

## EME Reorganization Trust

### Important Tax Information for EME Reorganization Trust Beneficiaries

This notice provides 2015 tax information for holders (“Beneficiaries”) of beneficial interests (each, a “Unit”) of the EME Reorganization Trust (“EME Trust”) to determine their share of income, deductions and distributions attributable to their holdings in the EME Trust. Each Beneficiary is encouraged to read the entire notice very carefully. Because the tax rules are complex and dependent on the individual Beneficiary’s situation, Beneficiaries should consult their tax advisors regarding the consequences of acquiring, owning, and disposing of interests in the EME Trust. The following summary of certain U.S. federal income tax rules is for informational purposes only.

***The material herein is for general information and is not intended and should not be construed as professional tax or legal advice. Beneficiaries should consult their own tax advisors regarding all tax compliance matters relating to the information presented in this notice.***

#### *Grantor Trust Treatment*

The EME Trust is intended to qualify as a “liquidating trust” for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a “grantor trust” (i.e., a pass-through type entity). However, no ruling has been requested from the Internal Revenue Service (“IRS”) and no opinion of counsel has been requested concerning the tax status of the EME Trust as a grantor trust. Accordingly, there can be no assurance that the IRS would not take a contrary position.

Pursuant to the Reorganization Trust Agreement, dated April 1, 2014, by and among the Managing Trustees named therein and Wilmington Trust, National Association, as Delaware Trustee, (the “Trust Agreement”) and the Debtors’ Third Amended Joint Chapter 11 Plan of Reorganization (with Technical Modifications) dated March 10, 2014 (the “Plan”) of Edison Mission Energy (“EME”), and certain of its affiliates, which was confirmed pursuant to an order of the United States Bankruptcy Court for the Northern District of Illinois [Docket No. 2206], it is intended that the Beneficiaries of the EME Trust be treated as if they had received the distribution of an undivided interest in each of the EME Trust’s assets in a taxable transaction in satisfaction of their claims against the Debtors under the Plan and then immediately contributed such interests to the EME Trust. Taxable income or loss allocated to each EME Trust interest holder will be treated as income or loss with respect to such EME Trust interest holder’s undivided interest in the EME Trust assets, and not as income or loss with respect to its prior allowed claim.

The U.S. federal income tax obligations of a holder with respect to its EME Trust interest are not dependent on the EME Trust distributing any cash or other proceeds. In general, other than in respect of cash retained on account of a disputed ownership fund (“DOF”), a distribution of cash by the EME Trust will not be separately taxable to an EME Trust interest holder since such holder is already regarded for U.S. federal income tax purposes as owning the underlying assets. A DOF, however, will be subject to tax annually on a separate entity basis on any net income earned with respect to its assets, and all distributions from such DOF (which distributions will be net of the related expenses of the DOF) should be treated for U.S. federal income tax purposes as additional consideration received by holders in respect of their allowed claims as if distributed by the Debtors and not as earnings of the EME Trust.

### *Considerations for U.S. Federal Income Tax Purposes*

In general, a Beneficiary needs to know its tax basis in its undivided interest in the assets of the EME Trust in order to determine the amount of its gain or loss for U.S. federal income tax purposes. A Beneficiary's basis in its undivided interest in the assets of the EME Trust would depend on whether the Beneficiary acquired its Units in exchange for its claim under the Plan or through purchase. A Beneficiary who received its Units under the Plan would have a basis in individual assets of the EME Trust consistent with the EME Trust valuation. A Beneficiary who purchased its Units for cash would generally have a cost basis in its total undivided interest in the assets of the EME Trust. Since the tax treatment of Beneficiaries who acquire their Units by purchase is subject to substantial uncertainty, such Beneficiaries should consult their tax advisers about the proper calculation of their basis in the assets of the EME Trust.

The attached 2015 Per Unit Calculation Worksheet reports the actual amounts of the EME Trust's 2015 income, expense, distribution and certain other items ("Tax Items") calculated on a monthly per Unit basis for the period of January 1, 2015 through December 31, 2015. Each Beneficiary may use this information to report for income tax purposes each type of EME Trust income and expense for the 2015 taxable year.

