Q1 2024 Earnings Presentation

Talen Energy Corporation | May 13, 2024

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Agenda

1 Business Review

2 Financial Review

3 Q&A

Continued Progress on Strategic Focus Areas

Strong Q1 Results and Guidance

- Q1 Adjusted EBITDA of $289mm and Adjusted FCF of $194mm
- Commercial hedging program drove Q1 performance, with realized hedge gains of $165mm
- 2024 guidance increased for spark spread expansion, lower debt service costs and adjusted for ERCOT fleet sale

  Adjusted EBITDA: $600 – $800mm

  Adjusted FCF: $160 – $310mm
- Successful completion of Susquehanna refueling outage

Unlocking Value

- Closed sale of ~1.7 GW ERCOT fleet for $785mm (~$723mm net proceeds[1])
- AWS on track; began receiving revenue; escrow release anticipated in 2H 2024
- Achieved 90% (~$45mm) of annual cost savings target to date; full amount expected by YE 2024
- Monetization process for coin business progressing

Prioritizing Shareholders

- Upsizing remaining share repurchase program (“SRP”) to $1B[2]
- Repurchased 493k shares to date for an average ~$78/share[3]
- Planning CUSIP consolidation on May 17th to enable all shares to trade on OTCQX
- Repriced $863mm TLB and $470mm TLC, decreasing annual interest by ~$13mm
- Eliminated minority equity ownership in Cumulus Digital

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow; includes Cumulus.

1. Includes customary closing working capital adjustment of ~$8mm and estimated taxes, transaction fees and other costs of ~$54mm. ~$8mm of proceeds are held in escrow until working capital adjustment has been finalized by both parties.
2. Excludes amount repurchased to date of ~$38mm. Term of program remains unchanged: Active through YE 2025.
3. Excludes broker fees.

Solid Financial and Operational Performance in Q1 2024

Key Financial Metrics[1]

$289mm
Q1 2024 Adjusted EBITDA

$194mm
Q1 2024 Adjusted Free Cash Flow

~$1.9bn
Liquidity[2]

~1.2x
Net Debt / 2024 Adjusted EBITDA[3]

Key Operational Metrics

0.3
Q1 2024 OSHA Total Recordable Incident Rate[4]

1.9%
Q1 2024 Equivalent Forced Outage Factor[5]

8 TWh
Q1 2024 Total Generation[6]

58%
Q1 2024 Carbon-Free Generation[7]

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow.

1. Includes contribution from the ERCOT generation fleet through April 2024 and Cumulus.
2. Calculated as $1,349mm unrestricted cash plus $546mm revolver availability (net of outstanding LCs on the revolver), at 5/6/2024.
3. Calculated as $2,194mm total debt less $1,349mm unrestricted cash as of 5/6/2024 divided by 2024 Adjusted EBITDA midpoint of $700mm.
4. Also known as TRIR; defined as number of recordable incidents x 200,000 / total number of manhours worked. Only includes Talen-operated generation facilities (i.e., excludes Conemaugh and Keystone).
5. Also known as EFOF; defined as the percentage of a given period in which a generating unit is not available due to forced outages and forced deratings. Represents all generation facilities, including our portion of partially-owned facilities.
6. Generated MWhs sold after consumption for station use where applicable.
7. Represents Talen's share of generation from Susquehanna nuclear facility.

Power Markets: Then & Now

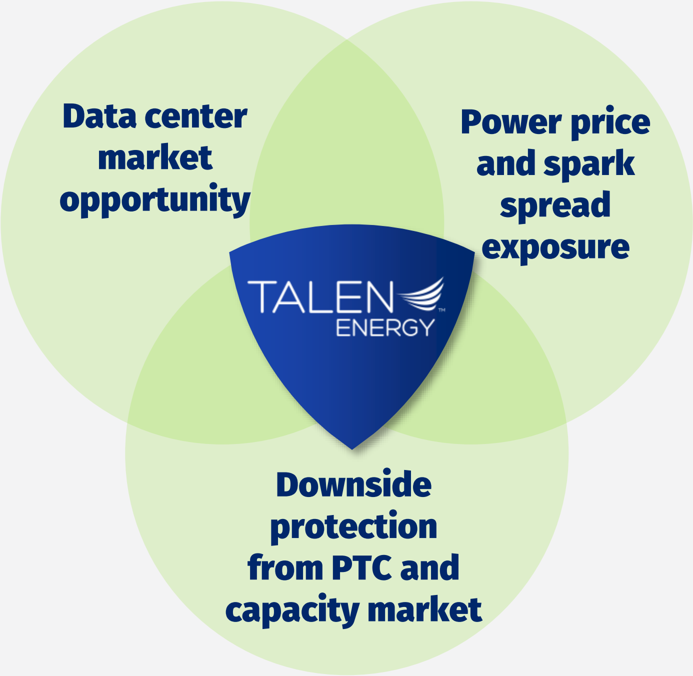
Past 10 – 15 Years

- Stagnant load growth
- Substitution of 5x16 commercial load for 7x24 industrial load in the northeast
- Excess capacity causes high retirement of coal, oil, and inefficient gas without impact to reliability
- Significant penetration of intermittent renewable generation
- Flat to decreasing capacity & power prices
- Abundance of cheap natural gas

Today

- Significant increases in load growth forecasts
- 7x24 demand driven by data centers
- Minimal excess capacity and few dispatchable assets, leading to reliability actions like RMRs
- Development queues are still mostly renewables, without solution for intermittency, while thermal new builds have long lead times
- Increasing energy curves and potential increase in capacity clears
- Sparks expanding with natural gas normalizing

Talen Captures All of These Catalysts



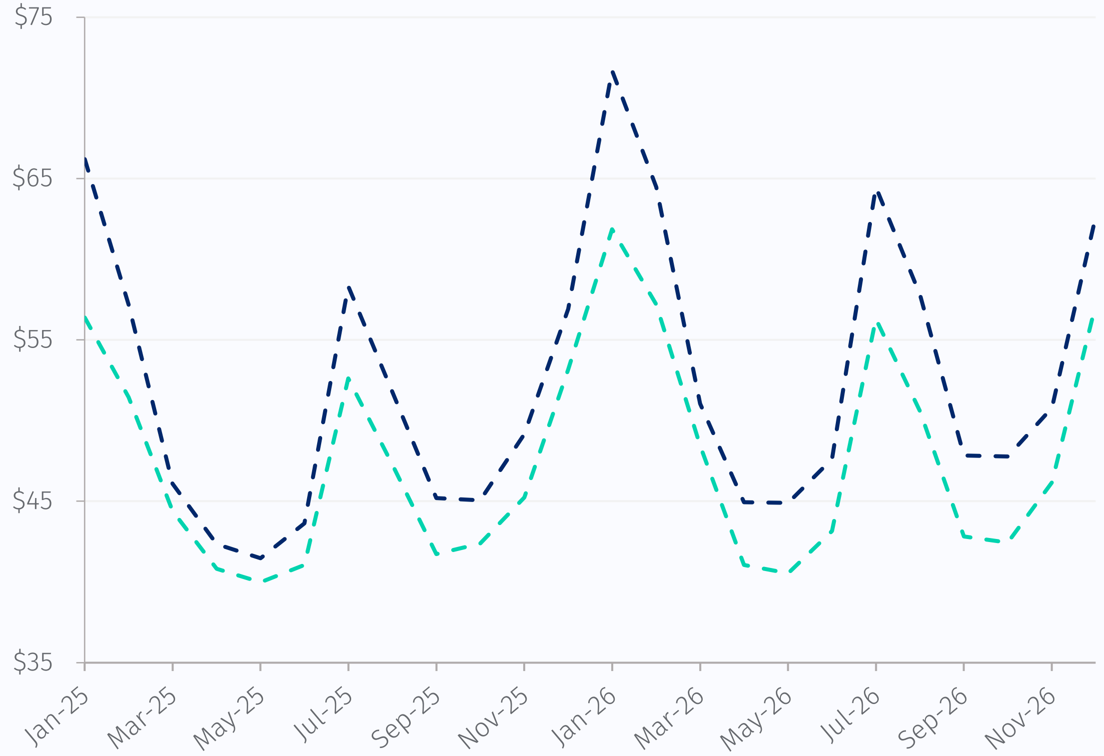
These trends are nation-wide but especially acute in PJM

