

GenOn Energy, Inc.  
Form DEFA14A  
July 23, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**GENON ENERGY, INC.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



**Below is a copy of a Transaction Fact Sheet, which has been made available on GenOn's website:**



**Below is a copy of a letter from GenOn's Chief Executive Officer, which has been distributed to all GenOn employees:**

July 22, 2012

Dear Colleague:

Today we announced that we have entered into a definitive agreement to combine with NRG, which owns and operates one of the largest and most diverse power generation portfolios in the U.S., with over 24,000 megawatts of generating capacity. NRG also has retail businesses Reliant Energy, Green Mountain Energy Company and Energy Plus which together serve about 2.1 million residential, business, commercial and industrial customers. NRG is also the largest solar developer in the United States and is building the eVgo electric vehicle charging network.

NRG and GenOn are very complementary in terms of generation assets, geographies and fuel sources. NRG has a significant presence in the ERCOT region and also operates in the East, the West, and the Gulf Coast and has a mix of coal, gas, oil, nuclear and renewable assets. As you know, we operate primarily in PJM and California with a combination of coal, gas, oil and dual gas/oil assets. The combined company will be named NRG and will be the largest competitive generator in the U.S. with approximately 47,000 megawatts of capacity, including capacity in regions projecting significant growth over the next decade. Attached is a copy of the press release for your convenience.

The combined company will be jointly headquartered in Princeton and Houston, with commercial and financial operations based in Princeton, and operational headquarters in Houston. Houston is expected to be the center of the combined company's technical expertise and would include plant operations and EPC, procurement and similar functions. We expect some of our leaders to join the combined company's senior management team and will identify these individuals soon as part of a thoughtful integration process. Anne Cleary will be the Chief Integration officer of the combined company and John Chillemi will be Regional President of the West. The combined company will have 16 directors with four members from GenOn's current board of directors joining the new NRG Board. David Crane, the chief executive officer of NRG, will be the combined company's CEO, and I will be vice chairman of the board.

I know that all of you will have questions about what this news means for you personally. For those of you in our generating plants, we don't expect many changes. We have great people running some of the best-operated plants in the industry, and continuing to operate our business as usual is essential. Although corporate functions will be affected, we will be drawing from both companies to ensure that we continue to have an excellent team going forward. We expect this team to be identified by the week of Oct. 15. While we need to obtain required approvals, we expect the combination to close by the first quarter of 2013. We do not anticipate making changes in staffing or operations in connection with the combination before the closing.

In the coming months, we will make every effort to address your questions and concerns. To begin, I am hosting a special employee meeting on Tuesday in Houston, with a live webcast to all GenOn locations, at which I will be joined by David Crane, NRG's CEO. You will receive an e-mail from someone at your location telling you where to gather for the live webcast. If you cannot attend in person or with your group, you are invited to participate via audio conferencing. The dial-in instructions are available [here](http://intranet/Pages/nrg_genon.aspx) (http://intranet/Pages/nrg\_genon.aspx). After the meeting, a replay video of the call will be available on the GenOn intranet. At the meeting we will answer employees' questions. Please send your questions in advance by e-mailing [genoncommunications@genon.com](mailto:genoncommunications@genon.com). I encourage you to do so.

Following this letter, Houston employees will receive a separate set of instructions for joining the meeting in person.

Until the transaction closes, it is important for all of us to remember that GenOn and NRG remain competitors, and that GenOn will continue to operate as an independent company, conducting our business as usual. There is much to be done before the combination is completed. In the meantime, please continue to do the jobs you do so well and to help deliver on our commitments.

You will receive an e-mail from NRG CEO David Crane shortly.

Thank you for your hard work and support, and equally importantly, for how you do your work. I look forward to speaking with you on Tuesday.

