UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
EDISON MISSION ENERGY, et al.,[1]	)	Case No. 12-49219 (JPC)
Debtors.	)	(Jointly Administered)

DECLARATION OF MARIA RIGATTI IN SUPPORT OF CONFIRMATION OF DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

I, Maria Rigatti, declare as follows:

1. I am a Senior Vice President and Chief Financial Officer of Edison Mission Energy ("EME"), one of the above-captioned debtors and debtors in possession (collectively, with EME, the "Debtors"). I have served in this position since December 2010, and I am generally familiar with the day-to-day operations, business and financial affairs, and books and records of EME and its Debtor and non-Debtor subsidiaries, including the Debtors' restructuring efforts from their genesis and throughout these chapter 11 cases.

2. I have submitted several declarations throughout these chapter 11 cases, including the *Declaration of Maria Rigatti, Senior Vice President and Chief Financial Officer of Edison*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Edison Mission Energy (1807); Camino Energy Company (2601); Chestnut Ridge Energy Company (6590); Edison Mission Energy Fuel Services, LLC (4630); Edison Mission Finance Co. (9202); Edison Mission Fuel Resources, Inc. (3014); Edison Mission Fuel Transportation, Inc. (3012); Edison Mission Holdings Co. (6940); Edison Mission Midwest Holdings Co. (6553); EME Homer City Generation, L.P. (6938); Homer City Property Holdings, Inc. (1685); Midwest Finance Corp. (9350); Midwest Generation EME, LLC (1760); Midwest Generation, LLC (8558); Midwest Generation Procurement Services, LLC (2634); Midwest Peaker Holdings, Inc. (5282); Mission Energy Westside, Inc. (0657); San Joaquin Energy Company (1346); Southern Sierra Energy Company (6754); and Western Sierra Energy Company (1447). The location of parent Debtor Edison Mission Energy's corporate headquarters and the Debtors' service address is: 3 MacArthur Place, Suite 100, Santa Ana, California 92707.

Mission Energy, in Support of Chapter 11 Petitions and First Day Motions [Docket No. 6].[2] I am also authorized to submit this declaration (this "Declaration") in support of confirmation of the Debtors' chapter 11 plan of reorganization (as amended, supplemented, and/or modified from time to time, the "Plan").[3]

3. Except where specifically noted, the statements in this Declaration are based on my personal knowledge of the Debtors' operations and finances, information learned from my review of relevant documents, and information I have received from other members of EME's management team or the Debtors' advisors. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

Background

4. I joined EME in 1999 and have subsequently served in numerous leadership roles within the company. Prior to becoming CFO, I was elected Vice President in 2007, and became Treasurer in 2008. I am currently a member of EME's executive Managing Committee. Before joining EME, I was a director with PIRA Energy Group, an energy consulting firm, and a vice president with Gas Energy Inc., an unregulated affiliate of KeySpan Corp.

5. I graduated from Manhattan College with a bachelor's degree in Finance, and earned a Masters of Business Administration with a specialization in finance from New York University.

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[2] See also *Declaration of Maria Rigatti in Support of Chapter 11 Petitions of and First Day Relief for Homer City Debtors* [Docket No. 719]; *Declaration of Maria Rigatti in Support of Debtors' Sixth Omnibus Objection to Certain Proofs of Claim (No Liability Claims) and Debtors' Motion to Estimate Disputed Claims* [Docket No. 1751]; and *Declaration of Maria Rigatti in Support of Debtors' Motion for Approval of Settlement between the Debtors ad Certain Retirees Represented by International Brotherhood of Electrical Workers Local 459* [Docket No. 1976].

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

I. The Debtors' and Their Advisors' Restructuring Efforts Have Culminated in a Plan of Reorganization Overwhelmingly Supported by All Key Stakeholders.

6. The Plan is the product of nearly two years of efforts to maximize value by the Debtors, their advisors, and stakeholders to restructure the Debtors' obligations. By these efforts, the Debtors and their advisors constantly engaged in discussions and negotiations to achieve an extremely successful restructuring. The Debtors initiated the restructuring process with an agreement reached in December 2012—ahead of the commencement of these chapter 11 cases—with the Debtors' ultimate parent, Edison International, Inc. ("EIX"), and a majority of the holders of EME's approximately $3.7 billion in unsecured notes. Following termination of that prepetition restructuring agreement with EIX the Debtors embarked upon a process to potentially sell substantially all of their assets, while at the same time exploring a standalone restructuring, including a resolution of Debtor Midwest Generation, LLC's ("MWG") obligations related to the Powerton and Joliet generating stations ("PoJo"). Ultimately, these efforts resulted in the negotiation and execution of the sale transaction with NRG Energy, Inc. ("NRG"), and, recently, an advantageous settlement with EIX and the implementation of those transactions into the Plan.

