UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 7, 2018 (February 6, 2018)**

NRG YIELD, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**001-36002**	**46-1777204**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

804 Carnegie Center, Princeton, New Jersey 08540
(Address of principal executive offices, including zip code)

(609) 524-4500
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 1.01 Entry into a Material Definitive Agreement.

Consent and Indemnity Agreement

On February 6, 2018, NRG Yield, Inc. (the “Company”) entered into a Consent and Indemnity Agreement (the “Consent and Indemnity Agreement”) with NRG Energy, Inc., a Delaware corporation (“NRG”), NRG Repowering Holdings LLC, a Delaware limited liability company (“Repowering” and, collectively with NRG, “NRG Energy”), GIP III Zephyr Acquisition Partners, L.P., a Delaware limited partnership (“Purchaser”) and, solely for purposes of Sections E.5, E.6 and G.12 thereof, NRG Yield Operating LLC, a Delaware limited liability company and a subsidiary of the Company (“NRG Yield Operating”), in connection with the sale by NRG Energy to Purchaser of one hundred percent of the outstanding membership interests of Zephyr Renewables LLC, a Delaware limited liability company (“Zephyr Renewables”), which will include ownership by Zephyr Renewables of (1) one hundred percent of the shares of Class B common stock and one hundred percent of the shares of Class D common stock (collectively, the “Company Shares”) of the Company and (2) one hundred percent of the Class B units and one hundred percent of the Class D units (collectively, the “Company Units”, and, collectively with the Company Shares, the “Company Securities”) of NRG Yield LLC, a Delaware limited liability company, pursuant to a Purchase and Sale Agreement, dated February 6, 2018, by and among NRG, Repowering and Purchaser (the “Zephyr PSA”). We refer to the sale of the Company Securities owned by NRG Energy to Purchaser as the “Company Securities Transaction.” Pursuant to the Consent and Indemnity Agreement, the Company has agreed to provide its consent to the Company Securities Transaction subject to the terms and conditions therein.

The Company’s consent to the Company Securities Transaction is conditioned on (1) the transactions contemplated by the Consent and Indemnity Agreement resulting in no more than a $10 million reduction in the Company’s cash available for distribution calculated pro forma on an annualized basis for fiscal year 2018 (not including certain non-recurring expenses), (2) Zephyr Renewables’ entry into certain new sponsorship agreements with the Company relating to, among other things, the Company's governance structure, the provision of services to the Company by Zephyr Renewables and a right of first offer on certain renewable energy assets that will be held by Zephyr Renewables (which Zephyr Renewables is purchasing from NRG Energy pursuant to the Zephyr PSA), (3) NRG Energy's entry into certain agreements relating to transition services and ongoing commercial arrangements with the Company, (4) the accuracy of NRG Energy's and Purchaser's representations and warranties, subject to customary materiality standards and (5) NRG Energy obtaining certain third-party consents prior to the closing of the transactions contemplated by the Consent and Indemnity Agreement or the parties thereto taking certain other actions related thereto. A Voting and Governance Agreement to be entered into at closing between the Company and an affiliate of Purchaser will provide, among other things, that (A) the Chief Executive Officer of the Company will at all times be a full-time Company employee appointed by the Board of Directors of the Company (the "Board"), (B) the parties thereto will use their commercially reasonable efforts to submit to the Company's stockholders at the Company's 2019 Annual Meeting of Stockholders a charter amendment to classify the Board into two classes (with the independent directors and directors designated by an affiliate of Purchaser allocated across the two classes) and (C) the Board will be expanded to nine members at closing, comprised at that date of five directors designated by Purchaser, three independent directors and the Company's Chief Executive Officer.

The Consent and Indemnity Agreement contains representations and warranties from each of NRG Energy, Purchaser and the Company, including, among others, representations as to (1) corporate existence and (2) authority to enter into the transactions contemplated by the Consent and Indemnity Agreement and related agreements, and with respect to the Company only, (A) the Company's subsidiaries, (B) capitalization and (C) approval by the Corporate Governance, Conflicts and Nominating Committee of the

Company and the Board of the Company Securities Transaction, Consent and Indemnity Agreement and related transaction documents.