Talen has visibility to >10% CAGR of Adjusted FCF[1] from 2024 – 2028

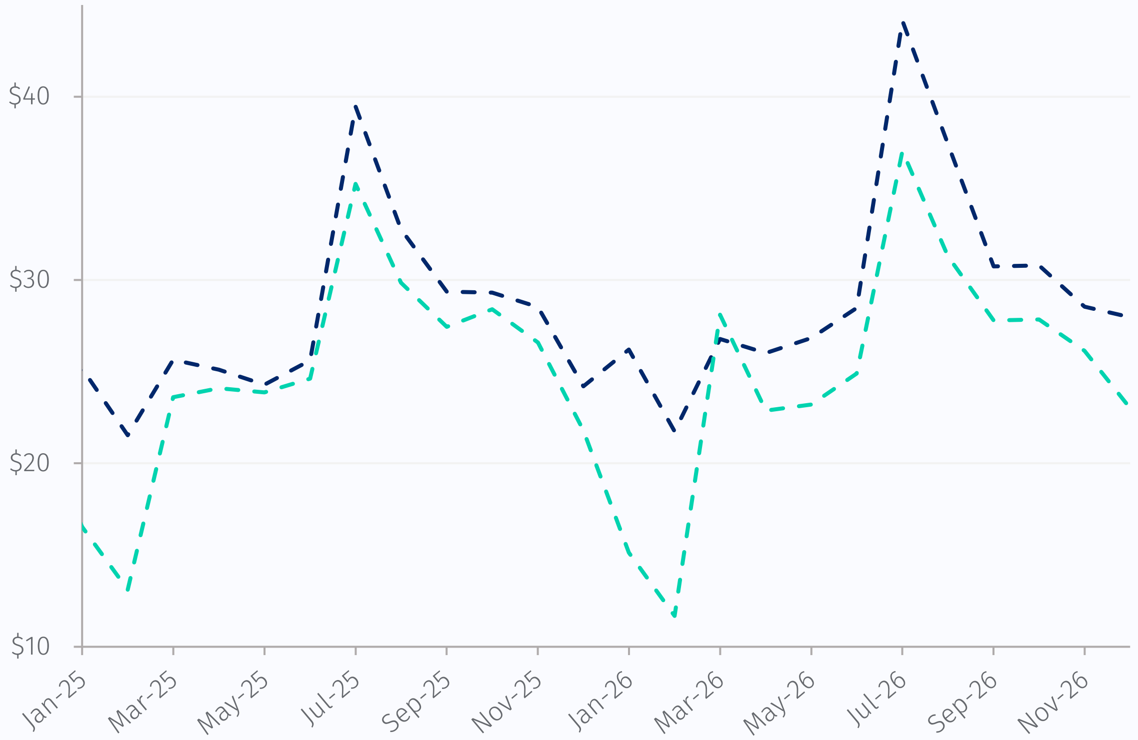
1. Assumes contractual power ramp for AWS PPA that is presented in Talen Business Update on March 4, 2024.

2025 & 2026 PJM Power Prices Rising & Sparks Expanding

PJM West Hub ATC Power Prices ($/MWh)



PJM West Hub ATC Spark Spreads ($/MWh)



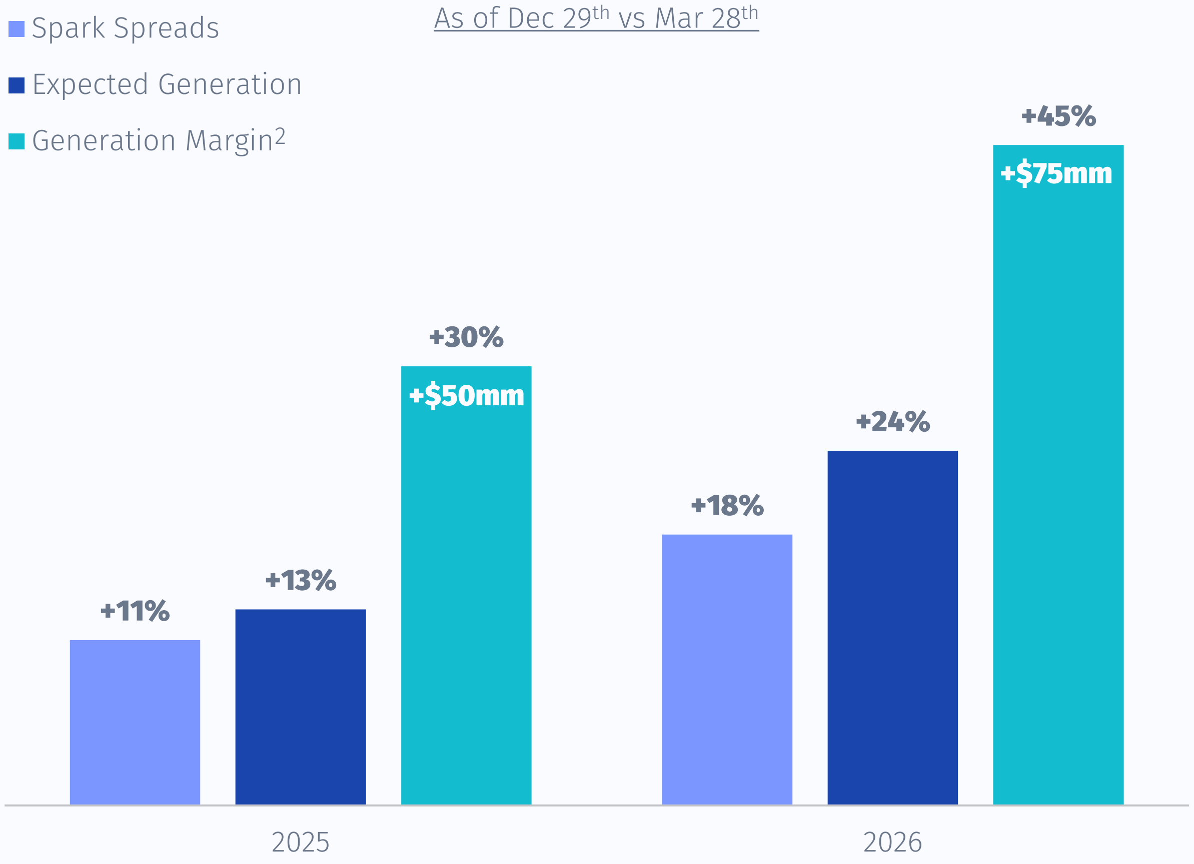
Since YE 2023, PJM forward prices have increased and forward spark spreads have expanded in 2025 and 2026

Note: Spark spreads are computed based on day-ahead West Hub ATC prices, TETCO M3 gas prices, and a heat rate of 7 MMBtu/MWh.

