



PAC NEWSLETTER

END OF YEAR 2024

Dear PAC Members,

As we approach the close of 2024, we are pleased to share this year-end edition of our NRG PAC newsletter, reflecting on the impactful efforts we've made together and looking ahead to the important opportunities and challenges that lie before us.

First and foremost, we want to express our sincere gratitude for your continued support and commitment to NRG PAC. Your contributions remain the foundation of our advocacy efforts, allowing us to effectively navigate the ever-evolving legislative landscape at both the state and federal levels.

This year has been one of significant progress. We saw the successful conclusion of our spring NRG PAC solicitation campaign, welcoming many new members to our cause. Your growing participation is a testament to the strength and unity of our business, and it amplifies our collective voice when it matters most.

The November election brought important shifts that will shape the policy landscape in the year to come. As we reflect on what this mean for our industry, we are more committed than ever to advocating for the policies that will drive innovation, sustainability and economic growth.

As we look to 2025, your continued engagement will be critical. The work we do together ensures we remain a powerful force, championing the issues that matter to our industry and securing a bright future for our company and our customers.

Thank you once again for your unwavering support of NRG PAC. Together, we are advancing policies that drive the growth of the energy industry and help us power a brighter future together.

Sincerely,

Eric Blackwell
Director, Government & Political Affairs
NRG PAC Manager

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NRG PAC Updates

PAC Snapshot



277
PAC Members



122
Inner Circle Members

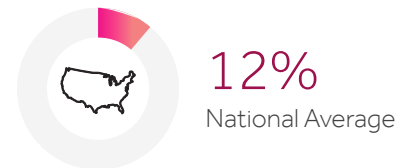
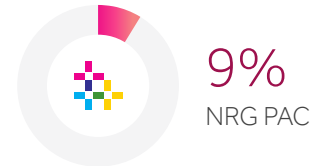


159
Director Level and
Above PAC Members



\$389k
Projected
2024 Receipts

PAC Participation

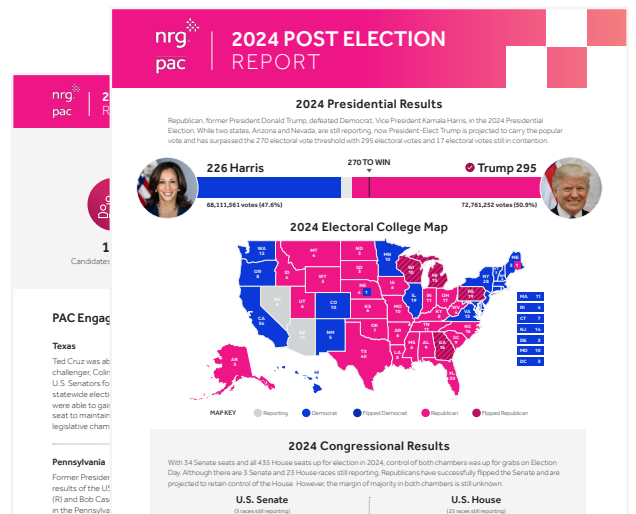


2024 Post-Election Report

The 2024 national election consisted of 34 Senate races, all 435 House races and the battle to control the White House. Former President Donald Trump defeated Vice President Kamala Harris to become the second president in history to serve non-consecutive terms. At the Congressional level, Republicans successfully flipped the senate and retained control of the House.



To learn more about specific election outcomes and the impact results have on NRG, please [click here](#) to review the NRG 2024 Post-Election Report.



NRG PAC Board Members

Chris Moser

Senior Vice President, Head of Competitive Markets and Policy, NRG PAC Board Chair

Kimberly Carpenter

Vice President, Business Marketing & Customer Experience

Bill Clayton

Vice President, Customer Care & Retention Sales

David DesRoberts

Vice President, Plant Operations

Bill Evans

Vice President, Business Operations

Tom Hughes

Senior Director, Marketing Planning & Performance

Rebecca Lee

Director, Government Affairs

Keri Murschell

Director, Key Partnership Management & Growth

Al Scerbo

Senior Director, Accounting Systems & Integration, NRG PAC Treasurer

State Legislative Updates

Texas

Legislative Activities

Due to the Texas Legislature's schedule, which convenes on odd-numbered years, the Legislature held interim hearings in 2024. These hearings included updates on the Texas Energy Fund (TEF), market mechanisms like the Performance Credit Mechanism (PCM) and Dispatchable Reliability Reserve Service (DRRS), and the response to Hurricane Beryl. Interim discussions have also covered potential structure changes of ratemaking for Investor-Owned Utilities, as well as appropriating different amounts to the Texas Energy Fund. The debated amounts include an additional \$5 billion, which would bring the TEF total to \$10 billion, or no funding beyond the initial \$5 billion. Legislative Committees also discussed whether the market could handle the significant increase in load forecasts due to cryptocurrency and data center investments in Texas.

