED PARTY FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES OR DAMAGES OF A TORTIOUS NATURE TO THE EXTENT RELATING TO THE TRANSACTION; PROVIDED THAT, FOLLOWING CONSUMMATION OF THE TRANSACTION, NOTHING HEREIN SHALL AFFECT THE RIGHTS OR CLAIMS OF THE COMPANY, THE NYLD ENTITIES AND ANY OF THEIR RESPECTIVE SUBSIDIARIES AGAINST THE LENDER RELATED PARTIES, WHETHER UNDER ANY COMMITMENT LETTER, OTHER APPLICABLE DEFINITIVE DOCUMENTATION GOVERNING THE DEBT FINANCING OR OTHERWISE.

16. Disclosures. Any Party may, at its option, include in the disclosure schedules hereto items that are not material in order to avoid any misunderstanding, and any such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgment or representation that such items are material, establish any standard of materiality or define further the meaning of such terms for purposes of this Agreement. In no event shall the inclusion of any matter in the disclosure schedules hereto be deemed or interpreted to broaden any Party's representations, warranties, covenants or agreements contained in this Agreement. The mere inclusion of an item in the disclosure schedules hereto shall not be deemed an admission by a Party that such item represents a material exception or fact, event, or circumstance.

17. Facsimile Signature; Counterparts. This Agreement may be executed by facsimile signature in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

18. Interpretation.

(a) Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms "hereof", "herein", "hereby" and derivative or similar words refer to this entire Agreement, (iv) the terms "Article" or "Section" refer to the specified Article or Section of this Agreement, (v) the words "include", "includes" and "including" are not words of limitation and shall be deemed to be followed by the words "without limitation", (vi) the use of the word "or" to connect two or more phrases shall be construed as inclusive of all such phrases (e.g., "A or B" means "A or B, or both"), (vii) the use of the conjunction "and/or" shall be construed as "any or all of", (viii) references to Persons include their respective successors and permitted assigns and, in the case of Governmental Authorities, Persons succeeding to their respective functions and capacities, and (ix) the words "ordinary course of business" and "ordinary course of the Business" will be deemed to be followed by "consistent with past practice".

(b) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

(c) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under United States generally accepted accounting principles ("GAAP").

(d) Unless the context otherwise requires, a reference to any Law includes any amendment, modification or successor thereto.

(e) Any representation or warranty contained herein as to the enforceability of a Contract shall be subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or other similar Law affecting the enforcement of creditors' rights generally and to general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(f) In the event of a conflict between this Agreement and any exhibit, schedule or appendix hereto, this Agreement shall control.

(g) The Article and Section headings have been used solely for convenience, and are not intended to describe, interpret, define or limit the scope of this Agreement.

(h) Conflicts or discrepancies, errors, or omissions in this Agreement or the various documents delivered in connection with this Agreement will not be strictly construed against the drafter of the contract language, rather, they shall be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the intentions of the Parties at the time of contracting.

(i) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced from time to time.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized representative of each Party as of the date first above written.

NRG YIELD, INC.,
a Delaware corporation

By: /s/ Christopher Sotos
Name: Christopher Sotos
Title: President and Chief Executive Officer

NRG ENERGY, INC.,
a Delaware corporation

By: /s/ Mauricio Gutierrez
Name: Mauricio Gutierrez
Title: President and Chief Executive Officer

NRG REPOWERING HOLDINGS LLC,
a Delaware limited liability company

By: /s/ Gaetan Frotte
Name: Gaetan Frotte
Title: Treasurer

GIP III ZEPHYR ACQUISITION PARTNERS, L.P., a Delaware limited partnership

By: Global Infrastructure GP III, L.P., its general partner

By: Global Infrastructure Investors III, LLC, its general partner

By: /s/ Jonathan Bram
Name: Jonathan Bram
Title: Partner

NRG YIELD OPERATING LLC,
a Delaware limited liability company

By: /s/ Christopher Sotos
Name: Christopher Sotos
Title: President

[Signature Page to Consent and Indemnity Agreement]

EXHIBIT 21.1

SUBSIDIARIES OF NRG YIELD, INC.

