

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): **January 15, 2026**

Talen Energy Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-37388

(Commission File Number)

47-1197305

(IRS Employer
Identification No.)

2929 Allen Pkwy, Suite 2200
Houston, TX 77019

(Address of principal executive offices) (Zip Code)

(888) 211-6011

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, 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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	TLN	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company

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.

Item 1.01. Entry Into a Material Definitive Agreement.

Merger Agreement

On January 15, 2026, Talen Energy Corporation, a Delaware corporation (the "Company"), Buckeye CG Holdings, LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company ("Buyer"), and certain other indirect wholly owned subsidiaries of the Company, entered into an Agreement and Plan of Merger (the "Merger Agreement") with Cornerstone Generation Holdings, LP, a Delaware limited partnership, ECP Cornerstone Generation Holdings GP, LLC, a Delaware limited liability company, ECP V-B (AG IP) Blocker Corp, a Delaware corporation, ECP V-C (AG IP) Blocker Corp, a Delaware corporation, ECP V-D (AG IP) Blocker Corp, a Delaware corporation (collectively, the "Acquired Companies"), ECP V-D, LP, a Delaware limited partnership, as the representative of the Acquired Company Equityholders (as defined in the Merger Agreement) (the "Holder Representative"), and solely for the limited purposes set forth therein, ECP GP V, LP, a Delaware limited partnership.

The Merger Agreement provides for a series of transactions on the terms and subject to the conditions set forth therein (collectively, the "Acquisition"), as a result of which the Company will indirectly acquire all of the equity interests of the Acquired Companies, which in turn indirectly own a 480 megawatt ("MW") combustion turbine facility located in Mount Sterling, Ohio, a 1,218 MW combined cycle gas turbine facility in Lawrenceburg, Indiana, and a 869 MW combined cycle gas turbine facility located in Waterford, Ohio.

Subject to the terms and conditions of the Merger Agreement, as consideration for the Acquisition, the purchase price for the Acquisition shall be \$3.45 billion, comprised of (a) approximately \$2.55 billion in cash, subject to customary adjustments for net working capital, cash, indebtedness, certain casualty losses and transaction expenses and (b) 2,400,000 shares of common stock, par value \$0.001 per share, of the Company (the "Stock Consideration").

The obligations of the parties to consummate the Acquisition are subject to the satisfaction or waiver of customary closing conditions set forth in the Merger Agreement, including satisfaction of certain required regulatory approvals.

The Merger Agreement will be filed as an exhibit to a subsequent report of the Company with the U.S. Securities and Exchange Commission (the "SEC") to provide investors and security holders with information regarding the terms of the transactions contemplated therein. It is not intended to provide any other factual information about the Company, Buyer, the Acquired Companies or the Holder Representative. The representations, warranties, covenants and agreements contained in the Merger Agreement, which are made only for purposes of the Merger Agreement and as of specific dates, are solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the parties (including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts) and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors and security holders. Company security holders should not rely on the representations, warranties, covenants and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, Buyer, the Acquired Companies or the Holder Representative. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

The foregoing description of the Merger Agreement and the transactions contemplated thereby is not complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which will be filed as an exhibit to a subsequent report of the Company with the SEC.

Registration Rights Agreement

Under the Merger Agreement, the Company and the Acquired Company Equityholders agreed to enter into a registration rights agreement (the "Registration Rights Agreement") at the closing of the Acquisition. Pursuant to the terms of the Registration Rights Agreement, the Company will agree to file with the SEC a registration statement to register under the Securities Act of 1933, as amended (the "Securities Act"), the resale of the Stock Consideration. The Registration Rights Agreement provides for certain additional underwritten demand rights and "piggy-back" registration rights, subject to certain customary limitations.

Additionally, the Acquired Company Equityholders will agree to a 90-day lock-up on 50% of the Stock Consideration and a 180-day lock-up on the remaining Stock Consideration. The Company will also agree to pay certain expenses of the Registration Rights Holders (as defined in the Registration Rights Agreement) incurred in connection with the exercise of their rights under the Registration Rights Agreement and indemnify the Acquired Company Equityholders for certain securities law matters in connection with any registration statement filed pursuant thereto.

The foregoing description of the Registration Rights Agreement is not complete and is qualified in its entirety by reference to the full text of the form of Registration Rights Agreement attached as an exhibit to the Merger Agreement, which will be filed as an exhibit to a subsequent report of the Company with the SEC.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report on Form 8-K (this "Report") regarding the Stock Consideration is hereby incorporated by reference into this Item 3.02. Any issuance of common stock will be completed in reliance upon the exemption from the registration requirements of the Securities Act, provided by Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

Item 7.01. Regulation FD Disclosure.