Sincerely,

Ed Muller

#### **Additional Information And Where To Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The proposed business combination transaction between NRG and GenOn will be submitted to the respective stockholders of NRG and GenOn for their consideration. NRG will file with the Securities and Exchange Commission ( SEC ) a registration statement on Form S-4 that will include a joint proxy statement of NRG and GenOn that also constitutes a prospectus of NRG. NRG and GenOn will mail the joint proxy statement/prospectus to their respective stockholders. NRG and GenOn also plan to file other documents with the SEC regarding the proposed transaction. This communication is not a substitute for any prospectus, proxy statement or any other document which NRG or GenOn may file with the SEC in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS OF GENON AND NRG ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and stockholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents containing important information about NRG and GenOn, once such documents are filed with the SEC, through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). NRG and GenOn make available free of charge at [www.nrgenergy.com](http://www.nrgenergy.com) and [www.genon.com](http://www.genon.com), respectively (in the Investor Relations section), copies of materials they file with, or furnish to, the SEC.

#### **Participants In The Merger Solicitation**

NRG, GenOn, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of GenOn and NRG in connection with the proposed transaction. Information about the directors and executive officers of NRG is set forth in its proxy statement for its 2012 annual meeting of stockholders, which was filed with the SEC on March 12, 2012. Information about the directors and executive officers of GenOn is set forth in its proxy statement for its 2012 annual meeting of stockholders, which was filed with the SEC on March 30, 2012. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Below is a copy of Employee Frequently Asked Questions, which have been distributed to all GenOn employees:

GenOn FAQ

**1. What is the rationale behind this transaction?**

This is an excellent opportunity to combine two highly complementary companies with demonstrated track records of performance and operational excellence. Merging NRG and GenOn will create the largest competitive generator in the country, with approximately 47,000 MW of generation capacity, including capacity in regions projecting significant growth over the next decade, giving the company scale in three of the premier competitive energy markets. With more diversified generation assets, geographies and fuel sources and increased financial strength and flexibility, the new company will be better positioned to navigate through industry cycles and fluctuations in commodity prices and to grow its business.

**2. Do NRG and GenOn operate in overlapping geographies?**

NRG and GenOn serve highly complementary regions. By bringing together NRG's significant presence in the ERCOT region and operations in the East, the West, and the Gulf Coast, with GenOn's operations in PJM and California, the combined company will have a strong presence in growth regions and diversified revenue base.

**3. What will the combined company look like?**

The company will be the largest competitive generator in the country, with approximately 47,000 MW offered via a broad range of generation assets and fuel sources. It will serve key markets in the East, the West and the Gulf Coast. The combined company will retain the NRG name and be jointly headquartered in Princeton and Houston, with Commercial Operations and Finance based in Princeton, and Houston will be the operational headquarters.

**4. Who will lead the new combined company? What will the management structure of the combined company look like?**

David Crane, the chief executive officer of NRG, will be CEO of the combined company and Ed Muller will be the vice chairman of the Board. The Board of Directors will have 16 members, with four from GenOn's current board and 12 from NRG's current board. We expect some of our leaders to join the combined company's senior management team and will identify these individuals soon as part of a thoughtful integration process. Anne Cleary will be the Chief Integration Officer of the combined company and John Chillemi will be Regional President of the West.

**5. What impact will this have on employees?**

It is too early to talk specifically about how the integration process might impact individual employees. As with any transaction like this, there will be areas of overlap where employment adjustments will be required as we integrate the two companies. Affected employees will have an opportunity to fill open positions at the combined company. We will make every effort to keep you apprised of new developments and in order to minimize disruption and distraction we will communicate all staffing decisions by the week of Oct. 15.

**6. Do you have a target number of positions that will be affected? And is there a target expense you expect to reduce through synergies? Where will that savings come from?**

We expect the combination will result in the elimination of about 500 positions. The merger is financially beneficial across all key metrics, will create an even stronger company and will result in total transaction benefits of \$300 million comprised of cost synergies, operational efficiency synergies, and balance sheet efficiencies.



**7. Will GenOn offer severance and/or outplacement assistance for employees whose jobs are negatively impacted by the transaction?**

We are committed to treating our employees fairly and with respect. All decisions regarding who will fill positions will be made by the week of October 15. Severance will be provided for employees of both companies and we will provide additional details on individual severance packages as we go through the evaluation process.

