

Homer City Generation Enters into Forbearance Agreement with Noteholders; Discussions Continue Regarding Ownership Transition and Deleveraging of Balance Sheet

Indiana, PA – October 3, 2016 – 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 entered into a forbearance agreement with certain holders of its outstanding secured notes. Homer City believes this agreement provides the Company additional time as it continues to engage in constructive discussions with certain noteholders regarding a comprehensive financial restructuring with the intent to significantly deleverage its balance sheet and provide for an orderly transition of its ownership.

Under the terms of the forbearance agreement, over 75% of the holders of the Company’s outstanding 8.137% Senior Secured Notes due 2019 and 8.734% Senior Secured Notes due 2026 (collectively, the “Notes”) have agreed to forbear from exercising any and all remedies available to them as a result of the Company not making the payment due on the Notes on October 3, 2016. The forbearance agreement will expire upon the earlier of 11:59 p.m. (Eastern Standard Time) on October 17, 2016, or the occurrence of certain events specified in the forbearance agreement, unless further extended by the parties.

Homer City expects to continue to operate its facilities and meet its obligations in the ordinary course.

About Homer City Generation, L.P.

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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