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 KEVIN COFSKY IN SUPPORT OF CONFIRMATION OF DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

Pursuant to 28 U.S.C. § 1746, I, Kevin Cofsky, hereby declare as follows under penalty of perjury:

1. I am a Managing Director at Perella Weinberg Partners LP ("PWP"), a financial advisor and investment banker to Edison Mission Energy ("EME"), one of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in these chapter 11 cases, and its Debtor and non-Debtor subsidiaries. I am familiar with the terms of the Debtors' chapter 11 plan of reorganization (as amended, modified, or supplemented from time to time, the "Plan"). I submit this declaration (the "Declaration") in support of confirmation of the Plan.[2] More specifically, I submit this Declaration to provide certain information relevant to the best interests

[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.

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

test mandated by section 1129(a)(7) of title 11 of the United States Code (the "Bankruptcy Code") as well as other provisions of section 1129 of the Bankruptcy Code.

2. Through PWP's role as an advisor to the Debtors, I am familiar with the Debtors' financial affairs, capital structure, and operations. Unless otherwise stated in this Declaration, all statements in the Declaration are based on information supplied by other PWP professionals and individuals that work with me, my familiarity with the Debtors' business and financial affairs, my review of relevant documents, and as to matters involving United States bankruptcy law or rules or other applicable laws, my reliance on the advice of the Debtors' counsel. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

Qualifications

3. PWP is a global financial services firm that provides corporate advisory and asset management services. I have extensive experience helping distressed companies in financial restructurings, both out-of-court and in chapter 11 proceedings.

4. Since joining PWP, I have advised companies in numerous in- and out-of-court restructurings, recapitalizations, and reorganizations. Prior to joining PWP, I was a Principal at Kramer Capital Partners, and held positions at Evercore Partners, the Beacon Group, and Cravath, Swaine & Moore LLP. I received my B.S. in economics from the Wharton School at the University of Pennsylvania and my J.D. from the University of Pennsylvania Law School.

Background

5. PWP has worked closely with the Debtors since before the commencement of these chapter 11 cases. On July 12, 2012, EME retained PWP as financial advisor and investment banker. On February 20, 2013, the Court entered an order authorizing the Debtors' retention of PWP effective as of the commencement date of these chapter 11 cases [Docket

No. 524]. During the course of PWP's retention, I personally have gained a thorough understanding of the Debtors' capital structure, finances, and business operations.

6. I understand that on the effective date of the Plan, the Debtors will consummate the sale (the "Sale Transaction") of substantially all of their assets to NRG Energy, Inc. ("NRG") in exchange for approximately $2.285 billion in cash, subject to purchase price adjustments, and approximately 12.67 million shares of NRG common stock. The Debtors also will consummate the EIX Settlement, including the receipt of $225 million on the effective date of the Plan and approximately $400 million in promissory notes issued by EIX. In addition, the transaction contemplates NRG's assumption of substantial prepetition Debtor and non-Debtor liabilities. The NRG sale proceeds will be paid to EME and thereafter allocated and distributed to creditors in accordance with the Plan. I also understand that a portion of the sale proceeds will be reserved to effectuate the wind down of the Debtors' remaining assets.

Confirmation of the Plan

I. The Debtors' Restructuring

7. Throughout these chapter 11 cases, the Debtors and their advisors have worked to maximize value for the benefit of their estates and stakeholders. Accordingly, throughout the more than 14 months in chapter 11, the Debtors have explored and pursued various restructuring strategies to ultimately achieve consensus for a value-maximizing reorganization.

8. Beginning in June 2012, EME, EME's ultimate corporate parent, Edison International ("EIX"), and an ad hoc group of holders of EME's senior unsecured notes (the "Noteholder Group") engaged in approximately six months of vigorous, arm's-length negotiations to reach an agreement on a transaction (the "Prepetition Settlement Transaction") designed to substantially deleverage EME's balance sheet. 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"). The Prepetition Transaction Support Agreement generally gave EME the option to gain the anticipated benefits of its tax sharing agreements with EIX in exchange for a full release of EME's claims against EIX, while permitting EME to investigate potential claims against EIX to determine whether accepting that offer was in the best interests of the Debtors' estates. 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.

9. After the petition date, EME (through the Investigation Committee), together with the Noteholder Group and the official committee of unsecured creditors (the "Committee"), continued to evaluate the potential benefits of the Prepetition Transaction Settlement Agreement. Given that those benefits were in large part dependent on the taxable income of EIX in general and its subsidiary Southern California Edison, in particular during 2013 and 2014, the merits of the agreement continued to evolve. On July 25, 2013, in large part because of the evolution of the projected 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 expected), the Noteholder Group terminated the Prepetition Transaction Support Agreement. In the wake of that termination, the Debtors pursued alternative paths to maximize the value of the Debtors' estates.