On January 15, 2026, the Company issued a press release announcing the Acquisition. A copy of the press release is furnished as Exhibit 99.1 to this Report and is incorporated herein by reference.

Also on January 15, 2026, as announced in the press release, the Company will be hosting an investor call beginning at 8:30 a.m. Eastern time to discuss the Acquisition. A copy of the investor call presentation is furnished as Exhibit 99.2 to this Report and is incorporated herein by reference. The investor call webcast and presentation will be available both live and for subsequent replay via the Events page of Talen's investor relations website at <https://ir.talenenergy.com>. Information contained on or accessible from Talen's website is not, and shall not be deemed to be, incorporated by reference into this Report.

The information provided under this Item 7.01 and in Exhibit 99.1 and Exhibit 99.2 to this Report is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act or the Exchange Act.

Forward-Looking Statements

This Report, including Exhibit 99.1 and Exhibit 99.2, may contain forward-looking statements within the meaning of the federal securities laws, which statements are subject to substantial risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this communication, or incorporated by reference into this communication, are forward-looking statements. Throughout this Report, we have attempted to identify forward-looking statements by using words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecasts," "goal," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," or other forms of these words or similar words or expressions or the negative thereof, although not all forward-looking statements contain these terms. Forward-looking statements address future events and conditions concerning, among other things, statements regarding the proposed Acquisition, including the financing, expected timing and completion (including required regulatory approvals), and anticipated impacts thereof, the integration of and anticipated benefits from the recent Freedom and Guernsey acquisitions, capital expenditures, earnings, litigation, regulatory matters, hedging, liquidity and capital resources and accounting matters. Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance to differ materially from our historical results or those expressed or implied in any forward-looking statement contained in this communication. All of our forward-looking statements include assumptions underlying or relating to such statements that may cause actual results to differ materially from expectations and are subject to numerous factors that present considerable risks and uncertainties.

Forward-looking statements are neither historical facts nor assurance of future performance. Instead, the statements are based on current beliefs, expectations and assumptions regarding the future of the Company's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control, and actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not unduly rely on any of these forward-looking statements. Any forward-looking statement is based only on information currently available and speaks only as of the date when made. The Company undertakes no obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

A discussion of certain risks and uncertainties affecting the Company, and some of the factors that could cause the Company's actual results to differ materially from those described in the forward-looking statements, can be found in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2025 and June 30, 2025, and other current and periodic reports, which have been, or will be, filed with the SEC and are, or will be, available in the Investor Relations section of the Company's website (www.talenenergy.com) and on the SEC's website (www.sec.gov). Information contained on or accessible from the Company's website is not, and shall not be deemed to be, incorporated by reference into this Report or any other filings with the SEC.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description.
99.1	Press Release dated January 15, 2026.
99.2	Investor Call Presentation dated January 15, 2026.
104	Cover Page Interactive Data File (cover page XBRL tags embedded within the Inline XBRL document).

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.

Date: January 15, 2026

By: TALEN ENERGY CORPORATION
/s/ Cole Muller
Name: Cole Muller
Title: Chief Financial Officer

Talen Energy Continues Portfolio Expansion with Acquisition of Additional High-Quality PJM Natural Gas Assets from Energy Capital Partners

HOUSTON, January 15, 2026 – Talen Energy Corporation (“Talen,” “we,” or “our”) ([NASDAQ: TLN](#)), a leading independent power producer, announced it has signed definitive agreements to add approximately 2.6 gigawatts of natural gas generation capacity to Talen’s portfolio through the acquisition of the Waterford Energy Center (“Waterford”) and Darby Generating Station (“Darby”) in Ohio and the Lawrenceburg Power Plant (“Lawrenceburg”) in Indiana from Energy Capital Partners (“ECP”). The acquisition will substantially expand Talen’s presence in the western PJM market and add additional efficient baseload generation assets to its fleet.

The acquisition price is \$3.45 billion and consists of approximately \$2.55 billion in cash and approximately \$900 million¹ in Talen stock. The price reflects an attractive multiple of approximately 6.6x 2027E adjusted EBITDA. The transaction is expected to provide immediate and significant adjusted free cash flow per share accretion in excess of 15% annually through 2030E. Additionally, these assets are expected to achieve an approximately 85% unlevered free cash flow conversion rate before recognition of any tax benefits.

“This acquisition further diversifies Talen’s generation portfolio by adding both baseload capacity and strong cash flow contribution and enhances our presence in the western PJM market, which has significant data center tailwinds,” said Mac McFarland, Talen Chief Executive Officer. “The transaction is immediately cash flow accretive and maintains our balance sheet discipline. Following on the heels of our acquisition of Freedom and Guernsey in 2025, it is another great example of our ‘Talen flywheel’ strategy.”