Because the EME Trust is a pass-through type entity, in general, if a Beneficiary holds Units from January 1, 2015 through December 31, 2015, the Beneficiary would calculate its allocable share of each EME Trust Tax Item by multiplying the number of Units held by the Beneficiary by the EME Trust Tax Item amount per Unit for the entire period. A Beneficiary acquiring Units after January 1, 2015 or disposing of Units on or before December 31, 2015, would incur only those Trust Tax Items that arose during the time such Beneficiary held its Units. Such a Beneficiary generally could calculate its share of each EME Trust Tax Item by multiplying the number of Units held by the Beneficiary by the EME Trust Tax Item amounts per Unit for the period when it held its Units. **Because the rules for determining which Tax Items a Beneficiary should include are complex, a Beneficiary acquiring Units after January 1, 2015 or disposing of Units on or before December 31, 2015, should consult its tax advisors on how to determine the appropriate amounts to be reported. The 2015 Per Unit Calculation Worksheet is for informational purposes only.**

The calculation of a Beneficiary's taxable income depends on a variety of factors including but not limited to the following: (1) the Beneficiary's tax basis in his Units and thus its indirect tax basis in the EME Trust's assets (which tax basis information the EME Trust generally does not have); and (2) the tax treatment of transfers recognized by the initial Beneficiaries (i.e., claimholders who exchanged their claims for units in the EME Trust) when the EME Trust Units were created.

The 2015 Per Unit Calculation Worksheet reports certain proceeds (or receipts) which may represent taxable income to the initial Beneficiaries or to the secondary market purchasers of Units. To properly determine the nature and the character of the proceeds, Beneficiaries should consult their tax advisors and take into account the tax treatment they reported in receiving or acquiring their Units.

The 2015 Per Unit Calculation Worksheet provides the per Unit amounts of the distributions made by the EME Trust and the dates when the distributions were made. To assist Beneficiaries in determining

the federal income tax treatment of the distributions, the EME Trust is providing information on the sources of distributions on the 2015 Per Unit Calculation Worksheet. In 2015, the EME Trust made distributions that consist of the following: (1) cash in the EME Trust's operating account which is part of the Trust's equity; (2) distributions by the Disputed Claims Reserve (as defined in the Plan) which was a DOF that the EME Trust created on April 1, 2014. Distributions by the EME Trust that are not attributable to DOF distributions are generally not taxable events to a Beneficiary because a Beneficiary is generally treated as incurring tax items of the EME Trust when the EME Trust recognized such item, not on distribution. Any distribution from a DOF to Beneficiaries should be treated for U.S. federal income tax purposes as additional consideration received by Beneficiaries in respect of their allowed claims as if distributed by the Debtors and not as earnings of the EME Trust. Thus, a Beneficiary must be careful to differentiate between the tax treatment of distributions from the DOFs and the tax treatment of distributions out of assets of the EME Trust to which the Beneficiary is already considered the direct owner for U.S. federal income tax purposes.

The 2015 Per Unit Calculation Worksheet also provides the date and amount of certain expense of the EME Trust. Because the EME Trust is a pass-through type entity, these expenses would generally be treated as incurred by the Beneficiaries who held Units at the time such expenses were incurred by the EME Trust. Similarly, Payments to Bluescape represent amounts paid to Bluescape Advisors LLC ("Bluescape") in satisfaction of obligations of the EME Trust to Bluescape pursuant to the Plan and Bluescape Letter Agreement (as defined in the Plan). Payments to Bluescape are calculated based on the distributions to Beneficiaries and made at the same time as distributions to Beneficiaries.

#### *Foreign Persons*

Nonresident alien individuals and foreign corporations ("Foreign Taxpayers") who hold Units are subject to special tax rules with respect to their interests. Due to the complexity of these rules, it is recommended that such Foreign Taxpayers consult their tax advisors regarding their individual income tax circumstances with respect to their interests.

#### *State and Local Income Tax*

Holders of EME Trust Units may be required to file state and local income tax returns and may be liable for state income tax as a result of their ownership of EME Trust Units. Holders of EME Trust Units will need the foregoing information to comply with the state income tax filing requirements in those states imposing a state income tax. The laws pertaining to income tax in any given state may vary from those of another state and from those applicable to federal income tax. EME Trust Beneficiaries are urged to consult their tax advisors.