Pricing as of Dec 29th
Pricing as of Mar 28th

Talen's Gas Fleet Benefits from Spark Spread Expansion

Illustrative Impact of PJM ATC Spark Spread Expansion on Talen's Gas Fleet[1]



Commentary

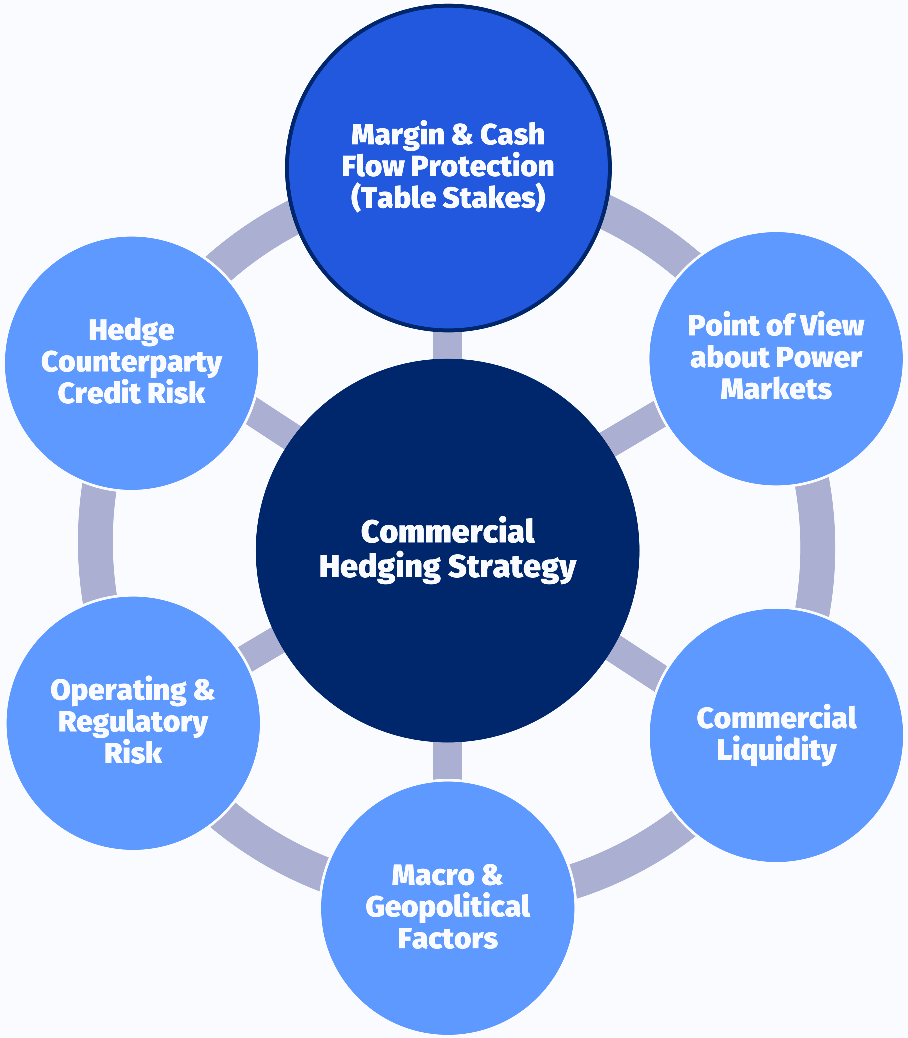
- When spark spreads expand, more gas generation becomes economic, and existing generation becomes more economic
- Higher expected volumes and expanded spark spreads results in increased generation margin
- Between Dec 29th and Mar 28th:
  - **2025:** Spark spreads **+11%** and expected generation and generation margin of Talen's gas fleet **+13%** and **+30%**, respectively
  - **2026:** Spark spreads **+18%** and expected generation and generation margin of Talen's gas fleet up **+24%** and **+45%**, respectively

Note: Spark spreads are computed based on day-ahead West Hub ATC prices, TETCO M3 gas prices, and a heat rate of 7 MMBtu/MWh.

1. Approximately 1.3 GWs of generation as of 3/28/2024, including Brunner Island (May – Sep only), Camden, Lower Mount Bethel, Martin's Creek and Montour.
2. Represents unhedged gross margin from electric generation and includes impact on incremental and existing generation. Excludes capacity revenues, ancillary services, transport fees and other margins. Dollar amounts rounded to the nearest $5mm.

TALEN ENERGY

Talen's Hedging Strategy Well-Positioned to Monetize the Recent Market Environment