“ECP invested in this portfolio to serve rapid load growth in the Ohio region with efficient, baseload natural gas assets; we continue to believe this is PJM’s most exciting narrative,” said Andrew Gilbert, ECP Partner. “Talen has demonstrated that its platform of scale is uniquely positioned to serve PJM’s large customers and, with this transaction, will only be better positioned to do so. As a significant shareholder, ECP is excited to enhance our exposure to Ohio’s growth via Talen’s successful flywheel strategy.”

“When this transaction is complete, Talen will have approximately doubled its expected annual generation output inside of two years, meaningfully diversified our fleet, and materially increased our free cash flow per share,” said Terry Nutt, Talen President. “We are also excited to welcome ECP as a significant Talen shareholder.”

Key Strategic and Acquisition Highlights

- **Expands and Diversifies Talen’s Fleet:** The 1,218-megawatt Lawrenceburg and 869-megawatt Waterford facilities are highly efficient and modern CCGTs that add both baseload generation and cash flow diversification. The plants have an average heat rate of approximately 7,000 Btu/kWh and capacity factors greater than 80%. Their highly efficient dispatch profile results in significant energy margin, while the low cost and capital requirements provide strong cash flow conversion. The 480-megawatt Darby facility operates as a peaking unit and can provide attractive commercial flexibility. All three facilities have reliable access to low-cost gas from the Marcellus and Utica shale formations and continue the geographic and fuel diversification reflected by the previous Freedom and Guernsey acquisitions.
- **Enhances Platform for Data Center and Large-load Contracting:** The addition of the facilities to Talen’s portfolio enhances Talen’s ability to offer reliable, scalable, grid-supported, and regionally diverse low-carbon capacity to hyperscale data centers and large commercial off-takers. The expansion of operations in Ohio allows Talen to serve a growing, top-tier data center market.
- **Unlocks Material Value Day One:** The transaction is expected to be immediately accretive to adjusted free cash flow per share by over 15% annually through 2030E.
- **Maintains Balance Sheet Strength:** Talen expects robust pro forma cash flows to drive rapid deleveraging with the ability to achieve a net leverage target of 3.5x or lower by year-end 2026.
- **Stock Consideration:** ECP has agreed to receive approximately \$900 million of consideration in the form of Talen equity and will become a significant shareholder post close.

⁽¹⁾ 2.4 million shares to be issued to ECP, which is expected to result in ECP owning approximately 5% of pro forma combined Talen equity estimated as of assumed closing date.

Additional Transaction Details

Talen expects to issue new debt to fund the cash portion of the purchase price.

The transaction is expected to close early in the second half of 2026 and is subject to the satisfaction of customary closing conditions, including the expiration or termination of the waiting period pursuant to the Hart-Scott-Rodino Act of 1976, and regulatory approvals from the Federal Energy Regulatory Commission, Indiana Utility Regulatory Commission and other regulatory agencies.

Advisors

RBC Capital Markets is exclusive M&A advisor to Talen. Kirkland & Ellis LLP and White & Case LLP are legal counsel to Talen.

Jefferies LLC and PEI Global Partners are financial advisors to ECP. Milbank Tweed LLP is legal counsel to ECP.

Investor Call

Talen will host an investor call at 8:30 a.m. ET today, Thursday, January 15, 2026. To participate in the call, please register for the webcast via the page linked [here](#). Participants can also join by phone by registering via the form linked [here](#) prior to the start time of the call to receive a conference call dial-in number. For those unable to participate in the live event, a digital replay will be archived for approximately one year and available on the Events page of Talen's Investor Relations website linked [here](#).

About Talen

Talen Energy ([NASDAQ: TLN](#)) is a leading independent power producer and energy infrastructure company dedicated to powering the future. We own and operate approximately 13.1 gigawatts of power infrastructure in the United States, including 2.2 gigawatts of nuclear power and a significant dispatchable fossil fleet. We produce and sell electricity, capacity, and ancillary services into wholesale U.S. power markets, with our generation fleet principally located in the Mid-Atlantic, Ohio and Montana. Our team is committed to generating power safely and reliably and delivering the most value per megawatt produced. Talen is also powering the digital infrastructure revolution. We are well-positioned to serve this growing industry, as artificial intelligence data centers increasingly demand more reliable, clean power. Talen is headquartered in Houston, Texas. For more information, visit <https://www.talenergy.com/>.

About Energy Capital Partners

Energy Capital Partners (ECP), founded in 2005, is a leading investment firm across energy transition infrastructure, with a focus on investing in electricity and sustainability infrastructure providing reliable, affordable and clean energy. In 2024, ECP combined with London-listed Bridgepoint Group Plc (LSE: BPT.L) to create a global leader in value-added middle-market investing with a combined \$87 billion of assets under management across private equity, credit, and infrastructure.

