

GenOn Energy, Inc.
Form 10-Q
November 05, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended: September 30, 2014

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

GenOn Energy, Inc.
(Exact name of registrant as specified in its charter)
75-0655566 (I.R.S. Employer Identification No.)
Commission File Number: 001-16455

GenOn Americas Generation, LLC
(Exact name of registrant as specified in its charter)
51-0390520 (I.R.S. Employer Identification No.)
Commission File Number: 333-63240

GenOn Mid-Atlantic, LLC
(Exact name of registrant as specified in its charter)
58-2574140 (I.R.S. Employer Identification No.)
Commission File Number: 333-61668

Delaware
(State or other jurisdiction of incorporation or organization) (609) 524-4500
(Registrants' telephone number, including area code)

211 Carnegie Center, Princeton, New Jersey 08540
(Address of principal executive offices) (Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. (As a voluntary filer not subject to filing requirements, the registrant nevertheless filed all reports which would have been required to be filed by Section 15(d) of the Exchange Act during the preceding 12 months had the registrant been required to file reports pursuant to Section 15(d) of the Exchange Act solely as a result of having registered debt securities under the Securities Act of 1933.)

GenOn Energy, Inc. Yes No
GenOn Americas Generation, LLC Yes No
GenOn Mid-Atlantic, LLC Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

GenOn Energy, Inc. Yes No
 GenOn Americas Generation, LLC Yes No
 GenOn Mid-Atlantic, LLC Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
GenOn Energy, Inc.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GenOn Americas Generation, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GenOn Mid-Atlantic, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

GenOn Energy, Inc. Yes No
 GenOn Americas Generation, LLC Yes No
 GenOn Mid-Atlantic, LLC Yes No

Each Registrant’s outstanding equity interests are held by its respective parent and there are no equity interests held by nonaffiliates.

Registrant	Parent
GenOn Energy, Inc.	NRG Energy, Inc.
GenOn Americas Generation, LLC	NRG Americas, Inc.
GenOn Mid-Atlantic, LLC	NRG North America LLC

This combined Form 10-Q is separately filed by GenOn Energy, Inc., GenOn Americas Generation, LLC and GenOn Mid-Atlantic, LLC. Information contained in this combined Form 10-Q relating to GenOn Energy, Inc., GenOn Americas Generation, LLC and GenOn Mid-Atlantic, LLC is filed by such registrant on its own behalf and each registrant makes no representation as to information relating to registrants other than itself.

NOTE: WHEREAS GENON ENERGY, INC., GENON AMERICAS GENERATION, LLC AND GENON MID-ATLANTIC, LLC MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) AND (b) OF FORM 10-Q, THIS COMBINED FORM 10-Q IS BEING FILED WITH THE REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION H(2).

TABLE OF CONTENTS	
<u>CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION</u>	<u>2</u>
<u>GLOSSARY OF TERMS</u>	<u>3</u>
<u>PART I — FINANCIAL INFORMATION</u>	<u>5</u>
<u>Item 1 — CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES</u>	<u>5</u>
<u>Item 2 — MANAGEMENT'S NARRATIVE ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION</u>	<u>34</u>
<u>Item 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>49</u>
<u>Item 4 — CONTROLS AND PROCEDURES</u>	<u>49</u>
<u>PART II — OTHER INFORMATION</u>	<u>50</u>
<u>Item 1 — LEGAL PROCEEDINGS</u>	<u>50</u>
<u>Item 1A — RISK FACTORS</u>	<u>50</u>
<u>Item 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>50</u>
<u>Item 3 — DEFAULTS UPON SENIOR SECURITIES</u>	<u>50</u>
<u>Item 4 — MINE SAFETY DISCLOSURES</u>	<u>50</u>
<u>Item 5 — OTHER INFORMATION</u>	<u>50</u>
<u>Item 6 — EXHIBITS</u>	<u>51</u>
<u>SIGNATURES</u>	<u>52</u>

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

(GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. The words "believes," "projects," "anticipates," "plans," "expects," "intends," "estimates" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Registrants' actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors, risks and uncertainties include the factors described under Item 1A - Risk Factors, in Part I, Item 1A of the Registrants' Annual Report on Form 10-K for the year ended December 31, 2013, including, but not limited to, the following:

- General economic conditions, changes in the wholesale power markets and fluctuations in the cost of fuel;
- Volatile power supply costs and demand for power;
- Hazards customary to the power production industry and power generation operations such as fuel and electricity price volatility, unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled generation outages, maintenance or repairs, unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmission or gas pipeline system constraints and the possibility that the Registrants may not have adequate insurance to cover losses as a result of such hazards;
- The effectiveness of the Registrants' risk management policies and procedures, and the ability of the Registrants' counterparties to satisfy their financial commitments;
- The collateral demands of counterparties and other factors affecting the Registrants' liquidity position and financial condition;
- The Registrants' ability to operate their businesses efficiently, manage capital expenditures and costs tightly, and generate earnings and cash flows from their asset-based businesses in relation to their debt and other obligations;
- The Registrants' ability to enter into contracts to sell power and procure fuel on acceptable terms and prices;
- The liquidity and competitiveness of wholesale markets for energy commodities;
- Government regulation, including compliance with regulatory requirements and changes in market rules, rates, tariffs and environmental laws and increased regulation of carbon dioxide and other greenhouse gas emissions;
 - Price mitigation strategies and other market structures employed by ISOs or RTOs that result in a failure to adequately compensate NRG's generation units for all of its costs;
- The Registrants' ability to borrow additional funds and access capital markets, as well as GenOn's substantial indebtedness and the possibility that the Registrants may incur additional indebtedness going forward; and
- Operating and financial restrictions placed on the Registrants and their subsidiaries that are contained in the indentures governing GenOn's outstanding notes, and in debt and other agreements of certain of the Registrants' subsidiaries and project affiliates generally.

Forward-looking statements speak only as of the date they were made, and the Registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause the Registrants' actual results to differ materially from those contemplated in any forward-looking statements included in this Quarterly Report on Form 10-Q should not be construed as exhaustive.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below:
2013 Form 10-K

Ancillary Services	The Registrants' Annual Report on Form 10-K for the year ended December 31, 2013 Services that ensure reliability and support the transmission of electricity from generation sites to customer loads. Such services include regulation service, reserves and voltage support
ASC	The FASB Accounting Standards Codification, which the FASB established as the source of authoritative U.S. GAAP
ASU	Accounting Standards Updates which reflect updates to the ASC
Bankruptcy Court	United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division
CAIR	Clean Air Interstate Rule
CenterPoint	CenterPoint Energy, Inc. and its subsidiaries, on and after August 31, 2002, and Reliant Energy, Incorporated and its subsidiaries prior to August 31, 2002
CO ₂	Carbon dioxide
CSAPR	Cross-State Air Pollution Rule
CWA	Clean Water Act
EPA	United States Environmental Protection Agency
Exchange Act	The Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GenOn	GenOn Energy, Inc. and, except where the context indicates otherwise, its subsidiaries
GenOn Americas Generation	GenOn Americas Generation, LLC and, except where the context indicates otherwise, its subsidiaries
GenOn Energy Holdings	GenOn Energy Holdings, Inc. and, except where the context indicates otherwise, its subsidiaries
GenOn Mid-Atlantic	GenOn Mid-Atlantic, LLC and, except where the context indicates otherwise, its subsidiaries, which include the coal generation units at two generating facilities under operating leases
ISO	Independent System Operator, also referred to as RTO
LIBOR	London Inter-Bank Offered Rate
MC Asset Recovery	MC Asset Recovery, LLC
MDE	Maryland Department of the Environment
Mirant	GenOn Energy Holdings, Inc. (formerly known as Mirant Corporation) and, except where the context indicates otherwise, its subsidiaries
Mirant/RRI Merger	The merger completed on December 3, 2010 of Mirant Corporation and RRI Energy Inc. to form GenOn Energy, Inc.
Mirant Debtors	GenOn Energy Holdings, Inc. (formerly known as Mirant Corporation) and certain of its subsidiaries
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Units
MW	Megawatt
MWh	Saleable megawatt hours net of internal/parasitic load megawatt-hours
Net Exposure	Counterparty credit exposure to GenOn, GenOn Americas Generation or GenOn Mid-Atlantic, as applicable, net of collateral
NERC	North American Electric Reliability Corporation
NOL	Net Operating Loss
NOV	Notice of violation
NO _x	Nitrogen oxide

NPNS
NRC

Normal Purchase Normal Sale
U.S. Nuclear Regulatory Commission

3

NRG	NRG Energy, Inc. and, except where the context indicates otherwise, its subsidiaries
NRG Americas	NRG Americas, Inc. (formerly known as GenOn Americas, Inc.)
NRG Merger	The merger completed on December 14, 2012, whereby GenOn became a wholly owned subsidiary of NRG
NYISO	New York Independent System Operator
NYSPSC	New York State Public Service Commission
OCI	Other comprehensive income
PADEP	Pennsylvania Department of Environmental Protection
PJM	PJM Interconnection, LLC
PJM market	The wholesale and retail electric market operated by PJM primarily in all or parts of Delaware, the District of Columbia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia and West Virginia
Registrants	GenOn, GenOn Americas Generation and GenOn Mid-Atlantic, collectively
REMA	NRG REMA LLC (formerly known as GenOn REMA, LLC)
RTO	Regional Transmission Organization
Securities Act	The Securities Act of 1933, as amended
SO ₂	Sulfur dioxide
U.S.	United States of America
U.S. GAAP	Accounting principles generally accepted in the United States

PART I - FINANCIAL INFORMATION

ITEM 1 - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

GENON ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,		
	2014	2013	2014	2013	
	(In millions)				
Operating Revenues					
Operating revenues	\$713	\$794	\$2,300	\$1,934	
Operating revenues — affiliate	(4	) 17	17	32	
Total operating revenues	709	811	2,317	1,966	
Operating Costs and Expenses					
Cost of operations	385	445	1,388	1,317	
Cost of operations — affiliate	67	66	358	139	
Depreciation and amortization	52	70	172	207	
Impairment loss	60	—	60	—	
Selling, general and administrative	19	30	60	83	
Selling, general and administrative — affiliate	33	37	99	74	
Acquisition-related transaction and integration costs	1	13	3	54	
Total operating costs and expenses	617	661	2,140	1,874	
Loss on sale of assets	—	—	(6) —	
Operating Income	92	150	171	92	
Other Expense					
Other income, net	2	2	4	4	
Interest expense	(46	) (48	) (140	) (145)
Interest expense - affiliate	(2	) (3	) (9	) (9)
Loss on debt extinguishment	—	—	—	(11)
Total other expense	(46	) (49	) (145	) (161)
Income/(Loss) Before Income Taxes	46	101	26	(69)
Income tax expense/(benefit)	—	—	2	(6)
Net Income/(Loss)	\$46	\$101	\$24	\$(63)

See accompanying notes to condensed consolidated financial statements.

GENON ENERGY, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
 (Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	(In millions)			
Net Income/(Loss)	\$46	\$101	\$24	\$(63)
Other comprehensive (loss)/income net of reclassifications, net of tax of \$0:				
Unrealized loss on derivatives	—	(18)	—	(1)
Defined benefit plans	(5)	—	3	30
Other comprehensive (loss)/income	(5)	(18)	3	29
Comprehensive Income/(Loss)	\$41	\$83	\$27	\$(34)

See accompanying notes to condensed consolidated financial statements.

GENON ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2014 (unaudited) (In millions)	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$968	\$760
Funds deposited by counterparties	—	56
Accounts receivable — trade	105	178
Inventory	424	443
Derivative instruments	447	464
Derivative instruments — affiliate	4	5
Cash collateral paid in support of energy risk management activities	135	62
Current assets held-for-sale	17	17
Prepayments and other current assets	154	177
Total current assets	2,254	2,162
Property, plant and equipment, net of accumulated depreciation of \$417 and \$248	3,053	3,176
Other Assets		
Intangible assets, net of accumulated amortization of \$65 and \$34	73	65
Derivative instruments	161	181
Derivative instruments — affiliate	2	1
Assets held-for-sale	18	—
Other non-current assets	179	149
Total other assets	433	396
Total Assets	\$5,740	\$5,734
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Current portion of long-term debt and capital leases	\$8	\$5
Accounts payable	125	187
Accounts payable — affiliate	19	72
Derivative instruments	405	160
Derivative instruments — affiliate	14	3
Cash collateral received in support of energy risk management activities	—	56
Accrued expenses and other current liabilities	295	266
Total current liabilities	866	749
Other Liabilities		
Long-term debt and capital leases	3,117	3,128
Derivative instruments	48	18
Out-of-market contracts	988	1,045
Other non-current liabilities	380	481
Total non-current liabilities	4,533	4,672
Total Liabilities	5,399	5,421
Commitments and Contingencies		
Stockholder's Equity		
Common stock: \$0.001 par value, 1 share authorized and issued at September 30, 2014 and December 31, 2013	—	—
Additional paid-in capital	325	325

Edgar Filing: GenOn Energy, Inc. - Form 10-Q

Accumulated deficit	(90	) (114)
Accumulated other comprehensive income	106	102	
Total Stockholder's Equity	341	313	
Total Liabilities and Stockholder's Equity	\$5,740	\$5,734	

See accompanying notes to condensed consolidated financial statements.