Each party to the Consent and Indemnity Agreement has agreed to certain covenants, including, among others, covenants relating to (1) property tax indemnity obligations, (2) cooperation in connection with certain regulatory filings, (3) conduct of the Company's business prior to the closing of the transactions contemplated by the Consent and Indemnity Agreement and (4) cooperation with respect to debt financing in connection with the transactions contemplated by the Consent and Indemnity Agreement. If the transactions contemplated by the Consent and Indemnity Agreement are terminated, NRG Energy is obligated to reimburse the Company for certain costs and expenses incurred in connection with the transactions.

Carlsbad Purchase and Sale Agreement

On February 6, 2018, NRG Yield Operating entered into a purchase and sale agreement (the "Carlsbad Purchase and Sale Agreement") with NRG Gas Development Company, LLC (the "Seller"), a Delaware limited liability company and a wholly-owned subsidiary of NRG. Pursuant to the terms of the Carlsbad Purchase and Sale Agreement, NRG Yield Operating agreed to acquire one hundred percent of the membership interests of Carlsbad Energy Holdings LLC, a Delaware limited liability company ("Carlsbad"), which indirectly owns an approximately 527 megawatt natural gas fired project in Carlsbad, California (the "Carlsbad Transaction"). The purchase price for the Carlsbad Transaction is $365 million in cash consideration, subject to customary working capital and other adjustments, plus the assumption of approximately $601 million of non-recourse project debt as of the closing date of the Carlsbad Transaction. The Carlsbad Transaction is expected to increase net income by $38 million, adjusted EBITDA by $90 million, cash from operating activities by $60 million and cash available for distribution by $40 million, on average annually in the five-year period from 2019-2023. A reconciliation of adjusted EBITDA to net income and cash available for distribution to cash from operating activities is presented in Table 1 below.

The Carlsbad Purchase and Sale Agreement provides that if prior to the closing of the Carlsbad Transaction, (1) NRG Yield Operating lacks sufficient funds to pay the purchase price at the closing, (2) the closing of the transactions contemplated by the Zephyr PSA has occurred and (3) the Seller has satisfied, or is capable of satisfying, the applicable conditions precedent in the Carlsbad Purchase and Sale Agreement, then NRG Yield Operating will be required to assign its rights and obligations under the Carlsbad Purchase and Sale Agreement, including its obligation to pay the purchase price, to Purchaser upon 5 days' prior written notice to the Seller. In connection with the Carlsbad Transaction, an affiliate of Purchaser has committed to capitalize Purchaser, at or immediately prior to the closing of the Carlsbad Transaction, with an aggregate equity contribution in an amount up to $400 million, subject to the terms and conditions set forth in an equity commitment letter, dated as of February 6, 2018, including the prior assignment of the rights and obligations of NRG Yield Operating under the Carlsbad Purchase and Sale Agreement to Purchaser and the prior closing of the transactions contemplated by the Zephyr PSA. Pursuant to a right of first offer agreement to be entered into upon the closing of the Consent and Indemnity Agreement, by and among the Company, Purchaser and an affiliate of Purchaser, the Company will have the right to purchase Carlsbad from Purchaser for a period of 18 months following the closing date of the Carlsbad Transaction in accordance with the terms therein.

The Carlsbad Purchase and Sale Agreement contains customary representations and warranties and covenants by NRG Yield Operating and the Seller. Each of NRG Yield Operating and the Seller is obligated, subject to certain limitations, to indemnify the other for certain customary and other specified matters, including breaches of representations and warranties, nonfulfillment or breaches of covenants and for certain liabilities and third-party claims.

The closing of the Carlsbad Transaction is subject to closing conditions, including the closing of the transactions contemplated by the Zephyr PSA and certain third-party approvals. The Company expects the Carlsbad Transaction to close during the fourth quarter of 2018.

Table 1: Adjusted EBITDA and Cash Available for Distribution Reconciliation

The following table summarizes the reconciliation of adjusted EBITDA to net income and cash available for distribution to cash from operating activities.

