

DYNEGY INC.
Form 424B2
October 09, 2014

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.01 per share	25,875,000 ⁽¹⁾	\$31.00	\$802,125,000.00	\$93,206.93 ⁽²⁾

(1) Includes 3,375,000 shares of our common stock issuable upon exercise of the underwriters' option to purchase additional shares of our common stock.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-199179

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 6, 2014)

22,500,000 Shares

DYNEGY INC.

COMMON STOCK

We are offering 22,500,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol "DYN." On October 7, 2014, the reported last sale price of our common stock on the New York Stock Exchange was \$31.20 per share.

This offering is part of the financing for the Acquisitions (as defined herein). Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 4,000,000 shares of our Series A Mandatory Convertible Preferred Stock (the "Mandatory Convertible Preferred Stock Offering"). In addition, subsequent to this offering and the Mandatory Convertible Preferred Stock Offering, we expect to obtain debt financing (the "Debt Financing"). We expect that this offering, the Mandatory Convertible Preferred Stock Offering, the Debt Financing and cash on hand will provide the funds necessary to complete the Acquisitions. The completion of this offering is not contingent on the completion of the Mandatory Convertible Preferred Stock Offering or the Debt Financing, and neither the Mandatory Convertible Preferred Stock Offering nor the Debt Financing is contingent on the completion of this offering. In addition, none of this offering, the Mandatory Convertible Preferred Stock Offering or the Debt Financing is or will be contingent on the consummation of the Acquisitions. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities being offered in the Mandatory Convertible Preferred Stock Offering or the Debt Financing.

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-23 of this prospectus supplement.

PRICE \$31.00 PER SHARE

*Price to
Public*

*Underwriting
Discounts and*

*Proceeds to
Dynegy Inc.,*

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		<i>Commissions</i>	<i>Before Expenses</i>
<i>Per Share</i>	\$31.00	\$0.93	\$30.07
<i>Total</i>	\$697,500,000.00	\$20,925,000.00	\$676,575,000.00

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters may also purchase up to an additional 3,375,000 shares of our common stock at the public offering price, less the underwriting discounts and commissions, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total price to the public would be \$802,125,000, the total underwriting discounts and commissions would be \$24,063,750 and the total proceeds to us would be \$778,061,250.

The underwriters expect to deliver the common stock to purchasers on or about October 14, 2014.

Joint Book-Running Managers

MORGAN STANLEY

BARCLAYS

CREDIT SUISSE

RBC CAPITAL MARKETS

UBS INVESTMENT BANK

Co-Managers

BNP PARIBAS

BOFA MERRILL LYNCH

CREDIT AGRICOLE CIB

DEUTSCHE BANK SECURITIES

J.P. MORGAN

MUFG

SUNTRUST ROBINSON HUMPHREY

October 7, 2014

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GLOSSARY OF TERMS AND ABBREVIATIONS

Unless the context indicates otherwise, throughout this prospectus supplement, the terms "Dynegy," "the Company," "we," "us," "our," and "ours" refer to Dynegy Inc. and its direct and indirect subsidiaries. As used in this prospectus supplement, the terms contained herein have the meanings set forth below.

Acquisitions refers to the Duke Midwest Acquisition and the ERC and Brayton Acquisitions.

Acquisition Termination Event means either (1) one or both of the Duke Midwest Purchase Agreement or ERC Purchase Agreements are terminated or (2) we determine in our reasonable judgment that one of the Acquisitions will not occur.

AER Acquisition refers to the transaction completed on December 2, 2013, pursuant to the agreement between Ameren and Illinois Power Holdings, LLC, an indirect wholly-owned subsidiary of Dynegy ("IPH"), pursuant to which we acquired AER and its subsidiaries, Ameren Energy Generating Company ("Genco"), Ameren Energy Fuels and Services Company, New AERG, LLC (successor to Ameren Energy Resources Generating Company) ("AERG") and Ameren Energy Marketing Company ("AEM") from Ameren (such entities, collectively, the "AER Entities").

Brayton refers to Brayton Point Holdings, LLC.

Brayton Point Energy refers to Brayton Point Energy, LLC, a subsidiary of Brayton.