7

GENON ENERGY, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

	Nine months ended September 30,		
	2014	2013	
	(In millions)		
Cash Flows from Operating Activities			
Net income/(loss)	\$24	\$(63))
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation and amortization	172	207	
Amortization of financing costs and debt discount/premiums	(43)	) (57))
Amortization of out-of-market contracts and emission allowances	(17)	) (33))
Amortization of unearned equity compensation	—	8	
Adjustment to loss on debt extinguishment	—	(28))
Loss on sale of asset	6	—	
Impairment loss	60	—	
Changes in derivative instruments	323	200	
Changes in collateral deposits supporting energy risk management activities	(73)	) 113	
Changes in other working capital	(173)	) 136	
Net Cash Provided by Operating Activities	279	483	
Cash Flows from Investing Activities			
Net proceeds from sale of NRG Marsh Landing	—	175	
Capital expenditures	(125)	) (241))
Decrease in restricted cash, net	—	18	
Purchase of emission allowances, net of proceeds	—	(14))
Proceeds from sale of assets, net of cash disposed of	50	—	
Other	5	—	
Net Cash Used by Investing Activities	(70)	) (62))
Cash Flows from Financing Activities			
Proceeds from issuance of long-term debt	—	110	
Payments for short and long-term debt	(1)	) (578))
Net Cash Used by Financing Activities	(1)	) (468))
Net Increase/(Decrease) in Cash and Cash Equivalents	208	(47))
Cash and Cash Equivalents at Beginning of Period	760	825	
Cash and Cash Equivalents at End of Period	\$968	\$778	

See accompanying notes to condensed consolidated financial statements.

GENON AMERICAS GENERATION, LLC AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	(In millions)			
Operating Revenues				
Operating revenues	\$667	\$769	\$2,123	\$1,834
Operating revenues — affiliate	(25	) —	110	105
Total operating revenues	642	769	2,233	1,939
Operating Costs and Expenses				
Cost of operations	198	300	753	679
Cost of operations — affiliate	335	333	1,181	1,037
Depreciation and amortization	21	26	70	79
Selling, general and administrative	2	6	7	8
Selling, general and administrative — affiliate	20	15	62	57
Total operating costs and expenses	576	680	2,073	1,860
Loss on sale of assets	—	—	(6) —
Operating Income	66	89	154	79
Other Expense				
Interest expense	(17	) (16	) (50	) (49
Interest expense — affiliate	(2	) (2	) (6	) (5
Total other expense	(19	) (18	) (56	) (54
Income Before Income Taxes	47	71	98	25
Income tax	—	—	—	—
Net Income	\$47	\$71	\$98	\$25

See accompanying notes to condensed consolidated financial statements.

GENON AMERICAS GENERATION, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2014 (unaudited) (In millions)	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$126	\$63
Accounts receivable — trade	95	151
Note receivable — affiliate	331	299
Inventory	240	270
Derivative instruments	447	462
Derivative instruments — affiliate	300	84
Cash collateral paid in support of energy risk management activities	125	50
Prepayments and other current assets	99	105
Total current assets	1,763	1,484
Property, plant and equipment, net of accumulated depreciation of \$162 and \$96	1,095	1,194
Other Assets		
Intangible assets, net of accumulated amortization of \$63 and \$34	72	64
Derivative instruments	161	181
Derivative instruments — affiliate	32	8
Other non-current assets	85	32
Total other assets	350	285
Total Assets	\$3,208	\$2,963
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Current portion of long-term debt and capital leases	\$5	\$5
Accounts payable	44	90
Accounts payable — affiliate	104	86
Derivative instruments	405	160
Derivative instruments — affiliate	273	107
Cash collateral received in support of energy risk management activities	—	56
Accrued expenses and other current liabilities	122	93
Total current liabilities	953	597
Other Liabilities		
Long-term debt and capital leases	932	943
Derivative instruments	48	18
Derivative instruments — affiliate	45	23
Out-of-market contracts	554	575
Other non-current liabilities	105	116
Total non-current liabilities	1,684	1,675
Total Liabilities	2,637	2,272
Commitments and Contingencies		
Member's Equity		
Member's interest	571	691
Total Member's Equity	571	691
Total Liabilities and Member's Equity	\$3,208	\$2,963
See accompanying notes to condensed consolidated financial statements.		

GENON AMERICAS GENERATION, LLC AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

	Nine months ended September 30,	
	2014	2013
	(In millions)	
Cash Flows from Operating Activities		
Net income	\$98	\$25
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	70	79
Amortization of debt premiums	(7	) (6
Amortization of out-of-market contracts and emission allowances	10	(6
Loss on disposals and sales of assets	6	5
Changes in derivative instruments	258	183
Changes in collateral deposits supporting energy risk management activities	(131	) 49
Changes in other working capital	49	(68
Net Cash Provided by Operating Activities	353	261
Cash Flows from Investing Activities		
Capital expenditures	(25	) (44
Decrease in note receivable — affiliate	(32	) (101
Purchase of emission allowances, net of proceeds	—	(14
Proceeds from sale of assets, net of cash disposed of	50	—
Net Cash Used by Investing Activities	(7	) (159
Cash Flows from Financing Activities		
Payments for short and long-term debt	—	(3
Capital contributions	37	37
Distributions to member	(320	) (160
Net Cash Used by Financing Activities	(283	) (126
Net Increase/(Decrease) in Cash and Cash Equivalents	63	(24
Cash and Cash Equivalents at Beginning of Period	63	148
Cash and Cash Equivalents at End of Period	\$126	\$124

See accompanying notes to condensed consolidated financial statements.

GENON MID-ATLANTIC, LLC AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)

	Three months ended September 30, 2014		2013		Nine months ended September 30, 2014		2013	
	(In millions)							
Operating Revenues								
Operating revenues	\$46		\$19		\$(110)		) \$25	
Operating revenues — affiliate	199		278		878		) 613	
Total operating revenues	245		297		768		) 638	
Operating Costs and Expenses								
Cost of operations	141		64		535		) 216	
Cost of operations — affiliate	25		112		26		) 245	
Depreciation and amortization	18		22		61		) 60	
Selling, general and administrative — affiliate	16		15		51		) 48	
Total operating costs and expenses	200		213		673		) 569	
Operating Income	45		84		95		) 69	
Other Expense								
Interest expense	—		(1	)	(1	)	) (1)
Interest expense — affiliate	(1	)	(1	)	(3	)	) (3)
Total other expense	(1	)	(2	)	(4	)	) (4)
Income Before Income Taxes	44		82		91		) 65	
Income tax	—		—		—) —	
Net Income	\$44		\$82		\$91		) \$65	

See accompanying notes to condensed consolidated financial statements.

GENON MID-ATLANTIC, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2014 (unaudited) (In millions)	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$129	\$64
Accounts receivable — trade	5	4
Accounts receivable — affiliate	—	35
Inventory	145	158
Derivative instruments	126	298
Derivative instruments — affiliate	59	53
Prepayments and other current assets	76	81
Total current assets	540	693
Property, plant and equipment, net of accumulated depreciation of \$138 and \$77	934	987
Other Assets		
Intangible assets, net of accumulated amortization of \$1 and \$0	10	11
Derivative instruments	16	60
Derivative instruments — affiliate	101	96
Other non-current assets	78	25
Total other assets	205	192
Total Assets	\$1,679	\$1,872
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Current portion of long-term debt and capital leases	\$5	\$5
Accounts payable	17	16
Accounts payable — affiliate	8	—
Derivative instruments	5	—
Derivative instruments — affiliate	104	64
Accrued expenses and other current liabilities	60	49
Total current liabilities	199	134
Other Liabilities		
Long-term debt and capital leases	1	5
Derivative instruments — affiliate	18	9
Out-of-market contracts	553	575
Other non-current liabilities	59	71
Total non-current liabilities	631	660
Total Liabilities	830	794
Commitments and Contingencies		
Member's Equity		
Member's interest	849	1,078
Total Member's Equity	849	1,078
Total Liabilities and Member's Equity	\$1,679	\$1,872

See accompanying notes to condensed consolidated financial statements.

GENON MID-ATLANTIC, LLC AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

	Nine months ended September 30,	
	2014	2013
	(In millions)	
Cash Flows from Operating Activities		
Net income	\$91	\$65
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61	60
Amortization of out-of-market contracts and emission allowances	(12)	(8)
Loss on disposals and sales of assets	—	5
Changes in derivative instruments	259	181
Changes in collateral deposits supporting energy risk management activities	—	(14)
Changes in other working capital	(3)	(97)
Net Cash Provided by Operating Activities	396	192
Cash Flows from Investing Activities		
Capital expenditures	(11)	(38)
Net Cash Used by Investing Activities	(11)	(38)
Cash Flows from Financing Activities		
Payments for short and long-term debt	—	(3)
Distributions to member	(320)	(160)
Net Cash Used by Financing Activities	(320)	(163)
Net Increase/(Decrease) in Cash and Cash Equivalents	65	(9)
Cash and Cash Equivalents at Beginning of Period	64	135
Cash and Cash Equivalents at End of Period	\$129	\$126

See accompanying notes to condensed consolidated financial statements.

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 — Basis of Presentation (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

GenOn Energy, Inc., a wholly owned subsidiary of NRG, is a wholesale power generator engaged in the ownership and operation of power generation facilities, with approximately 19,583 MW of net electric generating capacity located in the U.S.

GenOn Americas Generation is a wholesale power generator with approximately 7,596 MW of net electric generating capacity located, in many cases, near major metropolitan areas. GenOn Americas Generation's electric generating capacity is part of the 19,583 MW of net electric generating capacity of GenOn.

GenOn Mid-Atlantic operates and owns or leases 4,683 MW of net electric generating capacity in Maryland near Washington, D.C. GenOn Mid-Atlantic's electric generating capacity is part of the 7,596 MW of net electric generating capacity of GenOn Americas Generation. GenOn Mid-Atlantic's generating facilities serve the Eastern PJM markets.

GenOn Americas Generation and GenOn Mid-Atlantic are Delaware limited liability companies and indirect wholly owned subsidiaries of GenOn. GenOn Mid-Atlantic is an indirect wholly owned subsidiary of GenOn Americas Generation.

The Registrants sell power from their generation portfolio, offer capacity or similar products to retail electric providers and others, and provide Ancillary Services to support system reliability.

On December 14, 2012, NRG completed the acquisition of GenOn, referred to herein as the NRG Merger.

This is a combined quarterly report of the Registrants for the quarter ended September 30, 2014. The notes to the condensed consolidated financial statements apply to the Registrants as indicated parenthetically next to each corresponding disclosure. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the SEC's regulations for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The following notes should be read in conjunction with the accounting policies and other disclosures as set forth in the notes to the Registrants' financial statements set forth in the Registrants' 2013 Form 10-K. Interim results are not necessarily indicative of results for a full year.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly the Registrants' consolidated financial positions as of September 30, 2014, cash flows for the nine months ended September 30, 2014 and 2013 and the results of operations and comprehensive income/(loss) for the three and nine months ended September 30, 2014 and 2013.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Certain prior year depreciation amounts have been recast to revise provisional purchase accounting estimates for the NRG Merger.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes. The reclassification did not affect results from operations.

Note 2 — Summary of Significant Accounting Policies (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)
Impairment losses

During the three months ended September 30, 2014, GenOn determined that it will pursue mothballing the 463 MW natural gas-fired Osceola facility, in Saint Cloud, Florida. GenOn considered this to be an indicator of impairment and performed an impairment test for these assets under ASC 360, Property, Plant and Equipment. The carrying amount of the assets was lower than the future net cash flows expected to be generated by the assets and as a result, the assets are considered to be impaired. GenOn measured the impairment loss as the difference between the carrying amount and the fair value of the assets. Due to the location of the facility, it was determined that the best indicator of fair value is the market value of the combustion turbines. GenOn recorded an impairment loss of approximately \$60 million, which represents the excess of the carrying value over the fair market value.

Assets Held for Sale

During the three months ended September 30, 2014, GenOn entered into a separate agreement to sell its 50% interest in the Sabine Cogen, L.P. This transaction is expected to close in the fourth quarter of 2014. As a result, GenOn has classified the related assets as "held-for-sale" in the consolidated balance sheet as of September 30, 2014.

Recent Accounting Developments

ASU 2014-09 - In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), or ASU No. 2014-09. The amendments of ASU No. 2014-09 complete the joint effort between the FASB and the International Accounting Standards Board, or IASB, to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards, or IFRS, and to improve financial reporting. The guidance in ASU No. 2014-09 provides that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for the goods or services provided and establishes the following steps to be applied by an entity: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies the performance obligation. The guidance of ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods therein. Early adoption is not permitted. The Registrants are currently evaluating the impact of the standard on the Registrants' results of operations, cash flows and financial position.

ASU 2013-11 - In July 2013, the FASB issued ASU No. 2013-11, Income Taxes (Topic 740) Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists, or ASU No. 2013-11. The amendments of ASU No. 2013-11, which were adopted on January 1, 2014, require an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction of a deferred tax asset for a net operating loss, or NOL, a similar tax loss or tax credit carryforward rather than a liability when the uncertain tax position would reduce the NOL or other carryforward under the tax law of the applicable jurisdiction and the entity intends to use the deferred tax asset for that purpose. The adoption of this standard did not impact the Registrants' results of operations or cash flows.

Note 3 — Fair Value of Financial Instruments (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This footnote should be read in conjunction with the complete description under Note 4, Fair Value of Financial Instruments, to the Registrants' 2013 Form 10-K.

For cash and cash equivalents, funds deposited by counterparties, accounts receivable, note receivable — affiliate, accounts payable, accrued liabilities, restricted cash, and cash collateral paid and received in support of energy risk management activities, the carrying amount approximates fair value because of the short-term maturity of those instruments and are classified as Level 1 within the fair value hierarchy.