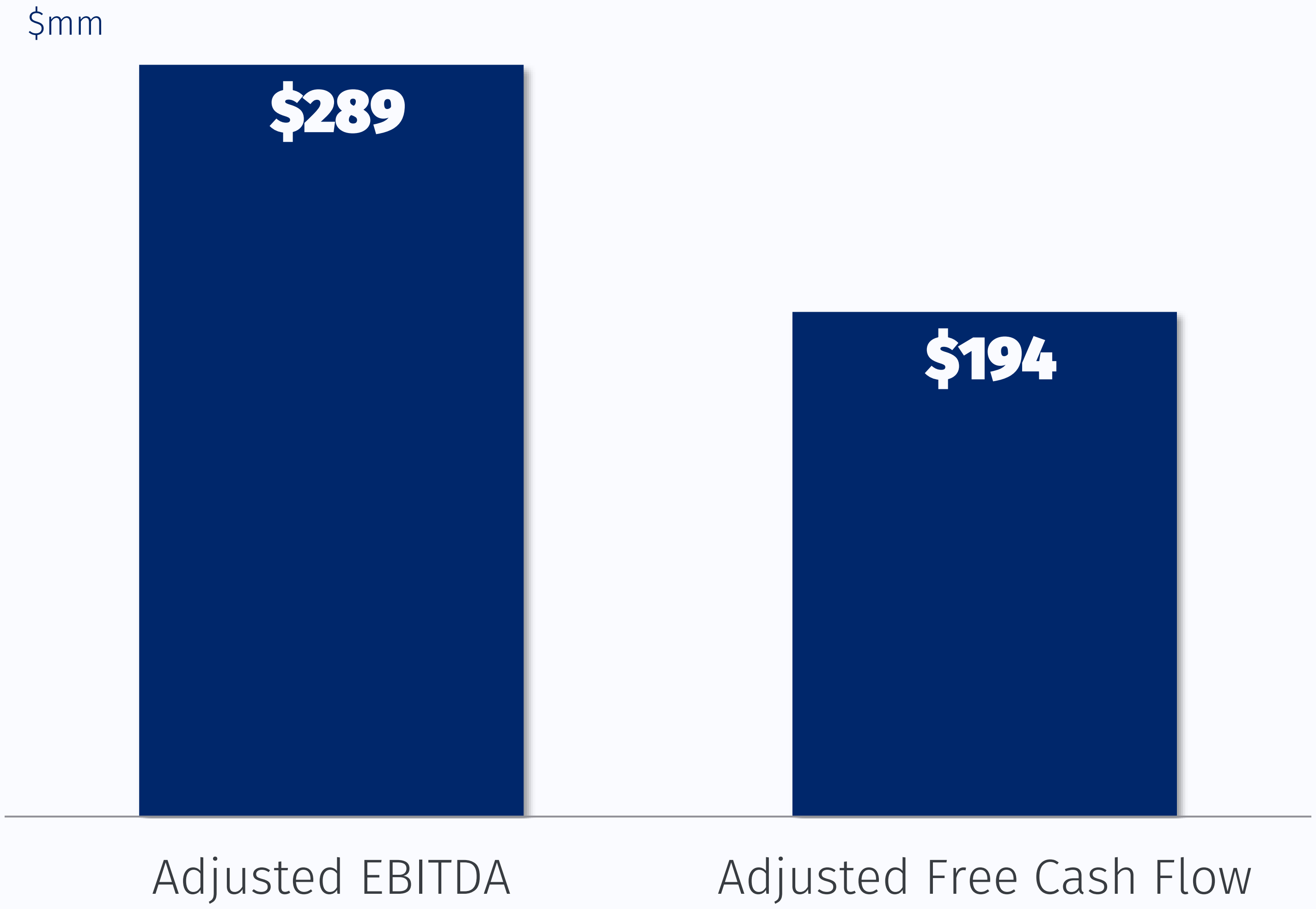
Total Fleet: % Hedged and Power Price Sensitivities as of 3/28/2024		Apr – Dec 2024	2025	2026
% Hedged		88%	38%	17%
Gross Margin[1] Impact of Change in Power Price[2]	+$10/MWh	+$40mm	+$265mm	+$335mm
	+$5/MWh	+$20mm	+$130mm	+$170mm
	-$5/MWh	-$10mm	-$65mm	-$165mm
	-$10/MWh	-$15mm	-$115mm	-$285mm

Talen's commercial hedging strategy preserves margin, provides cash flow stability and generates upside in a variety of market conditions

Note: Assuming 3/28/2024 pricing. Excludes ERCOT starting May 2024. Includes the impact of the Nuclear PTC in each respective year.

1. Gross Margin is comprised of the following captions presented on the Condensed Consolidated Statement of Operations: (i) Capacity revenues, (ii) Energy and other revenues, (iii) Fuel and energy purchases, and (iv) Unrealized gain (loss) on derivative instruments. Gross Margin includes the effect of hedges and revenues associated with the Nuclear PTC.
2. Where applicable, sensitivities adjusted monthly gas prices to maintain consistent heat rate relationships with corresponding power prices for each power market served by a particular gas supply. Figures rounded to nearest $5mm.

Q1 2024 Financial Results



- **Strong Q1 results, with hedge performance protecting margin in the face of mild winter prices**
- **Weather was unseasonably warm, with heating degree days in Philadelphia (PJM) and Houston (ERCOT) below 10-year averages**
- **Results include contribution from the ERCOT generation fleet and Cumulus**

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow.

Updating 2024 Guidance

	Updated	Previous
Adjusted EBITDA	$600 – $800 million	$640 – $840 million
Adjusted Free Cash Flow	$160 – $310 million	$185 – $335 million

Increasing guidance ranges for **forward spark spread expansion (+$30mm)** and **lower debt service costs (+$5mm)** while also removing **go-forward earnings from ERCOT plants (-$70mm)**

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow; Includes contribution from the ERCOT generation fleet through April 2024 and Cumulus.

Maintaining Modest Leverage and Ample Liquidity

Capitalization Summary *($mm unless otherwise noted)*	**May 6, 2024**
Unrestricted Cash	$1,349
Secured Debt	$2,063
Total Debt	**$2,194**
Net Debt	***$845***
Credit Metrics	
2024E Adjusted EBITDA Midpoint	$700
Net Debt / 2024E Adjusted EBITDA	*~1.2x*
Total Liquidity[1]	*$1,895*

Successful Term Loan Refinancing

- Repriced $1.3B of Term Loans B and C from S+4.50% to S+3.50%, generating ~$13mm in estimated annual interest savings
- Obtained waiver on using ERCOT sale proceeds for debt paydown and achieved amendments to other provisions, enabling greater capital allocation flexibility

Net Leverage Significantly Less Than 3.5x and Prioritizing Shareholder Returns

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA; Includes contribution from the ERCOT generation fleet through April 2024 and Cumulus. All calculations exclude $470mm Term Loan C, given that the cash proceeds associated with this facility are held in restricted accounts to secure LCs.

1. Calculated as $1,349mm unrestricted cash plus $546mm revolver availability (net of outstanding LCs on the revolver) at 5/6/2024.

TALEN ENERGY

Upsizing Share Repurchase Program

Upsizing Remaining Share Repurchase Program to $1B[1]

- Given Talen's ample liquidity and modest leverage, the Talen Board authorized an increase in remaining SRP capacity to $1B[1]
- Talen is committed to returning capital to its shareholders and intends to execute repurchases on an opportunistic basis
- Repurchased 493k shares to date for ~$38mm (~$78/share)[2]
- At recent share prices of $105 – $110/share, $1B of share repurchases approximates 16% of current market capitalization

1. Excludes amount repurchased to date of ~$38mm. Term of program remains unchanged: Active through YE 2025.
2. Excludes broker fees.

