

**EME Reorganization Trust**  
**Trustees' Quarterly Report<sup>1</sup>**  
**For the period of January 1, 2015 through March 31, 2015**  
**(Unaudited)**  
  
**May 29, 2015**

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<sup>1</sup> This report was prepared pursuant to Sections 9.3(a) and 9.3(b) of the Reorganization Trust Agreement, dated April 1, 2014 by and among the Managing Trustees listed on the signature pages thereto and Wilmington Trust, National Association (the "**Trust Agreement**"). Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Trust Agreement.

Section 9.3(a) provides, in relevant part, that the Reorganization Trust shall prepare and post to a public website, on a quarterly and annual basis, financial reports that fairly present the assets, liabilities, income and expenses of the Reorganization Trust for and as of the end of each reporting period. The financial statements shall be prepared on a consistent basis (except as disclosed in the notes thereto), but need not be prepared in accordance with Generally Accepted Accounting Principles.

Section 9.3(b) provides, in relevant part, that the Reorganization Trust shall prepare and post to a public website, no later than sixty (60) days after the end of each fiscal quarter, reports containing the following information regarding the activity of the Reorganization Trust during (i) the most recently completed fiscal quarter and (ii) in the report prepared after the end of each fiscal year, (A) the most recently completed fiscal year and (B) the time period since the Effective Date:

- (1) the material Trust Assets disposed of during the relevant period and the material Trust Assets remaining as of the end of such period;
- (2) the distributable Cash and common stock of NRG Energy, Inc. distributed during the relevant period, in the aggregate and on a per Beneficial Interest basis;
- (3) the aggregate total amount of remaining expenses set forth in the Reorganization Trust Budget for the expected operation of the Reorganization Trust; and
- (4) such other information as the Managing Trustees may determine to include from time to time.

The Reorganization Trust may not disclose confidential information in such reports (including the Reorganization Trust Budget) other than to Beneficiaries or third parties subject to appropriate confidentiality protections.

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## I. ASSETS AND LIABILITIES OF THE TRUST

EME REORGANIZATION TRUST  
Report of Net Assets and Liabilities  
Estimated as of: March 31, 2015  
(Unaudited)

	Estimated Value as of 3/31/2015
<b>ASSETS</b>	
Cash balance	\$ 87,028,612
Professional fee and service retainers	1,568,252
Retained causes of action <sup>(1)</sup>	-
Right to receive EIX notes under EIX settlement <sup>(2)</sup>	-
Prepaid expenses and deposits	171,666
Total Assets	<u>88,768,530</u>
<b>LIABILITIES</b>	
<b>Reserves:</b>	
Disputed claims reserve <sup>(3)</sup>	(37,464,224)
EIX escrow	-
Trust wind down budget	(45,633,953)
Professional fee escrow	-
Big Sky sale - Suzlon escrow	-
	<u>(83,098,177)</u>
Estimated net assets and liabilities	<u>\$ 5,670,353</u>

### Notes:

<sup>(1)</sup> Retained Causes of Action: Included as Exhibit F of the Plan Supplement is a list of Retained Causes of Action that are being investigated by the Reorganization Trust. Due to the uncertainties in the amount and timing of any recovery from potential litigation, the Retained Causes of Action are valued at zero for accounting purposes. Upon further investigation, the Reorganization Trust may determine that some of the Retained Causes of Action should have a higher valuation.

<sup>(2)</sup> Right to Receive EIX Notes: Pursuant to the EIX Settlement Agreement, EIX issued to the Reorganization Trust certain zero-coupon unsecured notes on September 8, 2014, related to tax attributes retained by EIX pursuant to the settlement in an aggregate principal amount of \$417,574,909. On September 25, 2014, the Reorganization Trust consummated the sale of the EIX Notes at an aggregate amount of \$400,207,813 to an unaffiliated third party. See "VI. MISCELLANEOUS INFORMATION - Resolution of Final Tax Schedule under EIX Settlement Agreement and Sale of EIX Notes" for more information on the sale of the EIX Notes.

<sup>(3)</sup> Disputed Claims Reserve: Included as Exhibit 1 of the Plan Supplement, the initial Disputed Claims Reserve was \$255,747,515. From April 1, 2014 (Effective Date) to March 31, 2015, \$218,283,291 has been disbursed from this reserve for claim settlements and distributions.