The estimated carrying amounts and fair values of GenOn and GenOn Americas Generation's debt are as follows:
GenOn

As of September 30, 2014		As of December 31, 2013	
Carrying Amount	Fair Value	Carrying Amount	Fair Value
(In millions)			

Edgar Filing: GenOn Energy, Inc. - Form 10-Q

Long and short-term debt	\$3,117	\$2,828	\$3,120	\$3,058
--------------------------	---------	---------	---------	---------

The fair value of long and short-term debt that is estimated using reported market prices for instruments that are publicly traded is classified as Level 2 within the fair value hierarchy.

16

GenOn Americas Generation

	As of September 30, 2014		As of December 31, 2013	
	Carrying Amount (In millions)	Fair Value	Carrying Amount	Fair Value
Long and short-term debt	\$931	\$786	\$938	\$883

The fair value of long and short-term debt is estimated using reported market prices for instruments that are publicly traded and is classified as Level 2 within the fair value hierarchy.

Recurring Fair Value Measurements

Derivative assets and liabilities are carried at fair market value. Realized and unrealized gains and losses included in earnings that are related to energy derivatives are recorded in operating revenues and cost of operations.

GenOn

The following tables present assets and liabilities (including affiliate amounts) measured and recorded at fair value on GenOn's consolidated balance sheet on a recurring basis and their level within the fair value hierarchy:

	As of September 30, 2014			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$116	\$482	\$16	\$614
Derivative liabilities:				
Commodity contracts	\$23	\$408	\$36	\$467
Other assets ^(b)	\$21	\$—	\$—	\$21

(a) There were no transfers during the three and nine months ended September 30, 2014 between Levels 1 and 2.

(b) Relates to mutual funds held in a rabbi trust for non-qualified deferred compensation plans for certain key and highly compensated employees.

	As of December 31, 2013			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$141	\$507	\$3	\$651
Derivative liabilities:				
Commodity contracts	\$25	\$149	\$7	\$181
Other assets ^(b)	\$37	\$—	\$—	\$37

(a) There were no transfers during the year ended December 31, 2013 between Levels 1 and 2.

(b) Relates to mutual funds held in a rabbi trust for non-qualified deferred compensation plans for certain key and highly compensated employees.

The following tables reconcile, for the three and nine months ended September 30, 2014 and 2013, the beginning and ending balances for derivatives that are recognized at fair value in GenOn's consolidated financial statements at least annually using significant unobservable inputs:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
	Derivatives ^(a)		Derivatives ^(a)	
	(In millions)			
Beginning balance	\$ (44	) \$ 3	\$ (4	) \$ 17
Total gains/(losses) included in earnings — realized/unrealized	1	1	3	(15
Purchases	22	1	(19	) 3
Transfers into Level 3 ^(b)	1	—	—	—
Ending balance	\$ (20	) \$ 5	\$ (20	) \$ 5
(Losses)/gains for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of September 30	\$ —	\$ —	\$ (1	) \$ 1

(a) Consists of derivative assets and liabilities, net.

(b) Transfers in/out of level 3 are related to the availability of external broker quotes and are valued as of the end of the reporting period.

GenOn Americas Generation

The following tables present assets and liabilities (including affiliate amounts) measured and recorded at fair value on GenOn Americas Generation's consolidated balance sheet on a recurring basis and their level within the fair value hierarchy:

	As of September 30, 2014			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$ 123	\$ 786	\$ 31	\$ 940
Derivative liabilities:				
Commodity contracts	\$ 47	\$ 675	\$ 49	\$ 771

(a) There were no transfers during the three and nine months ended September 30, 2014 between Levels 1 and 2.

	As of December 31, 2013			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$ 153	\$ 575	\$ 7	\$ 735
Derivative liabilities:				
Commodity contracts	\$ 74	\$ 226	\$ 8	\$ 308

(a) There were no transfers during the year ended December 31, 2013 between Levels 1 and 2.

The following tables reconcile, for the three and nine months ended September 30, 2014 and 2013, the beginning and ending balances for GenOn Americas Generation's derivatives that are recognized at fair value in the consolidated financial statements at least annually using significant unobservable inputs:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)				
	Three months ended September 30,		Nine months ended September 30,		
	2014	2013	2014	2013	
	Derivatives ^(a)		Derivatives ^(a)		
	(In millions)				
Beginning balance	\$(41	) \$3	\$(1	) \$17
Total gains/(losses) included in earnings — realized/unrealized	1	—	1	(16)
Purchases	22	1	(18	) 3
Ending balance	\$(18	) \$4	\$(18	) \$4
Gains/(losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of September 30	\$1	\$(1) \$—	\$—	

(a) Consists of derivative assets and liabilities, net.

GenOn Mid-Atlantic

The following tables present assets and liabilities (including affiliate amounts) measured and recorded at fair value on GenOn Mid-Atlantic's consolidated balance sheet on a recurring basis and their level within the fair value hierarchy:

	As of September 30, 2014			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$92	\$209	\$1	\$302
Derivative liabilities:				
Commodity contracts	\$17	\$91	\$19	\$127

(a) There were no transfers during the three and nine months ended September 30, 2014 between Levels 1 and 2.

	As of December 31, 2013			
	Fair Value			
	Level 1 ^(a)	Level 2 ^(a)	Level 3	Total
	(In millions)			
Derivative assets:				
Commodity contracts	\$87	\$420	\$—	\$507
Derivative liabilities:				
Commodity contracts	\$13	\$60	\$—	\$73

(a) There were no transfers during the year ended December 31, 2013 between Levels 1 and 2.

The following tables reconcile, for the three and nine months ended September 30, 2014 and 2013, the beginning and ending balances for GenOn Mid-Atlantic's derivatives that are recognized at fair value in the consolidated financial statements at least annually using significant unobservable inputs:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)			
	Three months ended September 30, 2014		Nine months ended September 30, 2014	
	2013	2013	2013	2013
	Derivatives ^(a)		Derivatives ^(a)	
	(In millions)			
Beginning balance	\$(41	) \$2	\$—	\$7
Total gains/(losses) included in earnings — realized/unrealized	1	—	—	(7
Purchases	22	1	(18	) 3
Ending balance	\$(18	) \$3	\$(18	) \$3
Gains for the period included in earnings attributable to the change in unrealized gains or losses relating to assets or liabilities still held as of September 30		\$—	\$—	\$1

(a) Consists of derivative assets and liabilities, net.

Derivative Fair Value Measurements

A portion of the Registrants' contracts are exchange-traded contracts with readily available quoted market prices. A majority of the Registrants' contracts are non-exchange-traded contracts valued using prices provided by external sources, primarily price quotations available through brokers or over-the-counter and on-line exchanges. The remainder of the assets and liabilities represent contracts for which external sources or observable market quotes are not available for the whole term or for certain delivery months. These contracts are valued using various valuation techniques including but not limited to internal models that apply fundamental analysis of the market and corroboration with similar markets. As of September 30, 2014, contracts valued with prices provided by models and other valuation techniques make up 3% of GenOn's derivative assets and 8% of GenOn's derivative liabilities, 3% of GenOn Americas Generation's derivative assets and 6% of GenOn Americas Generation's derivative liabilities and 0% of GenOn Mid-Atlantic's derivative assets and 15% of GenOn Mid-Atlantic's derivative liabilities.

The fair value of each contract is discounted using a risk free interest rate. In addition, the Registrants apply a credit reserve to reflect credit risk which is calculated based on published default probabilities. The Registrants' credit reserves were as follows:

	As of September 30, 2014	As of December 31, 2013
	(In millions)	
GenOn	\$1	\$1
GenOn Americas Generation	1	1
GenOn Mid-Atlantic	1	3

Concentration of Credit Risk

In addition to the credit risk discussion as disclosed in Note 2, Summary of Significant Accounting Policies, to the Registrants' 2013 Form 10-K, the following is a discussion of the concentration of credit risk for the Registrants' financial instruments. Credit risk relates to the risk of loss resulting from non-performance or non-payment by counterparties pursuant to the terms of their contractual obligations. The Registrants are exposed to counterparty credit risk through various activities including wholesale sales and fuel purchases.

Counterparty Credit Risk

The Registrants' counterparty credit risk policies are disclosed in their 2013 Form 10-K. As of September 30, 2014, GenOn's counterparty credit exposure was \$269 million and GenOn held no collateral (cash and letters of credit) against those positions, resulting in a net exposure of \$269 million. Approximately 78% of GenOn's exposure before collateral is expected to roll off by the end of 2015. As of September 30, 2014, GenOn Americas Generation's counterparty credit exposure was \$262 million and GenOn Americas Generation held no collateral (cash and letters of credit) against those positions, resulting in a net exposure of \$262 million. Approximately 79% of GenOn Americas Generation's exposure before collateral is expected to roll off by the end of 2015. As of September 30, 2014, GenOn Mid-Atlantic's counterparty credit exposure was \$142 million and GenOn Mid-Atlantic held no collateral (cash and letters or credit) against those positions, resulting in a net exposure of \$142 million. 100% of GenOn Mid-Atlantic's exposure before collateral is expected to roll off by the end of 2015. The following tables highlight net counterparty credit exposure by industry sector and by counterparty credit quality. Net counterparty credit exposure is defined as the aggregate net asset position for the Registrants with counterparties where netting is permitted under the enabling agreement and includes all cash flow, mark-to-market, NPNS and non-derivative transactions. The exposure is shown net of collateral held and includes amounts net of receivables or payables.

GenOn

Category	Net Exposure ^(a) (% of Total)	
Financial institutions	68	%
Utilities, energy merchants, marketers and other ISOs	22	
	10	
Total as of September 30, 2014	100	%
Category	Net Exposure ^(a) (% of Total)	
Investment grade	97	%
Non-rated	3	
Total as of September 30, 2014	100	%

(a) Counterparty credit exposure excludes transportation contracts because of the unavailability of market prices.

GenOn has counterparty credit risk exposure to certain counterparties, each of which represent more than 10% of the total net exposure discussed above. The aggregate of such counterparties' exposure was \$163 million. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration. Given the credit quality, diversification and term of the exposure in the portfolio, GenOn does not anticipate a material impact on its financial position or results of operations from nonperformance by any of its counterparties.

GenOn Americas Generation

Category	Net Exposure ^(a) (% of Total)	
Financial institutions	70	%
Utilities, energy merchants, marketers and other ISOs	20	
	10	
Total as of September 30, 2014	100	%
Category	Net Exposure ^(a) (% of Total)	
Investment grade	99	%
Non-rated	1	
Total as of September 30, 2014	100	%

(a) Counterparty credit exposure excludes transportation contracts because of the unavailability of market prices.

GenOn Americas Generation has counterparty credit risk exposure to certain counterparties, each of which represent more than 10% of the total net exposure discussed above. The aggregate of such counterparties' exposure was \$163

million. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration. Given the credit quality, diversification and term of the exposure in the portfolio, GenOn Americas Generation does not anticipate a material impact on its financial position or results of operations from nonperformance by any of its counterparties.

GenOn Mid-Atlantic

Category	Net Exposure ^(a) (% of Total)
Financial institutions	100 %
Category	Net Exposure ^(a) (% of Total)
Investment grade	100 %

(a) Counterparty credit exposure excludes transportation contracts because of the unavailability of market prices. GenOn Mid-Atlantic has counterparty credit risk exposure to certain counterparties, each of which represent more than 10% of the total net exposure discussed above. The aggregate of such counterparties' exposure was \$136 million. Changes in hedge positions and market prices will affect credit exposure and counterparty concentration. Given the credit quality, diversification and term of the exposure in the portfolio, GenOn Mid-Atlantic does not anticipate a material impact on its financial position or results of operations from nonperformance by any of its counterparties. Note 4 — Accounting for Derivative Instruments and Hedging Activities (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This footnote should be read in conjunction with the complete description under Note 5, Accounting for Derivative Instruments and Hedging Activities, to the 2013 Form 10-K.

Energy-Related Commodities (GenOn)

As of September 30, 2014, GenOn had energy-related derivative financial instruments extending through 2017. Volumetric Underlying Derivative Transactions (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic) The following table summarizes the net notional volume buy/(sell) of the Registrants' open derivative transactions broken out by commodity, excluding those derivatives that qualified for the NPNS exception as of September 30, 2014 and December 31, 2013. Option contracts are reflected using delta volume. Delta volume equals the notional volume of an option adjusted for the probability that the option will be in-the-money at its expiration date.

Commodity	Units	GenOn Total Volume		GenOn Americas Generation Total Volume		GenOn Mid-Atlantic Total Volume	
		As of September 30, 2014	As of December 31, 2013	As of September 30, 2014	As of December 31, 2013	As of September 30, 2014	As of December 31, 2013
Coal	Short Ton	10	6	7	4	7	4
Natural Gas	MMBtu	(47)	(111)	(55)	(113)	(59)	(119)
Power	MWh	(38)	(26)	(19)	(14)	(18)	(14)

The decrease in the natural gas position was the result of buying back a portion of the gas hedges and replacing them with power hedges, as well as the settlement of positions during the period.