($ in millions)	Carlsbad Drop Down - 5 Year Average from 2019-2023
Net Income	**$ 38**
Interest Expense, net	24
Depreciation, Amortization, and ARO	28

Adjusted EBITDA		**90**
Cash interest paid		(24)
Changes in prepaid and accrued liabilities for tolling agreements		(6)
Cash from Operating Activities		**60**
Distributions to non-controlling interest		—
Principal amortization of indebtedness		(20)
Cash Available for Distribution	**$**	**40**

EBITDA and adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of adjusted EBITDA should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because the Company considers it an important supplemental measure of its performance and believes debt and equity holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

· EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
· EBITDA does not reflect changes in, or cash requirements for, working capital needs;

· EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
· Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
· Other companies in this industry may calculate EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of the Company's business. The Company compensates for these limitations by relying primarily on its GAAP results and using EBITDA and adjusted EBITDA only as supplements.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments and factors which the Company does not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons the Company considers it appropriate for supplemental analysis. As an analytical tool, adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating adjusted EBITDA, the reader should be aware that in the future the Company may incur expenses similar to the adjustments described herein.

Management believes adjusted EBITDA is useful to investors and other users of the Company's financial statements in evaluating its operating performance because it provides them with an additional tool to compare business performance across companies and across periods. This measure is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Additionally, management believes that investors commonly adjust EBITDA information to eliminate the effect of restructuring and other expenses, which vary widely from company to company and impair comparability. As the Company defines it, adjusted EBITDA represents EBITDA adjusted for the effects of impairment losses, gains or losses on sales, dispositions or retirements of assets, any mark-to-market gains or losses from accounting for derivatives, adjustments to exclude gains or losses on the repurchase, modification or extinguishment of debt, and any extraordinary, unusual or non-recurring items plus adjustments to reflect the adjusted EBITDA from the Company's unconsolidated investments. The Company adjusts for these items in its adjusted EBITDA as its management believes that these items would distort their ability to efficiently view and assess its core operating trends.

In summary, the Company's management uses adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and in communications with its Board, shareholders, creditors, analysts and investors concerning its financial performance.

Cash available for distribution is adjusted EBITDA plus cash distributions from unconsolidated affiliates, cash receipts from notes receivable, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in prepaid and accrued capacity payments. Management believes cash available for distribution is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors.

The Company believes cash available for distribution is useful to investors in evaluating its operating performance because securities analysts and other interested parties use such calculations as a measure of its ability to make quarterly distributions. In addition, cash available for distribution is used by its management team for determining future acquisitions and managing its growth. The GAAP measure most directly comparable to cash available for distribution is cash from operating activities.

However, cash available for distribution has limitations as an analytical tool because it does not include changes in operating assets and liabilities and excludes the effect of certain other cash flow items, all of which could have a material effect on the Company's financial condition and results from operations. Cash available for distribution is a non-GAAP measure and should not be considered an alternative to cash from operating activities or any other performance or liquidity measure determined in accordance with GAAP, nor is it indicative of funds available to fund the Company's cash needs. In addition, the Company's calculations of cash available for distribution are not necessarily comparable to cash available for distribution as calculated by other companies. Investors should not rely on these measures as a substitute for any GAAP measure, including cash from operating activities.

Item 8.01 Other Events.

On February 7, 2018, the Company issued a press release announcing its entry into the Consent and Indemnity Agreement and NRG Yield Operating's entry into the Carlsbad Purchase and Sale Agreement described in Item 1.01 above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Examples of forward-looking statements include, among others, statements regarding the satisfaction of the conditions necessary for the Company's consent to the Company Securities Transaction. Such forward-looking statements are subject to risks, uncertainties and other factors, including a downturn in the economy, the risk that the transactions contemplated by the Consent and Indemnity Agreement may not be consummated, the risk that the Company may not realize the anticipated benefits of the transactions contemplated by the Consent and Indemnity Agreement, the risk that the Company may not retain customer relationships and other risks associated with the transactions contemplated by the Consent and Indemnity Agreement, such as the potential for unexpected liabilities, failure to meet closing terms and conditions of the transactions contemplated by the Consent and Indemnity Agreement, the reaction to the transactions contemplated by the Consent and Indemnity Agreement of customers, employees and counterparties or difficulties related to the transition of services, as well as additional risks and uncertainties contained in the "Risk Factors" and forward-looking statements disclosure set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Document
99.1	Press Release, dated February 7, 2018

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 hereunto duly authorized.