This report has been prepared in accordance with Section 9.3 of the Trust Agreement. This report of net assets and liabilities is not audited and has not been prepared in accordance with Generally Accepted Accounting Principals or the requirements of any other regulatory or professional body or organization.

## II. INCOME AND EXPENSES OF THE TRUST

EME REORGANIZATION TRUST  
Report of Cash Receipts and Disbursements  
For the period: January 1, 2015 through March 31, 2015  
(UNAUDITED)

	Most Recent Quarter <u>1/1/15 - 3/31/15</u>	Effective Date <u>to 3/31/15</u>
Beginning cash balance	\$ 228,190,432	\$ -
<u>CASH RECEIPTS - Initial funding:</u>		
Plan of reorganization net cash flow	-	97,034,609
Disputed claims reserve	-	255,747,515
Houlihan Lokey escrow	-	4,366,491
Professional fee escrow	-	34,436,851
Compensation and benefits escrow	-	79,713,378
EIX escrow	-	50,000,000
Big Sky sale - Suzlon escrow	-	500,014
Total - initial funding	<u>-</u>	<u>521,798,858</u>
<u>CASH RECEIPTS - Post Effective Date:</u>		
EIX Notes sale proceeds	-	400,207,813
Final payroll true-up (EIX & NRG)	-	4,046,022
EIX retainer settlement	-	2,332,000
Escrow and retainer releases	-	114,981,885
Workers compensation refunds	-	2,345,178
Other receipts	-	190,560
Total - wind down receipts	<u>-</u>	<u>524,103,458</u>
Total cash receipts	-	1,045,902,316
<u>CASH DISBURSEMENTS - From reserves</u>		
Compensation and benefits escrow payments	-	(79,713,514)
EIX escrow payments or release	-	(50,000,000)
Professionals final fee applications	-	(34,436,851)
Houlihan Lokey escrow payments	-	(4,366,491)
Disputed claims reserve payments or release	(136,808,803)	(218,283,292)
Big Sky sale - Suzlon escrow payments	-	(500,038)
Total - disbursements from reserves	<u>(136,808,803)</u>	<u>(387,300,186)</u>
<u>CASH DISBURSEMENTS - Post Effective Date:</u>		
Distributions to Beneficial Interest Holders	-	(481,196,539)
Advisors incentive fees	-	(66,024,278)
NRG asset purchase agreement adjustments	-	(2,952,205)
Legal and professional fees	(1,550,108)	(13,353,894)
Trust employee payroll and benefits	(686,706)	(3,840,727)
EIX - union retirees PBOB	(1,180,372)	(1,698,124)
IT, data and document retention	(3,631)	(443,811)
Trust board of director fees	(893,750)	(1,306,250)
US Trustee fees	(36,500)	(191,269)
Insurance	-	(76,657)
Other administrative costs	(1,949)	(489,764)
Total - wind down disbursements	<u>(4,353,017)</u>	<u>(571,573,519)</u>
Total cash disbursements	<u>(141,161,820)</u>	<u>(958,873,704)</u>
Ending cash balance	<u>\$ 87,028,612</u>	<u>\$ 87,028,612</u>

*This report has been prepared in accordance with Section 9.3 of the Trust Agreement. This report of cash receipts and disbursements is not audited and has not been prepared in accordance with Generally Accepted Accounting Principles or the requirements of any other regulatory or professional body or organization.*

### **III. MATERIAL TRUST ASSETS**

#### **A. Material Assets Disposed during the period January 1, 2015 to March 31, 2015**

During the reporting period, the Reorganization Trust distributed and disbursed cash in the aggregate amount of \$136.8 million to (i) settle claims and (ii) make a distribution to holders of Beneficial Interests of the Reorganization Trust and pay related professional advisors, which advisor fees are calculated based on the distributions to holders of Beneficial Interests. The \$136.8 million was released from reserves.

On March 31, 2015, the Reorganization Trust made a distribution to holders of Beneficial Interests comprised of funds released from the disputed claims reserve as a result of (i) a settlement resolving a rejection damages claim asserted by Commonwealth Edison Company, discussed below in Section VI—Resolution of Certain Outstanding Claims and (ii) a settlement with the Pennsylvania Department of Revenue resolving certain disputes regarding the gross receipts tax liability of Edison Mission Marketing & Trading, Inc. (formerly a non-debtor subsidiary of Edison Mission Energy) for the 2005 – 2010 tax years, which made it possible for the EME Reorganization Trust to release approximately \$114.9 million of the approximately \$115.3 million that was reserved on account of the disputed liability in respect of the Pennsylvania Department of Revenue. The gross amount of the distribution was approximately \$121.2 million. The net cash component amount to the holders of Beneficial Interests after advisor fees was \$103.0 million or \$0.02674 per Beneficial Interest.