Fair Value of Derivative Instruments (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

The following tables summarize the fair value within the derivative instrument valuation on the balance sheet:
GenOn

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
	(In millions)			
Derivatives Not Designated as Cash Flow Hedges:				
Commodity contracts current	\$451	\$469	\$419	\$163
Commodity contracts long-term	163	182	48	18
Total Derivatives Not Designated as Cash Flow Hedges	\$614	\$651	\$467	\$181

GenOn Americas Generation

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
	(In millions)			
Derivatives Not Designated as Cash Flow Hedges:				
Commodity contracts current	\$747	\$546	\$678	\$267
Commodity contracts long-term	193	189	93	41
Total Derivatives Not Designated as Cash Flow Hedges	\$940	\$735	\$771	\$308

GenOn Mid-Atlantic

	Fair Value			
	Derivative Assets		Derivative Liabilities	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
	(In millions)			
Derivatives Not Designated as Cash Flow Hedges:				
Commodity contracts current	\$185	\$351	\$109	\$64
Commodity contracts long-term	117	156	18	9
Total Derivatives Not Designated as Cash Flow Hedges	\$302	\$507	\$127	\$73

The Registrants have elected to present derivative assets and liabilities on the balance sheet on a trade-by-trade basis and do not offset amounts at the counterparty master agreement level. In addition, collateral received or paid on the Registrants' derivative assets or liabilities are recorded on a separate line item on the balance sheet. The following tables summarize the offsetting of derivatives by counterparty master agreement level and collateral received or paid:

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
September 30, 2014	(In millions)			
Commodity contracts:				
Derivative assets	\$608	\$(435)	\$—	\$173
Derivative assets - affiliate	6	(6)	—	—
Derivative liabilities	(453)	435	3	(15)
Derivative liabilities - affiliate	(14)	6	—	(8)
Total derivative instruments	\$147	\$—	\$3	\$150

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
September 30, 2014	(In millions)			
Commodity contracts:				
Derivative assets	\$608	\$(435)	\$—	\$173
Derivative assets - affiliate	332	(318)	—	14
Derivative liabilities	(453)	435	3	(15)
Derivative liabilities - affiliate	(318)	318	—	—

Edgar Filing: GenOn Energy, Inc. - Form 10-Q

Total derivative instruments	\$169	\$—	\$3	\$172
------------------------------	-------	-----	-----	-------

23

GenOn Mid-Atlantic

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities (In millions)	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
September 30, 2014				
Commodity contracts:				
Derivative assets	\$142	\$ (5)	\$—	\$137
Derivative assets - affiliate	160	(122)	—	38
Derivative liabilities	(5)	) 5	—	—
Derivative liabilities - affiliate	(122)	) 122	—	—
Total derivative instruments	\$175	\$—	\$—	\$175

GenOn

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities (In millions)	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
December 31, 2013				
Commodity contracts:				
Derivative assets	\$645	\$ (154)	\$ (56)	\$435
Derivative assets - affiliate	6	(3)	—	3
Derivative liabilities	(178)	) 154	—	(24)
Derivative liabilities - affiliate	(3)	) 3	—	—
Total derivative instruments	\$470	\$—	\$ (56)	\$414

GenOn Americas Generation

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities (In millions)	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
December 31, 2013				
Commodity contracts:				
Derivative assets	\$643	\$ (154)	\$ (56)	\$433
Derivative assets - affiliate	92	(92)	—	—
Derivative liabilities	(178)	) 154	—	(24)
Derivative liabilities - affiliate	(130)	) 92	—	(38)
Total derivative instruments	\$427	\$—	\$ (56)	\$371

GenOn Mid-Atlantic

Description	Gross Amounts Not Offset in the Statement of Financial Position			
	Gross Amounts of Recognized Assets / Liabilities (In millions)	Derivative Instruments	Cash Collateral (Held) / Posted	Net Amount
December 31, 2013				
Commodity contracts:				
Derivative assets	\$358	\$—	\$—	\$358
Derivative assets - affiliate	149	(73)	—	76

Edgar Filing: GenOn Energy, Inc. - Form 10-Q

Derivative liabilities	—	—	—	—
Derivative liabilities - affiliate	(73	) 73	—	—
Total derivative instruments	\$434	\$—	\$—	\$434

24

Accumulated Other Comprehensive Income (GenOn)

The following table summarizes the effects on GenOn's accumulated OCI balance attributable to cash flow hedge derivatives:

(In millions)	Three months ended September		Nine months ended September	
	30, 2014	2013	30, 2014	2013
Accumulated OCI balance, beginning of period	\$—	\$18	\$—	\$1
Recognized in OCI on interest rate derivatives	—	—	—	19
Reclassified from accumulated OCI into earnings ^{(a)(b)}	—	—	—	(2)
Reversal as part of sale to NRG Yield LLC ^(c)	—	(18)	—	(18)
Accumulated OCI balance, end of period	\$—	\$—	\$—	\$—

(a) Amounts reclassified from accumulated OCI into income and amounts recognized in income from the ineffective portion of cash flow hedges are recorded in interest expense.

All of the forecasted transactions (future interest payments) were deemed probable of occurring; therefore, no cash flow hedges were discontinued and no amount was recognized in GenOn's results of operations as a result of discontinued cash flow hedges.

(c) The reversal of accumulated OCI as part of the sale of NRG Marsh Landing to NRG Yield LLC resulted in the recognition of additional paid in capital.

Impact of Derivative Instruments on the Statements of Operations (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Unrealized gains and losses associated with changes in the fair value of derivative instruments not accounted for as cash flow hedges are reflected in current period earnings.

The following tables summarize the pre-tax effects of economic hedges that have not been designated as cash flow hedges and trading activity on the Registrants' statements of operations. These amounts are included within operating revenues and cost of operations.

GenOn

(In millions)	Three months ended September		Nine months ended September	
	30, 2014	2013	30, 2014	2013
Unrealized mark-to-market results				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$(59)	\$(73)	\$(210)	\$(270)
Net unrealized gains/(losses) on open positions related to economic hedges	57	18	(112)	56
Total unrealized mark-to-market losses for economic hedging activities	(2)	(55)	(322)	(214)
Reversal of previously recognized unrealized gains on settled positions related to trading activity	—	(1)	(1)	(3)
Net unrealized (losses)/gains on open positions related to trading activity	—	(1)	—	1
Total unrealized mark-to-market losses for trading activity	—	(2)	(1)	(2)
Total unrealized losses	\$(2)	\$(57)	\$(323)	\$(216)
(In millions)	Three months ended September		Nine months ended September	
	30, 2014	2013	30, 2014	2013
Revenue from operations — energy commodities	\$3	\$(48)	\$(341)	\$(238)
Cost of operations	(5)	(9)	18	22

Edgar Filing: GenOn Energy, Inc. - Form 10-Q

Total impact to statements of operations \$(2) \$(57) \$(323) \$(216)

25

GenOn Americas Generation

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Unrealized mark-to-market results				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$(65	) \$(69	) \$(201	) \$(218
Net unrealized gains/(losses) on open positions related to economic hedges	30	11	(55	) 37
Total unrealized mark-to-market losses for economic hedging activities	(35	) (58	) (256	) (181
Reversal of previously recognized unrealized gains on settled positions related to trading activity	—	(1	) (1	) (3
Net unrealized (losses)/gains on open positions related to trading activity	—	(1	) —	1
Total unrealized mark-to-market losses for trading activity	—	(2	) (1	) (2
Total unrealized losses	\$(35	) \$(60	) \$(257	) \$(183

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenue from operations — energy commodities	\$(27	) \$(52	) \$(266	) \$(205
Cost of operations	(8	) (8	) 9	22
Total impact to statements of operations	\$(35	) \$(60	) \$(257	) \$(183

GenOn Mid-Atlantic

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Unrealized mark-to-market results				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$(63	) \$(70	) \$(203	) \$(220
Net unrealized gains/(losses) on open positions related to economic hedges	31	11	(54	) 39
Total unrealized losses	\$(32	) \$(59	) \$(257	) \$(181

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenue from operations — energy commodities	\$(24	) \$(51	) \$(267	) \$(203
Cost of operations	(8	) (8	) 10	22
Total impact to statements of operations	\$(32	) \$(59	) \$(257	) \$(181

Credit Risk Related Contingent Features (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Certain of GenOn and GenOn Americas Generation's hedging agreements contain provisions that require the Registrants to post additional collateral if the counterparty determines that there has been deterioration in credit quality, generally termed "adequate assurance" under the agreements, or require the Registrants to post additional collateral if there were a one notch downgrade in the Registrants' credit rating. The collateral required for contracts that have adequate assurance clauses that are in net liability positions as of September 30, 2014 was \$16 million for GenOn and GenOn Americas Generation. The collateral required for contracts with credit rating contingent features that are in a net liability position as of September 30, 2014, was \$1 million for GenOn and GenOn Americas

Generation. In addition, GenOn and GenOn Americas Generation are parties to certain marginable agreements under which they have net liability positions, but the counterparties have not called for collateral due, which is approximately \$1 million for GenOn and GenOn Americas Generation as of September 30, 2014. As of September 30, 2014, GenOn Mid-Atlantic is not party to certain marginable agreements under which they have net liability positions, but the counterparties have not called for collateral due.

See Note 3, Fair Value of Financial Instruments, for discussion regarding concentration of credit risk.

Note 5 — Income Taxes (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

GenOn

GenOn's income tax expense/(benefit) consisted of the following:

(In millions except otherwise noted)	Three months ended September 30,		Nine months ended September 30,		
	2014	2013	2014	2013	
Income/(loss) before income taxes	\$46	\$101	\$26	\$(69))
Income tax expense/(benefit)	—	—	2	(6))
Effective tax rate	—	% —	% 7.7	% 8.7	%

GenOn

For the three months ended September 30, 2014, GenOn's overall effective tax rate was lower than the statutory rate of 35% primarily due to a change in the valuation allowance. For the nine months ended September 30, 2014, GenOn's overall effective tax rate was different than the statutory rate of 35% primarily due to a change in the valuation allowance and the impact of state income taxes. For the three and nine months ended September 30, 2013, GenOn's overall effective tax rate was lower than the statutory rate of 35% primarily due to a change in the valuation allowance. Through September 30, 2014, GenOn recorded income tax expense relating to state income tax payments.

GenOn Americas Generation

GenOn Americas Generation's allocated income taxes resulting from its operations for the three and nine months ended September 30, 2014 and 2013 were \$0. For the nine months ended September 30, 2014, the income tax expense relates to state income tax payments attributable to its parent, GenOn. For the nine months ended September 30, 2013, the income tax benefit relates to changes in reserves for uncertain tax benefits attributable to its parent, GenOn.

GenOn Americas Generation's pro forma income taxes resulting from its operations for the three and nine months ended September 30, 2014 and 2013 are \$0 due to the valuation allowance recorded on its stand-alone financial results.

GenOn Mid-Atlantic

GenOn Mid-Atlantic's allocated income taxes resulting from its operations are \$0 for the three and nine months ended September 30, 2014 and 2013. For the nine months ended September 30, 2014, income tax expense relates to state income tax payments attributable to its parent, GenOn. For the nine months ended September 30, 2013, the income tax benefit relates to changes in reserves for uncertain tax benefits attributable to its parent, GenOn. The pro forma income tax provision attributable to income before taxes is a tax expense of \$16 million and \$36 million during the three months ended September 30, 2014 and 2013, respectively. The pro forma income tax provision attributable to income before taxes is a tax expense of \$33 million and \$32 million during the nine months ended September 30, 2014 and 2013, respectively. The balance of GenOn Mid-Atlantic's pro forma deferred income taxes is a net deferred tax asset of \$106 million and \$141 million as of September 30, 2014 and December 31, 2013, respectively.

Note 6 — Related Party Transactions (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)
Services Agreement with NRG

NRG provides GenOn with various management, personnel and other services, which include human resources, regulatory and public affairs, accounting, tax, legal, information systems, treasury, risk management, commercial operations, and asset management, as set forth in its services agreement with NRG, or the Services Agreement. The initial term of the Services Agreement was through December 31, 2013, with an automatic renewal absent a request for termination. The fee charged is determined based on a fixed amount as described in the Services Agreement and was calculated based on historical GenOn expenses prior to the NRG Merger. The annual fees under the Services Agreement are approximately \$193 million. NRG charges these fees on a monthly basis, less amounts incurred directly by GenOn. Management has concluded that this method of charging overhead costs is reasonable. For the three and nine months ended September 30, 2014, GenOn recorded costs related to these services of \$33 million and \$99 million, respectively, as selling, general and administrative — affiliate. For the three and nine months ended September 30, 2013, GenOn recorded costs related to these services of \$37 million and \$62 million, respectively, as selling, general and administrative — affiliate.

Under the Services Agreement, NRG also provides GenOn Americas Generation and GenOn Mid-Atlantic with various management, personnel and other services consistent with those set forth in the Services Agreement discussed above between NRG and GenOn. GenOn's costs incurred under the Services Agreement with NRG are allocated to its subsidiaries based on each operating subsidiary's planned operating expenses relative to all operating subsidiaries of GenOn. These allocations and charges are not necessarily indicative of what would have been incurred had GenOn Americas Generation and GenOn Mid-Atlantic been unaffiliated entities. Management has concluded that this method of charging overhead costs is reasonable.

