

EME Reorganization Trust
Trustees' Quarterly and Annual Report¹

**For the quarterly period of October 1, 2015 through December 31, 2015 and the annual
period of January 1, 2015 through December 31, 2015**

(Unaudited)

February 29, 2016

¹ 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: December 31, 2015
(Unaudited)

	Estimated Value as of 12/31/2015
<u>ASSETS</u>	
Cash balance	\$ 46,319,201
Professional fee and service retainers	1,568,252
Retained causes of action ⁽¹⁾	-
Right to receive EIX notes under EIX settlement ⁽²⁾	-
Prepaid expenses and deposits	171,666
Total Assets	48,059,119
<u>LIABILITIES</u>	
<u>Reserves:</u>	
Disputed claims reserve ⁽³⁾	(2,200,967)
EIX escrow	-
Trust wind down budget	(40,156,662)
Professional fee escrow	-
Big Sky sale - Suzlon escrow	-
Total Reserves	(42,357,629)
Estimated net assets and liabilities	\$ 5,701,490

Notes:

⁽¹⁾ Retained Causes of Action: Included as Exhibit F of the Plan Supplement was a list of Retained Causes of Action that were investigated by the Reorganization Trust. Due to the uncertainties in the amount and timing of any recovery from this potential litigation, the Retained Causes of Action were previously valued at zero for accounting purposes. Upon further investigation, the Reorganization Trust has determined that the Retained Causes of Action have zero value.

⁽²⁾ Right to Receive EIX Notes: Pursuant to the EIX Settlement, 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.

⁽³⁾ Disputed Claims Reserve: Included as Exhibit 1 of the Plan Supplement, the initial Disputed Claims Reserve was \$255,747,515. From January 1, 2015 to December 31, 2015, \$172,072,061 was released from this reserve. From the Effective Date (April 1, 2014) to December 31, 2015, \$253,546,548 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 Principles 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: October 1, 2015 through December 31, 2015 and January 1, 2015 through December 31, 2015

(UNAUDITED)

	Most Recent		Effective Date to 12/31/15
	Quarter 10/1/15 - 12/31/15	Annual 1/1/15 - 12/31/15	
Beginning cash balance	\$ 48,142,385	\$ 228,190,433	\$ -
<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	-	-	521,798,858
<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	-	20,280,824	135,262,709
Homer City claims and reimbursements	-	3,093,284	3,093,284
Workers compensation refunds	-	-	2,345,178
Other receipts	1,911	5,900	196,460
Total - wind down receipts	1,911	23,380,008	547,483,466
Total cash receipts	1,911	23,380,008	1,069,282,324
<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	(84,984)	(172,072,061)	(253,546,548)
Big Sky sale - Suzlon escrow payments	-	0	(500,038)
Total - disbursements from reserves	(84,984)	(172,072,061)	(422,563,442)
<u>CASH DISBURSEMENTS - Post Effective Date:</u>			
Distributions to Beneficial Interest Holders	-	(19,846,542)	(501,043,080)
Advisors incentive fees	-	(3,502,330)	(69,526,608)
NRG asset purchase agreement adjustments	-	0	(2,952,205)
Legal and professional fees	(1,242,697)	(5,426,870)	(17,230,656)
Trust employee payroll and benefits	(371,132)	(1,831,148)	(4,985,168)
EIX - union retirees PBOB	-	(1,184,302)	(1,702,054)
IT, data and document retention	(29,395)	(39,424)	(479,604)
Trust board of director fees	(68,750)	(1,100,126)	(1,512,626)
US Trustee fees	(21,950)	(123,725)	(278,494)
Insurance	-	(96,589)	(173,246)
Other administrative costs	(6,187)	(28,124)	(515,940)
Total - wind down disbursements	(1,740,111)	(33,179,179)	(600,399,681)
Total cash disbursements	(1,825,094)	(205,251,240)	(1,022,963,124)
Ending cash balance	\$ 46,319,201	\$ 46,319,201	\$ 46,319,201

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 October 1, 2015 to December 31, 2015

The Reorganization Trust disbursed \$1.8 million related to other post-Effective Date wind down activities, including for professional fees, payroll, benefits and administrative costs during the period.

B. Material Assets Disposed during the period January 1, 2015 to December 31, 2015

During the period January 1, 2015 through December 31, 2015, the Reorganization Trust distributed and disbursed cash in the total aggregate amount of \$144.6 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 \$122.9 million or \$0.03189 per Beneficial Interest. The Reorganization Trust also disbursed \$9.8 million related to other post-Effective Date wind down activities, including for professional fees, payroll, benefits and administrative costs. During the period January 1, 2015 through December 31, 2015, the Trust has disbursed total cash in the amount of \$33.2 million.

