

**Homer City Generation Reaches Resolution with Noteholders on
Comprehensive Plan to Restructure Balance Sheet, Transition Ownership and
Enhance Economic Prospects and Ongoing Viability**

***Approximately 86 Percent of Noteholders Enter into Restructuring Support Agreement;
Creditor Solicitation for Pre-Packaged Plan of Reorganization Underway***

Plant Operations to Continue in the Normal Course

Indiana, PA – January 10, 2017 – Homer City Generation L.P. (“Homer City” or “the Company”), a Delaware limited partnership that operates three coal-fired electric generating units with an aggregate net capacity of 1,884 MW, today announced that it has reached a resolution with a substantial majority of its noteholders on a comprehensive financial restructuring plan that will significantly deleverage Homer City’s balance sheet and provide for an orderly transition of ownership. The plant is expected to continue operating in the normal course as the Company implements this restructuring plan in the coming weeks.

Homer City has entered into a restructuring support agreement (the “RSA”) with approximately 86% of the holders of its outstanding 8.137% Senior Secured Notes due 2019 and 8.734% Senior Secured Notes due 2026 (the “noteholders”). Among other things, the RSA provides for the noteholders to become majority equity owners in Homer City and for more than \$600 million in principal and accrued interest to be eliminated from Homer City’s balance sheet.

To implement the terms of the RSA, Homer City expects to voluntarily file for a pre-packaged reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware in the coming days. Homer City has begun the process of soliciting creditor approval for a proposed Plan of Reorganization that incorporates the RSA. Homer City expects to complete the pre-packaged reorganization on an accelerated basis early in 2017. The Company’s proposed Plan of Reorganization provides that trade creditors and other general unsecured creditors will be paid in full for their claims, which should facilitate an efficient Chapter 11 case.

Contemporaneously with entering into the RSA, Homer City and CONSOL Energy Inc. (“CONSOL”) have entered into a new two-year supply contract that will help Homer City meet its anticipated fuel needs through the end of 2018. In connection with this new contract, Homer City and CONSOL have settled their litigation. CONSOL’s pending lawsuit, which had been stayed while the parties were working cooperatively on a consensual resolution, will be dismissed once Homer City’s Plan of Reorganization becomes effective.

Homer City believes it has sufficient liquidity to continue its operations and meet its obligations in the ordinary course throughout the in-court restructuring process. As such, the Company does not expect that it will seek debtor-in-possession (DIP) financing in connection with the Chapter 11 filing. Homer City intends to pay suppliers for all goods and services provided after the filing date under normal terms.

John Boken, a Senior Managing Director at Zolfo Cooper, will be appointed to serve as Chief Restructuring Officer to guide Homer City through the in-court restructuring process. NRG Energy Services will remain in place as the plant operator under the terms of an amended Operations and Maintenance Agreement that currently runs through December 31, 2017. As such, NRG personnel at Homer City will continue to operate and maintain the plant in the ordinary course. GE Energy Financial Services will also continue as Asset Manager through the in-court restructuring process and will provide transitional assistance after the Effective Date to facilitate the ownership change.

Mr. Boken said, “As a result of this fully consensual restructuring and expedited pre-packaged Chapter 11 process, Homer City is expected to emerge as a more viable power generator in an increasingly more competitive energy marketplace. We anticipate that the substantially reduced debt load will also afford Homer City greater flexibility to invest in its operations and environmental compliance. Importantly, Homer City remains fully committed to upholding its environmental obligations as this process moves forward. We thank the personnel at Homer City for their ongoing hard work and look forward to completing the pre-packaged reorganization on an expedited basis.”

Additional information about the RSA and related developments has been posted on the Homer City website at <http://www.homercitygeneration.com>.

Richards, Layton & Finger is serving as legal advisor to Homer City, PJT Partners is serving as its financial advisor and Zolfo Cooper is serving as its restructuring advisor. O’Melveny and Myers LLP and Young Conaway Stargatt & Taylor, LLP are serving as legal advisors to the ad hoc group of noteholders and Houlihan Lokey is serving as the financial advisor to the ad hoc group of noteholders.

About Homer City Generation

Homer City Generation, L.P. is a Delaware limited partnership engaged in the business of operating and selling energy and capacity from its three coal-fired electric generating units and related facilities located near Pittsburgh, Pennsylvania, with an aggregate net capacity of 1,884 MW. The plant sells its baseload power into wholesale power generation markets in PJM Interconnection and NYISO.

Forward-Looking Statements

This press release contains forward-looking statements. All statements relating to the Company’s plans, objectives and expectations regarding its operations and potential restructuring are forward-looking statements. These forward-looking statements are based on the Company’s current expectations and projections and its management’s beliefs and assumptions. All of these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from the disclosed expectations.

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