7. The Plan has near unanimous support, including the support of all of the Debtors' key stakeholders: (a) the official committee of unsecured creditors appointed in these chapter 11 cases (the "Committee"); (b) a steering committee of certain holders of the Debtors' senior unsecured notes who are members of the ad hoc group of unsecured note holders (collectively, the "Supporting Noteholders"); (c) the indenture trustee and an ad hoc committee of certain holders of pass-through certificates related to PoJo; (d) the PoJo owner trusts and equity investors (together with (c), the "PoJo Parties"); and (e) EIX (and certain related affiliates).

Now, after almost fifteen months in chapter 11, the Debtors—with overwhelming stakeholder support—stand ready to confirm the Plan and emerge from bankruptcy.

A. The Debtors' Prepetition Restructuring Efforts

8. EME, together with its Debtor and non-Debtor affiliates, is a leading independent power producing enterprise specializing in developing, operating, and selling energy and capacity from approximately 40 generating facilities in 12 states and the Republic of Turkey.

9. As of the commencement of these chapter 11 cases, the Debtors' principal prepetition obligations included (a) approximately $3.7 billion of senior unsecured notes, (b) approximately $345 million of sale-leaseback obligation certificates (the "PoJo Certificates") related to the PoJo leveraged lease transactions, (c) $1.367 billion of intercompany notes EME issued to MWG, and (d) letter-of-credit facilities for EME and Midwest Generation EME, LLC. Certain of EME's project-level subsidiaries also incurred significant prepetition debt, primarily under letter of credit facilities and approximately $1.2 billion of funded indebtedness that is nonrecourse to EME.

10. In the first half of 2012, recognizing its financial distress, EME began exploring various restructuring alternatives with its parent company, EIX and the ad hoc group of unsecured note holders (the "Noteholder Group"). After nearly six months of intense, arm's-length negotiations beginning in June 2012, EME, EIX, and the Noteholder Group reached an agreement on a transaction designed to substantially deleverage EME's balance sheet (the "Prepetition Settlement Transaction"). The parties' commitment to the Prepetition Settlement Transaction was memorialized in that certain Transaction Support Agreement, dated as of December 16, 2012 (the "Prepetition Transaction Support Agreement"). More specifically, the Prepetition Transaction Support Agreement provided a framework for the Debtors to realize the anticipated benefits through tax sharing agreements with EIX in exchange for a full release of

claims against EIX and diligence into the potential tax payments under the Prepetition Settlement Transaction to determine whether proceeding with that restructuring proposal was in the Debtors' estates' best interests. Importantly, EME maintained a "fiduciary out" in the Prepetition Transaction Support Agreement to terminate the transaction and pursue other alternatives in accordance with its business judgment. In addition, EME's board of directors appointed a special investigation committee (the "Investigation Committee"), comprised of EME's two independent directors, Frederic "Jake" Brace and Hugh Sawyer, to lead the investigation of potential claims against EIX.

B. The Debtors' Chapter 11 Cases

11. On the petition date, in addition to the voluntary petitions for relief filed by the Debtors under chapter 11 of the title 11 of the United States Code (the "Bankruptcy Code"), the Debtors filed a number of "first day" motions and applications with the Bankruptcy Court. Shortly thereafter, the Bankruptcy Court entered several orders that (a) prevented interruptions to the Debtors' businesses; (b) eased the strain on the Debtors' relationships with certain essential constituents; and (c) allowed the Debtors to retain certain advisors necessary to assist the Debtors with the administration of these chapter 11 cases.

12. On May 2, 2013, EME Homer City Generation L.P. ("EMEHC"), Edison Mission Finance Co. ("Finance"), and Homer City Property Holdings, Inc. ("Property Holdings," together with EMEHC and Finance, the "Homer City Debtors") each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court. On May 15, 2013, the Bankruptcy Court (a) entered an order directing joint administration of the Homer City Debtors' chapter 11 cases with EME's chapter 11 cases [Docket No. 771] and (b) entered an order applying certain orders in EME's chapter 11 cases be made applicable to the EMEHC, Finance, and Property Holdings [Docket No. 775].

13. After the petition date, EME (through the Investigation Committee), together with the Noteholder Group and the Committee, continued to evaluate the potential benefits of the Prepetition Transaction Settlement Agreement. Since those benefits were in large part dependent on the taxable income of EIX in general and its subsidiary Southern California Edison ("SCE"), in particular during 2013 and 2014, the merits of the agreement continued to evolve.

14. At the same time, EME (through the Investigation Committee) conducted a thorough and diligent investigation of the Debtors' possible claims against EME pursuant to Federal Rule of Bankruptcy Procedure 2004. EIX, for its part, filed substantial claims against the Debtors' estates arising from shared services agreements, litigation-related claims, director and officer liability claims, intellectual property and contract claims, tax claims, and power purchase agreement guaranty claims.

15. On July 25, 2013, in large part because of the evolution of the projected tax benefits of the Prepetition Transaction Settlement Agreement (i.e. EME was projected to receive substantially less in tax sharing payments than it and the Noteholder Group had originally estimated), the Noteholder Group terminated the Prepetition Transaction Support Agreement. As the focus shifted away from a debt-for-equity conversion, as contemplated under the Prepetition Transaction Support Agreement, the Debtors pursued alternative paths to maximize the value of the Debtors' estates.