The following costs were incurred under these arrangements:

GenOn Americas Generation

	Three months ended September 30, 2014		Nine months ended September 30, 2014	
	2013	2013	2013	2013
	(In millions)			
Allocated costs:				
Cost of operations — affiliate	\$—	\$2	\$1	\$7
Selling, general and administrative — affiliate	20	18	62	57
Total	\$20	\$20	\$63	\$64

GenOn Mid-Atlantic

	Three months ended September 30, 2014		Nine months ended September 30, 2014	
	2013	2013	2013	2013
	(In millions)			
Allocated costs:				
Cost of operations — affiliate	\$—	\$2	\$—	\$5
Selling, general and administrative — affiliate	17	15	52	48
Total	\$17	\$17	\$52	\$53

Credit Agreement with NRG (GenOn)

In connection with the closing of the NRG Merger, GenOn and GenOn Americas entered into a secured intercompany revolving credit agreement with NRG. This credit agreement provides for a \$500 million revolving credit facility, all of which is available for revolving loans and letters of credit. At September 30, 2014 and December 31, 2013, \$219 million and \$349 million of letters of credit were issued and outstanding under the NRG credit agreement, of which \$151 million and \$258 million were issued on behalf of GenOn Americas Generation. At September 30, 2014 and December 31, 2013, no loans were outstanding under this credit agreement. In connection with the execution of the agreement, certain of GenOn's subsidiaries, as guarantors, entered into a guarantee agreement pursuant to which these guarantors guaranteed amounts borrowed and obligations incurred under the credit agreement. The credit agreement

has a three year maturity and is payable at maturity, subject to certain exceptions primarily related to asset sales not in the ordinary course of business and borrowings of debt. In addition, the guarantors are restricted from incurring additional liens on their assets. At GenOn's election, the interest rate per year applicable to the loans under the credit agreement will be determined by reference to either (i) the base rate plus 2.50% per year or (ii) the LIBOR rate plus 3.50% per year. In addition, the credit agreement contains customary covenants and events of default.

28

Intercompany Cash Management Program (GenOn Americas Generation)

GenOn Americas Generation and certain of its subsidiaries participate in separate intercompany cash management programs whereby cash balances at GenOn Americas Generation and the respective participating subsidiaries are transferred to central concentration accounts to fund working capital and other needs of the respective participants. The balances under this program are reflected as notes receivable — affiliate or notes payable — affiliate, as appropriate. The notes are due on demand and accrue interest on the net position, which is payable quarterly, at a rate determined by GenOn Energy Holdings, a wholly owned subsidiary of GenOn. At September 30, 2014 and December 31, 2013, GenOn Americas Generation had a net current note receivable from GenOn Energy Holdings of \$331 million and \$299 million, respectively, related to its intercompany cash management program. For the nine months ended September 30, 2014 and 2013, GenOn Americas Generation earned an insignificant amount of net interest income related to these notes.

GenOn Mid-Atlantic Distribution (GenOn Americas Generation and GenOn Mid-Atlantic)

In May 2014, GenOn Mid-Atlantic made a distribution of \$320 million to its parent, NRG North America LLC, who in turn made a distribution of \$320 million to its parent, GenOn Americas Generation. GenOn Americas Generation subsequently made a distribution to GenOn in the same amount, through its parent companies NRG Americas, Inc. and GenOn Energy Holdings, Inc.

Note 7 — Commitments and Contingencies (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This footnote should be read in conjunction with the complete description under Note 18, Commitments and Contingencies, to the Registrants' 2013 Form 10-K.

Contingencies

Set forth below is a description of the Registrants' material legal proceedings. The Registrants believe that they have valid defenses to these legal proceedings and intend to defend them vigorously. The Registrants record reserves for estimated losses from contingencies when information available indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. In addition, legal costs are expensed as incurred. Management has assessed each of the following matters based on current information and made a judgment concerning its potential outcome, considering the nature of the claim, the amount and nature of damages sought, and the probability of success. Unless specified below, the Registrants are unable to predict the outcome of these legal proceedings or reasonably estimate the scope or amount of any associated costs and potential liabilities. As additional information becomes available, management adjusts its assessment and estimates of such contingencies accordingly. Because litigation is subject to inherent uncertainties and unfavorable rulings or developments, it is possible that the ultimate resolution of the Registrants' liabilities and contingencies could be at amounts that are different from currently recorded reserves and that such difference could be material.

In addition to the legal proceedings noted below, the Registrants are parties to other litigation or legal proceedings arising in the ordinary course of business. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect the Registrants' respective consolidated financial position, results of operations, or cash flows.

Actions Pursued by MC Asset Recovery (GenOn)

With Mirant Corporation's emergence from bankruptcy protection in 2006, certain actions filed by GenOn Energy Holdings and some of its subsidiaries against third parties were transferred to MC Asset Recovery, a wholly owned subsidiary of GenOn Energy Holdings. MC Asset Recovery is governed by a manager who is independent of NRG and GenOn. MC Asset Recovery is a disregarded entity for income tax purposes. Under the remaining action transferred to MC Asset Recovery, MC Asset Recovery seeks to recover damages from Commerzbank AG and various other banks, or the Commerzbank Defendants, for alleged fraudulent transfers that occurred prior to Mirant's bankruptcy proceedings. In December 2010, the U.S. District Court for the Northern District of Texas dismissed MC Asset Recovery's complaint against the Commerzbank Defendants. In January 2011, MC Asset Recovery appealed the District Court's dismissal of its complaint against the Commerzbank Defendants to the U.S. Court of Appeals for the Fifth Circuit. In March 2012, the Court of Appeals reversed the District Court's dismissal and reinstated MC Asset Recovery's amended complaint against the Commerzbank Defendants. If MC Asset Recovery succeeds in obtaining any recoveries from the Commerzbank Defendants, the Commerzbank Defendants have asserted that they will seek to file claims in Mirant's bankruptcy proceedings for the amount of those recoveries. GenOn Energy Holdings would vigorously contest the allowance of any such claims. If the Commerzbank Defendants were to receive an allowed claim as a result of a recovery by MC Asset Recovery on its claims against them, GenOn Energy Holdings would retain from the net amount recovered by MC Asset Recovery an amount equal to the dollar amount of the resulting allowed claim.

Pending Natural Gas Litigation (GenOn)

GenOn is party to several lawsuits, certain of which are class action lawsuits, in state and federal courts in Kansas, Missouri, Nevada and Wisconsin. These lawsuits were filed in the aftermath of the California energy crisis in 2000 and 2001 and the resulting FERC investigations and relate to alleged conduct to increase natural gas prices in violation of antitrust and similar laws. The lawsuits seek treble or punitive damages, restitution and/or expenses. The lawsuits also name as parties a number of energy companies unaffiliated with NRG. In July 2011, the U.S. District Court for the District of Nevada, which is handling four of the five cases, granted the defendants' motion for summary judgment and dismissed all claims against GenOn in those cases. The plaintiffs appealed to the U.S. Court of Appeals for the Ninth Circuit. The Court of Appeals reversed the decision of the District Court. On August 26, 2013, GenOn along with the other defendants in the lawsuit filed a petition for a writ of certiorari to the U.S. Supreme Court challenging the Court of Appeal's decision. On July 1, 2014, the U.S. Supreme Court granted the petition for a writ of

certiorari. On September 18, 2014, GenOn along with its co-defendants filed their Opening Brief with the U.S. Supreme Court.

In September 2012, the State of Nevada Supreme Court, which is handling the remaining case, affirmed dismissal by the Eighth Judicial District Court for Clark County, Nevada of all plaintiffs' claims against GenOn. In February 2013, the plaintiffs in the Nevada case filed a petition for a writ of certiorari to the U.S. Supreme Court. In June 2013, the U.S. Supreme Court denied the petition for a writ of certiorari, thereby ending one of the five lawsuits. GenOn has agreed to indemnify CenterPoint against certain losses relating to these lawsuits.

Cheswick Class Action Complaint (GenOn)

In April 2012, a putative class action lawsuit was filed against GenOn in the Court of Common Pleas of Allegheny County, Pennsylvania alleging that emissions from the Cheswick generating facility have damaged the property of neighboring residents. GenOn disputes these allegations. Plaintiffs have brought nuisance, negligence, trespass and strict liability claims seeking both damages and injunctive relief. Plaintiffs seek to certify a class that consists of people who own property or live within one mile of the plant. In July 2012, GenOn removed the lawsuit to the U.S. District Court for the Western District of Pennsylvania. In October 2012, the court granted GenOn's motion to dismiss, which Plaintiffs appealed to the U.S. Court of Appeals for the Third Circuit. On August 20, 2013, the Court of Appeals reversed the decision of the District Court. On September 3, 2013, GenOn filed a petition for rehearing with the Court of Appeals which was subsequently denied. In February 2014, NRG filed a petition for a writ of certiorari to the U.S. Supreme Court seeking review and reversal of the Court of Appeals decision. On June 2, 2014, the U.S. Supreme Court denied the petition for a writ of certiorari. The case is proceeding in the U.S. District Court for the Western District of Pennsylvania.

Cheswick Monarch Mine NOV (GenOn)

In 2008, the PADEP issued an NOV related to the Monarch mine located near the Cheswick generating facility. It has not been mined for many years. GenOn discharged approved wastewaters into the Monarch mine including low-volume wastewater from the Cheswick generating facility and leachate collected from ash disposal facilities. The NOV addresses a permit requirement to pump a minimum water volume from the mine. On September 2, 2014, GenOn's subsidiary that owns the Cheswick generating facility, the Commonwealth of Pennsylvania and the PADEP entered into a Consent Order and Agreement resolving the NOV. Pursuant to that Consent Order and Agreement, GenOn will, among other things, cease wastewater discharges to the mine, construct a waste treatment facility and contribute \$200,000 to the Indianola Mine Trust. GenOn is currently planning to incur capital expenditures in connection with wastewater from Cheswick and leachate from ash disposal facilities.

Maryland Department of the Environment v. GenOn Chalk Point and GenOn Mid-Atlantic

On January 25, 2013, Food & Water Watch, the Patuxent Riverkeeper and the Potomac Riverkeeper (together, the Citizens Group) sent GenOn Mid-Atlantic a letter alleging that the Chalk Point, Dickerson and Morgantown generating facilities were violating the terms of the three National Pollution Discharge Elimination System permits by discharging nitrogen and phosphorous in excess of the limits in each permit. On March 21, 2013, the MDE sent GenOn Mid-Atlantic a similar letter with respect to the Chalk Point and Dickerson facilities, threatening to sue within 60 days if the facilities were not brought into compliance. On June 11, 2013, the Maryland Attorney General on behalf of the MDE filed a complaint in the U.S. District Court for the District of Maryland alleging violations of the CWA and Maryland environmental laws related to water. The lawsuit is ongoing and seeks injunctive relief and civil penalties in excess of \$100,000. The Registrants do not expect the resolution of this matter to have a material impact on the Registrants' consolidated financial position, results of operations, or cash flows.

Chapter 11 Proceedings (GenOn and GenOn Americas Generation)

In July 2003, and various dates thereafter, the Mirant Debtors filed voluntary petitions in the Bankruptcy Court for relief under Chapter 11 of the U.S. Bankruptcy Code. GenOn Energy Holdings and most of the other Mirant Debtors emerged from bankruptcy on January 3, 2006, when the Plan became effective. The remaining Mirant Debtors emerged from bankruptcy on various dates in 2007. Approximately 461,000 of the shares of GenOn Energy Holdings common stock to be distributed under the Plan have not yet been distributed and have been reserved for distribution with respect to claims disputed by the Mirant Debtors that have not been resolved. Upon the Mirant/RRI Merger, those reserved shares converted into a reserve for approximately 1.3 million shares of GenOn common stock. Upon the NRG Merger, those reserved shares converted into a reserve for approximately 159,000 shares of NRG common stock. Under the terms of the Plan, upon the resolution of such a disputed claim, the claimant will receive the same pro rata distributions of common stock, cash, or both as previously allowed claims, regardless of the price at which the common stock is trading at the time the claim is resolved. If the aggregate amount of any such payouts results in the number of reserved shares being insufficient, additional shares of common stock may be issued to address the shortfall.

Note 8 — Regulatory Matters (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This footnote should be read in conjunction with the complete description under Note 19, Regulatory Matters, to the Registrants' 2013 Form 10-K.

The Registrants operate in a highly regulated industry and are subject to regulation by various federal and state agencies. As such, the Registrants are affected by regulatory developments at both the federal and state levels and in the regions in which they operate. In addition, the Registrants are subject to the market rules, procedures, and protocols of the various ISO and RTO markets in which they participate. These power markets are subject to ongoing legislative and regulatory changes that may impact the Registrants' wholesale business.

In addition to the regulatory proceedings noted below, the Registrants are parties to other regulatory proceedings arising in the ordinary course of business or have other regulatory exposure. In management's opinion, the disposition of these ordinary course matters will not materially adversely affect the Registrants' respective consolidated financial position, results of operations, or cash flows.

National

Court Rejects FERC's Jurisdiction Over Demand Response — On May 23, 2014, the U.S. Court of Appeals for the District of Columbia Circuit vacated FERC's rules (known as Order No. 745) that allow demand response resources to participate in the FERC-jurisdictional energy markets. The Court of Appeals held that the Federal Power Act does not authorize FERC to exercise jurisdiction over demand response and that instead demand response is part of the retail market over which the states have jurisdiction. The specific order being challenged related solely to energy market participation, but this ruling also calls into question whether demand response will be permitted to participate in the capacity markets in the future. The U.S. Court of Appeals for the District of Columbia Circuit denied FERC's request to rehear en banc the decision. The decision could be appealed to the U.S. Supreme Court. The eventual outcome of this proceeding could result in refunds of payments made for non-jurisdictional services and resettlement of wholesale markets but it is not possible to estimate the impact on the Registrants at this time. On October 20, 2014, the U.S. Court of Appeals for the District of Columbia Circuit issued a stay of its decision until at least December 16, 2014, with the possibility of a longer stay if the government seeks U.S. Supreme Court review.

Note 9 — Environmental Matters (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

This footnote should be read in conjunction with the complete description under Note 20, Environmental Matters, to the Registrants' 2013 Form 10-K.

