

NRG Energy, Inc.
Statement of Greenhouse Gas Emissions
For the Year Ended December 31, 2022
(With Independent Accountants' Review Report Thereon)



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Accountants' Review Report

To the Board of Directors
NRG Energy, Inc.:

We have reviewed NRG Energy, Inc.'s (the Company) Statement of Greenhouse Gas Emissions and the related notes (Statement of Greenhouse Gas Emissions) for the year ended December 31, 2022. The Company's management is responsible for presenting the Statement of Greenhouse Gas Emissions in accordance with the corresponding reporting criteria set forth in Note 2 (the Criteria). Our responsibility is to express a conclusion on Statement of Greenhouse Gas Emissions based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Statement of Greenhouse Gas Emissions in order for it to be in accordance with the Criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Statement of Greenhouse Gas Emissions is in accordance with (or based on) the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgement and consisted primarily of inquires of management to obtain an understanding of the methodology applied, evaluation of the Company's application of the stated methodology for measuring the greenhouse gas emissions, recalculation of a selection of greenhouse gas emissions, and analytical procedures comparing the greenhouse gas emissions trends.

As described in the accompanying notes, the preparation of the Statement of Greenhouse Gas Emissions requires the Company's management to interpret the Criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Emission and consumption data included in the Statement of Greenhouse Gas Emissions are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection by management of different, but acceptable measurement methods, data or assumptions could have resulted in materially different amounts being reported. The precision of different measurement techniques may also vary.

Based on our review, we are not aware of any material modifications that should be made to the Statement of Greenhouse Gas Emissions in order for it to be in accordance with the Criteria.

KPMG LLP

Philadelphia, Pennsylvania
May 12, 2023

NRG Energy, Inc.
Statement of Greenhouse Gas Emissions
For the Year Ended December 31, 2022

Metric Description	Metric Tons Carbon Dioxide Equivalent (CO_{2e})
Scope 1 Greenhouse Gas Emissions	35,050,795
Scope 2 Greenhouse Gas Emissions	141,831
Scope 3 Greenhouse Gas Emissions from Category 6, Business Travel	2,432

See accompanying Notes to Statement of Greenhouse Gas Emissions.

NRG Energy, Inc.
Statement of Greenhouse Gas Emissions,
For the Year Ended December 31, 2022

Note 1: The Company

Organization

NRG Energy, Inc., or NRG or the Company, is a consumer services company built on dynamic retail brands. NRG brings the power of energy to customers by producing and selling energy and related products and services, nation-wide in the U.S. and Canada in a manner that delivers value to all of NRG's stakeholders. NRG sells power, natural gas, and home and power services, and develops innovative, sustainable solutions, predominately under the brand names NRG, Reliant, Direct Energy, Green Mountain Energy, Stream, and XOOM Energy. The Company has a customer base that includes approximately 5.4 million residential customers as well as commercial, industrial, and wholesale customers, supported by approximately 16 gigawatts (GW) of generation as of December 31, 2022¹.

Basis of Presentation

The Statement of Greenhouse Gas Emissions has been prepared based on a calendar reporting year that is the same as NRG's financial reporting period.

Organizational Boundary

NRG employs a hybrid methodology of operational and financial control to determine facilities within the organizational boundary. The hybrid methodology means that reported greenhouse gas metrics include emission and consumption data from all facilities located in North America that are owned, controlled, or for which the Company had an equity interest as of December 31, 2022. Emissions and consumption data from jointly owned electric generating facilities are allocated based on the Company's equity share of ownership at the plant level. Note that tolling agreements are currently excluded from the organizational boundary.

Estimation Uncertainties

The preparation of the Statement of Greenhouse Gas Emissions requires the Company to interpret the Criteria (see Note 2), make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Emission and consumption data included in the Statement of Greenhouse Gas Emissions are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Note 2: Measurement Criteria

Greenhouse Gases

All greenhouse gas (GHG) emissions figures are presented in metric tons of carbon dioxide equivalent (CO_{2e}). The Statement of Greenhouse Gas Emissions includes the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF₆), and Nitrogen trifluoride (NF₃) emissions have been omitted as they are not material sources of greenhouse gases for the Company.

Scope 1

Scope 1 GHG emissions represent GHG emissions that occur from fuel combustion in boilers, turbines, and engines used for the production of wholesale electric power at facilities within the organizational boundary. The Scope 1 GHG emissions are measured using methods specified by the Environmental Protection Agency within the Code of Federal Regulations².

GHG emissions from combustion of fossil fuels used for other activities or equipment, such as auxiliary boilers, starter engines, generators, and company fleet vehicles are not included in Scope 1 inventory at this time as the associated emissions are immaterial.