16. Accordingly, among other things, EME, in consultation with its advisors and other parties in interest, began exploring all potential restructuring options. To assist in this process, EME retained J.P. Morgan Securities LLC ("J.P. Morgan") to serve as co-advisor to EME with the Debtors' existing investment banker, Perella Weinberg Partners LP, for a potential sale of some or all of EME's assets. EME officially launched its formal marketing and sale

process on August 1, 2013. At the same time, the Debtors and their advisors, including McKinsey Recovery & Transformation Services U.S. LLC, worked to develop a proposed business plan that would support a standalone restructuring. The standalone plan development process spanned several months and involved a top-to-bottom analysis of all of EME's business units and how best to position them to compete in the future in various business combinations.

C. The Plan Sponsor Agreement

17. On September 9, 2013, NRG submitted a proposal on an unsolicited basis to the Debtors to effect a transaction negotiated with certain of EME's noteholders that would result in the sale of substantially all of EME's assets, including EME's equity interests in substantially all of its Debtor and non-Debtor subsidiaries. EME's board of directors immediately instructed the Debtors and their advisors to analyze and explore the proposed NRG transaction to determine if the transaction would maximize the value of the Debtors' estates. At the same time, the Debtors evaluated the current state of their previously initiated sale process and planning around a potential standalone restructuring.

18. EME's board of directors ultimately determined to pursue negotiations with NRG while at the same time continuing the ongoing sale process. Upon authorization from the board, the Debtors and their advisors engaged NRG, the initial Supporting Noteholders, the Committee, the PoJo Parties (collectively, the "Plan Support Parties"), and their respective advisors in intense negotiations, including several in-person and telephonic meetings, to negotiate the key elements of the transaction, and ultimately the transaction documents.

19. On October 18, 2013, the Plan Support Parties executed the Plan Sponsor Agreement, which committed the Plan Support Parties to work toward confirmation and consummation of the sale of substantially all of EME's assets to NRG. In the sale, NRG agreed to: (a) a purchase price of $2.635 billion, comprised of $2.285 billion in cash (subject to certain

adjustments) and $350 million in common stock of NRG Energy, Inc.; (b) the assumption of substantial prepetition Debtor and non-Debtor liabilities, including the PoJo leveraged leases and their operative documents; (c) "go shop" rights for the Debtors to solicit and evaluate alternative proposals; and (d) certain purchaser protections. The Plan embodies the collective efforts of the Plan Support Parties to negotiate, document, and execute a sale transaction that I believe maximizes the value of the Debtors' estates and benefits all the Debtors' stakeholders. By the expiration of the "go shop" period on December 6, 2013, the Debtors had received no superior offer, demonstrating that the NRG transaction was the highest and best deal for the Debtors' assets.

20. In October 2013, EME (through the Investigation Committee), the Committee, and the Noteholder Group engaged in settlement discussions with EIX for several months to determine if a resolution could be reached ahead of confirmation. EME's management was not involved with the negotiations directly, although we did provide information (most importantly, information about EME's tax attributes) as requested. The Noteholder Group retained Bluescape Advisors, LLC ("Bluescape"), an independent consulting firm, to advise them during these negotiations. EME (through the Investigation Committee) and the Noteholder Group (through Bluescape) negotiated directly with EIX's senior management. These efforts were ultimately successful, and, on February 18, 2014, EIX, EME and the Noteholder Group entered into the EIX Settlement Agreement that was incorporated into the Plan and filed with the Bankruptcy Court on February 19, 2014 (the "EIX Settlement").

21. In general, the EIX Settlement resolves all claims between EME and EIX. EIX will make an initial payment into the Reorganization Trust of $225 million, and will make subsequent payments in 2015 and 2016 that likely will exceed a total of $400 million. In

addition, EIX will assume certain of EME's liabilities, the value of which EIX has estimated in a 10-K filed with the Securities and Exchange Commission at approximately $350 million. Thus, EME believes the total aggregate value of the EIX Settlement is approximately $1 billion.

II. Plan Classes and Status

22. Relying on information from the Debtors' advisors and my own personal knowledge, I have reviewed the classification of interests under the Plan and the proposed distributions to each Class. My testimony below that the Plan should be confirmed is informed by this knowledge. Accordingly, this section provides a brief overview of the classes and their status as relevant to confirmation of the Plan.

A. The Classification of Claims and Interests under the Plan

23. The Plan classifies Holders of Claims and Interests into several Classes under the Plan: Classes A1–A8; Classes B1–B6; Classes C1–C5. These classifications reflect the Debtors' capital and corporate structure (and therefore relative priority between the Claims and Interests) as well as the varied treatment to be afforded to different Claims and Interests pursuant to the Plan Sponsor Agreement and the related Purchase Agreement.

B. Distributions under the Plan

24. Each of Classes A1, A2, B1, B2, B6, C1, and C2 will receive payment in full or reinstatement, and these Classes are thus Unimpaired under the Plan.