Talen's Value Proposition

Low Carbon-Intensity Fleet Anchored by Industry-Leading Nuclear Plant

Stable Cash Flows with Upside Optionality from Market Dynamics

Multiple Paths to Unlocking Value from Existing Investments

Focused on Capital Discipline and Shareholder Returns

Appendix

Generation Portfolio Summary (Excluding ERCOT)

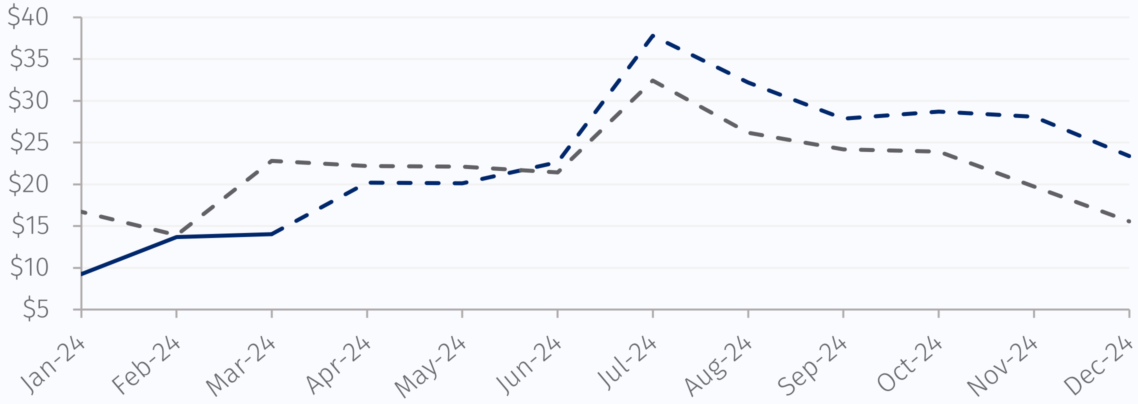
Asset	Location	Primary Fuel Type	Plant Type	Ownership	Owned Capacity (MW)[1]	COD	Region
Zero-Carbon Nuclear							
Susquehanna[2]	PA	Nuclear	Baseload	90%	2,228	1983 – 1985	PJM-PPL/MAAC
Natural Gas & Peaking Units							
Lower Mt. Bethel	PA	Natural Gas	Baseload	100%	606	2004	PJM-PPL
Martins Creek	PA	Natural Gas	Peaker	100%	1,716	1975 – 1977	PJM-PPL
Montour	PA	Natural Gas	Intermediate	100%	1,508	1972 – 1973	PJM-PPL
Dartmouth	MA	Natural Gas	Peaker	100%	80	1992 – 2009	ISO-NE SEMA
Peaking units	MD	Oil	Peaker	100%	13	1967	PJM-BGE
Camden	NJ	Natural Gas	Peaker	100%	145	1993	PJM-PSEG
Transitioning Off Coal							
Brunner Island[3, 5]	PA	Natural Gas / Coal (Dual Fuel)	Intermediate	100%	1,429	1961 – 1969	PJM-PPL
Minority-Owned Coal							
Colstrip Unit 3[2]	MT	Coal	Baseload	30%	222	1984 – 1986	WECC
Conemaugh[2, 5]	PA	Coal	Intermediate	22%	386	1970 – 1971	PJM-MAAC
Keystone[2, 5]	PA	Coal	Intermediate	12%	214	1967 – 1968	PJM-MAAC
Planned Retirement							
Brandon Shores[4]	MD	Coal	Intermediate	100%	1,283	1984 – 1991	PJM-BGE
H.A. Wagner[4]	MD	Oil	Peaker	100%	834	1956 – 1972	PJM-BGE
Total					**10,664**		

Note: Fleet as of 3/31/2024, pro forma for ERCOT sale.

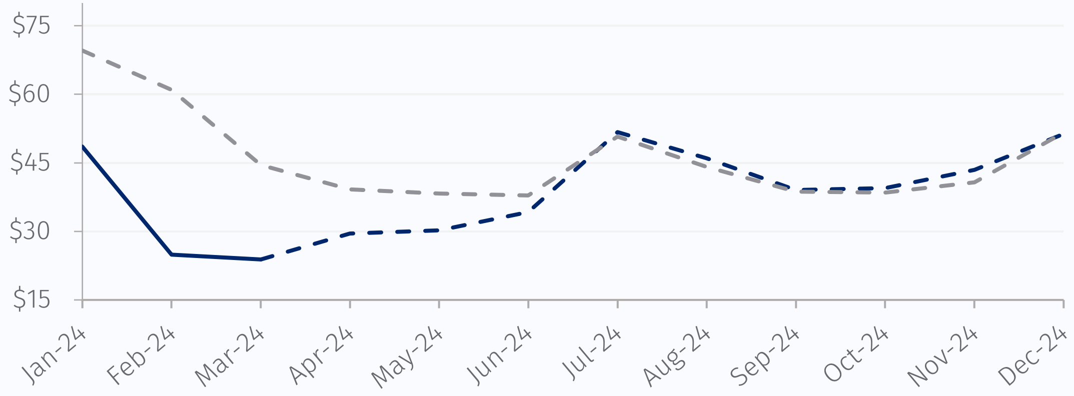
1. Electric generation capacity (summer rating) is based on factors, among others, such as operating experience and physical conditions which may be subject to revision.
2. See Note 10 in Notes to the Annual Financial Statements for additional information regarding jointly owned facilities.
3. Coal-fired electric generation is restricted during the EPA Ozone Season, which is May 1 to September 30 of each year.
4. See Note 10 in Notes to the Interim Financial Statements for additional information on the Brandon Shores and H.A. Wagner deactivations. Filed RMR Cost of Service filing on April 18, 2024.
5. Coal-fired electric generation is required to cease at Brunner Island, Keystone, and Conemaugh by December 2028 with an earlier retirement of coal at Brunner Island at the Company's election.

2024 PJM Market Overview

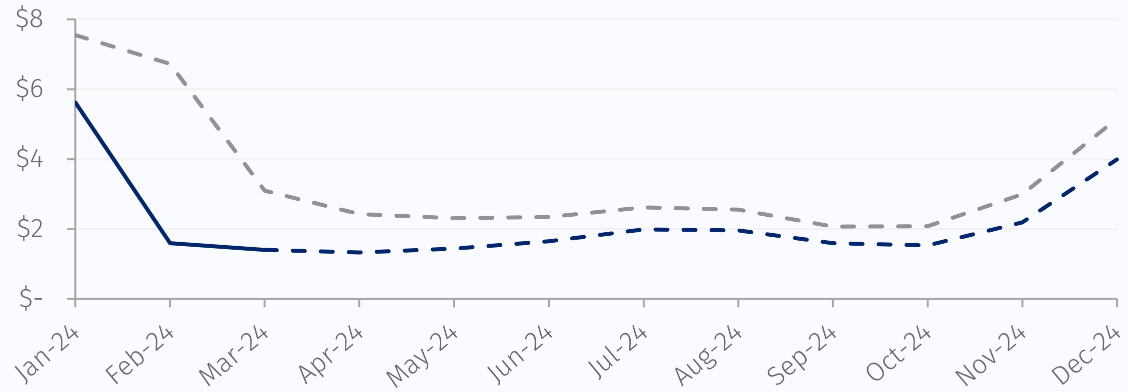
PJM West Hub ATC Spark Spreads[1] ($/MWh)



PJM West Hub ATC Power Prices ($/MWh)



TETCO M3 Gas Prices ($/MMBtu)



Commentary

- Spark spreads have increased in 2H 2024 compared to Sep 29th, driven by the power curve staying flat while gas has moved down
- The power curve has recovered in 2H 2024 to be in line with Sep 29th on expectations of load growth and a warmer summer than 2023
- Mild winter and early spring conditions left gas storage at levels above the five-year range, causing the gas curve to move down

Pricing as of Sep 29th

Pricing as of Mar 28th

Note: Solid line reflects actuals and dotted line reflects projections.