Forward-Looking Statements

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Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance to differ materially from our historical results or those expressed or implied in any forward-looking statement contained in this communication. All of our forward-looking statements include assumptions underlying or relating to such statements that may cause actual results to differ materially from expectations and are subject to numerous factors that present considerable risks and uncertainties.

Talen Contact Information

Investor Relations

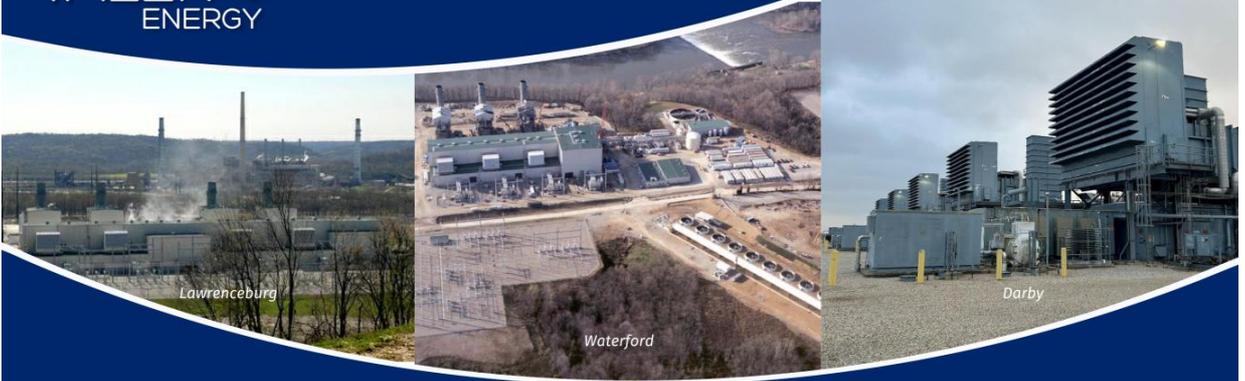
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Acquisition of Lawrenceburg, Waterford, & Darby

January 15, 2026

Disclaimer

The information contained herein, as well as any information that has been supplied orally in connection herewith, speaks only as of the date of this presentation. Talen Energy Corporation ("Talen," "TEC," the "Company," "we," "our," or "us") and our affiliates and representatives expressly disclaim any obligation to update any information contained herein, whether as a result of new information or circumstances, future events or otherwise. The information contained herein is summary. For additional information, see the Company's historical financial statements and other information included in its periodic reports and other filings with the Securities and Exchange Commission (the "SEC") (available at www.sec.gov/edgar). Nothing contained herein should be construed as legal, business, tax, accounting or other professional advice, and you should consult your own advisors regarding such matters. These materials should not be relied upon for the maintenance of your books and records for any tax, accounting, legal or other procedures.

Non-GAAP Financial Measures

We include in this presentation Adjusted EBITDA and Adjusted Free Cash Flow, which we use as measures of our performance, and which are not financial measures prepared under U.S. Generally Accepted Accounting Principles ("GAAP"). Non-GAAP financial measures, such as Adjusted EBITDA and Adjusted Free Cash Flow, do not have definitions under GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies or used in our credit facilities, the indentures governing our notes or any of our other debt agreements. 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 investors not to place undue reliance on such non-GAAP measures, but to consider them along with their most directly comparable GAAP measures. Adjusted EBITDA and Adjusted Free Cash Flow have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP. Due to the difficulty in predicting certain components of Adjusted EBITDA and Adjusted Free Cash Flow for the Lawrenceburg, Waterford, and Darby assets with a reasonable degree of certainty, we are unable to reconcile these non-GAAP financial measures to the comparable GAAP measures without unreasonable efforts.

Market and Industry Data

This presentation includes market data and other information from independent industry publications, as well as surveys and our own research and knowledge of the industry. Some data is also based on management's estimates, which are derived from our review of internal sources, as well as the independent sources described above. Although we believe these sources are reliable, the third-party information contained in this presentation has not been independently investigated, verified or audited and, therefore, we cannot guarantee the accuracy or completeness of such information. As a result, you should be aware that market share, ranking and other similar data set forth in this presentation, and estimates and beliefs based on such data, may not be reliable.