25. Classes A3, A4, A5, B3, C3, C4, and C6 are each Impaired and entitled to receive a distribution under the Plan (collectively, the "Voting Classes").

- Class A3 (and Class B3, to the extent assumed by NRG) will receive payment in full in cash from NRG pursuant to the terms of the Purchase Agreement;
- Classes A4 and A5 will receive pro rata distributions from the net sale proceeds, net settlement proceeds, and new interests;

- Class B3 Claims, to the extent unassumed by NRG, will receive payment of their principal in full in cash;
- Classes C3 and C4 will receive pro rata distributions of the Homer City wind down proceeds based on the Homer City waterfall distribution; and
- Class C6 will be extinguished, and EME will receive a distribution, if at all, based on the Homer City waterfall.

26. Classes A6, A7, A8, B4, B5, and C5 are each Impaired under the Plan and will not receive any distributions or retain any property under the Plan (collectively, the "Deemed Rejecting Classes").

C. Voting

27. I have reviewed the *Declaration of Emily S. Gottlieb of GCG, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting With Respect to the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization* and understand that the Plan has received near unanimous support.

III. The Plan Satisfies Each Requirement for Confirmation.

28. I believe, based on knowledge and advice, that the Plan complies with all applicable provisions of the Bankruptcy Code.

A. The Plan Properly Classifies Claims and Interests as Required by Sections 1122 and 1123(a)(1) of the Bankruptcy Code.

29. The Plan's classification scheme reflects, among other things, the Debtors' capital and corporate structure (and therefore relative priority between the Claims and Interests) as well as the varied treatment to be afforded different Claims and Interests pursuant to the Plan Sponsor Agreement. Therefore, valid business, factual, and legal reasons exist for classifying separately the various Classes of Claims and Interests created under the Plan. Accordingly, I believe that the Plan satisfies the classification requirements of section 1122 of the Bankruptcy Code.

B. Disclosure and Plan Acceptance Was Appropriate

30. I believe the manner and means by which the Debtors disclosed the Plan and solicited its acceptance were appropriate and consistent with the Bankruptcy Code. The Debtors provided the Court-approved solicitation packages to Holders of Claims and Interests entitled to vote on the Plan, non-voting materials to creditors not entitled to vote on the Plan, and publicly disclosed the relevant dates for voting and objecting to the Plan. Moreover, the Debtors distributed the Disclosure Statement and solicited acceptances of the Plan through their Solicitation Agent in accordance with the Disclosure Statement Order, and transmitted the same Disclosure Statement to all parties entitled to vote. The Debtors also gave voters an opportunity to change their votes if they decided to do so after incorporation of the EIX Settlement into the Plan (which was distributed, together with the Plan, to all parties in interest). As described above, and likely because the EIX Settlement is an excellent result for the Debtors' estates, no accepting voter changed its vote to reject the Plan after being apprised of the EIX Settlement.

31. As above, I believe the Debtors solicited votes on the Plan in good faith. The Debtors appropriately only sought votes from those parties that were entitled to vote on the Plan, and received overwhelming support for the Plan in response. For these reasons, I believe that the Debtors' disclosures, solicitations, and methods of gaining Plan acceptance were appropriate and consistent with the Bankruptcy Code.

C. The Debtors Have Proposed the Plan in Good Faith and Not by Means Forbidden by Law.

32. I believe that the Plan was proposed in good faith, for the legitimate and honest purposes of (a) reorganizing the Debtors' ongoing business; and (b) maximizing the value of each of the Debtors and maximizing the recovery to their creditors and other stakeholders. As

outlined above, I am aware that the Plan has been overwhelmingly accepted by the Voting Classes entitled to vote to accept or reject the Plan as evidence of this view.

33. Moreover, the Plan is the product of extensive collaboration among the Debtors, the Purchaser Parties, the Committee, the Noteholder Group, EIX, and other key stakeholders. It is also my belief that the Plan complies with bankruptcy and applicable non-bankruptcy law. Therefore, it is my opinion that the Plan has been proposed in good faith, has a high likelihood of success, and will achieve a result consistent with the objectives and purposes of the Bankruptcy Code.

D. The Plan Provides for Court Approval of Certain Administrative Payments.

34. I understand that the administrative payments for certain professional fees that Debtors have made or will make prior to the Effective Date in connection with these Chapter 11 Cases—including all Accrued Professional Compensation Claims—have been approved by the Court, or are subject to approval of the Court, as reasonable. It is also my understanding that Article II.C.2 of the Plan imposes a deadline of 30 days after the Effective Date for Professionals to file applications for unpaid Professional Claims, and that the Court will determine the Allowed amounts of any Accrued Professional Compensation Claims. I am not aware of any dispute regarding the appropriateness of the Court's approval of fees.