1. Spark spreads are computed based on day-ahead West Hub ATC prices, TETCO M3 gas prices, and a heat rate of 7 MMBtu/MWh.

TALEN ENERGY

Hedging Program Supports Cash Flow Stability and Maintains Upside Optionality

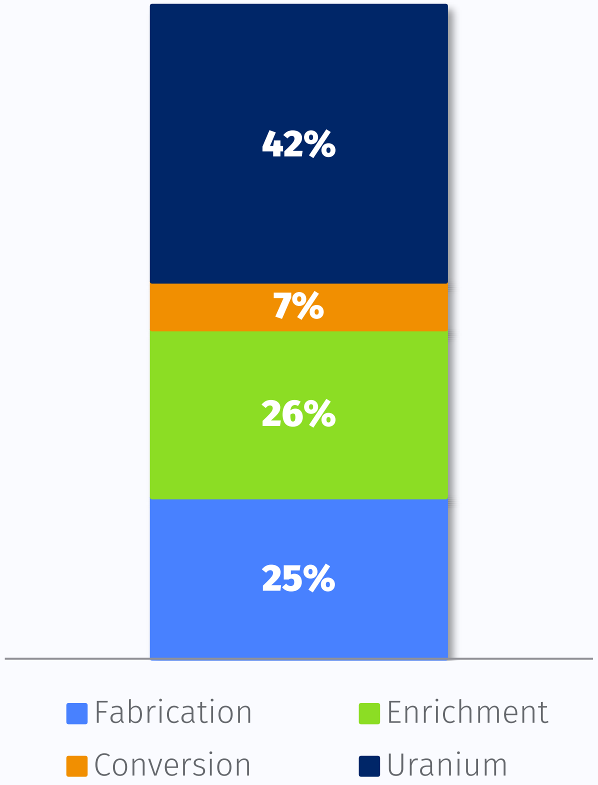
Pricing Summary	Balance of 2024[1]	2025	2026
PJM West Hub ATC as of 12/29/2023 ($/MWh)	$41.51	$46.38	$48.98
PJM West Hub ATC as of 3/28/2024 ($/MWh)	$40.60	$50.28	$54.66
TETCO M3 as of 12/29/2023 ($/MMBtu)	$2.36	$3.10	$3.42
TETCO M3 as of 3/28/2024 ($/MMBtu)	$1.97	$3.23	$3.56
PJM West Hub ATC Spark Spreads[2] as of 12/29/2023 ($/MWh)	$24.97	$24.68	$25.02
PJM West Hub ATC Spark Spreads[2] as of 3/28/2024 ($/MWh)	$26.81	$27.64	$29.72

Total Fleet Hedge Position and Rule of Thumb Power Price Sensitivities as of 3/28/2024		Balance of 2024[1]	2025	2026
% Hedged		88%	38%	17%
Gross Margin[3] Impact of Change in Power Price[4] ($mm)	+$10/MWh	+$40	+$265	+$335
	+$5/MWh	+$20	+$130	+$170
	-$5/MWh	-$10	-$65	-$165
	-$10/MWh	-$15	-$115	-$285

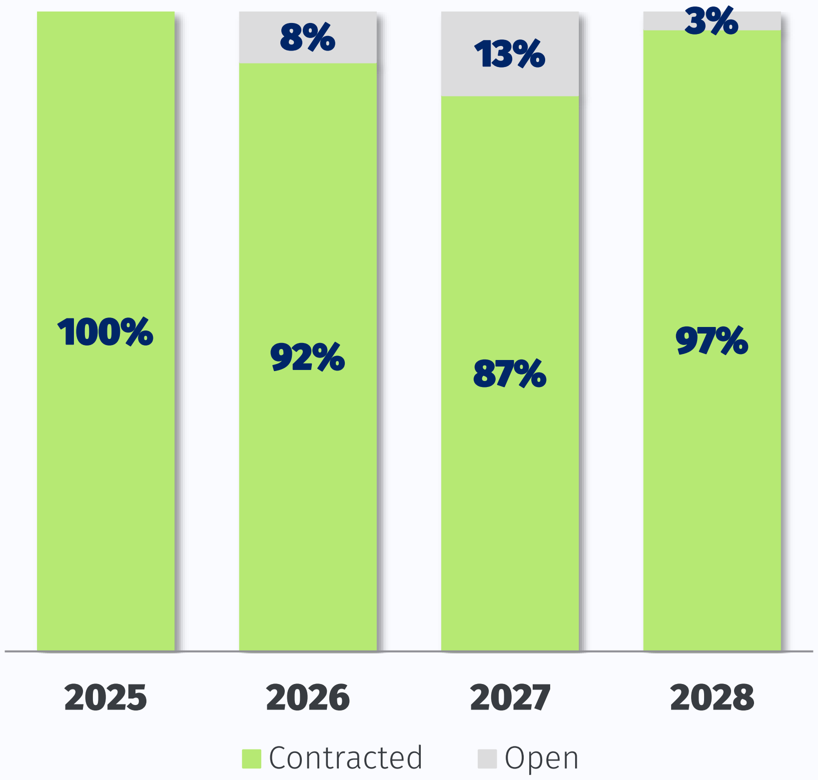
1. "Balance of 2024" is April – December 2024 for 3/28/2024 pricing case and FY 2024 for 12/29/2024 pricing case. % hedged and gross margin sensitivities exclude ERCOT starting in May 2024.
2. Spark spreads are computed based on day-ahead West Hub ATC prices, TETCO M3 gas prices, and a heat rate of 7 MMBtu/MWh.
3. Gross Margin is comprised of the following captions presented on the Condensed Consolidated Statement of Operations: (i) Capacity revenues, (ii) Energy and other revenues, (iii) Fuel and energy purchases, and (iv) Unrealized gain (loss) on derivative instruments. Gross Margin includes the effect of hedges and revenues associated with the Nuclear PTC.
4. Where applicable, sensitivities adjusted monthly gas prices to maintain consistent heat rate relationships with corresponding power prices for each power market served by a particular gas supply. Figures rounded to nearest $5mm.