Entity Name		Jurisdiction
AC Solar Holdings LLC		Delaware
Adams Community Solar Garden I LLC		Colorado
Adams Community Solar Garden II LLC		Colorado
Adams Community Solar Garden III LLC		Colorado
Adams Community Solar Gardens LLC		Colorado
Agua Caliente Borrower 2 LLC		Delaware
Agua Caliente Solar Holdings LLC		Delaware
Agua Caliente Solar, LLC		Delaware
Alta Interconnection Management II, LLC		Delaware
Alta Interconnection Management III, LLC		Delaware
Alta Interconnection Management, LLC		Delaware
Alta Realty Holdings, LLC		Delaware
Alta Realty Investments, LLC		Delaware
Alta Wind 1-5 Holding Company, LLC		Delaware
Alta Wind Asset Management Holdings, LLC		Delaware
Alta Wind Asset Management, LLC		Delaware
Alta Wind Company, LLC		Delaware
Alta Wind Holdings, LLC		Delaware
Alta Wind I Holding Company, LLC		Delaware
Alta Wind I, LLC		Delaware
Alta Wind II Holding Company, LLC		Delaware
Alta Wind II, LLC		Delaware
Alta Wind III Holding Company, LLC		Delaware
Alta Wind III, LLC		Delaware
Alta Wind IV Holding Company, LLC		Delaware
Alta Wind IV, LLC		Delaware
Alta Wind V Holding Company, LLC		Delaware
Alta Wind V, LLC		Delaware
Alta Wind X Holding Company, LLC		Delaware
Alta Wind X, LLC		Delaware
Alta Wind XI Holding Company, LLC		Delaware
Alta Wind XI, LLC		Delaware
Alta Wind X-XI TE Holdco LLC		Delaware
Arapahoe Community Solar Garden I LLC		Colorado
Avenal Park LLC		Delaware
Avenal Solar Holdings LLC		Delaware
Bashaw Solar 1, LLC		Delaware
Big Lake Holdco LLC		Delaware
Black Cat Road Solar, LLC		Delaware
Brook Street Solar 1, LLC		Delaware
Buffalo Bear, LLC		Oklahoma
Bullock Road Solar 1, LLC		Delaware

BWC Swan Pond River, LLC		Delaware
Center St Solar 1, LLC		Delaware
Clear View Acres Wind Farm, LLC		Iowa
Colorado Shared Solar I LLC		Colorado
Colorado Springs Solar Garden LLC		Colorado
Continental Energy, LLC		Arizona
Crosswind Transmission, LLC		Iowa
CVSR Holdco LLC		Delaware
Cy-Hawk Wind Energy, LLC		Iowa
Denver Community Solar Garden I LLC		Colorado
Denver Community Solar Garden II LLC		Colorado
Desert Sunlight 250, LLC		Delaware
Desert Sunlight 300, LLC		Delaware
Desert Sunlight Holdings LLC		Delaware
Desert Sunlight Investment Holdings, LLC		Delaware
Dodge Holdco LLC		Delaware
Eagle View Acres Wind Farm, LLC		Iowa
El Mirage Energy, LLC		Arizona
El Segundo Energy Center LLC		Delaware
Elbow Creek Wind Project LLC		Texas
Elk Lake Wind Farm, LLC		Iowa
Elkhorn Ridge Wind, LLC		Delaware
Enterprise Solar, LLC		Delaware
Escalante Solar I, LLC		Delaware
Escalante Solar II, LLC		Delaware
Escalante Solar III, LLC		Delaware
Farmington Holdco LLC		Delaware
Federal Road Solar 1, LLC		Delaware
Forest Lake Holdco LLC		Delaware
Forward WindPower LLC		Delaware
Four Brothers Capital, LLC		Delaware
Four Brothers Holdings, LLC		Delaware
Four Brothers Portfolio, LLC		Delaware
Four Brothers Solar, LLC		Delaware
FUSD Energy, LLC		Arizona
GCE Holding LLC		Connecticut
GenConn Devon LLC		Connecticut
GenConn Energy LLC		Connecticut
GenConn Middletown LLC		Connecticut
Goat Wind LLC		Texas
Granite Mountain Capital, LLC		Delaware
Granite Mountain Holdings, LLC		Delaware
Granite Mountain Renewables, LLC		Delaware
Granite Mountain Solar East, LLC		Delaware
Granite Mountain Solar West, LLC		Delaware
Green Prairie Energy, LLC		Iowa