Impact on NRG

Controversy has developed surrounding the TEF. The Aegle project was denied progress to the due diligence phase because of corruption and fraud accusations. Consequently, the Public Utility Commission (PUC) is considering how to replace the megawatts (MWs) lost due to the Aegle project denial.

Possible actions include selecting new project(s) for loan grants or selecting completion bonus project(s) to replace the lost MWs. The Senate Business & Commerce Committee questioned the PUC about their evaluation process and suggested the lost Aegle MWs should be replaced with new loan projects rather than completion bonus projects.

NRG submitted three shovel-ready projects for consideration. One project, TH Wharton, was initially chosen to move to the due diligence phase then, to replace the lost Aegle project MWs, Cedar Bayou 5 was also chosen. The due diligence phase is the next phase in the process before TEF dollars are awarded.

Upcoming Activities

Market redesign, resource adequacy and disaster resiliency remain concerns for the Texas Legislature. We anticipate seeing additional cybersecurity, AI, grid-hardening, disaster resiliency, and market redesign legislation during the upcoming 89th Regular Session.

Short- and Long-term initiatives

NRG continues to contribute to policy discussions that will lead to a competitive and sustainable ERCOT market in Texas. We have three shovel-ready projects that can help the market sustain the expected significant load growth. We also advocate for policies that will keep consumer costs reasonable.

Outlook

Texas remains a Republican-majority state, and the recent general elections in November 2024 confirmed the state has a Republican stronghold. Accordingly, we anticipate legislation that will be environmentally reasonable but continue to monitor competitive market policy, given the Legislature's recent approval of command-and-control policies through legislation and regulatory actions.



Indiana

Legislative Activities

Indiana is a non-competitive energy market state, meaning the utilities both deliver and supply energy, except in certain corridors where suppliers can sell natural gas on interstate pipelines to commercial and industrial customers. In 2024, no bills were introduced that were adverse to the NRG business model.

To increase our brand value and generate new market opportunities, NRG Government Affairs organized a panel discussion on competitive natural gas at the Indiana Chamber of Commerce's conference

Impact on NRG

The team does not anticipate any changes to competitive energy market policy in the upcoming legislative session.

Political Landscape

After the November election, Republicans retained their supermajority control of both the House and Senate, as well as the Governor's Office. Indiana is likely to pursue energy and environmental initiatives under the incoming administration of President Trump.



Michigan

Legislative Activities

Government Affairs continues to pursue an initiative for the State Democratic Party of Michigan to adopt electric choice as a state party position. We expect to know by year's end whether this initiative has been successful.

Impact on NRG

After the omnibus clean energy bill in 2023, 2024 was relatively quiet in terms of energy legislation. None of the energy bills introduced had a negative impact on NRG's business.

Upcoming Activities

Although Republicans regained control of the House, Democrats control the Senate and the Governor's Office, making it highly unlikely that rollbacks to the landmark 2023 omnibus clean energy bill will occur.

It also seems unlikely that either party will advance market reforms aimed at challenging the utilities and expanding competitive energy markets.

Short- and Long-Term Initiatives

In the short term, we will continue to pursue the initiative for the State Democratic Party of Michigan to adopt electric choice as a state party position. In the long term, we will seek opportunities to expand NRG's business in Michigan.



New Jersey

Legislative activities

While NRG did not face any major political battles in 2024, we were successful in amending several bills that could have negatively impacted the retail competitive market by introducing new enforceable mandates on the use of protected class suppliers. We successfully amended the bill, transforming it into a "nice to have" goal rather than an enforceable mandate.

Additionally, we advanced legislation designed to maintain pressure on the New Jersey Board of Public Utilities to complete their smart meter data access proceeding, which is critical for third-party suppliers like NRG to offer innovative pricing products and services.