The Registrants are subject to a wide range of environmental laws in the development, ownership, construction and operation of projects. These laws generally require that governmental permits and approvals be obtained before construction and during operation of power plants. Environmental laws have become increasingly stringent and the Registrants expect this trend to continue. The electric generation industry is likely to face new requirements to address various emissions, including greenhouse gases, as well as combustion byproducts, water discharge and use, and threatened and endangered species. In general, future laws are expected to require the addition of emissions controls or other environmental controls or to impose certain restrictions on the operations of the Registrants' facilities, which could have a material effect on the Registrants' operations.

The EPA released CSAPR in 2011, which was scheduled to replace CAIR in January 2012. In December 2011, the U.S. Court of Appeals for the District of Columbia Circuit stayed the implementation of CSAPR and then issued an opinion in August 2012 vacating CSAPR and keeping CAIR in place until the EPA could replace it. On April 29, 2014, the U.S. Supreme Court reversed and remanded the D.C. Circuit's decision. In October 2014, the D.C. Circuit lifted the stay of CSAPR. Accordingly, the Registrants expect compliance to begin in January 2015. Further proceedings in the Court of Appeals are scheduled to occur over the next few months. While the Registrants are unable to predict the final outcome of the ongoing litigation, the Registrants believe their investment in pollution controls and cleaner technologies coupled with planned plant retirements should leave the fleet well positioned for compliance.

In January 2014, EPA re-proposed the NSPS for CO₂ emissions from new fossil-fuel-fired electric generating units that had been previously proposed in April 2012. The re-proposed standards are 1,000 pounds of CO₂ per MWh for large gas units and 1,100 pounds of CO₂ per MWh for coal units and small gas units. Proposed standards are in effect until a final rule is published or another rule is re-proposed. On June 18, 2014, the EPA proposed a rule that would require states to develop CO₂ emission standards that would apply to existing fossil-fueled generating facilities. Specifically, the EPA proposed state-specific rate-based standards for CO₂ emissions, as well as guidelines for states to follow in developing plans to achieve the state-specific standards. Comments on this proposal are due in December 2014. The EPA anticipates finalizing this rule in June 2015.

Water

In August 2014, the EPA finalized the regulation regarding once through cooling from existing facilities to address impingement and entrainment concerns. The Registrants anticipate that more stringent requirements will be incorporated into some of their water discharge permits over the next several years.

East Region

In October 2014, the MDE released a draft of a proposed regulation regarding NO_x emissions from coal-fired electric generating units. MDE has stated that the draft will be proposed in the Maryland Register in December 2014 and finalized in 2015. If finalized in its current form, the regulation would require the Registrants to: (1) install and operate state-of-the-art controls (e.g., SCRs) by June 1, 2020 at the three Dickerson coal-fired units and one of the Chalk Point coal-fired units; (2) retire the units; or (3) convert the fuel source for the units from coal to natural gas. The implementation of the MDE regulations could negatively affect certain of the Registrants' coal facilities in Maryland.

Environmental Capital Expenditures

Based on current rules, technology and preliminary plans based on some proposed rules, GenOn estimates that environmental capital expenditures from 2014 through 2018 required to comply with regulatory environmental laws will be approximately \$109 million for GenOn, which includes \$15 million for GenOn Americas Generation, which was adjusted for the sale of Kendall on January 31, 2014. The amount for GenOn Americas Generation includes \$10 million for GenOn Mid-Atlantic.

Item 2 — MANAGEMENT'S NARRATIVE ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

As you read this discussion and analysis, refer to the Registrants' Condensed Consolidated Financial Statements to this Form 10-Q, which present the results of operations for the three and nine months ended September 30, 2014 and 2013. Also, refer to the Registrants' 2013 Form 10-K, which includes detailed discussions of various items impacting the Registrants' business, results of operations and financial condition.

Overview

The following tables summarize the Registrants' generation portfolio as of September 30, 2014 by geographic region:
GenOn

Generation Type	(In MW) ⁽¹⁾			
	South Central	East	West	Total
Natural gas	1,198	6,151	4,435	11,784
Coal	—	5,740	—	5,740
Oil	—	2,059	—	2,059
Total generation capacity	1,198	13,950	4,435	19,583

(1) MW figures provided represent nominal summer net MW capacity of power generated as adjusted for the GenOn's owned or leased interest excluding capacity from inactive/mothballed units.

GenOn Americas Generation

Generation Type	(In MW) ⁽¹⁾		
	East	West	Total
Natural gas	2,700	1,029	3,729
Coal	2,433	—	2,433
Oil	1,434	—	1,434
Total generation capacity	6,567	1,029	7,596

(1) MW figures provided represent nominal summer net MW capacity of power generated as adjusted for the GenOn Americas Generation's owned or leased interest excluding capacity from inactive/mothballed units.

GenOn Mid-Atlantic

Generation Type	(In MW) ⁽¹⁾
	East
Natural gas	1,942
Coal	2,433
Oil	308
Total generation capacity	4,683

(1) MW figures provided represent nominal summer net MW capacity of power generated as adjusted for the GenOn Mid-Atlantic's owned or leased interest excluding capacity from inactive/mothballed units.

Environmental Matters

The Registrants are subject to a wide range of environmental laws in the development, ownership, construction and operation of projects. These laws generally require that governmental permits and approvals be obtained before construction and during operation of power plants. Environmental laws have become increasingly stringent and the Registrants expect this trend to continue. The electric generation industry is likely to face new requirements to address various emissions, including greenhouse gases, as well as combustion byproducts, water discharge and use, and threatened and endangered species. In general, future laws are expected to require the addition of emissions controls or other environmental quality equipment or the imposition of certain restrictions on the operations of the Registrants' facilities, which could have a material effect on the Registrants' operations. Complying with environmental laws involves significant capital and operating expenses. The Registrants decide to invest capital for environmental controls based on relative certainty of the requirements, an evaluation of compliance options, and the expected economic returns on capital. The Registrants' environmental matters are described in the Registrants' 2013 Form 10-K in Item 1, Business — Environmental Matters. See Note 7, Commitments and Contingencies, and Note 9, Environmental Matters, to the Condensed Consolidated Financial Statements of this Form 10-Q as found in Item 1 for further discussion.

Regulatory Matters

The Registrants' regulatory matters are described in the Registrants' 2013 Form 10-K in Item 1, Business — Regulatory Matters. These matters have been updated below and in Note 8, Regulatory Matters, to the Condensed Consolidated Financial Statements of this Form 10-Q as found in Item 1.

As owners of power plants and participants in wholesale energy markets, certain of the Registrants' subsidiaries are subject to regulation by various federal and state government agencies. These include the U.S. Commodities Futures Trading Commission and FERC, as well as other public utility commissions in certain states where the Registrants' generating assets are located. In addition, the Registrants are subject to the market rules, procedures and protocols of the various ISO markets in which they participate. The Registrants must also comply with the mandatory reliability requirements imposed by NERC and the regional reliability entities in the regions where they operate.

National

Court Rejects FERC's Jurisdiction Over Demand Response — On May 23, 2014, the U.S. Court of Appeals for the District of Columbia Circuit vacated FERC's rules (known as Order No. 745) that allow demand response resources to participate in the FERC-jurisdictional energy markets. The Court of Appeals held that the Federal Power Act does not authorize FERC to exercise jurisdiction over demand response and that instead demand response is part of the retail market over which the states have jurisdiction. The specific order being challenged related solely to energy market participation, but this ruling also calls into question whether demand response will be permitted to participate in the capacity markets in the future. The U.S. Court of Appeals for the District of Columbia Circuit denied FERC's request to rehear en banc the decision. The decision could be appealed to the U.S. Supreme Court. The eventual outcome of this proceeding could result in refunds of payments made for non-jurisdictional services and resettlement of wholesale markets but it is not possible to estimate the impact on the Registrants at this time. On October 20, 2014, the U.S. Court of Appeals for the District of Columbia Circuit issued a stay of its decision until at least December 16, 2014, with the possibility of a longer stay if the government seeks U.S. Supreme Court review.

East Region

PJM

New Jersey and Maryland's Generator Contracting Programs — The New Jersey Board of Public Utilities and the Maryland Public Service Commission awarded long-term power purchase contracts to generation developers to encourage the construction of new generation capacity in the respective States. The constitutionality of the long-term contracts was challenged and the U.S. District Court for the District of New Jersey (in an October 25, 2013 decision) and the U.S. District Court for the District of Maryland (in an October 24, 2013 decision) found that the respective contracts violated the Supremacy Clause of the U.S. Constitution and were preempted. On June 30, 2014, the U.S. Court of Appeals for the Fourth Circuit affirmed the Maryland District Court's decision. On September 11, 2014, the U.S. Court of Appeals for the Third Circuit affirmed the New Jersey District Court's decision. These decisions may affect future capacity prices in PJM.

Capacity Replacement — On March 10, 2014, PJM filed at FERC to limit speculation in the annual capacity auction. Specifically, PJM proposed tariff changes that will restore incentives to submit offers for only capacity resources that are reasonably expected to be provided as a physical resource by the start of the delivery year. These changes include the addition of a replacement capacity adjustment charge that is intended to remove the incentive to profit from replacing capacity commitments, an increase in deficiency penalties for non-performance, and a reduction in the number of Incremental Auctions from three to one. On May 9, 2014, FERC rejected PJM's proposed changes to address replacement capacity and incremental auction design, but established a Section 206 proceeding and technical conference to find a just-and-reasonable outcome. On August 18, 2014, PJM requested that FERC defer further action in the proceeding. The Section 206 proceeding and technical conference could have a material impact on future PJM capacity prices.

Capacity Performance Proposal — On October 7, 2014, PJM issued a proposal to substantially revamp its capacity market. If approved by the PJM Board of Directors and by FERC, future annual capacity auctions would procure two categories of capacity resources: "Capacity Performance" resources and "Base Capacity" resources. Under the proposal, only resources with a firm fuel supply would be eligible to supply the Capacity Performance product. PJM is likely to file its proposal at FERC in November 2014. Should the proposal be approved by FERC, it is likely to have a material impact on future PJM capacity prices.

New York

Demand Curve Reset and the Lower Hudson Valley Zone — On May 27, 2014, FERC denied rehearing and phase-in requests regarding its August 13, 2013 order on the creation of the Lower Hudson Valley Capacity Zone. The NYISO had previously approved the creation of a new Lower Hudson Valley Capacity Zone in New York, as part of the NYISO's triennial adjustment of its capacity market parameters for the 2014-2017 periods. The State of New York, NYSPSC and Central Hudson Gas & Electric Corp. have challenged the FERC order before the U.S. Court of Appeals for the Second Circuit. The U.S. Court of Appeals for the Second Circuit held oral argument on September 12, 2014. The matter remains pending.

Gulf Coast Region

MISO (GenOn)

On July 5, 2013, AmerenEnergy Resources Generating Company, or Ameren, filed a complaint against MISO pertaining to the compensation for generators asked by MISO to provide service past their retirement date due to reliability concerns, or RMR Generators. Ameren asked FERC to require MISO to provide such generators their full cost of service as compensation and not merely cover the generator's incremental costs of operation going-forward costs. The Registrants supported the complaint. On July 22, 2014, FERC issued an Order denying the complaint in part and granting it in part. FERC found that the Tariff was unjust and unreasonable because it did not allow RMR Generators to obtain compensation for their fixed costs, which are recovered as depreciation expense, return on rate base and associated taxes. The matter is pending rehearing.

New and On-going Company Initiatives

Fuel Additions and Conversions

The Registrants intend to continue operations at the Avon Lake facility Units 7 and 9 and the New Castle facility Units 3, 4, and 5, which are currently operating coal units that had been scheduled for deactivation in April 2015. The Registrants intend to add natural gas capabilities at these units, which additions are expected to be completed by the summer of 2016. In late April 2014, the Registrants notified PJM that they no longer intend to place coal-fired Units 1, 2, 3, and 4 at Shawville generating facility (597 MW) in long term protective layup, but instead will mothball those units beginning on April 16, 2015, and then return those units to service no later than June 1, 2016 using natural gas. In late April 2014, the Registrants notified PJM that they no longer intend to deactivate Portland Units 1 and 2 (401 MW), but instead mothballed those units effective June 1, 2014, and will return those units to service no later than June 1, 2016 using ultra-low sulfur diesel.

Changes in Accounting Standards

See Note 2, Summary of Significant Accounting Policies, for a discussion of recent accounting developments.

Consolidated Results of Operations

GenOn

The following table provides selected financial information for GenOn:

(In millions except otherwise noted)	Three months ended September 30,			Nine months ended September 30,			Change %
	2014	2013	Change %	2014	2013	Change %	
Operating Revenues							
Energy revenue ^(a)	\$478	\$566	(16)%	\$1,888	\$1,474	28	%
Capacity revenue ^(a)	221	273	(19)	730	682	7	
Mark-to-market for economic hedging activities	3	(46)	107	(340)	(236)	(44)	
Other revenues ^(b)	7	18	(61)	39	46	(15)	
Total operating revenues	709	811	(13)	2,317	1,966	18	
Operating Costs and Expenses							
Generation cost of sales ^(a)	280	321	(13)	1,217	862	41	
Mark-to-market for economic hedging activities	5	9	(44)	(18)	(22)	(18)	
Contract and emissions credit amortization	(10)	(5)	100	(16)	(12)	33	
Other cost of operations	177	186	(5)	563	628	(10)	
Total cost of operations	452	511	(12)	1,746	1,456	20	
Depreciation and amortization	52	70	(26)	172	207	(17)	
Impairment loss	60	—	100	60	—	100	
Selling, general and administrative	19	30	(37)	60	83	(28)	
Selling, general and administrative - affiliate	33	37	(11)	99	74	34	
Acquisition-related transaction and integration costs	1	13	(92)	3	54	(94)	
Total operating costs and expenses	617	661	(7)	2,140	1,874	14	
Loss on sale of assets	—	—	—	(6)	—	(100)	
Operating Income	92	150	(39)	171	92	86	
Other Income/(Expense)							
Other income, net	2	2	—	4	4	—	
Interest expense	(48)	(51)	(6)	(149)	(154)	(3)	
Loss on debt extinguishment	—	—	—	—	(11)	100	
Total other expense	(46)	(49)	(6)	(145)	(161)	(10)	
Income/(Loss) Before Income Taxes	46	101	(54)	26	(69)	138	
Income tax expense/(benefit)	—	—	—	2	(6)	133	
Net Income/(Loss)	\$46	\$101	(54)	\$24	\$(63)	138	
Business Metrics							
Average natural gas price — Henry Hub (\$/MMBtu)	\$4.06	\$3.58	13	% \$4.55	\$3.67	24	%
MWh sold (in thousands)	7,594	8,240	(8)	24,918	22,819	9	
MWh generated (in thousands)	7,587	9,388	(19)	27,036	26,160	3	

(a) Includes realized gains and losses from financially settled transactions.