Combined Company refers to Dynegy and its subsidiaries after completion of the Transactions, including the Acquisitions.

Debt Financing refers to the proposed incurrence of debt to finance a portion of the purchase price for the Acquisitions.

Duke refers to Duke Energy Corporation.

Duke Energy Commercial refers to Duke Energy Commercial Asset Management, LLC.

Duke Energy Retail Sales refers to Duke Energy Retail Sales, LLC, Duke's retail energy business.

Duke Midwest Acquisition refers to the proposed acquisition of membership interests in certain Midwest assets from certain subsidiaries of Duke announced by us through our Current Report on Form 8-K filed on August 26, 2014. See "Summary The Duke Midwest Acquisition."

Duke Midwest Assets refers to Duke Energy Commercial's interests in 11 generation facilities and Duke Energy Retail Sales, which we will acquire in the Duke Midwest Acquisition.

Duke Midwest Purchase Agreement refers to the Purchase and Sale Agreement, dated as of August 21, 2014, pursuant to which we will acquire the Duke Midwest Assets.

Duke Ohio refers to Duke Energy Ohio, Inc.

ECP refers to Energy Capital Partners, a private equity firm.

ECP Assets refers to 10 generation facilities which we will acquire in the ERC and Brayton Acquisitions.

ERC refers to EquiPower Resources Corp.

ERC and Brayton Acquisitions refers to the proposed acquisition of equity interests in ERC and Brayton announced by us through our Current Report on Form 8-K filed on August 26, 2014. See "Summary The ERC and Brayton Acquisitions."

ERC Purchase Agreements refers to two agreements, each dated as of August 21, 2014, pursuant to which we will acquire the ECP Assets. See "Summary The Transactions."

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Financing Transactions refers to this offering, the Mandatory Convertible Preferred Stock Offering and the Debt Financing, in each case only to the extent they are completed.

Homefield Energy refers to IPM's retail business which was acquired in the AER Acquisition.

Mandatory Convertible Preferred Stock Offering refers to the concurrent preferred stock offering to finance the Acquisitions.

Target Companies refers to Duke Energy Commercial, Duke Energy Retail Sales, ERC, and Brayton.

Transactions refers to the Acquisitions and the Financing Transactions.

Further, as used in this prospectus supplement, the abbreviations contained herein have the meanings set forth below.

AER	New Ameren Energy Resources, LLC
ATSI	American Transmission Systems, Inc.
CAISO	The California Independent System Operator
CFTC	U.S. Commodity Futures Trading Commission
ComEd	Commonwealth Edison
CPUC	California Public Utility Commission
DH	Dynegy Holdings, LLC (formerly known as Dynegy Holdings Inc.)
DMG	Dynegy Midwest Generation, LLC
DMT	Dynegy Marketing and Trade, LLC
DYPM	Dynegy Power Marketing Inc.
EEI	Electric Energy, Inc.
EPA	Environmental Protection Agency
FCA	Forward Capacity Auction
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse Gas
HSR	Hart-Scott Rodino Act of 1976
IPM	Illinois Power Marketing Company (formerly known as Ameren Energy Marketing Company)
ISO	Independent System Operator
ISO-NE	Independent System Operator New England
KW	Kilowatt
KWh	Kilowatt Hour
LGE	Louisville Gas and Electric Company
LMP	Locational Marginal Pricing
MISO	Midcontinent Independent System Operator, Inc.
MMBTu	One Million British Thermal Units
MRTU	Market Redesign and Technology Update
MW	Megawatts
MWh	Megawatt Hour
NERC	North American Electric Reliability Corporation
NYISO	New York Independent System Operator
NYSE	New York Stock Exchange
OTC	Over-the-counter
PJM	PJM Interconnection, LLC
PRB	Powder River Basin
PRIDE	Producing Results through Innovation by Dynegy Employees
RMR	Reliability Must Run
RPM	Reliability Pricing Model
RTO	Regional Transmission Organization
SEC	U.S. Securities and Exchange Commission
SO2	Sulfur Dioxide
TVA	Tennessee Valley Authority
TWh	Terawatt Hour

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the SEC using a shelf registration process.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters relating to Dynegy, the Target Companies and the Combined Company, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering.

Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our common stock and other information you should know before investing. You should read both this prospectus supplement and the accompanying prospectus, as well as additional information incorporated herein and therein, as set forth under "Incorporation by Reference," before investing in our common stock.

Neither we nor the underwriters have authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our and the Target Companies' business, financial condition, results of operations and prospects may have changed since those dates.

Unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, assumes the underwriters for this offering of common stock do not exercise their option to purchase additional shares of common stock. In addition, unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, does not give effect to the Acquisitions, the Mandatory Convertible Preferred Stock Offering or the Debt Financing.

INDUSTRY AND MARKET DATA

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement regarding our industry and our position in the industry based on estimates made from our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus supplement or the date of the document incorporated by reference, as applicable. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. We cannot, and the underwriters cannot, guarantee the accuracy or completeness of any such information.

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SUMMARY

This summary does not contain all the information that you should consider before investing in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, before making an investment decision.

Our Company

Our primary business is the production and sale of electric energy, capacity and ancillary services. We operate a portfolio of generation assets that is diversified in terms of dispatch profile, fuel type and geography. Our Coal and IPH segments are fleets of baseload coal facilities located in Illinois that dispatch around the clock throughout the year. Our Gas segment operates both intermediate and peaking natural gas facilities, located in the Midwest, the Northeast and California. In addition to generating power, our generating facilities also receive capacity revenues through structured markets or bilateral tolling agreements, as local utilities and ISOs seek to ensure sufficient generation capacity is available to meet future market demands.

We sell electric energy, capacity and ancillary services on a wholesale basis from our power generation facilities. In connection with the acquisition of AER and its subsidiaries on December 2, 2013, we began serving residential, municipal, commercial and industrial consumers through our Homefield Energy retail business in Illinois. Wholesale electricity customers will, for reliability reasons and to meet regulatory requirements, contract for rights to capacity from generating units. Ancillary services are the products of a power generation facility that support the transmission grid operation, follow real-time changes in load and provide emergency reserves for major changes to the balance of generation and load. Retail electricity customers purchase energy and these related services in the deregulated retail energy market. We sell these products individually or in combination to our customers for various lengths of time ranging from hourly to multi-year transactions.

We do business with a wide range of customers, including: regional transmission organizations and ISOs, integrated utilities, municipalities, electric cooperatives, transmission and distribution utilities, power marketers, financial participants such as banks and hedge funds, and residential, commercial and industrial end-users. Some of our customers, such as municipalities or integrated utilities, purchase our products for resale in order to serve their retail, commercial and industrial customers. Other customers, such as some power marketers, may buy from us to serve their own wholesale or retail customers or as a hedge against power sales they have made.

Recent Developments

The Acquisitions

In August 2014, we entered into an agreement with Duke to purchase certain of its facilities located in the Midwest and its retail energy business and we entered into an agreement with ECP to purchase ERC and Brayton. The Acquisitions will increase our generation capacity by approximately 12,500 MW to nearly 26,000 MW. We anticipate that the Duke Midwest Acquisition and ERC and Brayton Acquisitions will each close by the end of the first quarter of 2015. However, we cannot assure you that the Acquisitions will be consummated or, if consummated, that they will be consummated at the price, within the time period or on the terms and with the anticipated benefits contemplated by this prospectus supplement. The closing of one Acquisition is not contingent upon the closing of the other Acquisition and this offering is not contingent on either or both of the Acquisitions occurring on a timely basis or at all. See "Risk Factors Risks Relating to Our Proposed Acquisitions" and "The Transactions," each included in this prospectus supplement.

Table of Contents*The Duke Midwest Acquisition*

We will acquire the Duke Midwest Assets for a purchase price of \$2.8 billion in cash, subject to certain adjustments. The Duke Midwest Acquisition is subject to receipt of FERC approval, HSR approval and other customary closing conditions. The Duke Midwest Assets are comprised of (1) 100% ownership interests in five natural gas-fired power facilities located in Ohio, Pennsylvania and Illinois, (2) 100% ownership interest in an oil-fired power facility located in Ohio, (3) partial interests in five coal-fired power facilities located in Ohio and (4) Duke's retail energy business. The facilities operate in the PJM wholesale market, have a diversified fuel mix with baseload coal-fired units, as well as combined cycle and peaking natural gas-fired units, and have an aggregate net generating capacity of approximately 6,200 MW. We will operate two of the five coal-fired plants for which we will obtain partial ownership interests, the Miami Fort and Zimmer facilities.