Forward Looking Statements

Statements contained in this presentation concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance, shareholder returns and underlying assumptions, and other statements that are not statements of historical fact are "forward-looking statements," and should be considered estimates, assumptions or projections. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "target," "project," "forecast," "seek," "will," "may," "should," "could," "would," "goal," "predict," "continue," "potential" or similar expressions. Any such forward-looking statements reflect various estimates and assumptions. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that they will prove to be correct. No representations or warranties are made by Talen or any of its affiliates, shareholders, directors, officers, employees, agents, partners or professional advisors as to the accuracy or achievability of any such forward-looking statements. Except as otherwise required by law, Talen undertakes no obligation to update any forward-looking statement to reflect new information or circumstances, future events or otherwise after the date on which such statement is made. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially due to many factors. New factors emerge from time to time, and it is not possible for us to predict all of these factors. In addition to the specific factors discussed in the sections entitled "Cautionary Note Regarding Forward-Looking Information" and "Risk Factors" in our periodic reports and other filings with the SEC, the following are among the important factors that could cause actual results to differ materially from forward-looking statements: Talen's or its subsidiaries' levels of indebtedness; the terms and conditions of debt instruments that may restrict Talen's ability to operate its business; operational, price and credit risks in the wholesale and retail electricity markets (including as a result of increases in the supply of electricity generally due to new power or intermittent renewable power generation); the effectiveness of Talen's risk management techniques, including hedging, with respect to electricity and fuel prices, interest rates and counterparty and joint venture partner credit and non-performance risks; methods of accounting and developments in or interpretations of accounting requirements that may impact reported results, including with respect to, but not limited to, hedging activity; Talen's ability to forecast and provide the actual load needed to perform sales contracts; the effects of transmission congestion due to line maintenance outages and the performance of transmission facilities and any changes in the structure and operation of, or the pricing limitations imposed by, the Regional Transmission Organizations and Independent System Operators that operate those facilities; blackouts due to disruptions in neighboring interconnected systems; the impacts of federal, state, local and market legislation, regulation, proceedings and other actions, including but not limited to those related to energy, the environment and tax, the outcomes thereof and the costs of compliance therewith; the impacts of new or revised United States and/or international trade tariffs, treaties, policies, and regulations; the costs of complying with environmental, social and related worker health and safety laws and regulations; the impacts of climate change, including changes in regulation or their enforcement, the availability and cost of emission allowances; the performance of Talen's subsidiaries and affiliates, on which our ability to meet our debt obligations largely depend; the risks inherent with variable rate indebtedness; disruption in or adverse developments of financial markets; acquisition or divestiture activities, including Talen's ability to realize expected synergies and other benefits from such business transactions; Talen's ability to achieve anticipated cost savings; the execution and development of proposed future enterprises, including the ability to permit, develop, construct and operate proposed renewable energy, energy storage and/or data center facilities, realization of assumptions underlying the statements regarding future enterprises, and realization of estimates of valuations of future enterprises; Talen's ability to optimize its competitive power generation operations and the costs associated with any capital expenditures; the proposed Lawrenceburg, Waterford, and Darby acquisition, including the financing, expected timing and completion (including required regulatory approvals), and anticipated impacts thereof; the integration of and anticipated benefits from the recent Freedom and Guernsey acquisitions; significant increases in operation and maintenance expenses, such as health care, and pension costs, including as a result of changes in interest rates; the loss of key personnel, the ability to hire and retain qualified employees, and the possibility of union strikes or work stoppages; war (including supply chain disruptions as a result of war, and including the effects of the Ukraine/Russia and Middle East conflicts, attendant sanctions and related disruptions in oil and natural gas production and the supply of nuclear fuel), armed conflicts or terrorist attacks, including cyber-based attacks; and pandemics, including COVID-19. Recipients are cautioned to not place undue reliance on such forward-looking statements.



Investment Highlights

\$3.45 billion investment in three high-quality assets with immediate >15% Adj FCF/share accretion

- ✓ 6.6x 2027E Adj EBITDA multiple with strong unlevered free cash flow conversion of ~85%
- ✓ Maintains balance sheet strength, ability to achieve <3.5x net leverage target by YE 2026 and continues previously announced SRP¹
- ✓ Diversifies Talen's generation portfolio by both capacity and free cash flow contribution with the addition of ~2.6² GW of efficient natural gas assets
- ✓ ECP support through ~\$900 million³ of consideration in Talen equity
- ✓ Enhances Talen's overall scale, including in western PJM, which has significant data center tailwinds and reliable access to low-cost natural gas



1. \$2 billion share repurchase plan approved by Board of Directors on September 8, 2025.
2. Capacity represents ICAF rating.
3. 2.4 million shares to be issued to ECP, which is expected to result in ECP owning ~5% of pro forma combined Talen equity estimated as of assumed closing date.