**8. Will there be any changes to our compensation?**

The combined company will honor compensation agreements and arrangements in effect at the time of close. It is too early to determine changes that may be made over time as appropriate to the ongoing business.

**9. Will any plants be closed as a result of this transaction?**

No additional plants are being closed other than those already announced by GenOn as a result of the transaction. Previously announced de-activations will stay on schedule.

**10. How long do you expect the regulatory review process will take and when do you expect the transaction to close?**

We expect the transaction will close by the first quarter of 2013. Approvals are needed from the FERC, US DOJ/Hart Scott Rodino, the Public Utility Commission of Texas, and the New York PSC. Notices will also be filed with the NRC and the CPUC. NRG and GenOn operate in very complementary geographies, with limited overlap, and we do not expect any significant regulatory issues. We will keep you updated as we get closer to a specific closing date.

**11. Will either company need to end or change any existing vendor/supplier/business partner relationships because of competition, conflicts or other issues?**

We are very early in the process and have made no decisions regarding our various business partners. Our relationships with our partners are extremely important to us and we are committed to working closely with them to ensure they are kept informed of any decisions we make.

**12. Whom should I contact if I have additional questions?**

For additional questions please email [genoncommunications@genon.com](mailto:genoncommunications@genon.com).

**13. What does it mean that the operational headquarters will be based in Houston? Will it be at 1000 Main? How many employees will fill that department?**

The combined company will be dual headquartered, with commercial/financial headquarters in Princeton, N.J. and operational headquarters in Houston. NRG's Houston Pavilions location will be the combined company's operational headquarters, and many of GenOn's Houston employees will relocate to the Pavilions as part of the consolidation process. We expect Houston will be the center of the combined company's technical expertise - plant operations and EPC, procurement, and other similar functions.

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**Forward Looking Statements**

In addition to historical information, the information presented in this communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as may, will, should, could, objective, projection, forecast, goal, guidance, outlook, expect, intend, seek, plan, think, anticipate, potential or continue or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the proposed transaction between NRG and GenOn, our and the combined company's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, each party's views of economic and market conditions, and the expected timing of the completion of the proposed

transaction.

Forward-looking statements are not a guarantee of future performance and actual events or results may differ materially from any forward-looking statement as result of various risks and uncertainties, including, but not limited to, those relating to: the ability to satisfy the conditions to the proposed transaction between NRG and GenOn, the ability to successfully complete the proposed transaction (including any financing arrangements in connection therewith) in accordance with its terms and in accordance with expected schedule, the ability to obtain stockholder, antitrust, regulatory or other approvals for the proposed transaction, or an inability to obtain them on the terms proposed or on the anticipated schedule, diversion of management attention on transaction-related issues, impact of the transaction on relationships with customers, suppliers and employees, the ability to finance the combined business post-closing and the terms on which such financing may be available, the financial performance of the combined company following completion of the proposed transaction, the ability to successfully integrate the businesses of NRG and GenOn, the ability to realize anticipated benefits of the proposed transaction (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, legislative, regulatory and/or market developments, the outcome of pending or threatened lawsuits, regulatory or tax proceedings or investigations, the effects of competition or regulatory intervention, financial and economic market conditions, access to capital, the timing and extent of changes in law and regulation (including environmental), commodity prices, prevailing demand and market prices for electricity, capacity, fuel and emissions allowances, weather conditions, operational constraints or outages, fuel supply or transmission issues, hedging ineffectiveness.

Additional information concerning other risk factors is contained in GenOn's most recent Annual Report on Form 10-K, subsequent Quarterly Report on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings.

Many of these risks, uncertainties and assumptions are beyond GenOn's ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made, and GenOn undertakes no obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this communication. All subsequent written and oral forward-looking statements concerning GenOn, the proposed transaction, the combined company or other matters and attributable to GenOn or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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**Below is a copy of a Fact Sheet regarding NRG Energy, Inc., which has been made available on GenOn's website:**



























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