NRG Yield, Inc.
(Registrant)

By: /s/ Brian E. Curci
Brian E. Curci
Corporate Secretary

Dated: February 7, 2018

Exhibit 99.1

NRG YIELD

NRG Yield Announces New Sponsorship with
Global Infrastructure Partners and Agreements
on Next Drop Down Transactions

- *Global Infrastructure Partners (GIP) to Become NRG Yield's Controlling Stockholder*
- *GIP Acquires NRG's Renewables Platform, Including 6.4 GW of Backlog and Development Pipeline*
- *NRG Yield Announces Binding Agreements with NRG Energy to Acquire Both the 154 MW Buckthorn Solar Project and the 527 MW Carlsbad Energy Center*
- *NRG Yield to Hold Conference Call and Webcast at 9:00 a.m. Eastern Standard Time Today*

PRINCETON, N.J. — February 7, 2018 — NRG Yield, Inc. (NYSE: NYLD, NYLD.A) today announces that Global Infrastructure Partners ("GIP"), a leading global independent infrastructure investor, has entered into a binding agreement (the "Transaction") to acquire NRG Energy Inc.'s (NYSE: NRG) full ownership interest in NRG Yield and NRG's renewable development and operations platform. With over $45 billion in assets under management and approximately $9 billion of equity invested or committed in the renewable energy sector, GIP provides NRG Yield with a leading sponsor with substantial financial resources to accelerate development of the next generation of drop down projects. GIP has deep experience as a sponsor of publicly traded vehicles in the energy and power sectors and has the unique ability to enhance NRG Yield's long-term growth opportunities and access to capital. Furthermore, GIP's demonstrated commitment to the expansion of renewables globally aligns its economic interests with those of NRG Yield's public shareholders.

NRG Yield is also announcing today the next set of drop down transactions with NRG through the execution of definitive agreements to acquire both the 154 MW Buckthorn Solar Project and the 527 MW(1) Carlsbad Energy Center for a combined $407 million in total consideration with annual expected cash available for distribution ("CAFD") of $44 million beginning in 2019(2).

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(1) Reflects capacity per the Power Purchase & Tolling Agreement with San Diego Gas and Electric; actual tested capacity is expected to be 530 MW
(2) CAFD is averaged over the 5-year period from 2019-2023. The drop down transactions are subject to terms and conditions that may result in modifications to total consideration and expected annual CAFD at closing. The Carlsbad drop down transaction is subject to the closing of the Transaction.

"Under NRG Energy's sponsorship, since its IPO in July 2013, NRG Yield has experienced tremendous success with an increase of 186% in cash available for distribution from $91 million to $260 million and an expansion of NRG Yield's quarterly dividend per share by 150% to $1.15 per share annualized at the end of 2017," said Christopher Sotos, President and Chief Executive Officer of NRG Yield. "With today's announcement, NRG Yield can now look forward to its next phase of growth, including solidifying near-term objectives through the most recent drop down transactions and, most importantly, aligning with GIP, whose strategy and breadth of global investment capabilities are well suited to our business model and long-term objectives."

Adebayo Ogunlesi, Chairman and Managing Partner of GIP, said, "We are excited to announce the acquisition of NRG's world-class renewables business. We view each of the three acquired businesses — the NYLD stake, the O&M business, and the development business — as highly complementary and well positioned to capitalize on the increasing market demand for low cost, clean energy. We look forward to working with management to develop new renewable generation assets and to supporting the company with our deep operating and financial expertise in the sector. We are also excited about the opportunity to grow the value of NYLD, which allows public market investors to access attractive investments in renewable energy."