C. Material Assets Disposed during the period April 1, 2014 (Effective Date) to December 31, 2015

During the period April 1, 2014 (Effective Date) through December 31, 2015, the Reorganization Trust distributed and disbursed cash and NRG common stock in the total aggregate amount of \$3,590.3 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 \$3,096.0 million or \$0.80341 per Beneficial Interest. The Reorganization Trust also disbursed \$26.8 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 December 31, 2015, the Trust has disbursed total cash, excluding the initial distributions, in the amount of \$600.4 million.

C. Material Trust Assets Remaining as of December 31, 2015

As of December 31, 2015, the material Trust Assets remaining consisted primarily of cash in the total aggregate amount of \$46.3 million, of which \$2.3 million was reserved for disputed claims and various escrowed amounts.

During the period October 1, 2015 through December 31, 2015, the Reorganization Trust received no material cash receipts. The Reorganization Trust released no material amounts from reserve accounts.

During the period January 1, 2015 through December 31, 2015, the Reorganization Trust's operating account received \$23.4 million of cash receipts or releases from reserve accounts. The \$23.4 million consisted of \$20.3 million in escrow and retainer releases and \$3.1 million in cash receipts related to Edison Mission Finance Company's intercompany claim against EME Homer City Generation LP ("EME Homer City") and other reimbursements from EME Homer City.

During the period April 1, 2014 (Effective Date) through December 31, 2015, the Reorganization Trust's operating account received \$547.5 million of cash receipts or releases from reserve accounts, none of which were received during the fourth quarter period of 2015. The \$547.5 million of cash receipts consisted of:

EIX Notes sale proceeds	\$	400,207,813
Escrow and retainer releases		135,262,709
Final payroll true-up (EIX & NRG)		4,046,022
Homer City claims and reimbursements		3,093,284
Workers compensation refunds		2,345,178
EIX retainer settlement		2,332,000
Other receipts		196,460
Total	\$	<u>547,483,466</u>

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

There were no distributions to holders of Beneficial Interests and no disbursements to related professional advisors during the fourth quarter period of October 1, 2015 to December 31, 2015.

During the period of January 1, 2015 to December 31, 2015, the Reorganization Trust made two distributions to holders of Beneficial Interests and disbursements to related professional advisors. The aggregate amount of the distributions and disbursements during this period consisted of the following:

	Amount	% of Recovery	% of Claim
Cash component	\$122,894,407	85.00%	3.189%
Stock component	\$0	0%	0%
Advisor fees	\$21,687,248	15.00%	0.563%
Total recovery	\$144,581,655	100.00%	3.752%

The Reorganization Trust has made five distributions to holders of Beneficial Interests and disbursements to related professional advisors during the period of April 1, 2014 (Effective Date) to December 31, 2015. The aggregate amount of the distributions and disbursements from the Effective Date through December 31, 2015 consisted of the following:

	Amount	% of Recovery	% of Claim
Cash component	\$3,095,993,387	86.23%	80.34%
Stock component	\$394,708,514	10.99%	10.24%
Advisor fees	\$99,552,698	2.77%	2.58%
Total recovery	\$3,590,254,599	100.00%	93.16%

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.
- On September 24, 2015, a cash distribution and disbursement was made in accordance with the terms of the Plan in the aggregate amount of \$23,348,871 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 \$19,846,541 or \$0.00515 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 December 31, 2015
 (Unaudited)

<u>Category</u>	<u>Original Budget</u>	<u>Expenditures To Date</u>	<u>Remaining Budget</u>
Legal	\$ 24,600,000	\$ (10,465,913)	\$ 14,134,087
Other professionals	26,410,267	(6,764,743)	\$ 19,645,524
Payroll and benefits	10,226,789	(4,985,168)	\$ 5,241,621
Board fees	2,500,000	(1,512,626)	\$ 987,374
General and administrative costs	3,297,555	(3,149,500)	\$ 148,055
	<u>\$ 67,034,611</u>	<u>\$ (26,877,949)</u>	<u>\$ 40,156,662</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 December 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	45,553	
Total receipts		7,005,190
<u>Disbursements:</u>		
Distributions to Retirees	(3,908,190)	
Edison Mission Finance Claim	(3,084,860)	
Legal fees	(120,575)	
Other administrative costs	(27,204)	
Miller Settlement	(23,770)	
EME Reorg. Trust trustee fee reimbursement	(7,690)	
AON Claim Reserve release	(734)	
Total - wind down disbursements		(7,173,024)
Ending cash balance		<u>\$ 0</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.