Greene Wind Energy, LLC		Iowa
Hardin Hilltop Wind, LLC		Iowa
Hardin Wind Energy, LLC		Iowa
High Plains Ranch II, LLC		Delaware
Highland Township Wind Farm, LLC		Iowa
HLE Solar Holdings, LLC		Delaware
HSD Solar Holdings, LLC		California
Hwy 14 Holdco LLC		Delaware
Iron Springs Capital, LLC		Delaware
Iron Springs Holdings, LLC		Delaware
Iron Springs Renewables, LLC		Delaware
Iron Springs Solar, LLC		Delaware
Laredo Ridge Wind, LLC		Delaware
Lenape II Solar LLC		Delaware
Lindberg Field Solar 1, LLC		Delaware
Lindberg Field Solar 2, LLC		Delaware
Longhorn Energy, LLC		Arizona
Lookout WindPower LLC		Delaware
MC1 Solar Farm, LLC		North Carolina
Mission Iowa Wind, LLC		California
Mission Minnesota Wind II, LLC		Delaware
Mission Wind Laredo, LLC		Delaware
Mission Wind New Mexico, LLC		Delaware
Mission Wind Oklahoma, LLC		Delaware
Mission Wind PA One, LLC		Delaware
Mission Wind PA Three, LLC		Delaware
Mission Wind PA Two, LLC		Delaware
Mission Wind Pennsylvania, LLC		Delaware
Mission Wind Utah, LLC		Delaware
Monster Energy, LLC		Arizona
Natural Gas Repowering LLC		Delaware
Northfield Holdco LLC		Delaware
NRG & EFS Distributed Solar 2 LLC		Delaware
NRG & EFS Distributed Solar LLC		Delaware
NRG 2011 Finance Holdco LLC		Delaware
NRG Alta Vista LLC		Delaware
NRG Apple I LLC		Delaware
NRG CA Fund LLC		Delaware
NRG Chestnut Borrower LLC		Delaware
NRG Chestnut Class B LLC		Delaware
NRG Chestnut Fund LLC		Delaware
NRG Chestnut Fund Sub LLC		Delaware
NRG DG Berkeley Rec LLC		Delaware
NRG DG Berkeley Village LLC		Delaware
NRG DG Central East LLC		Delaware
NRG DG Central West LLC		Delaware

NRG DG Contra Costa Operations LLC		Delaware
NRG DG Contra Costa Waste LLC		Delaware
NRG DG Crystal Spring LLC		Delaware
NRG DG Dighton LLC		Delaware
NRG DG Foxborough Elm LLC		Delaware
NRG DG Foxborough Landfill LLC		Delaware
NRG DG Grantland LLC		Delaware
NRG DG Haverhill LLC		Delaware
NRG DG Imperial Admin LLC		Delaware
NRG DG Imperial Building LLC		Delaware
NRG DG Lakeland LLC		Delaware
NRG DG Lathrop Louise LLC		Delaware
NRG DG Lincoln Middle LLC		Delaware
NRG DG Marathon LLC		Delaware
NRG DG Rosedale Elementary LLC		Delaware
NRG DG Rosedale Middle LLC		Delaware
NRG DG San Joaquin LLC		Delaware
NRG DG Tufts Knoll LLC		Delaware
NRG DG Tufts Science LLC		Delaware
NRG DG Washington Middle LLC		Delaware
NRG DG Webster LLC		Delaware
NRG DGPV 1 LLC		Delaware
NRG DGPV 2 LLC		Delaware
NRG DGPV 3 LLC		Delaware
NRG DGPV 4 Borrower LLC		Delaware
NRG DGPV 4 LLC		Delaware
NRG DGPV Fund 1 LLC		Delaware
NRG DGPV Fund 2 HoldCo A LLC		Delaware
NRG DGPV Fund 2 HoldCo B LLC		Delaware
NRG DGPV Fund 2 LLC		Delaware
NRG DGPV Fund 4 LLC		Delaware
NRG DGPV Fund 4 Sub LLC		Delaware
NRG DGPV HoldCo 1 LLC		Delaware
NRG DGPV HoldCo 2 LLC		Delaware
NRG DGPV HoldCo 3 LLC		Delaware
NRG Electricity Sales Princeton LLC		Delaware
NRG Elkhorn Holdings LLC		Delaware
NRG Energy Center Dover LLC		Delaware
NRG Energy Center Harrisburg LLC		Delaware
NRG Energy Center HCEC LLC		Delaware
NRG Energy Center Minneapolis LLC		Delaware
NRG Energy Center Omaha Holdings LLC		Delaware
NRG Energy Center Omaha LLC		Delaware
NRG Energy Center Paxton LLC		Delaware
NRG Energy Center Phoenix LLC		Delaware
NRG Energy Center Pittsburgh LLC		Delaware

