

## **Vistra Energy Announces Long-Term CO2 Emissions Reduction Targets and Support for Market-Based Carbon Reduction Regime**

IRVING, Texas, Oct. 29, 2019 /[PRNewswire](#)/ -- Vistra Energy (NYSE: VST) is continuing to take steps to reduce greenhouse gas emissions and combat climate change, announcing today its long-term emissions reduction targets<sup>1</sup>:

- 2030: Goal to achieve a greater than 50 percent reduction in CO2 equivalent emissions by 2030 as compared to a 2010 baseline
- 2050: Long-term objective to achieve a greater than 80 percent reduction in CO2 equivalent emissions by 2050 as compared to a 2010 baseline, with aspirations of reaching net-zero carbon emissions in the same timeframe assuming necessary advancements in technology and supportive market constructs and public policy

Vistra is well on its way to achieving its 2030 CO2 equivalent emissions reduction target. Following the merger with Dynegy in April 2018, Vistra meaningfully reduced the percentage of its total generation from coal assets, and its installed capacity is now nearly 70 percent low- to no-CO2-emitting natural gas, nuclear, and renewables. Since 2010 the combined portfolio has decreased CO2 equivalent emissions by more than 31 percent, taking nearly 170 million metric tons of CO2 equivalent emissions out of the air. In addition, Vistra has recently announced the anticipated retirement of approximately 2.5 GWs of coal assets in Illinois, which will further advance Vistra's progress toward achieving its long-term emissions reduction targets by reducing CO2 equivalents an additional approximately 11 percent compared to a 2010 baseline.

Notably, achieving the 80 percent reduction in CO2 equivalent emissions and, in particular, net-zero carbon emissions by 2050 will require a combination of advancements in technology, including carbon capture solutions, as well as the alignment of public policy with clean carbon goals and the adaptation of power grids and power markets to ensure reliability in a low to net-zero carbon emissions context. In this regard, Vistra believes a national or regional, economy-wide carbon fee is the ideal public policy solution to appropriately incentivize investments in carbon-free and carbon-reducing technologies. A nationwide or regional carbon fee that is market-based and consistently applied would allow companies to make strategic choices based on a uniform set of rules and, importantly, would eliminate the need for resource- and technology-specific subsidies. For example, Vistra supports Pennsylvania joining the Regional Greenhouse Gas Initiative to incentivize investments to reduce CO2 emissions rather than subsidies in support of specific resources and technologies. Vistra also supports a dividend to return all or a significant portion of the proceeds collected to those impacted by the fee as a part of any carbon fee program.

"Vistra acknowledges our business has an environmental footprint and we must be part of the solution to combat climate change while balancing the evolution of our generation fleet with our ability to provide cost-effective and reliable power to our customers. We have already taken substantial steps to reduce our CO2 footprint via plant retirements and through billions of dollars of investments in renewables, batteries, emissions control equipment, and other energy-efficient technologies. Our company, shareholders, communities, and customers are in a position to benefit from our evolving generation fleet and new technology investments," said Curt Morgan, Vistra's president and chief executive officer. "The necessary, broad-based steps to approach climate change must be balanced with the other critical societal issues such as poverty and unemployment. The U.S. has a successful history of adapting to change with market-based solutions and doing so without disruption to our economic system and associated prosperity. Climate change should be no different and as a practical matter will require both adaptation and mitigation

activities to address the issue in an effective, orderly, and systematic manner. With the right public policies and regulatory oversight in place, combined with a market-based, competitive economic model, Vistra believes the country can effectively progress its efforts to combat climate change. Similarly, with this supportive backdrop, we believe our company can achieve its long-term emissions reduction targets while continuing to provide reliable and affordable power to our customers and meet all of our stakeholders' expectations."

Vistra has already taken or announced significant steps to transition the fuel-mix and reduce the emissions profile of its generation fleet, including:

- 2016 – 2017: Purchased three state-of-the-art combined-cycle natural gas plants, adding more than 4 GW to the company's generation capacity in Texas
- January-February 2018: Retired ~4.2 GW of coal generation in Texas
- April 2018: Closed on acquisition of Dynegy, adding ~17 GW of natural gas-fueled generation
- 2018: Commenced commercial operations of Upton 2 Solar and Energy Storage Facility, a 180-MW solar facility and 10-MW battery storage system located in Upton County, Texas
- 2019: Expected retirement of ~2 GW of coal generation in downstate Illinois to satisfy the requirements of Illinois' revised Multi-Pollutant Standard rule
- December 2020: Expected online date for Vistra's 300-MW/1,200-MWh Moss Landing battery storage project located in Moss Landing, California
- December 2022: Expected retirement of a 585 MW coal plant in downstate Illinois
- Future: Expected development of a 20-MW/80-MWh battery storage project located in Oakland, California

In total, since 2010, Vistra and its predecessor companies have retired, or announced plans to retire, nearly 13 GW of fossil generation, including 14 coal generation plants and 3 natural gas generation plants.