Duke Energy Retail Sales serves retail electric and gas customers in Ohio with energy and energy services at competitive rates. Duke Energy Retail Sales serves approximately 25% of switched load within Duke Ohio's service territory, which is the largest share of opt-in mass market customers in that territory, and provides approximately 7 TWh of customer load primarily in Ohio.

The following table sets forth certain information with respect to the generating facilities:

Facility	Net Generating Capacity (MW) ⁽¹⁾	Primary Fuel Type	Dispatch Type	Location	Region	Interest to be Acquired
Dicks Creek	153	Gas	Peaking	Middleton, OH	PJM	100.0%
Fayette	649	Gas	Intermediate	Masontown, PA	PJM	100.0%
Hanging Rock	1,296	Gas	Intermediate	Ironton, OH	PJM	100.0%
Lee	712	Gas	Intermediate	Dixon, IL	PJM	100.0%
Washington	648	Gas	Intermediate	Beverly, OH	PJM	100.0%
Killen	204	Coal	Baseload	Wrightsville, OH	PJM	33.0%
Stuart	904	Coal	Baseload	Aberdeen, OH	PJM	39.0%
Conesville	312	Coal	Baseload	Conesville, OH	PJM	40.0%
Zimmer	628	Coal	Baseload	Moscow, OH	PJM	46.5%
Miami Fort (Units 7 and 8)	653	Coal	Baseload	North Bend, OH	PJM	64.0%
Miami Fort (CT)	80	Oil	Peaking	North Bend, OH	PJM	100.0%
Total	6,239					

(1)

Unit capabilities are based on winter capacity.

The ERC and Brayton Acquisitions

We will acquire ERC and Brayton for approximately \$3.25 billion in cash and \$200 million of our common stock, subject to certain conditions and adjustments. The ERC and Brayton Acquisitions are subject to receipt of FERC approval, HSR approval and other customary closing conditions. ERC owns (1) 100% interests in five combined cycle gas turbine facilities in Connecticut, Massachusetts and Pennsylvania, (2) 100% interests in two gas and oil fired peaking facilities in Ohio, (3) 100% interests in one coal-fired facility in Illinois and (4) a 49.5% interest in one natural gas-fired peaking facility in Illinois. Brayton owns a 100% interest in the Brayton Point coal facility in Somerset, MA, which is scheduled to be retired in June 2017. The ECP Assets consist primarily of highly efficient and clean-burning natural gas-fired facilities and have an aggregate net generating capacity of approximately 6,300 MW.

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The following table sets forth certain information with respect to the generating facilities:

Facility	Net Generating Capacity (MW) ⁽¹⁾	Primary Fuel Type	Dispatch Type	Location	Region	Interest to be Acquired
Brayton Point ⁽²⁾	1,493	Coal	Baseload	Somerset, MA	ISO-NE	100.0%
Kincaid ⁽³⁾	1,108	Coal	Baseload	Kincaid, IL	PJM	100.0%
Milford	579	Gas	Intermediate	Milford, CT	ISO-NE	100.0%
Lake Road	856	Gas	Intermediate	Killingly, CT	ISO-NE	100.0%
Dighton	187	Gas	Intermediate	Dighton, MA	ISO-NE	100.0%
MASSPOWER	280	Gas	Intermediate	Indian Orchard, MA	ISO-NE	100.0%
Liberty	600	Gas	Intermediate	Eddystone, PA	PJM	100.0%
Richland	447	Gas	Peaking	Defiance, OH	PJM	100.0%
Stryker	19	Oil	Peaking	Stryker, OH	PJM	100.0%
Elwood ⁽⁴⁾	780	Gas	Peaking	Elwood, IL	PJM	49.5%
Total	6,349					

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- (1) Unit capabilities are based on winter capacity.
- (2) Brayton Point is scheduled to be retired from service in June 2017.
- (3) Kincaid is physically located within the MISO market, but is interconnected to the PJM market and sells both energy and capacity in the PJM market only.
- (4) In addition, ERC expects to acquire an additional 0.5% interest in Elwood from Dominion Energy, Inc. in the fourth quarter of 2014, which additional interest we would receive in connection with the ERC and Brayton Acquisitions.