NRG Energy Center Princeton LLC		Delaware
NRG Energy Center San Diego LLC		Delaware
NRG Energy Center San Francisco LLC		Delaware
NRG Energy Center Smyrna LLC		Delaware
NRG Energy Center Tucson LLC		Arizona
NRG Golden Puma Fund LLC		Delaware
NRG Golden Puma Revolve LLC		Delaware
NRG Harrisburg Cooling LLC		Delaware
NRG Huntington Beach LLC		Delaware
NRG Marsh Landing Holdings LLC		Delaware
NRG Marsh Landing LLC		Delaware
NRG PC Dinuba LLC		Delaware
NRG Puma Class B LLC		Delaware
NRG Renew Canal 1 LLC		Delaware
NRG Renew Spark 2 LLC		Delaware
NRG RPV 1 LLC		Delaware
NRG RPV 2 LLC		Delaware
NRG RPV Fund 11 LLC		Delaware
NRG RPV Fund 12 LLC		Delaware
NRG RPV Fund 13 LLC		Delaware
NRG RPV HoldCo 1 LLC		Delaware
NRG Solar Alpine LLC		Delaware
NRG Solar Apple LLC		Delaware
NRG Solar AV Holdco LLC		Delaware
NRG Solar Avra Valley LLC		Delaware
NRG Solar Blythe II LLC		Delaware
NRG Solar Blythe LLC		Delaware
NRG Solar Borrego Holdco LLC		Delaware
NRG Solar Borrego I LLC		Delaware
NRG Solar Community 1 LLC		Delaware
NRG Solar Community Holdco LLC		Delaware
NRG Solar CVSR Holdings LLC		Delaware
NRG Solar Iguana LLC		Delaware
NRG Solar Kansas South Holdings LLC		Delaware
NRG Solar Kansas South LLC		Delaware
NRG Solar Las Vegas MB 1 LLC		Delaware
NRG Solar Las Vegas MB 2 LLC		Delaware
NRG Solar Mayfair LLC		Delaware
NRG Solar Mule LLC		Delaware
NRG Solar Oasis LLC		Delaware
NRG Solar Roadrunner Holdings LLC		Delaware
NRG Solar Roadrunner LLC		Delaware
NRG Solar Star LLC		Delaware
NRG Solar Tabernacle LLC		Delaware
NRG Solar Warren LLC		Delaware
NRG Solar Wauwinet LLC		Delaware

NRG Solar West Shaft LLC		Delaware
NRG South Trent Holdings LLC		Delaware
NRG Thermal LLC		Delaware
NRG Walnut Creek II LLC		Delaware
NRG Walnut Creek LLC		Delaware
NRG West Holdings LLC		Delaware
NRG Wind TE Holdco LLC		Delaware
NRG Yield AC Solar Holdings LLC		Delaware
NRG Yield CVSR Holdings LLC		Delaware
NRG Yield DGPV Holding LLC		Delaware
NRG Yield LLC		Delaware
NRG Yield Operating LLC		Delaware
NRG Yield RPV Holding LLC		Delaware
NRG Yield Utah Solar Holdings LLC		Delaware
NS Smith, LLC		Delaware
NYLD Fuel Cell Holdings LLC		Delaware
OC Solar 2010, LLC		California
Odin Wind Farm LLC		Minnesota
Old Westminster Solar 1, LLC		Delaware
Old Westminster Solar 2, LLC		Delaware
OWF Eight, LLC		Minnesota
OWF Five, LLC		Minnesota
OWF Four, LLC		Minnesota
OWF One, LLC		Minnesota
OWF Seven, LLC		Minnesota
OWF Six, LLC		Minnesota
OWF Three, LLC		Minnesota
OWF Two, LLC		Minnesota
Palo Alto County Wind Farm, LLC		Iowa
PESD Energy, LLC		Arizona
Pikes Peak Solar Garden I LLC		Colorado
Pine Island Holdco LLC		Delaware
Pinnacle Wind, LLC		Delaware
PM Solar Holdings, LLC		California
Pond Road Solar, LLC		Delaware
Portfolio Solar I, LLC		Delaware
Poverty Ridge Wind, LLC		Iowa
Redbrook Solar 1, LLC		Delaware
San Juan Mesa Investments, LLC		Delaware
San Juan Mesa Wind Project, LLC		Delaware
Sand Drag LLC		Delaware
SCDA Solar 1, LLC		Delaware
SCWFD Energy, LLC		Arizona
Silver Lake Acres Wind Farm, LLC		Iowa
SJA Solar LLC		Delaware
Sleeping Bear, LLC		Delaware