Strategic Sponsorship with Global Infrastructure Partners (GIP)

On February 6, GIP entered into a purchase and sale agreement with NRG for the acquisition of NRG's full ownership interest in NRG Yield and NRG's renewable energy development and operations platform consisting of a robust pipeline of over 6.4 GW(3) of backlog and development projects, as well as operational oversight of 2.4 GW across 17 states. The Transaction is subject to certain closing conditions, including customary legal and regulatory approvals. NRG Yield expects the Transaction to close in the second half of 2018.

In connection with the Transaction, NRG Yield entered into a Consent and Indemnity Agreement (the "C&I Agreement") with NRG and GIP setting forth the key terms and conditions of NRG Yield's Corporate Governance, Conflicts and Nominating Committee's consent to the Transaction. Key provisions of the C&I Agreement include:

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(3) Refer to slide 25 of NRG Energy's 3rd Quarter 2017 Earnings Presentation on November 2, 2017

Minimized Impact to CAFD from Potential Change in Control Costs

To mitigate the impact of potential change of control costs on annual CAFD, NRG Yield's consent to the transaction is conditioned upon:

- There being no more than $10 million in reduced annual CAFD on a recurring basis that would result from changes in NRG Yield's cost structure or any impact from various consents (but excluding the impact of certain non-recurring costs);
- NRG having agreed to indemnify NRG Yield and its project companies for any increase in property taxes at NRG Yield's California-based solar projects resulting from the Transaction.

Enhanced ROFO Pipeline

In addition to the accelerated drop down transactions with NRG Energy described below, upon the closing of the Transaction:

- NRG Yield will enter into a new Right of First Offer (ROFO) Agreement with GIP that immediately adds 550 MW to the current pipeline through the operational 150 MW Langford Wind project and the under-development 400 MW Mesquite Star Wind project(4);
- The ROFO Agreement with NRG will be modified with the removal of the Ivanpah solar facility. The remaining interest in Agua Caliente remains a ROFO asset;
- In addition, GIP's acquisition of NRG's Renewable development platform includes 6.4 GW of backlog and pipeline development projects(5) and as part of the Transaction, GIP has invested in safe harbor equipment to support up to 280 MW of repowering opportunities at the NRG Yield portfolio.

Financial Cooperation and Support

- GIP has arranged a $1.5 billion backstop credit facility to manage any change-of-control costs associated with NRG Yield's corporate debt;
- GIP has committed to provide up to $400 million in financing support for the Carlsbad Energy Center drop down transaction (as more fully described below). This commitment would be exercised if NRG Yield were unable to efficiently raise third party capital by the closing of the Carlsbad transaction and would entail GIP acquiring the project directly from NRG to be dropped down to NRG Yield in the future subject to similar terms and conditions.

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(4) Capacity may change subject to final project development
(5) Refer to slide 25 of NRG Energy's 3rd Quarter 2017 Earnings Presentation on November 2, 2017

Maintenance of Independence Governance Structure

- No change in charter of the Independent Conflicts Committee;
- No incentive distribution rights (IDRs); and
- Management team of NRG Yield to continue to be independent.

GIP as a Sponsor

Founded in 2006, GIP is an independent infrastructure fund with over $45 billion in assets under management that invests in infrastructure assets and businesses in both OECD and select emerging market countries. GIP targets investments in single assets and portfolios of assets and companies in power and utilities, natural resources infrastructure, air transport infrastructure, seaports, freight railroad, water distribution and treatment and waste management.

GIP has a strong track record of investment and value creation in the renewable energy sector with a portfolio that now includes approximately $9 billion in equity committed or invested, 8 GW of operating renewable assets, and over 14 GW of renewable assets under construction or in development. Additionally, GIP has extensive experience with publicly traded yield vehicles and development platforms, ranging from Europe's first application of a YieldCo/DevCo model to the largest renewable platform in Asia-Pacific.

GIP has offices in New York and London, with an affiliate in Sydney and portfolio company operations headquarters in Stamford, Connecticut. For more information on GIP and today's announced transaction, visit www.global-infra.com and www.global-infra.com/news1.php, respectively.