E. The Debtors Have Disclosed All Necessary Information Regarding Post-Emergence Directors, Officers, and Insiders.

35. I believe that the disclosure of the proposed trustees for the Reorganization Trust, as set forth in the Disclosure Statement, the Plan, and the Plan Supplement, is consistent with the interests of creditors and equity security holders, as well as with public policy. The Debtors have disclosed the identities and affiliations of all persons proposed to serve on the Reorganization Trust Oversight Board and as directors and officers of Post-Reorganization EME. It is my

understanding that there is no dispute that the Debtors have complied with their disclosure obligations under section 1129(a)(5) of the Bankruptcy Code.

F. The Plan Does Not Require Governmental Regulatory Approval.

36. I do not believe that any regulatory commission has or will have jurisdiction over the Debtors after Plan confirmation for purposes of section 1129(a)(6) of the Bankruptcy Code, nor does the Plan provide for any associated rate changes.

G. The Plan Is in the Best Interests of Creditors and Interest Holders.

37. The Debtors and their advisors have analyzed the value of the Plan to the estate, and have concluded that the Plan provides for a greater recovery than would be the case in any hypothetical chapter 7 liquidation. (For more detail on the basis for this conclusion, I respectfully refer the Bankruptcy Court to the Declaration of Kevin Cofsky.) Moreover, the Plan is the result of months of arm's-lengths negotiations, and, in the Debtors' reasonable business judgment, is a superior transaction — both in terms of its value and the holistic solution it presented to many of the Debtors' most complex challenges in these chapter 11 cases — to any other transactions considered during the negotiation of the Plan and the nearly two-month go-shop period that followed. Accordingly, I believe that the Plan is in the best interests of creditors and interest holders.

H. The Plan Is Feasible.

38. I understand that to satisfy the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code a debtor must demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization, of a debtor or any successor to such debtor. I believe that the Debtors have satisfied this requirement.

39. The Plan contemplates the sale of substantially all of EME's assets to NRG, a well-established and respected energy company with a market capitalization of roughly

$9 billion. From my background as chief financial officer of a major energy company, and my knowledge gained during the negotiation of the Plan, I believe that liquidation or further financial reorganization of the Debtors will not likely occur under the ownership of NRG. As further support for my belief, I am aware that NRG has promised to assume the vast majority of the Debtors' executory contracts, which will require it to pay in full or cure outstanding defaults. Moreover, I am aware that many of EME's and EME's subsidiaries' employees will continue their duties under NRG, a transition that for many EME employees is already underway. It is also my understanding that NRG has the financial wherewithal to make the payments required under the Purchase Agreement and the Plan.

40. Additionally, the sale proceeds from the NRG transaction should be sufficient to cover the anticipated amounts required to fund the Plan's reserves and the wind down of the estates. The Debtors, with the assistance of their advisors, engaged in substantial analysis of the Debtors' post-emergence funding requirements and took great care to ensure that the reserves and wind down budget established in the Plan would provide for the timely and successful administration of the Reorganization Trust and the wind down of the Debtors and their estates. Therefore, I believe that the Plan is feasible under section 1129(a)(11) of the Bankruptcy Code.

I. The Plan Provides Proper Treatment of Retiree Benefits.

41. The Debtors will continue to pay retiree benefits after confirmation for the duration of the period the Debtors are obligated to provide these benefits. In addition, the Debtors are seeking to terminate certain retiree benefits and will terminate such benefits if authorized by the Bankruptcy Court by a separate order in connection with those proceedings. Accordingly, I believe that the Plan complies with the Bankruptcy Code's requirements regarding retiree benefits.

J. The Plan Is Fair and Equitable and Does Not Unfairly Discriminate with Respect to the Deemed Rejecting Class.

42. As above, I am aware that certain holders of claims or interests have either voted to reject or are deemed to have rejected the Plan. Specifically, the Voting Classes voted to reject the Plan, and as above, the Deemed Rejecting Classes are deemed to have rejected the Plan because they will receive no distribution under the Plan.

43. I understand the Plan can be approved notwithstanding these Classes' non-acceptance if the Plan satisfies the "absolute priority rule" — that it is "fair and equitable" with respect to the non-accepting impaired classes and does not discriminate unfairly. I believe the Plan satisfies the absolute priority rule with respect to all Claims and Interests.

44. First, it is my understanding that the Plan does not allow any recovery by any Classes junior to the rejecting Classes, other than Classes B6 and C5. With respect to each of the Deemed Rejecting Classes, the only junior Classes receiving any distribution are the Holders of either EME Interests or Intercompany Interests in the Debtor Subsidiaries.

45. The Holders of EME Interests (namely, EIX) have agreed to contribute substantial consideration, including a significant payment with cash and promissory notes, release and withdrawal of claims and causes of action, and assumption of liabilities, to the Debtors' estates to have the EME equity interests reinstated under the Plan, and they did so to secure EME's valuable tax attributes. Therefore, the Holders of EME Interests are not receiving a distribution "on account of" their equity interests but instead on account of the new value being contributed under the EIX Settlement.