Acquisition of ~2.6 GW of PJM Gas Capacity in Ohio and Indiana

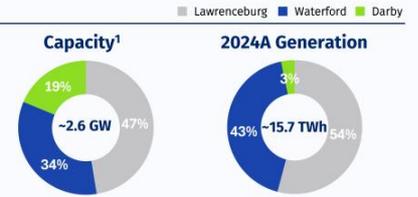
Acquiring Lawrenceburg, Waterford and Darby from Energy Capital Partners (“ECP”)



- Lawrenceburg and Waterford are highly efficient CCGTs that strengthen Talen’s generation profile
- Darby is a 480 MW¹ peaker that provides attractive commercial flexibility
- All three facilities have reliable access to low-cost natural gas from the Marcellus and Utica shale formations
- Increases presence in Ohio, a top-tier data center market

Key Metrics – Proposed Acquisition Assets

Plant Name	State	Power Market	Region	Plant Type	Capacity (MW) ¹	Configuration	Turbine Tech	COD	Heat Rate (Btu / kWh)	2024A Capacity Factor	2024A Generation (GWh)
Lawrenceburg	IN	PJM	DEO&K	CCGT	1,218	2 x 2 x 1	GE PG7241FA	2004	7,109	86.7%	8,503
Waterford	OH	PJM	AEP	CCGT	869	3 x 1	GE PG7241FA	2003	7,018	87.4%	6,702
Darby	OH	PJM	AEP	GT	480	6 (GT)	GE 7EA	2001	12,492	12.8%	510
Total / Wtd Avg²					2,567			2003	7,245	73.1%	15,715



Source: Company Materials, SNL
 1. Capacity represents ICAP rating.
 2. COD and capacity factor represent a weighted average based on capacity. Heat rate represents a unit weighted average by generation.

Modern Generation Fleet of Scale

Talen's pro forma annual generation is expected to approximately double after its recent acquisitions



✓ **~7.7 GW¹ of baseload capacity³ strengthens cash flow stability through increased dispatchability and reliability**

✓ **~71 TWh (>80% baseload) enhances Talen's ability to capitalize on sector trends by pursuing contracting opportunities**



Source: Company provided materials. Generation and capacity stats are shown for 2024.

1. Generation capacity is presented as summer rating (where applicable) and may be subject to revision based on factors, among others, such as operating experience and physical conditions.

2. Includes Freedom, Guernsey and Lower Mount Bethel.

3. Includes Susquehanna, Freedom, Guernsey, Lower Mount Bethel, Lawrenceburg and Waterford.

Key Transaction Terms

Purchase Price / Consideration

- Purchase price of **\$3.45 billion**
 - **6.6x EV / 2027E Adj EBITDA** multiple and blended **\$/kW of \$1,344¹**
- Consideration to ECP consists of **~\$2.55 billion in cash** and **~\$900 million of Talen equity**
 - 2.4 million shares to be issued to ECP (~5% of expected pro forma equity)
 - Cash consideration expected to be funded with newly issued Talen debt
- Generates more than **\$1 billion in nominal tax shield benefits²** expected for future use
- Existing Lawrenceburg energy and capacity hedges to Indiana Michigan Utility remain in place³

ECP Commitment

- ECP's election to receive shares for **~\$900mm of its equity consideration** reflects Talen's ongoing shareholder value proposition
- Ownership commitment from ECP with a 6-month, phased lock-up period on Talen shares

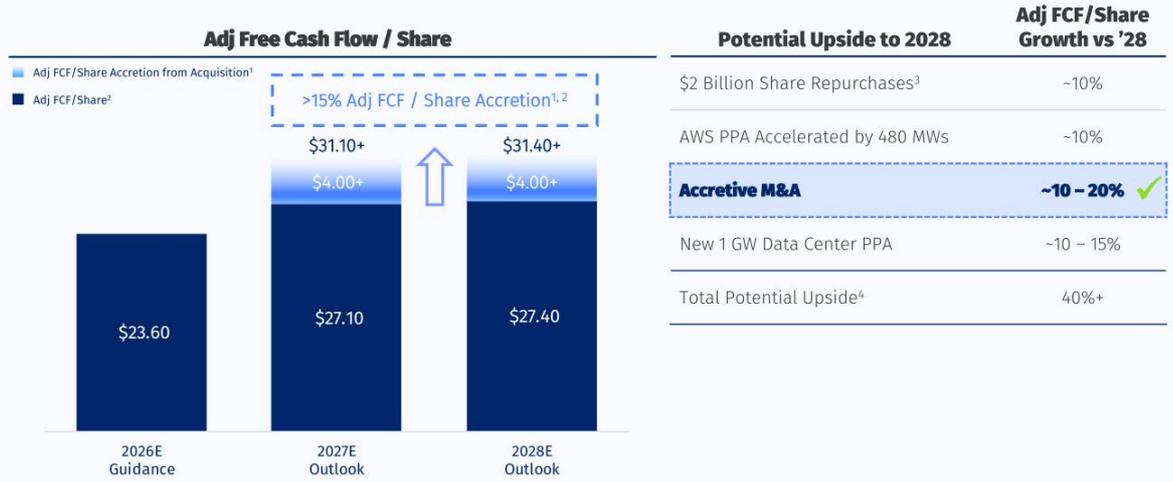
Financial Highlights

- Immediately **>15% accretive to Adj FCF/share**
- Maintains balance sheet strength with the ability to achieve **<3.5x net leverage target** by YE 2026
- Expect credit ratings to be affirmed by Moody's, S&P and Fitch at Ba3/BB-/BB-, respectively