**EME REORGANIZATION TRUST**  
 EIN 46-7372051  
 TAX INFORMATION FOR THE PERIOD OF 1/1/2015 TO 12/31/2015

3,853,697,304 UNITS OUTSTANDING

SCHEDULE: 2015 PER UNIT CALCULATION WORKSHEET

THE CALCULATIONS BELOW ARE BASED ON A UNIT HELD IN EACH RECORD PERIOD\*

	<u>1/01/2015 - 1/31/2015</u>	<u>2/01/2015 - 2/29/2015</u>	<u>3/01/2015 - 3/31/2015</u>	<u>4/01/2015 - 4/30/2015</u>	<u>5/01/2015 - 5/31/2015</u>	<u>6/01/2015 - 6/30/2015</u>	<u>7/01/2015 - 7/31/2015</u>	<u>8/01/2015 - 8/31/2015</u>	<u>9/01/2015 - 9/30/2015</u>	<u>10/01/2015 - 10/31/2015</u>	<u>11/01/2015 - 11/30/2015</u>	<u>12/01/2015 - 12/31/2015</u>	<u>TOTAL</u>
<b>INTEREST INCOME:</b>													
INTEREST INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-
OID	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CAPITAL GAIN (SHORT TERM)</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>OTHER INCOME</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EXPENSES: **</b>													
BANK CHARGES	-	-	0.000001659	-	0.000000409	-	0.000000418	0.000000023	-	0.000000813	0.000000484	0.000000663	0.000004470
LEGAL & PROFESSIONAL FEES	0.0001340775	0.0001239596	0.0004321822	0.0001085099	0.0001118163	0.0001290713	0.0001016141	0.0000139535	0.0002023594	0.0001070527	0.0001155865	0.0001064580	0.0016866411
TAXES & LICENSES	-	-	-	0.0000020207	-	-	-	-	-	-	-	-	-
US TRUSTEE FEES	0.0000022182	-	-	-	-	-	0.0000019462	-	-	-	0.0000015163	-	0.0000077013
OTHER EXPENSES	0.00003113593	0.0000545865	0.0000454924	0.0000535664	0.0000269986	0.0000437784	0.0000406507	0.0000271132	0.0000700030	0.0000276021	0.0000271053	0.0000605725	0.0007888282
	0.0004476550	0.0001785461	0.0004778405	0.0001640970	0.0001388558	0.0001728497	0.0001442528	0.0000410690	0.0002723624	0.0001362524	0.0001427402	0.0001670968	0.0024836176
<b>DISTRIBUTIONS (NOTE 1):</b>			<u>3/31/2015</u>						<u>9/24/2015</u>				<u>TOTAL</u>
GROSS DISTRIBUTIONS FROM EME TRUST ASSETS									0.0007961308				0.0007961308
GROSS DISTRIBUTIONS FROM DOFS			0.0314588237						0.0052626925				0.0367215162
PAYMENTS TO BLUESCAPE			(0.0047188237)						(0.0009088233)				(0.0056276470)
NET AMOUNT OF DISTRIBUTIONS			0.0267400000						0.0051500000				0.0318900000
									(0)				
<b>PROCEEDS:</b>													<u>TOTAL</u>
PROPERTY INSURANCE REFUND													-
													-

**NOTES:**

\*: THE BENEFICIARY'S SHARE OF INCOME, DEDUCTION, AND DISTRIBUTION CAN GENERALLY BE CALCULATED BY MULTIPLYING AMOUNTS PER UNIT SHOWN ABOVE BY THE NUMBER OF UNITS OWNED ON EACH RECORD DATE.

\*\* : PLEASE CONSULT WITH YOUR TAX ADVISOR REGARDING THE PROPER REPORTING OF THESE EXPENSES.

**NOTE 1: SOURCES OF DISTRIBUTION**

	<u>Sale of EIX Notes</u>	<u>Trust Operating Acct</u>	<u>EIX Escrow</u>	<u>Disputed Claims Reserve Account</u>	<u>Total</u>
<b>(1) 3/31/2015 DISTRIBUTIONS</b>					
3/31/2015 GROSS DISTRIBUTION FROM EME TRUST ASSETS	-	-	-	-	-
3/31/2015 GROSS DISTRIBUTIONS FROM DOFS	-	-	-	0.0314588237	0.0314588237
3/31/2015 PAYMENTS TO BLUESCAPE	-	-	-	(0.0047188237)	(0.0047188237)
3/31/2015 NET AMOUNT OF DISTRIBUTIONS	-	-	-	0.0267400000	0.0267400000
<b>(2) 9/30/2015 DISTRIBUTIONS</b>					
9/30/2015 GROSS DISTRIBUTION FROM EME TRUST ASSETS	-	0.0007961308	-	-	0.0007961308
9/30/2015 GROSS DISTRIBUTIONS FROM DOFS	-	-	-	0.0052626925	0.0052626925
9/30/2015 PAYMENTS TO BLUESCAPE	-	(0.0001194196)	-	(0.0007894037)	(0.0009088233)
9/30/2015 NET AMOUNT OF DISTRIBUTIONS	-	0.0006767112	-	0.0044732888	0.0051500000