Scope 2

Scope 2 GHG emissions represent purchased electricity consumed by the Company and are measured using the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) GHG Protocol Scope 2 Guidance³. Scope 2 GHG emissions are measured using a location-based method. The Company's purchased electricity from United States-based electricity distribution utilities is multiplied by appropriate regional emission factors, which are sourced from the EPA Center for Corporate Climate Leadership⁴. The Company's purchased electricity from Canadian-based electricity distribution utilities is multiplied by the Government of Canada's electricity consumption intensity values⁵.

A facility's electricity consumption is derived from metered electricity purchases from North American electricity distribution utilities. When utility metering and invoices are not available, estimates for facilities are made using the facility's available historical values of metering and invoices from prior months within the reporting period.⁶

Emission factors used to calculate market-based emissions, including both utility-specific factors and residual mix, are not widely available in the United States (US), therefore only location-based factors are used which may result in double counting between electricity consumers.

Scope 3, Category 6: Business Travel

The Company's Scope 3, Category 6: Business Travel GHG emissions are calculated using the Corporate Value Chain (Scope 3) Standard of the GHG Protocol⁷. Emissions from business travel includes business-related travel activities with a travel start date within 2022 and booked through NRG's third-party travel agency. Business travel booked outside the primary travel agency is excluded, and, as such, taxi, ride-share services, and travel in employee-owned vehicles are not included as business travel categories. Conversely, non-employee travel may, on occasion, be booked through NRG's third-party travel agency and included in Business Travel emissions.

NRG's travel agency provides the total miles of expected travel by plane and train. While car rentals are booked through the travel agency, expected miles driven by car are provided directly by the rental agency. For travel originating from the United States, emission factors are sourced from the EPA⁴, and travel originating internationally, emission factors are sourced from United Kingdom Department for Environment, Food and Rural Affairs (DEFRA)⁸. To further refine the emission factors applied, US plane trips are sorted by distance and international plane trips are sorted by flight class. Similarly, car trips are sorted by vehicle type and fuel type by country. Expected hotel stays are reported by NRG's travel agency and emissions factors are sourced by country⁹ from the Cornell University Hotel Sustainability Benchmarking Index¹⁰.

Global Warming Potentials

CO₂e GHG emissions are calculated using the Global Warming Potentials (GWP) for CO₂, CH₄, and N₂O from the International Panel on Climate Change (IPCC) *Fourth Assessment Report* for Scope 1 and 2, and 3 Business Travel, with the exception of hotel emissions for which the Cornell University Hotel Sustainability Benchmarking Index used the IPCC *Fifth Assessment Report*.

Note 3: Subsequent Events

On March 10, 2023, the Company completed the acquisition of Vivint Smart Home Inc., pursuant to the Agreement and Plan of Merger, dated as of December 6, 2022. The Company has not included Vivint Smart Home Inc. in its emissions calculations provided in the Statement of Greenhouse Gas Emissions.

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- ¹ NRG Energy, Inc. Form 10-K, filed February 23, 2023, <https://investors.nrg.com/node/42036/html>
- ² Code of Federal Regulations Title 40, Chapter I, Subchapter C, Part 98, Subparts A (Jan. 1, 2018 update), C (Sep. 21, 2018 update), and D (Jan. 3, 2017 update)
- ³ GHG Protocol Scope 2 Guidance, Feb. 2020 update, from <https://ghgprotocol.org/scope-2-guidance>
- ⁴ US EPA Center for Corporate Climate Leadership GHG Emission Factors Hub, Mar. 16, 2023 update, from https://www.epa.gov/system/files/documents/2023-03/ghg_emission_factors_hub.pdf
- ⁵ Government of Canada Emission Factors and Reference Values, Version 1.0, Jun. 2022, from https://publications.gc.ca/collections/collection_2022/eccc/En84-294-2022-eng.pdf
- ⁶ Methodology represents a change from the previous year whereby if historical information was not available, the reporting of facility emissions applied an estimation method based on fuel type, size of plant, and technology of the plant.
- ⁷ Corporate Value Chain (Scope 3) Accounting and Reporting Standard, May 2013 update, from <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>
- ⁸ DEFRA Conversion Factors 2022, from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>
- ⁹ Methodology represents a change from the previous year whereby the reporting of hotel emissions applied an upscale U.S.-based hotel emission rate for all hotel stays.
- ¹⁰ Hotel Sustainability Benchmarking Index 2021, from <https://ecommons.cornell.edu/handle/1813/109990>.