46. Additionally, as to the Intercompany Interests in the Debtor Subsidiaries, these Interests are being purchased by, and reinstated at the request of, NRG. Moreover, the reinstatement and preservation of these interests have no economic effect on the Plan or the

recoveries to the Debtors' creditors. Likewise, the reinstatement of the Intercompany Interests is not "on account of" the Interests themselves but on account of the consideration NRG is providing and as a means of preserving the Debtors' corporate structure, and has no effect on the recoveries to the Debtors' creditors.

47. I also believe that the Plan does not unfairly discriminate between holders of Claims and Interests with similar legal rights because all similarly situated holders of Claims and Interests will receive substantially similar treatment. Holders of similarly situated Claims and Interests in the Deemed Rejecting Classes will receive the identical treatment—no distribution. And, as I discussed above, all Claims and Interests in any particular Class are sufficiently related to one another, and Holders within a given Class are being given the same distribution regardless of how they voted. Thus, I believe the Plan is fair and equitable and does not discriminate unfairly with respect to any Classes.

K. The Principal Purpose of the Plan Is Not Avoidance of Taxes or Avoidance of Application of Section 5 of the Securities Act (Section 1129(d)).

48. It is my understanding that the Bankruptcy Code forbids a plan with the principal purpose of avoiding taxes or the application of section 5 of the Securities Act of 1933. I understand that the Debtors and EIX have agreed that EIX will pay the Debtors' taxes in full under the EIX Settlement. I am not aware of any dispute or objection to the Plan alleging that the principal purpose of the plan is to avoid taxes or circumvent the United States securities laws, nor am I aware of any evidence that this is a purpose of the Plan whatsoever. Accordingly, it is my belief that the purpose of the Plan is not to avoid taxes or the application of section 5 of the Securities Act of 1933.

IV. The Settlements, Releases, Exculpations, and Injunctions in the Plan Are Appropriate.

49. I have been advised that the Debtors may request any relief in the Plan that is "appropriate and not inconsistent" with the Bankruptcy Code, and the Court has the discretion to grant such relief. The Plan contains several such discretionary provisions, which can generally be categorized as follows: (a) provisions related to the EIX Settlement; (b) releases and exculpatory provisions; and (c) injunctions. EIX and NRG each made the release and injunction provisions a condition to the EIX Settlement and the Purchase Agreement, respectively, and these terms and provisions were core to the negotiation of and entry into each agreement. The Debtors have determined in their business judgment that each of these discretionary provisions are appropriate and in the best interests of the Debtors and their creditors, for the reasons described below.

A. The EIX Settlement, Including the EIX Injunction, Is Value Maximizing and Results from a Sound Exercise of the Debtors' Business Judgment.

50. As described above, the EIX Settlement resolves significant obstacles to the Debtors' Plan. Specifically, in addition to resolving EIX's objections, the Debtors believe that the terms of the EIX Settlement Agreement effectively resolve several of the other remaining objections to the Plan, including the Internal Revenue Service's objection. Therefore, approving the EIX Settlement decreases the risk of the Plan's failure and enhances the odds of a successful restructuring. Moreover, EME's creditors stand to gain more than $600 million from the EIX Settlement, which will avoid protracted and costly litigation. Each of these elements will help drive the Debtors to a successful reorganization while preventing judicially-draining litigation, all in the public interest.

51. As a condition to the EIX Settlement, the Plan provides that "all Claims or other liabilities that may otherwise be asserted against the EIX Released Parties or their respective

property (other than the Settlement Assumed Liabilities as defined in the EIX Settlement) shall be permanently released and enjoined" and treated pursuant to the Plan (the "EIX Injunction"). I have been advised and understand that the EIX Injunction is necessary to implement the terms of the EIX Settlement; the EIX Settlement would be ineffectual without the go-forward protections provided by the EIX Injunction. I understand that EIX insisted that any settlement include a release and protective injunction in favor of EIX since negotiations around the Debtors' restructuring began in the spring of 2012 and that, absent inclusion of the EIX Injunction, it is unclear if EIX would be prepared to move forward with the EIX Settlement. Therefore, the EIX Injunction should be approved as a central piece of the EIX Settlement and the Plan. In light of the substantial value the EIX Settlement and EIX Injunction create for the Debtors and their estates, I believe that the EIX Injunction is necessary for the EIX Settlement and should be approved.

B. The Third Party Releases Are Necessary and Appropriate.

52. Article VIII.D of the Plan provides for Releases by the Releasing Parties[4] (the "Third Party Releases"), which are mutual releases of Claims and Causes of Action that are related to the Debtors, their estates, and these chapter 11 cases by and among the Debtors, the Released Parties, and the Releasing Parties. The Releasing Parties are limited in number and generally include: (a) the EME Senior Notes Indenture Trustee; (b) the Supporting Noteholders; (c) the Committee and its members; (d) the PoJo Parties; (e) the EIX Releasing Parties; and (f) Holders of Claims or Interests that do not opt out of the Third Party Releases.