(b) Includes unrealized trading gains and losses.

Generation Gross Margin

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Energy revenue	\$478	\$566	\$1,888	\$1,474
Capacity revenue	221	273	730	682
Other revenues	7	18	39	46
Generation revenue	706	857	2,657	2,202
Generation cost of sales	(280	) (321	) (1,217	) (862
Generation gross margin	\$426	\$536	\$1,440	\$1,340

Generation gross margin decreased by \$110 million for the three months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Lower gross margin due to a 32% decrease in PJM capacity prices, partially offset by a 17% increase in NY hedged capacity prices from the creation of the Hudson Valley Load Zone	\$(60)
Lower gross margin due to a 10% decrease in realized energy prices and a 5% decrease in generation	(47)
Other	(3)
	\$(110)

Generation gross margin increased by \$100 million for the nine months ended September 30, 2014 compared to the same period in 2013 due to:

	(In millions)
Higher gross margin due to a 13% increase in realized energy prices due to weather conditions in the East as well as fewer outage hours during 2014, partially offset by an increase in natural gas prices	\$135
Higher gross margin due to a 9% increase in PJM capacity volumes and a 2% increase in PJM hedged prices as well as the creation of the Hudson Valley Load Zone	56
Higher gross margin due to the addition of a capacity contract for Bowline and more favorable RA contract pricing in Southern California, offset in part by the deactivation of Contra Costa as well as the 14 Coolwater plant which changed from a PPA to a RA contract	
Lower gross margin due to the fuel type used for increased generation at Canal, which was primarily on oil in 2014 as opposed to natural gas in 2013, as well as the sale of Kendall in January 2014	(80)
Lower gross margin due to the sale of Marsh Landing in 2013	(19)
Other	(6)
	\$100

Mark-to-market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges.

The breakdown of gains and losses included in operating revenues and operating costs and expenses are as follows:

(In millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Mark-to-market results in operating revenues				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$(63	) \$(80	) \$(225	) \$(304
Net unrealized gains/(losses) on open positions related to economic hedges	66	34	(115	) 68
Total mark-to-market gains/(losses) in operating revenues	\$3	\$(46	) \$(340	) \$(236
Mark-to-market results in operating costs and expenses				
Reversal of previously recognized unrealized losses on settled positions related to economic hedges	\$4	\$7	\$15	\$34
Net unrealized (losses)/gains on open positions related to economic hedges	(9	) (16	) 3	(12
Total mark-to-market (losses)/gains in operating costs and expenses	\$(5	) \$(9	) \$18	\$22

Mark-to-market results consist of unrealized gains and losses. The settlement of these transactions is reflected in the same caption as the items being hedged.

For the three months ended September 30, 2014, the \$3 million gain in operating revenues from economic hedge positions was driven by an increase in the value of forward sales of natural gas contracts as a result of decreases in forward natural gas prices largely offset by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period. The \$5 million loss in operating costs and expenses from economic hedge positions was driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices partially offset by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

For the three months ended September 30, 2013, the \$46 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$9 million loss in operating costs and expenses from economic hedge positions was primarily driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices.

For the nine months ended September 30, 2014, the \$340 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period and a decrease in the value of forward sales of electricity contracts as a result of increases in forward power prices. The \$18 million gain in operating costs and expenses from economic hedge positions was driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period and an increase in the value of forward purchases of fuel contracts as a result of increases in forward coal prices.

For the nine months ended September 30, 2013, the \$236 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period slightly offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$22 million gain in operating costs and expenses from economic hedge positions was primarily driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

In accordance with ASC 815, the following table represents the results of GenOn's financial and physical trading of energy commodities. The realized and unrealized financial and physical trading results are included in other operating revenues. GenOn's trading activities are subject to limits within the risk management policy. GenOn had no trading gains or losses for the three months ended September 30, 2014.

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Trading gains/(losses)				
Realized	\$—	\$6	\$2	\$8
Unrealized	—	(2	) (1	) (2
Total trading gains	\$—	\$4	\$1	\$6

Other Cost of Operations

Other cost of operations decreased by \$9 million for the three months ended September 30, 2014 compared to the same period in 2013 due to lower operating costs due to the sale of Kendall in early 2014 and lower deactivation costs in 2014.

Other cost of operations decreased by \$65 million for the nine months ended September 30, 2014 compared to the same period in 2013 due to:

	(In millions)
Lower operating costs due to decreased maintenance and project expenses, specifically at Morgantown and Seward where there were a major outages in 2013 with none occurring in 2014, and from the sale of Kendall, offset in part by increased variable costs resulting from increased run time	\$46
Decrease in property tax expense associated with the decrease in the property tax assessment for Bowline	5
Other	14
	\$65

Depreciation and Amortization

Depreciation and amortization expense decreased by \$18 million and \$35 million for the three and nine months ended September 30, 2014 compared to the same periods in 2013.

Impairment Loss

For the three and nine months ended September 30, 2014, GenOn recorded an impairment loss of \$60 million related to the Osceola facility, as described in Note 2, Summary of Significant Accounting Policies.

GenOn Americas Generation

The following table provides selected financial information for GenOn Americas Generation:

(In millions except otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2014	2013	Change %	2014	2013	Change %
Operating Revenues						
Energy revenue ^(a)	\$441	\$545	(19)%	\$1,746	\$1,437	22 %
Capacity revenue ^(a)	222	264	(16)	716	625	15
Mark-to-market for economic hedging activities	(27)	(50)	46	(265)	(203)	(31)
Other revenues ^(b)	6	10	(40)	36	80	(55)
Total operating revenues	642	769	(17)	2,233	1,939	15
Operating Costs and Expenses						
Generation cost of sales ^(a)	445	530	(16)	1,682	1,422	18
Mark-to-market for economic hedging activities	8	8	—	(9)	(22)	(59)
Contract and emissions credit amortization	—	4	(100)	11	13	(15)
Other cost of operations	80	91	(12)	250	303	(17)
Total cost of operations	533	633	(16)	1,934	1,716	13
Depreciation and amortization	21	26	(19)	70	79	(11)
Selling, general and administrative	22	21	5	69	65	6
Total operating costs and expenses	576	680	(15)	2,073	1,860	11
Loss on sale of assets	—	—	—	(6)	—	(100)
Operating Income	66	89	(26)	154	79	95
Other Expense						
Interest expense	(19)	(18)	6	(56)	(54)	4
Total other expense	(19)	(18)	6	(56)	(54)	4
Income Before Income Taxes	47	71	(34)	98	25	292
Income taxes	—	—	—	—	—	—
Net Income	\$47	\$71	(34)	\$98	\$25	292
Business Metrics						
Average natural gas price — Henry Hub (\$/MMBtu)	\$4.06	\$3.58	13 %	\$4.55	\$3.67	24 %
MWh sold (in thousands)	2,268	2,784	(19)	10,241	7,382	39
MWh generated (in thousands)	2,702	2,867	(6)	10,191	7,554	35

(a) Includes realized gains and losses from financially settled transactions.

(b) Includes unrealized trading gains and losses

Generation Gross Margin

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Energy revenue	\$441	\$545	\$1,746	\$1,437
Capacity revenue	222	264	716	625
Other revenues	6	10	36	80
Generation revenue	669	819	2,498	2,142
Generation cost of sales	(445	) (530	) (1,682	) (1,422
Generation gross margin	\$224	\$289	\$816	\$720

Generation gross margin decreased by \$65 million for the three months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Lower gross margin due to a 13% decrease in realized energy prices at GenOn Mid-Atlantic and a 3% decrease in generation	\$(36)
Lower gross margin due to a 37% decrease in PJM South hedged capacity prices, offset by a 17% increase in New York hedged capacity prices from the creation of the Lower Hudson Valley Load Zone	(33)
Lower gross margin due a 34% decrease in realized energy prices in New York and New England as well as the sale of Kendall	(10)
Higher gross margin due to the addition of a new capacity contract for Bowline	10
Other	4
	\$(65)

Generation gross margin increased by \$96 million for the nine months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Higher gross margin due to a 45% increase in generation at GenOn Mid-Atlantic due to weather conditions in the East as well as fewer outage hours during 2014	\$156
Lower gross margin due to a 12% decrease in realized energy prices at GenOn Mid-Atlantic partially offset by a 7% decrease in coal prices	(103)
Higher gross margin due to a 79% increase in realized energy prices and a 50% increase in generation at Canal and Bowline, due to weather conditions in the East, offset in part by the sale of Kendall in early 2014	22
Higher gross margin due to increased hedged capacity prices in New York and PJM South	15
Other	6
	\$96

Mark-to-market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges.

The breakdown of gains and losses included in operating revenues and operating costs and expenses are as follows:

(In millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Mark-to-market results in operating revenues				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$ (68	) \$ (76	) \$ (212	) \$ (251
Net unrealized gains/(losses) on open positions related to economic hedges	41	26	(53	) 48
Total mark-to-market losses in operating revenues	\$ (27	) \$ (50	) \$ (265	) \$ (203
Mark-to-market results in operating costs and expenses				
Reversal of previously recognized unrealized losses on settled positions related to economic hedges	\$ 3	\$ 7	\$ 11	\$ 33
Net unrealized losses on open positions related to economic hedges	(11	) (15	) (2	) (11
Total mark-to-market (losses)/gains in operating costs and expenses	\$ (8	) \$ (8	) \$ 9	\$ 22

Mark-to-market results consist of unrealized gains and losses. The settlement of these transactions is reflected in the same caption as the items being hedged.

For the three months ended September 30, 2014, the \$27 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of natural gas contracts as a result of decreases in forward natural gas prices. The \$8 million loss in operating costs and expenses from economic hedge positions was driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices partially offset by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

For the three months ended September 30, 2013, the \$50 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$8 million loss in operating costs and expenses from economic hedge positions was primarily driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices.

For the nine months ended September 30, 2014, the \$265 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period and a decrease in the value of forward sales of electricity contracts as a result of increases in forward power prices. The \$9 million gain in operating costs and expenses from economic hedge positions was primarily driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

For the nine months ended September 30, 2013, the \$203 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$22 million gain in operating costs and expenses from economic hedge positions was primarily driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

In accordance with ASC 815, the following table represents the results of GenOn Americas Generation's financial and physical trading of energy commodities. The realized and unrealized financial and physical trading results are included in other operating revenues. GenOn Americas Generation's trading activities are subject to limits within the risk management policy. GenOn Americas Generation had no trading gains or losses for the three months ended September 30, 2014.

(In millions)	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Trading gains/(losses)				
Realized	\$—	\$6	\$2	\$8
Unrealized	—	(2	) (1	) (2
Total trading gains	\$—	\$4	\$1	\$6

Other Cost of Operations

Other cost of operations decreased by \$11 million for the three months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Lower operating costs due to decreased maintenance and project expenses, specifically at Morgantown where there was a major outage in 2013 with none occurring in 2014	\$9
Other	2
	\$11

Other cost of operations decreased by \$53 million for the nine months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Lower operating costs due to decreased maintenance and project expenses, specifically at Morgantown where there was a major outage in 2013 with none occurring in 2014	\$38
Decrease in property tax expense associated with the decrease in property tax assessment for Bowline	9
Other	6
	\$53

GenOn Mid-Atlantic

The following table provides selected financial information for GenOn Mid-Atlantic:

(In millions except otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2014	2013	Change %	2014	2013	Change %
Operating Revenues						
Energy revenue ^(a)	\$211	\$251	(16)%	\$799	\$623	28 %
Capacity revenue ^(a)	56	93	(40)	224	214	5
Mark-to-market for economic hedging activities	(24)	(51)	53	(267)	(203)	(32)
Other revenues	2	4	(50)	12	4	200
Total operating revenues	245	297	(18)	768	638	20
Operating Costs and Expenses						
Generation cost of sales ^(a)	96	100	(4)	375	250	50
Mark-to-market for economic hedging activities	8	8	—	(10)	(22)	(55)
Contract and emissions credit amortization	1	2	(50)	10	11	(9)
Other cost of operations	61	66	(8)	186	222	(16)
Total cost of operations	166	176	(6)	561	461	22
Depreciation and amortization	18	22	(18)	61	60	2
Selling, general and administrative	16	15	7	51	48	6
Total operating costs and expenses	200	213	(6)	673	569	18
Operating Income	45	84	(46)	95	69	38
Other Expense						
Interest expense	(1)	(2)	50	(4)	(4)	—
Total other expense	(1)	(2)	(50)	(4)	(4)	—
Income Before Income Taxes	44	82	(46)	91	65	40
Income taxes	—	—	—	—	—	—
Net Income	\$44	\$82	(46)	\$91	\$65	40
Business Metrics						
Average natural gas price — Henry Hub (\$/MMBtu)	\$4.06	\$3.58	13	\$4.55	\$3.67	24
MWh sold (in thousands)	2,241	2,320	(3)	8,576	5,916	45
MWh generated (in thousands)	2,241	2,320	(3)	8,576	5,916	45

(a) Includes realized gains and losses from financially settled transactions.