Solar Flagstaff One LLC		Delaware
South Trent Wind LLC		Delaware
Spanish Fork Wind Park 2, LLC		Utah
SPP Asset Holdings, LLC		Delaware
SPP Fund II Holdings, LLC		Delaware
SPP Fund II, LLC		Delaware
SPP Fund II-B, LLC		Delaware
SPP Fund III, LLC		Delaware
SPP Lease Holdings, LLC		Delaware
SPP P-IV Master Lessee, LLC		Delaware
Spring Canyon Energy II LLC		Delaware
Spring Canyon Energy III LLC		Delaware
Spring Canyon Expansion Class B Holdings LLC		Delaware
Spring Canyon Expansion Holdings LLC		Delaware
Spring Canyon Expansion LLC		Delaware
Spring Canyon Interconnection LLC		Delaware
Spring Street Solar 1, LLC		Delaware
Stafford St Solar 1, LLC		Delaware
Stafford St Solar 2, LLC		Delaware
Stafford St Solar 3, LLC		Delaware
Statoil Energy Power/Pennsylvania, Inc.		Pennsylvania
Steel Bridge Solar, LLC		Delaware
Sun City Project LLC		Delaware
Sunrise View Wind Farm, LLC		Iowa
Sunset View Wind Farm, LLC		Iowa
Sutton Wind Energy, LLC		Iowa
TA - High Desert, LLC		California
Taloga Wind, L.L.C.		Oklahoma
Tapestry Wind, LLC		Delaware
Topeka Solar 1, LLC		Delaware
TOS Solar 1, LLC		Delaware
TOS Solar 2, LLC		Delaware
TOS Solar 4, LLC		Delaware
TOS Solar 5, LLC		Delaware
Tully Farms Solar 1, LLC		Delaware
UB Fuel Cell, LLC		Connecticut
Vail Energy, LLC		Arizona
Viento Funding II, LLC		Delaware
Viento Funding, LLC		Delaware
Virgin Lake Wind Farm, LLC		Iowa
Wabasha Holdco LLC		Delaware
Walnut Creek Energy, LLC		Delaware
Waterford Holdco LLC		Delaware
WCEP Holdings, LLC		Delaware
Webster Holdco LLC		Delaware
Wildcat Energy, LLC		Arizona

Wildorado Interconnect, LLC		Texas
Wildorado Wind, LLC		Texas
Wind Family Turbine, LLC		Iowa
WSD Solar Holdings, LLC		Delaware
Zontos Wind, LLC		Iowa

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
NRG Yield, Inc.:

We consent to the incorporation by reference in the registration statements No. 333-206061 on Form S-8, No. 333-190071 on Form S-8, No. 333-212096 on Form S-3, No. 333-205140 on Form S-3, and No. 333-204589 on Form S-3 of NRG Yield, Inc. of our reports dated March 1, 2018, with respect to the consolidated balance sheets of NRG Yield, Inc. as of December 31, 2017 and 2016, and the related consolidated statements of operations, stockholders' equity, cash flows, and comprehensive (loss) income for each of the years in the three-year period ended December 31, 2017, and the related financial statement schedule I, and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the December 31, 2017 annual report on Form 10-K of NRG Yield, Inc.

(signed) KPMG LLP

Philadelphia, Pennsylvania
March 1, 2018

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Sotos, certify that:

1. I have reviewed this annual report on Form 10-K of NRG Yield, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos
Chief Executive Officer
(Principal Executive Officer)

Date: March 1, 2018

EXHIBIT 31.2

CERTIFICATION

I, Chad Plotkin, certify that:

1. I have reviewed this annual report on Form 10-K of NRG Yield, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHAD PLOTKIN

Chad Plotkin
Chief Financial Officer
(Principal Financial Officer)

Date: March 1, 2018

EXHIBIT 31.3

CERTIFICATION

I, David Callen, certify that:

1. I have reviewed this annual report on Form 10-K of NRG Yield, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ DAVID CALLEN

David Callen
Chief Accounting Officer
(Principal Accounting Officer)

Date: March 1, 2018

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of NRG Yield, Inc. on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Form 10-K.

Date: March 1, 2018

/s/ CHRISTOPHER S. SOTOS

Christopher S. Sotos

Chief Executive Officer
(Principal Executive Officer)

/s/ CHAD PLOTKIN

Chad Plotkin

Chief Financial Officer
(Principal Financial Officer)

/s/ DAVID CALLEN

David Callen

Chief Accounting Officer
(Principal Accounting Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Form 10-K or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to NRG Yield, Inc. and will be retained by NRG Yield, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.