[4] Pursuant to Article I.A.147 of the Plan, "Releasing Parties" means, "collectively: (a) the EME Senior Notes Indenture Trustee; (b) the Supporting Noteholders; (c) the Committee and the Committee Members; (d) the PoJo Parties; (e) the EIX Releasing Parties; and (f) without limiting the foregoing clauses (a), (b), (c), (d), and (e), each Holder of a Claim against or Interest in the Debtors who does not opt out of the Plan's release provisions with respect to the Released Parties pursuant to an election contained on the relevant Ballot."

53. The Debtor Releases are the product of arm's-length negotiations, are in exchange for substantial consideration, and have been critical to obtaining support for the Plan from various constituencies. Only parties that have affirmatively agreed to the Third Party Releases or who have voted to accept the Plan and have not opted out of the Third Party Releases are deemed to have granted the Third Party Releases. The Ballots state clearly that a vote to accept the Plan without opting out of the Third Party Releases constitutes an acceptance and assent to the release provisions of Article VIII.D of the Plan. Thus, Holders of Claims and Interests voting to accept the Plan and choosing not to opt out of the provision regarding Third Party Releases were given due and adequate notice that they would be granting such releases if they did not otherwise opt-out.

54. The Third Party Releases are also adequately noticed: the existence of the Third Party Releases was expressly set forth in the Disclosure Statement, the Plan, and the Ballots for the Plan, which each made clear that acceptance of the Plan included acceptance of the Third Party Releases by Holders of Claims and Interests who did not opt out of the provision. Further, each of the Released Parties provided substantial contributions to the Debtors' chapter 11 cases and the Debtors' restructuring—including in connection with the NRG transaction, the EIX investigation, and the EIX Settlement. Accordingly, the Third Party Releases in Article VIII.D of the Plan are a critical and necessary aspect of the Plan and should be approved.

C. Plan's Exculpation Provisions Are Necessary and Appropriate.

55. Under Article VIII.E of the Plan, the Debtors seek protection for the Exculpated Parties[5] that will generally shield them from liability arising from the Debtors' bankruptcy other than for fraud, willful misconduct, or gross negligence (the "Exculpation Provision").

[5] "Exculpated Parties" means, collectively: (a) the Purchaser Parties and the Acquired Companies; (b) the members of the Noteholder Group, generally, and the Supporting Noteholders, in such capacity; (c) the EME

56. Each of the Exculpated Parties played a critical role in the formulation of the Plan and the Debtors' overall restructuring efforts. I believe that the absence of the Exculpation Provision would have had a significant chilling effect on these parties' critical participation in the Plan. The prospect of the Exculpation Provision aligned these parties' interests with the exercise of sound business judgment and value-maximization. Moreover, I believe that the Exculpation Provision played a role in bringing the Plan Support Parties to the bargaining table. For these reasons, I believe the Exculpation Provision is appropriate and should be approved.

D. The Other Injunctions Requested by the Plan Are Appropriate and Should Be Approved.

57. In addition to the EIX Injunction, the Plan provides for two other injunctions.

58. *First*, Article VIII.F of the Plan enjoins all persons or entities from commencing or continuing any Causes of Action released pursuant to the Plan or Confirmation Order (the "Injunction"). The Injunction is necessary to effectuate the releases contained in the Plan and to protect the Debtors from any potential litigation based on events that occurred prior to the Effective Date. Any such litigation would hinder the efforts of the Debtors to fulfill their responsibilities effectively as contemplated in the Plan, undermining the Debtors' efforts to maximize value for all Holders of Claims and Interests. For this reason the Injunction Provision is appropriate and should be approved.

Senior Notes Indenture Trustee; (d) the Committee and the Committee Members; (e) the PoJo Parties; (f) the Debtors; (g) the Reorganization Trust; (h) the Plan Administrator; (i) the Post-Effective-Date Debtor Subsidiaries; (i) the Post-Effective-Date Homer City Debtors; (j) the EIX Released Parties; and (k) with respect to the foregoing entities in clauses (a) through (j), their respective current and former affiliates, subsidiaries, officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals and, solely with respect to the Purchaser Parties and the Acquired Companies and Supporting Noteholders, their permitted assigns; and (l) the officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals of the Debtors and Non-Debtor Subsidiaries that served in such capacities during the Chapter 11 Cases.

59. *Second*, Article VIII.H provides that certain liabilities "that may otherwise be asserted against the Purchaser Parties, any Acquired Company, or any of their respective property shall be permanently released and enjoined pursuant to the Plan and any such Excluded Liabilities shall be paid or treated pursuant to the terms of the Plan" (the "Purchaser Injunction"). As part of the negotiation process, NRG insisted that the Purchaser Injunction be included in the Plan, and it is my belief that NRG would not have agreed to the Plan without it. Accordingly, the Plan includes a Purchaser Injunction that is specifically tailored to effectuate the transactions contemplated by the Purchase Agreement.