Nuclear Fuel Largely Contracted Through 2028

Nuclear Fuel Cost Breakdown: 2025 Reload Year



% Nuclear Fuel Contracted by Reload Year[1]



- Nuclear fuel procurement is a four-phase process
- Talen contracts fuel years in advance to avoid near-term cost variability
- Talen has diverse relationships with the biggest suppliers and no Russia-related fuel exposure
- Talen negotiates new contracts on a rolling basis and minimizes exposure to index prices for uranium
- For years with open positions, a $10/ton increase in raw uranium results in <$5mm increase in total fuel costs per year

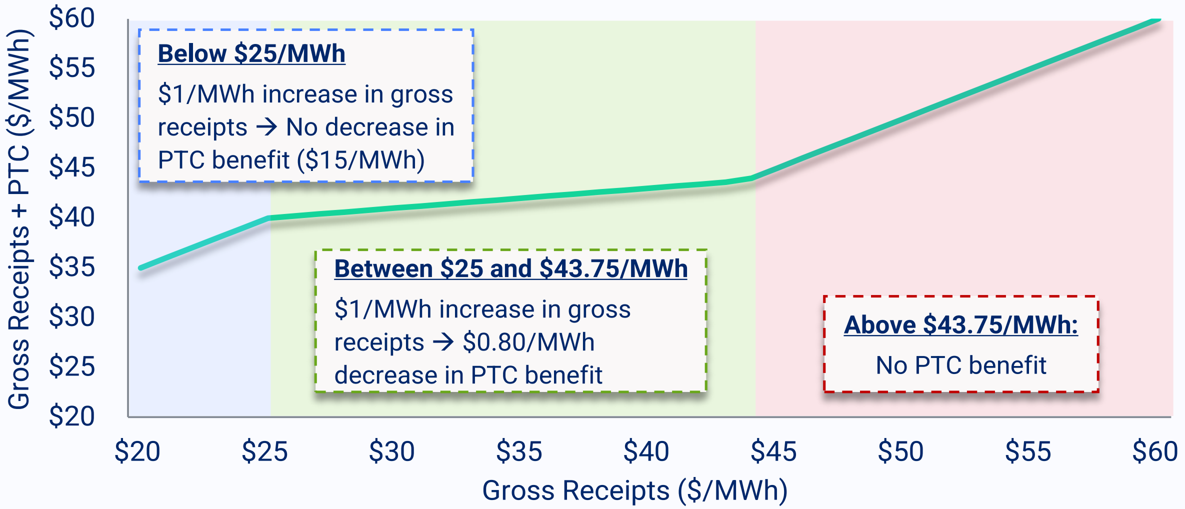
Note: As of 4/24/2024.
1. % of nuclear fuel capex that is open is calculated assuming recent market prices.

Nuclear Production Tax Credit Overview

Nuclear PTC Overview

- Starting in 2024, the PTC benefit is calculated based on a year's annual "gross receipts" divided by annual generation
- Talen is awaiting additional regulatory guidance about PTC mechanics
- Talen's current assumption for gross receipts: physical energy margin, capacity revenues and ancillary revenues; no hedges or sales to affiliates
- Max potential benefit of $15/MWh[1] in 2024, escalating with inflation
- PTC decreases linearly for gross receipts between $25/MWh and $43.75/MWh and is fully phased out at gross receipts above $43.75/MWh
- 2025+ Inflation Adjustment = $\frac{\text{GDP price deflator in preceding year}}{\text{GDP price deflator in 2023}}$
- IRA has transfer procedures that permit project owners to transfer (sell) their PTCs to unrelated taxpayers for cash
    - Advanced contractual arrangements are allowed
    - PTC can be carried back up to 3 years to offset past tax liability

Nuclear PTC Impact[1]



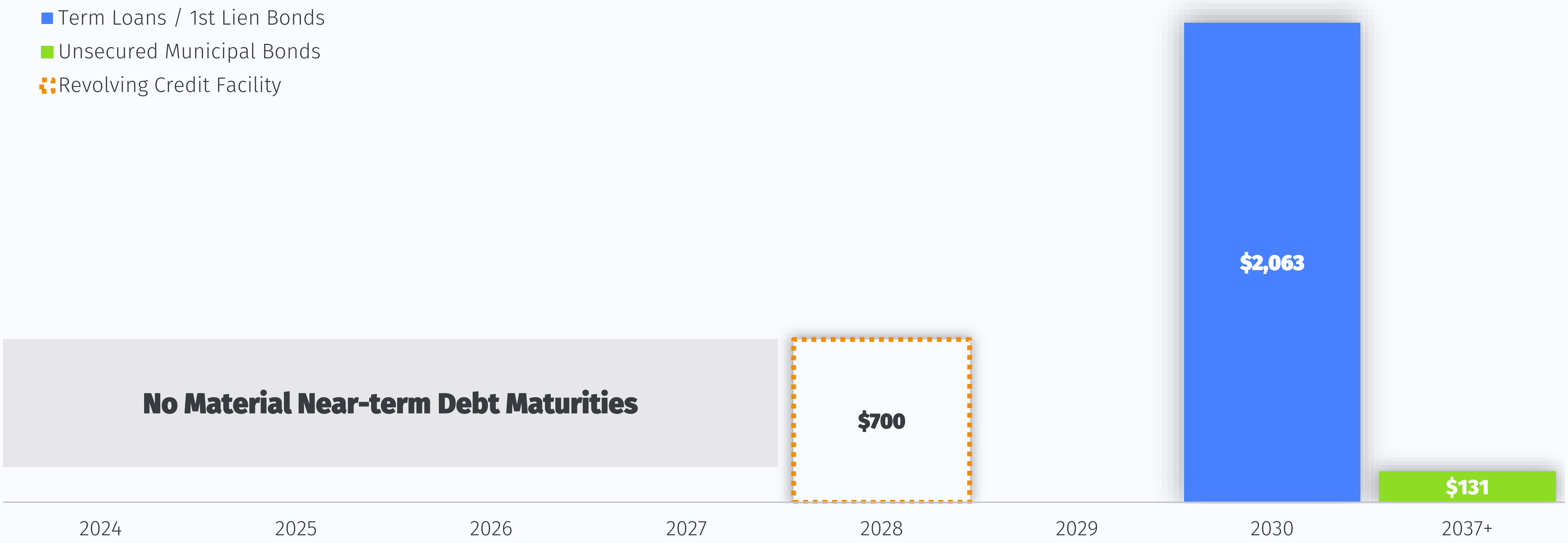
Illustrative PTC Inflation Adjustments (2% Inflation)

Year	Maximum PTC[2]	Gross Receipts Threshold[3]	Receipts At Which PTC = $0
2024	$15.00	$25.00	$43.75
2025	$15.00	$26.00	$44.75
2026	$15.00	$26.00	$44.75
2027	$15.00	$27.00	$45.75
2028	$17.50	$27.00	$45.75
2029	$17.50	$28.00	$49.88
2030	$17.50	$28.00	$49.88
2031	$17.50	$29.00	$50.88
2032	$17.50	$29.00	$50.88

Note: Per U.S. Congress.
1. Starting in 2024 and excluding inflation, PTC has a "base" amount of $3/MWh, which can increase 5x to $15/MWh under certain wage requirements that Susquehanna expects to meet.
2. Maximum PTC increases in increments rounded to the nearest $2.50/MWh.
3. Gross Receipts Threshold increases in increments rounded to the nearest $1/MWh.

No Material Debt Maturities Until 2028

Debt Maturity Summary[1]



Note: Excludes $75mm bilateral secured LC facility. $470mm Term Loan C also not included in debt totals, given that the cash proceeds associated with this facility are held in restricted accounts to secure LCs.