In order to achieve its CO<sub>2</sub> equivalent emissions reduction targets, Vistra expects its generation fleet will continue to evolve as older, more expensive technologies are replaced with investments in low- to no-carbon emissions technologies. Vistra also expects efficient natural gas fueled technologies will continue to play a key role in power generation through 2030 and beyond as the supply base transitions to a higher percentage of more intermittent renewable technologies. In fact, Vistra and other prominent industry experts believe efficient natural gas units will be critical to supplying the electricity needs of consumers as renewable penetration grows, especially through 2030, but also beyond. As a result, with its significant natural gas generation fleet and leading electric and natural gas retail business, Vistra believes it is well positioned for the climate change transition. Moreover, Vistra expects it will find attractive opportunities to participate in the transition by deploying a portion of its projected strong cash flows into new technologies, similar to the solar and battery investments it has recently made at its sites in Upton County, Texas and Moss Landing, California. Any such future investments should enable Vistra to maintain its strong financial position as the power generation space continues to evolve.

As further evidence of the commitment to place climate change as a high priority for the Company, Vistra is pleased to announce its recent governance enhancements formalizing the oversight of its sustainability program. In July the company named a chief sustainability officer, Molly Sorg, who will continue to serve in her role as vice president of investor relations and will also oversee Vistra's strategic efforts regarding our environmental, social, and governance activities. In addition, the board of directors has expanded the responsibility of the risk committee to include the oversight of the company's sustainability practices and policies, including Vistra's progress toward achieving the CO<sub>2</sub> equivalent emissions reduction targets announced today. This committee will now be referred to as the sustainability and risk committee.

Additional information about Vistra's sustainability activities can be found on the Vistra website at <https://www.vistraenergy.com/sustainability/>.

1 Company-wide targets are for Scope 1 emissions. Vistra took the Paris Climate Agreement into consideration when setting its targets.

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#### About Vistra Energy


Vistra Energy Corp (NYSE: VST) is a premier, integrated energy company based in Irving, Texas, combining an innovative, customer-centric approach to retail with a focus on safe, reliable, and efficient power generation. Through its retail and generation businesses, Vistra operates in 20 states and the District of Columbia, and six of the seven competitive markets in the U.S., with about 5,400 employees. Vistra is one of the largest competitive residential electricity providers in the country, and its retail brands serve approximately 3.7 million residential, commercial, and industrial customers with electricity and gas. The company's generation fleet totals approximately 41,000 megawatts of highly efficient generation capacity, with a diverse portfolio of natural gas, nuclear, coal, solar, and battery storage facilities. The company is currently developing the largest battery energy storage system of its kind in the world – a 300-MW/1,200-MWh system in Moss Landing, California.

#### Cautionary Note Regarding Forward-Looking Statements

The information presented herein includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Vistra Energy Corp. ("Vistra Energy") operates and beliefs of and assumptions made by Vistra Energy's management, involve risks and uncertainties, which are difficult to predict and are not guarantees of future performance, that could significantly affect the financial results of Vistra Energy. All statements, other than statements of historical facts, that are presented herein, or in response to questions or otherwise, that address activities, events or developments that may occur in the future, including such matters as activities related to our financial or operational projections, projected synergy, value lever and net debt targets, capital allocation, capital expenditures, liquidity, projected Adjusted EBITDA to free cash flow conversion rate, dividend policy, business strategy, competitive strengths, goals, future acquisitions or dispositions, development or operation of power generation assets, market and industry developments and the growth of our businesses and operations (often, but not always, through the use of words or phrases, or the negative variations of those words or other comparable words of a future or forward-looking nature, including, but not limited to, "intends," "plans," "will likely," "unlikely," "believe," "expect," "seek," "anticipate," "estimate," "continue," "will," "shall," "should," "could," "may," "might," "predict," "project," "forecast," "target," "potential," "forecast," "goal," "objective," "guidance" and "outlook"), are forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. Although Vistra Energy believes that in making any such forward-looking statement, Vistra Energy's expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and risks that could cause results to differ

materially from those projected in or implied by any such forward-looking statement, including but not limited, to: (i) adverse changes in general economic or market conditions (including changes in interest rates) or changes in political conditions or federal or state laws and regulations; (ii) the ability of Vistra Energy to execute upon its contemplated strategic and performance initiatives and to successfully integrate acquired businesses; (iii) actions by credit ratings agencies; and (iv) those additional risks and factors discussed in reports filed with the Securities and Exchange Commission ("SEC") by Vistra Energy from time to time, including the uncertainties and risks discussed in the sections entitled "Risk Factors" and "Forward-Looking Statements" in Vistra Energy's annual report on Form 10-K for the year ended December 31, 2018 and any subsequently filed quarterly reports on Form 10-Q.

Any forward-looking statement speaks only at the date on which it is made, and except as may be required by law, Vistra Energy will not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible to predict all of them; nor can Vistra Energy assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

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