60. The Purchaser Injunction was a prerequisite to NRG's willingness to enter into the Plan Sponsor Agreement and ultimately reach agreement on the value-maximizing NRG transaction incorporated into the Plan. As discussed above, NRG's contribution to the Debtors' estates under the Plan Sponsor Agreement will result in payment in full of many claims and significantly enhanced recoveries for stakeholders. The Plan Sponsor Agreement also establishes a sound base from which the Debtor subsidiaries may continue their operations, continue to pay their employees, and continue to produce energy around the country. And because NRG is buying both Debtors and non-Debtors, the Purchaser Injunction is the only means to providing NRG with the protection against legacy liabilities of the Debtors and their non-Debtor affiliates that NRG demanded in agreeing to the transaction. Moreover, the Purchaser Injunction is limited in scope, applying only to Excluded Liabilities and the commercial and financial information EME provided to NRG in connection with the sale transaction and related registration statements.

61. In addition, without the Purchaser Injunction, NRG may determine not to close the sale transaction in light of the significant additional liabilities and other risks to which it

would be exposed. Furthermore, the Plan faces little opposition and a successful reorganization is likely given the substantial recoveries stakeholders will receive, and in comparison to the Debtors' creditors, who are the ultimate beneficiaries of the value infused by NRG into the Debtors' estates, the harm the Debtors would suffer if the Purchaser Injunction is denied and NRG walks away from the Plan and sale is significantly greater. Finally, speaking from my experience in the energy industry, the Plan is a blueprint for ensuring that a competitive energy business continues to operate and provide a valuable and necessary commodity.

62. Accordingly, I believe that the Purchaser Injunction is appropriate in light of the substantial value contributed by NRG to the Debtors' estates.

63. I understand that certain tax authorities, specifically the Internal Revenue Service (the "IRS") and the Illinois Department of Revenue (the "IDOR"), have objected to the Purchaser Injunction under the theory that they must assert tax-based claims (assuming that they have any) against non-Debtor subsidiaries. There does not appear to be any reason for this objection because both the IRS and IDOR will be paid in full.

64. As for the IRS, as part of the EIX Settlement, EIX agreed to cover any and all legitimate IRS claims and IDOR claims, to the extent they relate to state income taxes, in full.[6] Indeed, EIX is the taxpayer here, not EME. And the IRS does not dispute that EIX has the wherewithal to cover any of the IRS's claims, nor does the IRS dispute that EIX will in fact pay any such claims that arise. There is no need for the IRS to reserve its rights to sue non-debtors in the event that EIX does not (as it is required to) pay claims that the IRS ultimately has against EME. In recognition of this fact, the IRS has recently filed withdrawals of its proofs of claim [Docket Nos. 2029, 2030, 2031, and 2032].

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[6] See ¶ 2 of EIX Settlement.

65. Similarly, the IDOR does not need additional protection. Under the EIX Settlement, EIX will pay any income tax-related claims that ultimately become due. The IDOR does not claim that EIX lacks the wherewithal to pay, nor could it. And with respect to any property or sales taxes that are ultimately due the IDOR, the Reorganization Trust will retain the ability and obligation to pay those claims in full. In fact, the Reorganization Trust will fully reserve for the IDOR's claims, and it will have the wherewithal to pay them. It would serve no purpose for the IDOR to "reserve its rights" to sue non-Debtors in the event that EIX and/or the Reorganization Trust do not pay.

66. More generally, NRG insisted on the Purchaser Injunction as part of a transaction into which it is paying more than $2 billion to the Debtors' estates. The injunction will not harm the IRS or IDOR, and is essential to completion of the transactions encompassed by the Plan. For the reasons described above, I believe the Purchaser Injunction is appropriate and necessary.

V. The Plan Modifications Are Appropriate and Do Not Require Resolicitation.

67. On March 6, 2014, the Debtors filed the latest version of the Plan, reflecting several modifications since the solicitation version. Many of the modifications relate to implementation of the EIX Settlement. The Debtors also modified the Plan to reflect the terms of the resolution between the Debtors and certain retirees as well as to address technical changes or respond to individual concerns raised by particular parties in interest. Specifically, the EIX Settlement-related modifications to the Plan include: (a) the resolution of significant claims between the Debtors and certain related affiliates, including the EIX litigation claims; (b) EIX's purchase of EME's valuable tax attributes for significant consideration—including $225 million on the Effective Date and substantial estimated incremental adjustments (depending on the value of EME's tax attributes) payable in 2015 and 2016; (c) EIX's continued ownership of EME; and (d) the establishment of the Reorganization Trust. I believe that these EIX Settlement-related

modifications — and indeed, all of the modifications to the Plan — are neither material nor adverse to the Debtors' voting claimants, and are consistent with the Debtors' prior disclosures contemplating the possibility of a settlement with EIX. The Debtors, in the solicitation versions of the Plan and related Disclosure Statement, expressly stated that the Debtors and EIX were engaged in efforts to reach a settlement and that the result of those efforts would define in more concrete terms the distribution to EME's creditors. The modifications pursuant to the EIX Settlement simply update the applicable provisions and provide for substantively identical treatment for the Debtors' stakeholders.

[Remainder of page intentionally left blank.]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: March 6, 2014

/s/ Maria Rigatti

Maria Rigatti
Senior Vice President and Chief Financial Officer
Edison Mission Energy