Drop Down Transactions with NRG Energy

Binding Agreement to Purchase Buckthorn Solar Project

On January 24, NRG Yield signed a binding agreement to purchase the 154 MW Buckthorn Solar Project for cash consideration of $42.3 million plus assumed non-recourse project debt of $131 million. The purchase price for Buckthorn Solar Project will be funded with cash on hand and revolver borrowings, and is expected to increase CAFD on an average annual basis by approximately $4 million beginning in 2019(6). The transaction is expected to close in the first quarter of 2018.

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(6) CAFD is averaged over the 5-year period from 2019-2023

Binding Agreement to Purchase the Carlsbad Energy Center

On February 6, NRG Yield signed a binding agreement to purchase the 527 MW(7) Carlsbad Energy Center for cash consideration of $365 million(8), excluding working capital and other adjustments, plus assumed non-recourse project debt of $601 million at completion. The agreement to acquire Carlsbad is subject to the closing of the Transaction between NRG and GIP. If the Transaction does not close, Carlsbad would revert back to the NRG ROFO pipeline. The project is expected to increase CAFD on an average annual basis by approximately $40 million beginning in 2019(9).

Because the project is not expected to close until the fourth quarter of 2018, the Carlsbad transaction includes a number of other terms and conditions, including:

- Adjustments to the purchase price subject to (a) final tested capacity, (b) final tested heat rate, and (c) insurance costs;

- NRG Yield’s stock price prior to funding.

As described above, in the event NRG Yield is not able to efficiently raise capital by closing of the Carlsbad transaction, NRG Yield has the option to exercise the backstop commitment with GIP.

Advisors

Barclays and J.P. Morgan Securities LLC acted as financial advisors to the Independent Directors and Management of NRG Yield while Sullivan & Cromwell LLP acted as legal counsel.

Investor Call

NRG Yield management will hold an investor conference call and webcast at 9:00 a.m. Eastern Standard Time today, February 7, 2018 to discuss this announcement. A live webcast of the conference call, including presentation materials, can be accessed through NRG Yield’s website at http://www.nrgyield.com and clicking on “Presentations & Webcasts.” The webcast will be archived on the website for those unable to listen in real time.

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(7) Reflects capacity per the Power Purchase & Tolling Agreement with the San Diego Gas and Electric; actual tested capacity is expected to be 530 MW
(8) Subject to terms and conditions at the closing of the Carlsbad transaction
(9) CAFD is averaged over the 5-year period from 2019-2023

About NRG Yield

NRG Yield owns a diversified portfolio of contracted renewable and conventional generation and thermal infrastructure assets in the United States, including fossil fuel, solar and wind power generation facilities that have the capacity to support more than two million American homes and businesses. Our thermal infrastructure assets provide steam, hot and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals and governmental units in multiple locations. NRG Yield’s Class C and Class A common stock are traded on the New York Stock Exchange under the symbols NYLD and NYLD.A, respectively.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as “expect,” “estimate,” “should,” “anticipate,” “forecast,” “plan,” “guidance,” “believe” and similar terms. Such forward-looking statements include, but are not limited to, statements regarding the satisfaction of the conditions to the Company’s consent to the sale by NRG Energy, Inc. of its interests in the Company, the Company’s future revenues, income, indebtedness, capital structure, strategy, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

Although NRG Yield, Inc. believes that the expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, including wind and solar performance, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulations, the condition of capital markets generally, our ability to access capital markets, cyber terrorism and inadequate cybersecurity, the ability to engage in successful mergers and acquisitions activity, potential risks to the company as a result of NRG’s sale of its ownership interest in the Company, including the inability to meet certain deadlines, failure of the conditions to be met, unanticipated liabilities in connection with the sale or the reaction of customer, partners or lenders to the transaction, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions (including receipt of third party consents

and regulatory approvals), our ability to enter into new contracts as existing contracts expire, our ability to acquire assets from NRG Energy, Inc. or third parties, our ability to close drop down transactions, and our ability to maintain and grow our quarterly dividends.