1. Maturities shown exclude mandatory 1% annual amortization on Term Loan B.

Reconciliation of Non-GAAP Financial Measures

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Definitions of Non-GAAP Financial Measures

Non-GAAP Financial Measures

The following non-GAAP financial measures of Adjusted EBITDA and Adjusted Free Cash Flow discussed below, which we use as measures of our performance and liquidity, are not financial measures prepared under GAAP. Non-GAAP financial measures do not have definitions under GAAP and may be defined and calculated differently by, and not be comparable to, similarly titled measures used by other companies. Non-GAAP measures are not intended to replace the most comparable GAAP measures as indicators of performance. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Management cautions readers of this financial information not to place undue reliance on these non-GAAP financial measures, but to also consider it with its most directly comparable GAAP measure. Non-GAAP measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP.

Adjusted EBITDA

We use Adjusted EBITDA to: (i) assist in comparing operating performance and readily view operating trends on a consistent basis from period to period without certain items that may distort financial results; (ii) plan and forecast overall expectations and evaluate actual results against such expectations; (iii) communicate with our Board of Directors, shareholders, creditors, analysts, and the broader financial community concerning our financial performance; (iv) set performance metrics for the Company's annual short-term incentive compensation; and (v) assess compliance with our indebtedness.

Adjusted EBITDA is computed as net income (loss) adjusted, among other things, for certain: (i) nonrecurring charges; (ii) non-recurring gains; (iii) non-cash and other items; (iv) unusual market events; (v) any depreciation, amortization, or accretion; (vi) mark-to-market gains or losses; (vii) gains and losses on the NDT; (viii) gains and losses on asset sales, dispositions, and asset retirement; (ix) impairments, obsolescence, and net realizable value charges; (x) interest expense; (xi) income taxes; (xii) legal settlements, liquidated damages, and contractual terminations; (xiii) development expenses; (xiv) noncontrolling interests, except where otherwise noted; and (xv) other adjustments. Such adjustments are computed consistently with the provisions of our indebtedness to the extent that they can be derived from the financial records of the business. Pursuant to TES's debt agreements, Cumulus Digital contributes to Adjusted EBITDA beginning in Q1 2024, following termination of the Cumulus Digital credit facility and associated cash flow sweep.

Additionally, we believe investors commonly adjust net income (loss) information to eliminate the effect of nonrecurring restructuring expenses, and other non-cash charges which vary widely from company to company, from period to period, and impair comparability. We believe Adjusted EBITDA is useful to investors and other users of the financial statements to evaluate our operating performance because it provides an additional tool to compare business performance across companies and across periods. Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to such items described above. These adjustments can vary substantially from company to company depending upon accounting policies, book value of assets, capital structure and the method by which assets were acquired. Adjusted EBITDA is not intended to replace "Net Income Attributable to Stockholders (Successor) / Member (Predecessor)," which is the most comparable measure calculated and presented in accordance with GAAP.

Adjusted Free Cash Flow

Adjusted Free Cash Flow, a key non-GAAP financial measure, is a useful metric utilized by our chief operating decision makers to evaluate cash flow activities. Adjusted Free Cash Flow is computed as Adjusted EBITDA reduced by capital expenditures (including nuclear fuel but excluding development, growth and (or) conversion capital expenditures), cash payments for interest and finance charges, cash payments for taxes (excluding income taxes paid from the nuclear facility decommissioning trust ("NDT")) and pension contributions.

We believe Adjusted Free Cash Flow 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 determine a company's ability to meet future obligations and to compare business performance across companies and across periods. Adjusted Free Cash Flow is widely used by investors to measure a company's levered cash flow without regard to items such as ARO settlements; nonrecurring development, growth and conversion expenditures; and cash proceeds or payments for the sale or purchase of assets, which can vary substantially from company to company and period to period depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation: Q1 (Unaudited)

The reconciliation from "Net Income (Loss)" presented on the Condensed Consolidated Statements of Operations to Adjusted EBITDA and Adjusted Free Cash Flow for:

($Millions)	Three Months Ended Mar 31, 2024	Three Months Ended Mar 31, 2023
Net Income (Loss)	$ 319	$ 46
Adjustments		
Interest expense and other finance charges	50	104
Income tax (benefit) expense	69	14
Depreciation, amortization and accretion	75	132
Nuclear fuel amortization	35	24
Reorganization (gain) loss, net [a]	-	39
Unrealized (gain) loss on commodity derivative contracts	134	(31)
Nuclear decommissioning trust funds (gain) loss, net	(75)	(46)
Stock-based compensation expense	8	-
Long-term incentive compensation expense	10	-
(Gain) loss on non-core asset sales, net [b]	(324)	(35)
Non-cash impairments [c]	-	365
Legal settlements and litigation costs [d]	(2)	-
Unusual market events [e]	(1)	13
Net periodic defined benefit cost [f]	-	(2)
Operational and other restructuring activities	2	8
Development expenses	-	7
Non-cash fuel inventory net realizable value and obsolescence charges [g]	1	24
Noncontrolling interest	(11)	(3)
Other	(1)	1
Total Adjusted EBITDA	**$ 289**	**$ 660**
Capital expenditures, net [h]	(59)	(65)
Interest and finance charge payments	(34)	(98)
Tax payments	-	-
Pension contributions	(2)	-
Total Adjusted Free Cash Flow	**$ 194**	**$ 497**

Notes

a) See Note 2 in Notes to the Interim Financial Statements for additional information.
b) See Note 17 in Notes to the Interim Financial Statements for additional information.
c) See Note 8 in Notes to the Interim Financial Statements for additional information.
d) See Note 10 in Notes to the Interim Financial Statements for additional information.
e) Adjustments of PJM capacity penalty charges related to Winter Storm Elliott.
f) Consists of postretirement benefits cost and postretirement benefits gain (loss).
g) See Note 6 in Notes to the Interim Financial Statements for additional information.
h) No material Cumulus maintenance capital expenditures.

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Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation: 2024 Guidance

The reconciliation from forecasted "Net Income (Loss)" to Adjusted EBITDA and Adjusted Free Cash Flow for the year ended December 31:

($Millions)	2024E (Updated)		2024E (Previous)	
	Low	High	Low	High
Net Income (Loss)	**$125**	**$325**	**$20**	**$220**
Adjustments				
Interest expense and other finance charges	$270	$270	$270	$270
Income tax (benefit) expense	25	25	25	25
Depreciation, amortization and accretion	290	290	290	290
Nuclear fuel amortization	90	90	90	90
Unrealized (gain) loss on commodity derivative contracts	135	135	(45)	(45)
(Gain) loss	(325)	(325)	0	0
Other	(10)	(10)	(10)	(10)
Adjusted EBITDA	**$600**	**$800**	**$640**	**$840**
Capital expenditures, net (a)	$(155)	$(185)	$(165)	$(195)
Interest and finance charge payments	(240)	(240)	(245)	(245)
Tax payments (b)	(10)	(20)	(10)	(20)
Pension contributions	(35)	(45)	(35)	(45)
Adjusted Free Cash Flow	**$160**	**$310**	**$185**	**$335**

Notes

a) There are no material Cumulus maintenance capital expenditures.
b) Excludes income taxes paid from the NDT.

Note: Figures include Cumulus and are rounded to the nearest $5mm.

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