Timing & Approvals

- Transaction close expected to occur early in the second half of 2026
- Required regulatory approvals include HSR, FERC and IURC⁴

Transaction Enhances Projected Adj FCF / Share



Potential Upside to 2028	Adj FCF/Share Growth vs '28
\$2 Billion Share Repurchases ³	~10%
AWS PPA Accelerated by 480 MWs	~10%
Accretive M&A	~10 – 20% ✓
New 1 GW Data Center PPA	~10 – 15%
Total Potential Upside⁴	40%+

Note: Per share amounts rounded to nearest \$0.10.

1. Share accretion includes: (i) first full year projected pro forma impact of the Acquisitions beginning January 1, 2027, utilizing Talen's September 9, 2025 Investor Update commodity prices of 07/31/25, (ii) expected effects from the One Big Beautiful Act of 2025 and (iii) expected effects of the 2.4 million Talen shares issued to ECP, Talen's approved SRP, and net shares issued to management pursuant to LTIP.

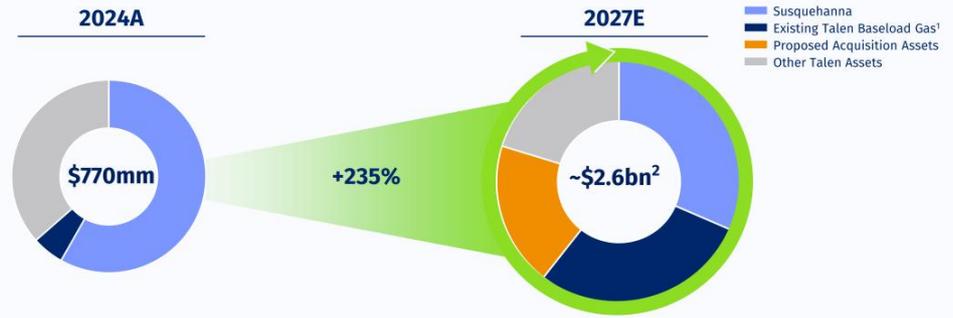
2. 2026E Guidance and 2027E / 2028E Outlook's represent the midpoints from Talen's September 9, 2025 Investor Update. The effect of the Freedom and Guernsey acquisitions illustratively begins on January 1, 2026.

3. Approved by Board of Directors on September 8, 2025.

4. Potential upsides are not necessarily additive and will vary depending upon order of execution, capitalization of opportunities, and ability to monetize tax benefits as well as other factors.

Earnings Transformation

Strategic initiatives and margin expansion driving significant Adjusted EBITDA and cash flow growth and diversification



☑ Cash flows are significantly more diverse with baseload nuclear and natural gas³ now expected to account for >75% of 2027E Adjusted EBITDA

☑ ~\$1.6 billion of Adjusted Free Cash Flow expected in 2027, providing attractive strategic & financial flexibility

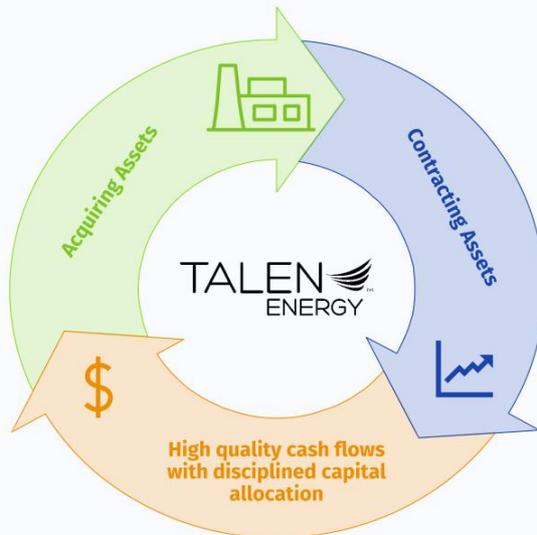
Source: Company provided materials.

1. 2027E includes Freedom, Guernsey and Lower Mount Bethel. 2024A excludes Freedom and Guernsey.