10. Accordingly, among other things, EME, in consultation with its advisors and other parties in interest, began a process to explore all potential restructuring options. To assist in this process, EME retained J.P. Morgan Securities LLC to serve as co-advisor to EME with PWP, 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 PWP and McKinsey Recovery & Transformation Services U.S. LLC, worked to develop a proposed 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.

11. On September 9, 2013, NRG made an unsolicited proposal to the Debtors to effect a transaction negotiated with certain holders of EME's senior unsecured notes (the "Supporting 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 ongoing sale process, valuation considerations, and the ongoing planning around a potential standalone restructuring.

12. EME's board of directors ultimately determined to pursue negotiations with NRG while at the same time continuing the sale process. Upon authorization from the EME board, the Debtors and their advisors engaged NRG, the 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.

13. 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. 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.

14. Subsequent to the Debtors' comprehensive marketing process for the sale of substantially all of their assets, NRG's unsolicited sale proposal, and the Court's approval of the Debtors' entry into the Plan Sponsor Agreement [Docket No. 1424], EME continued to solicit proposals consistent with its "go-shop" rights under the NRG purchase agreement. During the "go shop" period, EME vigorously continued its solicitation process and pressed hard to obtain further and better offers. As of the "go shop" period's expiration on December 6, 2013, the Debtors had received no higher offers, demonstrating that the Sale Transaction was the highest and best deal available under the circumstances.

15. I believe that the Debtors pursued a thorough and substantial evaluation of the Debtors' restructuring options, and by moving forward with the Sale Transaction, chose the path that provides the greatest value to the Debtors' estates under the circumstances.

II. The Plan Satisfies the Best Interests Test of Section 1129(a)(7) of the Bankruptcy Code.

16. It is my understanding that section 1129(a)(7) of the Bankruptcy Code requires that a chapter 11 plan provide, with respect to each class, that each holder of a claim or equity interest in such class either: (a) has accepted the plan; or (b) will receive or retain under the plan

property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code. This requirement is known as the "best interests" test.

17. The Debtors, with the assistance of PWP, have prepared a liquidation analysis (the "Liquidation Analysis"), attached as **Exhibit E** to the *Second Amended Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization* [Docket No. 1721]. I believe that the Liquidation Analysis demonstrates that the Plan provides a better recovery to impaired classes than would otherwise be available if the Debtors were liquidated in a chapter 7 case. In chapter 7, the Debtors' assets would be liquidated at the direction of a Court-appointed trustee. The hypothetical chapter 7 liquidation used for the Liquidation Analysis assumes that a chapter 7 trustee would consummate a forced, whole-company, going concern sale of EME's businesses under a structure similar to the Sale Transaction. This is by its very nature a speculative assumption and likely represents the best-case scenario of any chapter 7 liquidation. And even in such a best-case scenario, sale proceeds would likely be lower and costs and delay would likely be greater than compared with the proceeds available through the Sale Transaction, thereby reducing recoveries to holders of claims relative to their recoveries under the Plan.

18. The Liquidation Analysis is based on certain assumptions, including: (a) the sale of EME and its businesses as a going concern; (b) assumption and cure of the PoJo Leases and Documents; (c) satisfaction of Midwest Generation, LLC's environmental capital expenditure requirements; (d) an expedited sale and lower sale price; (e) cash generation from business operations; (f) settlement of litigation and claims with Edison International; and (g) retention of necessary personnel. Changes in certain or all of these factors could further reduce the recovery achieved in a chapter 7 liquidation.

19. Under the Plan, holders of claims receive substantially similar treatment as they would under a chapter 7 liquidation, with the exception of holders of General Unsecured Claims against EME and Joint-Liability General Unsecured Claims against EME (respectively, Classes A4 and A5). Under the high-value liquidation scenario included in the Liquidation Analysis, Classes A4 and A5 would recover substantially less than the over 80% recovery anticipated for Classes A4 and A5 under the Plan.

20. Pursuant to the requirements of section 1129(a)(7), it is my belief that the Plan provides a substantially greater recovery than otherwise under a hypothetical chapter 7 liquidation. Even under a best-case scenario with a purchaser willing to consummate a whole-company, going concern transaction of the Debtors on substantially the same terms of the Sale Transaction, it is likely that the purchase price would be lower, and the costs and delay of a chapter 7 liquidation would be greater. Consequently, I believe that the Plan will provide a substantially greater return to holders of claims than would a liquidation under chapter 7 of the Bankruptcy Code. As discussed herein and in other relevant filings, the Plan proposed for confirmation reflects a better recovery than would be reasonably obtainable through a chapter 7 liquidation at this time. Therefore, I believe the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

[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.

Executed on March 6, 2014

By: */s/ Kevin Cofsky*
Kevin Cofsky, Managing Director
Perella Weinberg Partners LP