Upcoming activities

For 2025, we expect the New Jersey Legislature to remain focused on addressing the state's affordability issues and advancing energy-related policies aimed at reducing carbon emissions.

Short- and Long-Term Initiatives

In the short and medium term, NRG's goals include creating opportunities for our Virtual Power Plant (VPP) and smart home technologies, many of which will require enabling legislation to establish the market mechanisms needed to monetize customer participation in these programs. We will also continue to educate legislators and policymakers on the benefits of retail competition and how it can help New Jersey achieve its energy-related goals.

Political Landscape

The most consequential political event in 2024 was U.S. Senator-Elect Andy Kim's lawsuit seeking to abolish New Jersey's "county line" balloting system. The county line system gives local party bosses influence over elections by grouping preferred candidates in one column, leading most voters to "vote down the line." This system was unique to New Jersey.

However, a federal judge has issued an injunction against it, and most county clerks have entered into settlement agreements with the court to implement "office block" balloting, which groups candidates by the office they are seeking. With both the full Legislature and Governor's seat on the ballot in 2025, both parties will be analyzing President-Elect Trump's strong showing in New Jersey compared to 2020.

While Vice President Kamala Harris secured all 14 of the Garden State's electoral votes, the presidential race in New Jersey was closer than expected. Harris led Trump by just 5 percentage points, whereas Trump lost New Jersey by 14 points in 2016 and 16 in 2020.

Finally, with an incoming Trump administration, the state is looking at how some of its progressive energy policies might fare, as Trump plans to eliminate the offshore wind industry, scrap electric heat pump subsidies and end electric vehicle tax credits and mandates.



Ohio

Legislative Activities

NRG championed our natural gas CO2 offset legislation, that creates a transparent and uniform market for this product. The bill is currently unopposed and will be reintroduced next year.

Impact on NRG

Our efforts championing the natural gas CO2 offset legislation distinguished NRG as a thought leader and demonstrated our ability to collaborate with other stakeholders to achieve success. Additionally, no negative bills were passed that adversely impacted NRG's business.

Upcoming Activities

2025 will be an active year for energy legislation. We will reintroduce and work to pass our natural gas CO2 offset legislation. Several pro-market policies will be introduced, which will be juxtaposed against pro-utility policies and bills.

Short- and Long-Term Initiatives

Our short-term initiatives include passing our natural gas CO2 offset legislation. Long-term initiatives will focus on protecting and growing our business in Ohio.

Political Landscape

The political landscape is favorable, with newly elected leadership in the House and Senate aligned with protecting and possibly expanding competitive market policies.

Pennsylvania

Legislative Activities

The Pennsylvania Legislature is closing out the 2022-2024 Legislative Session. The last day of Legislative Session was November 13, 2024.

Impact on NRG

NRG focused on a few legislative bills this session related to retail. None of the bills passed both chambers and will expire with the end of session. The Supplier Consolidated Billing bill, did not progress in the chambers. NRG was successful in being exempted from legislation that would have banned auto-renewal contracts, which would have also affected Vivint Smart Home.

Upcoming Activities

The next two-year Legislative Session will begin in January 2025.

Short-and Long-Term Initiatives

NRG will continue to focus on retail market issues, including supplier consolidated billing and innovative technology solutions such as VPP and smart home products designed to help consumers reduce electricity costs.

Given the focus on the PJM Capacity Auction results, NRG will dedicate time to working on legislation and regulatory issues related to utility-owned generation. Data centers, their power needs and site location will be lead issues for the next session. Companies planning to build or expand natural gas and electricity generation plants, as well as data centers, will be a focus for the Governor and the legislature. The Governor will continue to pursue his legislative agenda on renewable portfolio standards and a "cap-and-invest" program.

Political Landscape

President-Elect Trump won the Commonwealth of Pennsylvania. Incumbent Democrat Senator Bob Casey lost his election to challenger Dave McCormick, flipping the seat. For the U.S. House of Representatives, 17 seats were up this cycle, with 10 seats going to the Republicans and seven to the Democrats.

The Pennsylvania State House of Representatives remained the same at a 102-101 Democratic majority. The Pennsylvania State Senate will continue to have a Republican majority (29-22) for the upcoming session. Note that all Pennsylvania Row Offices were won by Republican candidates, including the Attorney General, who appoints the Consumer Advocate.