2. Based on the midpoint of 2027E Adjusted EBITDA Outlook for Talen of ~\$2.04bn from Talen's September 9, 2025 Investor Update and expected 2027E Adjusted EBITDA inclusive of the: (i) first full year projected pro forma impact of the acquisition beginning January 1, 2027, and (ii) the effect of the Freedom and Guernsey acquisitions illustratively beginning on January 1, 2026.

3. Includes Susquehanna, Freedom, Guernsey, Lower Mount Bethel, Lawrenceburg, and Waterford.

Executing the Talen Flywheel Strategy



- ✓ Multiple transactions delivering strong and immediate Adjusted FCF/Share accretion
- ✓ Reshaping fleet by adding baseload MWs that are the equivalent to two more nuclear plants
- ✓ Diversified portfolio across Pennsylvania, Ohio and Indiana within PJM
- ✓ Locked-in ~2 GW of long-term contracts
- ✓ Maintaining ability to achieve net leverage target of <3.5x by YE 2026

Appendix

Pro Forma Generation Portfolio Summary

Asset	State	Primary Fuel Type(s)	Plant Type	Ownership	Owned Capacity (MW) ¹	Commercial Operations Date	Region
Proposed Acquisition							
Lawrenceburg	IN	Natural Gas	Baseload	100%	1,120	2004	PJM-DEO&K (RTO)
Waterford	OH	Natural Gas	Baseload	100%	875	2003	PJM-AEP (RTO)
Darby	OH	Natural Gas / Oil	Peaker	100%	456	2001	PJM-AEP (RTO)
Susquehanna Nuclear Facility							
Susquehanna ²	PA	Nuclear	Baseload	90%	2,245	1983 - 1985	PJM-PPL (MAAC)
PJM Gas Assets							
Freedom	PA	Natural Gas	Baseload	100%	1,049	2018	PJM-PPL (MAAC)
Guernsey	OH	Natural Gas	Baseload	100%	1,771	2023	PJM-AEP (RTO)
Lower Mount Bethel	PA	Natural Gas	Baseload	100%	607	2004	PJM-PPL (MAAC)
Brunner Island ^{3,4}	PA	Natural Gas / Coal	Intermediate	100%	1,419	1961 - 1969	PJM-PPL (MAAC)
Martins Creek	PA	Natural Gas	Peaker	100%	1,710	1975 - 1977	PJM-PPL (MAAC)
Montour	PA	Natural Gas	Peaker	100%	1,505	1972 - 1973	PJM-PPL (MAAC)
Reliability Assets							
Brandon Shores ⁵	MD	Coal	Peaker	100%	1,273	1984 - 1991	PJM-BGE (EMAAC)
H.A. Wagner ⁵	MD	Oil	Peaker	100%	702	1956 - 1972	PJM-BGE (EMAAC)
Colstrip ²	MT	Coal	Baseload	15%	222	1984 - 1986	WECC
Other							
Conemaugh ^{2,4}	PA	Coal	Intermediate	22%	392	1970 - 1971	PJM-PENELEC (MAAC)
Keystone ^{2,4}	PA	Coal	Intermediate	12%	213	1967 - 1968	PJM-PENELEC (MAAC)
Total					15,559		

Source: Company materials.

1. Generation capacity is presented as summer rating (where applicable) and may be subject to revision based on factors, among others, such as operating experience and physical conditions.
2. See Note 10 to the FY 2024 Financial Statements for additional information on 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. Coal-fired electric generation is required to cease at Brunner Island by December 2028 and Keystone and Conemaugh by 2034.
5. See Note 7 to the Q3 2025 Financial Statements for additional information on the Brandon Shores and H.A. Wagner RMR arrangements.

Pro Forma Talen Portfolio

Acquisition enhances Talen's fleet across all key metrics

	TALEN ENERGY ¹	+	Lawrenceburg, Waterford & Darby	Pro Forma	Impact
Capacity by Tech² (GW)	 ~13.1 GW		 ~2.5 GW	 ~15.6 GW	+19%
Generation by Tech⁴ (TWh)	 ~55.0 TWh		 ~15.7 TWh	 ~70.7 TWh	+29%
Natural Gas Fleet Heat Rate⁵ (Btu / kWh)	~7,780 Btu / kWh		~7,240 Btu / kWh	~7,600 Btu / kWh	Improvement of 180
2024A Capacity Factor (%)	~48%		~73%	~52%	+4%
COD⁶	1987		2003	1990	+3 years

Source: Publicly available information, S&P Capital IQ.

1. All stats pro forma for Freedom and Guernsey.
2. Generation capacity is presented as summer rating (where applicable) and may be subject to revision based on factors, among others, such as operating experience and physical conditions.
3. Other includes intermediate, peaking and coal base-load plants.
4. 2024A annual generation.
5. Calculated based on natural gas plants only. Weighted average based on generation.
6. Weighted average based on capacity.