In addition to the March 31, 2015 distribution, the Reorganization Trust paid claims settlements in the amount of \$15.6 million during the reporting period.

The Reorganization Trust also disbursed \$4.4 million related to other post-Effective Date wind down activities, including for other fees, payroll, benefits and other administrative costs, for total wind down disbursements of \$141.2 million for the period.

#### **B. Material Assets Disposed during the period April 1, 2014 (Effective Date) to March 31, 2015**

During the period April 1, 2014 (Effective Date) through March 31, 2015, the Reorganization Trust distributed and disbursed cash and NRG common stock in the total aggregate amount of \$3,566.9 million to holders of Beneficial Interests and to related professional advisors, which advisor fees are calculated based on the distributions to holders of Beneficial Interests. The net cash component amount to the holders of Beneficial Interests after advisor fees was \$3,076.1 million or \$0.79823 per Beneficial Interest. The Reorganization Trust also disbursed \$24.4 million related to other post-Effective Date wind down activities, including for other fees, payroll, benefits and other administrative costs. During the period April 1, 2014 (Effective Date) through March 31, 2015, the Trust has disbursed total cash in the amount of \$571.6 million and has released \$387.3 million from reserves, for total cash disposal of \$958.9 million.

**C. Material Trust Assets Remaining as of March 31, 2015**

As of March 31, 2015, the material Trust Assets remaining consisted primarily of cash in the total aggregate amount of \$87.0 million, of which \$37.5 million was reserved for disputed claims and various escrowed amounts.

During the period January 1, 2015 through March 31, 2015, there were no cash receipts.

During the period April 1, 2014 (Effective Date) through March 31, 2015, the Reorganization Trust received \$524.1 million of cash receipts consisting of:

EIX Notes sale proceeds	\$ 400,207,813
Escrow and retainer releases	114,981,885
Final payroll true-up (EIX & NRG)	4,046,022
Workers compensation refunds	2,345,178
EIX retainer settlement	2,332,000
Other receipts	190,560
Total	<u>\$ 524,103,458</u>

#### IV. DISTRIBUTABLE CASH AND COMMON STOCK (IN THE AGGREGATE AND ON A PER BENEFICIAL INTEREST BASIS)

The Reorganization Trust made four distributions to holders of Beneficial Interests and disbursements to related professional advisors during the period of April 1, 2014 (Effective Date) to March 31, 2015, one of which was made on March 31, 2015. The aggregate amount of the distributions and disbursements through March 31, 2015 consisted of the following:

	Amount	% of Recovery	% of Claim
Cash component	\$3,076,146,846	86.24%	79.83%
Stock component	\$394,708,514	11.07%	10.24%
Advisor fees	\$96,050,368	2.69%	2.49%
<b>Total recovery</b>	<b>\$3,566,905,728</b>	<b>100.00%</b>	<b>92.56%</b>

#### Description of distributions:

- An initial distribution and disbursement of NRG common stock and cash was made on the Effective Date in accordance with the terms of the Plan in the aggregate amount of \$2,898,356,879 to holders of Beneficial Interests and to certain professional advisors. The net cash component amount to holders of Beneficial Interests was \$2,491,807,194 or \$0.64662 per Beneficial Interest.
- On July 31, 2014, a cash distribution and disbursement was made in accordance with the terms of the Plan in the aggregate amount of \$98,314,286 to holders of Beneficial Interests and to certain professional advisors. The net cash component amount to the holders of Beneficial Interests after advisor fees was \$92,257,513 or \$0.02394 per Beneficial Interest.
- On October 31, 2014, a cash distribution and disbursement was made in accordance with the terms of the Plan in the aggregate amount of \$448,906,139 to holders of Beneficial Interests and to certain professional advisors. The net cash component amount to the holders of Beneficial Interests after advisor fees was \$388,939,025 or \$0.10093 per Beneficial Interest.
- On March 31, 2015, a cash distribution and disbursement was made in accordance with the terms of the Plan in the aggregate amount of \$121,232,784 to holders of Beneficial Interests and to certain professional advisors. The net cash component amount to the holders of Beneficial Interests after advisor fees was \$103,047,866 or \$0.02674 per Beneficial Interest.