Wisconsin

Legislative Activities

Like Indiana, Wisconsin is a non-competitive energy market state, with the exception of a small northeastern corridor where competitive suppliers can sell gas to commercial and industrial customers. In 2024, no bills were introduced that would be detrimental to our business.

Upcoming Activities

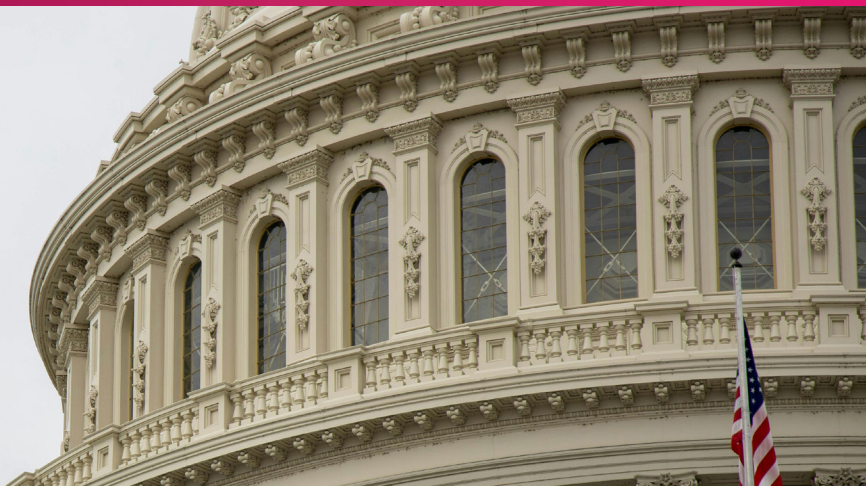
Republicans maintained their supermajority in both legislative chambers, while Wisconsin's Governor is a Democrat. In 2025, legislation is likely to be introduced to strengthen Republican political power.

Short- and Long-Term Initiatives

In the short term, the team is focused on protecting NRG's business in Wisconsin through engagement with the legislature, educating them on the benefits to their constituents. In the long term, we're seeking opportunities to increase NRG's visibility and brand value.



Federal Legislative Update



Legislative Activities

Congress was in recess for much of the fall leading up to the election. During this time, we worked on two important regulatory issues.

The first issue related to the counting of unrealized hedging gains when calculating our corporate alternative minimum tax. The taxation of phantom profits could harm us significantly if commodity prices swung wildly.

The second issue concerned proposed changes to federal procurement rules for the Department of Defense, the General Services Administration and NASA that could preclude us from bidding on federal contracts due to updated sustainability requirements for federal suppliers.

Impact on NRG

Fortunately, we were able to mobilize congressional allies to press the Department of Treasury to issue guidance clarifying that unrealized hedging gains should not be used to calculate the corporate alternative minimum tax.

We also secured language in the relevant House appropriations bills and the House National Defense Authorization Act (NDAA) that would prevent the updated federal procurement rules from being finalized. We continue to work to secure this language in the final appropriations and NDAA bills that must pass by the end of the year.

Upcoming Activities

On January 3, 2025, the 119th Congress will convene, and President Trump will be sworn in on January 20, 2025. Once the executive and legislative branches hit their stride, the 2025 policy agenda will be defined by trade, tax, fiscal, national security and immigration matters.

Short- and Long-Term Initiatives

On December 31, 2025, the individual tax rates and various other policies set under the 2017 Tax Cuts and Jobs Act (TCJA) are scheduled to expire unless Congress takes action.

With Republican control of both chambers, Congress is likely to pursue revisions to the tax code using the budget reconciliation process, which allows for legislation to proceed on a fast-tracked basis with a simple majority vote in each chamber. While the corporate tax rate does not expire at the end of 2025, we will push for several tax provisions of interest and closely monitor how the IRA-related energy tax credits and programs are handled, as Republicans may target these to pay for tax cuts.

Disclaimer: Contributions to NRG PAC are not deductible for Federal income tax purposes. NRG PAC is funded by voluntary contributions. You have the right to refuse to contribute without reprisal. Contributions will be used for political purposes. Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation, and name of employer of individuals whose contributions exceed \$200 in a calendar year. The recommended contribution amount is only a suggestion. You may give more or less than the suggested amount. NRG will not favor or disadvantage anyone by reason of the amount of their contribution or their decision not to contribute.

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