Generation Gross Margin

(In millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Energy revenue	\$211	\$251	\$799	\$623
Capacity revenue	56	93	224	214
Other revenues	2	4	12	4
Generation revenue	269	348	1,035	841
Generation cost of sales	(96	) (100	) (375	) (250
Generation gross margin	\$173	\$248	\$660	\$591

Generation gross margin decreased by \$75 million for the three months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Lower gross margin due to a 13% decrease in realized energy prices and a 3% decrease in generation	\$(36)
Lower gross margin due to a 37% decrease in hedged capacity prices	(36)
Other	(3)
	\$(75)

Generation gross margin increased by \$69 million for the nine months ended September 30, 2014, compared to the same period in 2013 due to:

	(In millions)
Higher gross margin due to a 45% increase in generation due to weather conditions in the East as well as fewer outage hours during 2014	\$156
Lower gross margin due to a 12% decrease in realized energy prices partially offset by a 7% decrease in coal prices	(103)
Higher gross margin due to a 4% increase in hedged capacity prices	11
Other	5
	\$69

Mark-to-market for Economic Hedging Activities

Mark-to-market for economic hedging activities includes asset-backed hedges that have not been designated as cash flow hedges.

The breakdown of gains and losses included in operating revenues and operating costs and expenses are as follows:

(In millions)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Mark-to-market results in operating revenues				
Reversal of previously recognized unrealized gains on settled positions related to economic hedges	\$(65)	\$(77)	\$(214)	\$(252)
Net unrealized gains/(losses) on open positions related to economic hedges	41	26	(53)	49
Total mark-to-market losses in operating revenues	\$(24)	\$(51)	\$(267)	\$(203)
Mark-to-market results in operating costs and expenses				
Reversal of previously recognized unrealized losses on settled positions related to economic hedges	\$2	\$7	\$11	\$33
Net unrealized losses on open positions related to economic hedges	(10)	(15)	(1)	(11)
Total mark-to-market (losses)/gains in operating costs and expenses	\$(8)	\$(8)	\$10	\$22

Mark-to-market results consist of unrealized gains and losses. The settlement of these transactions is reflected in the same caption as the items being hedged.

For the three months ended September 30, 2014, the \$24 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of natural gas contracts as a result of decreases in forward natural gas prices. The \$8 million loss in operating costs and expenses from economic hedge positions was primarily driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices.

For the three months ended September 30, 2013, the \$51 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$8 million loss in operating costs and expenses from economic hedge positions was primarily driven by a decrease in the value of forward purchases of fuel contracts as a result of decreases in forward coal prices.

For the nine months ended September 30, 2014, the \$267 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period and a decrease in the value of forward sales of electricity contracts as a result of increases in forward power prices. The \$10 million gain in operating costs and expenses from economic hedge positions was primarily driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

For the nine months ended September 30, 2013, the \$203 million loss in operating revenues from economic hedge positions was driven by the reversal of previously recognized unrealized gains from electricity and natural gas contracts that settled during the period partially offset by an increase in the value of forward sales of electricity and natural gas contracts as a result of decreases in forward power and natural gas prices. The \$22 million gain in operating costs and expenses from economic hedge positions was primarily driven by the reversal of previously recognized unrealized losses from fuel contracts that settled during the period.

Other Cost of Operations

Other cost of operations decreased by \$5 million for the three months ended September 30, 2014, compared to the same period in 2013 due to lower operations and maintenance expense due to decreased maintenance work and the sale of Kendall in early 2014.

Other cost of operations decreased by \$36 million for the nine months ended September 30, 2014, compared to the same period in 2013 due to lower operations and maintenance expense due to less operating and maintenance expenses at Morgantown, which experienced a major outage in 2013, and the sale of Kendall in early 2014.

Liquidity and Capital Resources

Liquidity Position

As of September 30, 2014 and December 31, 2013, the Registrants' liquidity was comprised of the following:

	September 30, 2014	December 31, 2013
	(In millions)	
Cash and cash equivalents (GenOn excluding GenOn Mid-Atlantic and REMA)	\$519	\$566
Cash and cash equivalents (GenOn Mid-Atlantic) ^(a)	129	64
Cash and cash equivalents (REMA) ^(a)	320	130
Total	968	760
Credit facility availability	281	151
Total liquidity	\$1,249	\$911

(a) At September 30, 2014, REMA and GenOn Mid-Atlantic did not satisfy the restricted payment tests under certain of their agreements and therefore, could not use such funds to distribute cash and make other restricted payments.

For the nine months ended September 30, 2014, total liquidity increased \$338 million.

Management believes that the Registrants' liquidity position and cash flows from operations will be adequate to finance operating, maintenance and capital expenditures, to fund debt service obligations and other liquidity

commitments. Management continues to regularly monitor the Registrants' ability to finance the needs of its operating, financing and investing activity within the dictates of prudent balance sheet management.

Restricted Payments Tests

The ability of certain of GenOn's and GenOn Americas Generation's subsidiaries to pay dividends and make distributions is restricted under the terms of certain agreements, including the Gen-On Mid-Atlantic and REMA operating leases. Under their respective operating leases, GenOn Mid-Atlantic and REMA are not permitted to make any distributions and other restricted payments unless: (a) they satisfy the fixed charge coverage ratio for the most recently ended period of four fiscal quarters; (b) they are projected to satisfy the fixed charge coverage ratio for each of the two following periods of four fiscal quarters, commencing with the fiscal quarter in which such payment is proposed to be made; and (c) no significant lease default or event of default has occurred and is continuing. In addition, prior to making a dividend or other restricted payment, REMA must be in compliance with the requirement to provide credit support to the owner lessors securing its obligation to pay scheduled rent under its leases. Based on GenOn Mid-Atlantic's and REMA's most recent calculations of these tests, GenOn Mid-Atlantic and REMA did not satisfy the restricted payments tests. As a result, as of September 30, 2014, GenOn Mid-Atlantic and REMA could not make distributions of cash and certain other restricted payments. Each of GenOn Mid-Atlantic and REMA may recalculate its fixed charge coverage ratios from time to time and, subject to compliance with the restricted payments test described above, make dividends or other restricted payments.

To the extent GenOn Mid-Atlantic or REMA are able to pay dividends to GenOn, the GenOn senior notes due 2018 and 2020 and the related indentures restrict the ability of GenOn to incur additional liens and make certain restricted payments, including dividends. In the event of a default or if restricted payment tests are not satisfied, GenOn would not be able to distribute cash to its parent, NRG. At September 30, 2014, GenOn met the consolidated debt ratio component of the restricted payments test.

Credit Ratings

On October 20, 2014, Standard & Poor's lowered its corporate credit ratings on GenOn, GenOn Mid-Atlantic, REMA and GenOn Americas Generation to B- from B. The ratings outlook for GenOn, GenOn Mid-Atlantic, REMA and GenOn Americas Generation is stable. Standard & Poor's also lowered the issue ratings on the \$770 million of pass-through certificates of GenOn Mid-Atlantic and the GenOn Americas Generation senior notes to B from BB-.

Sources of Liquidity

The principal sources of liquidity for the Registrants' future operating and capital expenditures are expected to be derived from existing cash on hand and cash flows from operations. The Registrants' operating cash flows may be affected by, among other things, demand for electricity, the difference between the cost of fuel used to generate electricity and the market value of the electricity generated, commodity prices (including prices for electricity, emissions allowances, natural gas, coal and oil), operations and maintenance expenses in the ordinary course, planned and unplanned outages, terms with trade creditors, cash requirements for capital expenditures relating to certain facilities (including those necessary to comply with environmental regulations) and the potential impact of future environmental regulations.

Uses of Liquidity

The Registrants' requirements for liquidity and capital resources, other than for operating its facilities, can generally be categorized by the following: (i) debt service obligations, (ii) capital expenditures, including maintenance and environmental and (iii) payments under the GenOn Mid-Atlantic and REMA operating leases.

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Item 3 has been omitted from this report pursuant to the reduced disclosure format permitted by General Instruction H(2) to Form 10-Q.

ITEM 4 — CONTROLS AND PROCEDURES (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of the Registrants' management, including the principal executive officer, principal financial officer and principal accounting officer, the Registrants conducted an evaluation of the effectiveness of the design and operation of disclosure controls and procedures, as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act. Based on this evaluation, the Registrants' principal executive officer, principal financial officer and principal accounting officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

The Registrants continue to integrate certain business operations, information systems, processes and related internal control over financial reporting as a result of business acquisitions. The Registrants will continue to assess the effectiveness of internal control over financial reporting as integration activities continue.

PART II

OTHER INFORMATION

Item 1 — LEGAL PROCEEDINGS (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

For a discussion of material legal proceedings in which the Registrants were involved through September 30, 2014, see Note 7, Commitments and Contingencies, to this Form 10-Q.

Item 1A — RISK FACTORS (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Information regarding risk factors appears in Part I, Item 1A, Risk Factors, in the Registrants' 2013 Form 10-K. There have been no material changes in the Registrants' risk factors since those reported in the Registrants' 2013 Form 10-K.

Item 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Item 2 has been omitted from this report for the Registrants pursuant to the reduced disclosure format permitted by General Instruction H(2) to Form 10-Q.

Item 3 — DEFAULTS UPON SENIOR SECURITIES (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Item 3 has been omitted from this report for the Registrants pursuant to the reduced disclosure format permitted by General Instruction H(2) to Form 10-Q.

Item 4 — MINE SAFETY DISCLOSURES (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

Not applicable.

Item 5 — OTHER INFORMATION (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

None.

Item 6 — EXHIBITS (GenOn, GenOn Americas Generation and GenOn Mid-Atlantic)

GenOn Energy, Inc. Exhibit Index

Number	Description	Method of Filing
31.1A1	Rule 13a-14(a)/15d-14(a) certification of David Crane.	Filed herewith.
31.2A1	Rule 13a-14(a)/15d-14(a) certification of Kirkland B. Andrews.	Filed herewith.
31.3A1	Rule 13a-14(a)/15d-14(a) certification of Ronald B. Stark.	Filed herewith.
32.A1	Section 1350 Certification.	Filed herewith.
101 INS	XBRL Instance Document.	Filed herewith.
101 SCH	XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.

GenOn Americas Generation, LLC Exhibit Index

Number	Description	Method of Filing
31.1A2	Rule 13a-14(a)/15d-14(a) certification of David Crane.	Filed herewith.
31.2A2	Rule 13a-14(a)/15d-14(a) certification of Kirkland B. Andrews.	Filed herewith.
31.3A2	Rule 13a-14(a)/15d-14(a) certification of Ronald B. Stark.	Filed herewith.
32.A2	Section 1350 Certification.	Filed herewith.
101 INS	XBRL Instance Document.	Filed herewith.
101 SCH	XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.

GenOn Mid-Atlantic, LLC Exhibit Index

Number	Description	Method of Filing
31.1A3	Rule 13a-14(a)/15d-14(a) certification of David Crane.	Filed herewith.
31.2A3	Rule 13a-14(a)/15d-14(a) certification of Kirkland B. Andrews.	Filed herewith.
31.3A3	Rule 13a-14(a)/15d-14(a) certification of Ronald B. Stark.	Filed herewith.
32.A3	Section 1350 Certification.	Filed herewith.
101 INS	XBRL Instance Document.	Filed herewith.
101 SCH	XBRL Taxonomy Extension Schema.	Filed herewith.
101 CAL	XBRL Taxonomy Extension Calculation Linkbase.	Filed herewith.
101 DEF	XBRL Taxonomy Extension Definition Linkbase.	Filed herewith.
101 LAB	XBRL Taxonomy Extension Label Linkbase.	Filed herewith.
101 PRE	XBRL Taxonomy Extension Presentation Linkbase.	Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENON ENERGY, INC.
(Registrant)

/s/ DAVID CRANE

David Crane
Chief Executive Officer
(Principal Executive Officer)

/s/ KIRKLAND B. ANDREWS

Kirkland B. Andrews
Chief Financial Officer
(Principal Financial Officer)

/s/ RONALD B. STARK

Ronald B. Stark
Chief Accounting Officer
(Principal Accounting Officer)

Date: November 5, 2014

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENON AMERICAS GENERATION, LLC
(Registrant)

/s/ DAVID CRANE

David Crane
Chief Executive Officer
(Principal Executive Officer)

/s/ KIRKLAND B. ANDREWS

Kirkland B. Andrews
Chief Financial Officer
(Principal Financial Officer)

/s/ RONALD B. STARK

Ronald B. Stark
Chief Accounting Officer
(Principal Accounting Officer)

Date: November 5, 2014

53

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENON MID-ATLANTIC, LLC
(Registrant)

/s/ DAVID CRANE

David Crane
Chief Executive Officer
(Principal Executive Officer)

/s/ KIRKLAND B. ANDREWS

Kirkland B. Andrews
Chief Financial Officer
(Principal Financial Officer)

/s/ RONALD B. STARK

Ronald B. Stark
Chief Accounting Officer
(Principal Accounting Officer)

Date: November 5, 2014