**V. AGGREGATE REMAINING EXPENSES IN THE REORGANIZATION TRUST BUDGET**

EME REORGANIZATION TRUST  
 Aggregate Expenses Remaining in Reorganization Trust Budget  
 For the period: April 1, 2014 (Effective Date) through March 31, 2015  
 (Unaudited)

<u>Category</u>	<u>Original Budget</u>	<u>Expenditures To Date</u>	<u>Remaining Budget</u>
Legal	\$ 24,600,000	\$ (6,974,840)	\$ 17,625,160
Other professionals	26,410,267	(6,379,055)	\$ 20,031,212
Payroll and benefits	10,226,789	(3,840,726)	\$ 6,386,063
Board fees	2,500,000	(1,306,250)	\$ 1,193,750
General and administrative costs	3,297,555	(2,899,787)	\$ 397,768
	<u>\$ 67,034,611</u>	<u>\$ (21,400,658)</u>	<u>\$ 45,633,953</u>

*This report has been prepared in accordance with Section 9.3 of the Trust Agreement. This report of aggregate expenses remaining in reorganization trust budget is not audited and has not been prepared in accordance with Generally Accepted Accounting Principles or the requirements of any other regulatory or professional body or organization.*



## VI. MISCELLANEOUS INFORMATION

EME HOMER CITY GENERATION LP  
Report of Cash Receipts and Disbursements  
For the period: April 1, 2014 (Effective Date) through March 31, 2015  
(UNAUDITED)

Beginning cash balance		\$ 167,834
<u>Receipts:</u>		
Liberty Mutual collateral return	4,060,143	
AEGIS collateral return	2,010,518	
Argo collateral return	888,975	
Other receipts	33,138	
Total receipts	<u>6,992,775</u>	
<u>Disbursements:</u>		
Distributions to Retirees	(3,908,190)	
Legal fees	(120,575)	
Other administrative costs	(27,204)	
Total - wind down disbursements	<u>(4,055,970)</u>	
Ending cash balance		<u>\$ 3,104,639</u>

*This report has been prepared in accordance with Section 9.3 of the Trust Agreement. This report of net assets and liabilities is not audited and has not been prepared in accordance with Generally Accepted Accounting Principles or the requirements of any other regulatory or professional body or organization.*

## **VI. MISCELLANEOUS INFORMATION (Continued)**

### **Resolution of Certain Outstanding Claims**

On January 21, 2015, the United States Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”) entered an order approving a stipulation (the “ComEd Stipulation”) between the Reorganization Trust and Commonwealth Edison Company (“ComEd”) resolving certain rejection damages claims asserted by ComEd. Pursuant to the ComEd Stipulation, ComEd received an Allowed Class B-3 Claim (as defined in the Plan) in the amount of \$13.75 million, which has been satisfied by the Reorganization Trust in accordance with the terms of the Plan. ComEd had previously filed proofs of claim asserting claims for rejection damages in the amount of approximately \$20.1 million and, consequently, \$6.3 million was released from the disputed claims reserve.

### **Material Recent Developments**

On April 15, 2015, the Bankruptcy Court entered an order (the “IDOR Order”) resolving an objection to claims 109 and 110 filed by the Illinois Department of Revenue (the “IDOR”). Pursuant to the IDOR Order, claim 109 was adjusted to the amount of \$427,219, and claim 110 was adjusted to the amount of \$395,845. The Reorganization Trust satisfied claims 109 and 110 by IDOR setting the full amount of such claims against a credit owed by the IDOR against former debtor Midwest Generation, LLC. Pursuant to the Plan, the Reorganization Trust had previously established a reserve in the amount of approximately \$4.49 million on account of claims 109 and 110.

On April 15, 2015, the Bankruptcy Court entered an order approving a stipulation (the “Cargo Carriers Stipulation”) resolving claim 911 filed by Cargill, Inc. on behalf of its Cargo Carriers business unit (“Cargill”). Pursuant to the Cargo Carriers Stipulation, Cargill received an Allowed Class B-3 Claim in the amount of \$275,000, which was been satisfied by the Reorganization Trust in accordance with the terms of the Plan. The asserted amount of Cargill’s claim was \$890,877.67.