NRG Yield, Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA and cash available for distribution guidance are estimates as of February 7, 2018. These estimates are based on assumptions believed to be reasonable as of that date. NRG Yield, Inc. disclaims any current intention to update such guidance, except as required by law. The foregoing review of factors that could cause NRG Yield, Inc.’s actual results to differ materially from those contemplated in the forward-looking statements included in this press release should be considered in connection with information regarding risks and uncertainties that may affect NRG Yield, Inc.’s future results included in NRG Yield, Inc.’s filings with the Securities and Exchange Commission at www.sec.gov.

Media:	**Investors:**
Marijke Shugrue 609.524.5262	Kevin L. Cole, CFA 609.524.4526
	Lindsey Puchyr 609.524.4527

Appendix Table A-1: Adjusted EBITDA and Cash Available for Distribution

($ in millions)	Buckthorn Solar Drop Down - 5 Year Average from 2019-2023	Carlsbad Drop Down - 5 Year Average from 2019-2023
Net Income	**1**	**38**
Interest Expense, net	6	24
Depreciation, Amortization, and ARO Accretion	8	28
Adjusted EBITDA	**15**	**90**
Cash interest paid	(6)	(24)
Changes in prepaid and accrued liabilities for tolling agreements	—	(6)
Cash from Operating Activities	**9**	**60**
Distributions to non-controlling interest	(2)	—
Principal amortization of indebtedness	(3)	(20)
Estimated Cash Available for Distribution	**4**	**40**

EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that NRG Yield's future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG Yield considers it an important supplemental measure of its performance and believes debt and equity holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced

in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in this industry may calculate EBITDA differently than NRG Yield does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG Yield's business. NRG Yield compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG Yield considers it appropriate for supplemental analysis. As an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating Adjusted EBITDA, the reader should be aware that in the future NRG Yield may incur expenses similar to the adjustments in this news release.

Management believes Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. This measure is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Additionally, Management believes that investors commonly adjust EBITDA information to eliminate the effect of restructuring and other expenses, which vary widely from company to company and impair comparability. As we define it, Adjusted EBITDA represents EBITDA adjusted for the effects of impairment losses, gains or losses on sales, dispositions or retirements of assets, any mark-to-market gains or losses from accounting for derivatives, adjustments to exclude the Adjusted EBITDA related to the non-controlling interest, gains or losses on the repurchase, modification or extinguishment of debt, and any extraordinary, unusual or non-recurring items plus adjustments to reflect the Adjusted EBITDA from our unconsolidated investments. We adjust for these items in our Adjusted EBITDA as our

management believes that these items would distort their ability to efficiently view and assess our core operating trends.

In summary, our management uses Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and in communications with our Board of Directors, shareholders, creditors, analysts and investors concerning our financial performance.

Cash Available for Distribution (CAFD) is adjusted EBITDA plus cash distributions from unconsolidated affiliates, cash receipts from notes receivable, less cash distributions to noncontrolling interests, maintenance capital expenditures, pro-rata adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness, and changes in prepaid and accrued capacity payments. Management believes cash available for distribution is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors.

We believe cash available for distribution is useful to investors in evaluating our operating performance because securities analysts and other interested parties use such calculations as a measure of our ability to make quarterly distributions. In addition, cash available for distribution is used by our management team for determining future acquisitions and managing our growth. The GAAP measure most directly comparable to cash available for distribution is cash from operating activities.

However, cash available for distribution has limitations as an analytical tool because it does not include changes in operating assets and liabilities and excludes the effect of certain other cash flow items, all of which could have a material effect on our financial condition and results from operations. Cash available for distribution is a non GAAP measure and should not be considered an alternative to cash from operating activities or any other performance or liquidity measure determined in accordance with GAAP, nor is it indicative of funds available to fund our cash needs. In addition, our calculations of cash available for distribution are not necessarily comparable to cash available for distribution as calculated by other companies. Investors should not rely on these measures as a substitute for any GAAP measure, including cash from operating activities.