Combined Company Power Generation Portfolio

The following table illustrates the Combined Company operating generation facilities:

Facility	Total Net Generating Capacity (MW) ⁽¹⁾	Primary Fuel Type	Dispatch Type	Location	Region
Dynegy					
Baldwin	1,800	Coal	Baseload	Baldwin, IL	MISO
Havana ⁽²⁾	441	Coal	Baseload	Havana, IL	MISO
Hennepin	293	Coal	Baseload	Hennepin, IL	MISO
Wood River ⁽³⁾	446	Coal	Baseload	Alton, IL	MISO
<i>Total Coal Segment</i>	<i>2,980</i>				

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Coffeen	915	Coal	Baseload	Montgomery County, IL	MISO
Joppa/EEI ⁽⁴⁾	802	Coal	Baseload	Joppa, IL	MISO
Newton	1,225	Coal	Baseload	Jasper County, IL	MISO
Duck Creek	425	Coal	Baseload	Canton, IL	MISO
E.D. Edwards	695	Coal	Baseload	Bartonville, IL	MISO

Total IPH Segment 4,062

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Facility	Total Net Generating Capacity (MW) ⁽¹⁾	Primary Fuel Type	Dispatch Type	Location	Region
Moss Landing Units 1-2	1,020	Gas	Intermediate	Monterey County, CA	CAISO
Units 6-7	1,509	Gas	Peaking	Monterey County, CA	CAISO
Kendall	1,200	Gas	Intermediate	Minooka, IL	PJM
Ontelaunee	580	Gas	Intermediate	Ontelaunee Township, PA	PJM
Oakland	165	Oil	Peaking	Oakland, CA	CAISO
Casco Bay	540	Gas	Intermediate	Veazie, ME	ISO-NE
Independence	1,064	Gas	Intermediate	Scriba, NY	NYISO

Total Gas Segment 6,078

Total Fleet 13,120

Duke Midwest Assets

Stuart	904	Coal	Baseload	Aberdeen, OH	PJM
Miami Fort	653	Coal	Baseload	North Bend, OH	PJM
Zimmer	628	Coal	Baseload	Moscow, OH	PJM
Conesville	312	Coal	Baseload	Conesville, OH	PJM
Killen	204	Coal	Baseload	Wrightsville, OH	PJM

Total Coal 2,701

Hanging Rock	1,296	Gas	Intermediate	Ironton, OH	PJM
Washington	648	Gas	Intermediate	Beverly, OH	PJM
Fayette	649	Gas	Intermediate	Masontown, PA	PJM
Lee	712	Gas	Intermediate	Dixon, IL	PJM
Dicks Creek	153	Gas	Peaking	Middleton, OH	PJM
Miami Fort (CT)	80	Oil	Peaking	North Bend, OH	PJM

Total Gas 3,538

Total Fleet 6,239

ERC and Brayton

Brayton Point ⁽⁵⁾	1,493	Coal	Baseload	Somerset, MA	ISO-NE
Kincaid ⁽⁶⁾	1,108	Coal	Baseload	Kincaid, IL	PJM

Total Coal 2,601

Milford	579	Gas	Intermediate	Milford, CT	ISO-NE
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Lake Road	856	Gas	Intermediate	Killingly, CT	ISO-NE
Dighton	187	Gas	Intermediate	Dighton, MA	ISO-NE
MASSPOWER	280	Gas	Intermediate	Indian Orchard, MA	ISO-NE
Liberty	600	Gas	Intermediate	Eddystone, PA	PJM
Elwood ⁽⁷⁾	780	Gas	Peaking	Elwood, IL	PJM
Richland	447	Gas	Peaking	Defiance, OH	PJM
Stryker	19	Oil	Peaking	Stryker, OH	PJM

<i>Total Gas</i>	<i>3,748</i>
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<i>Total Fleet</i>	<i>6,349</i>
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<i>Total</i>	<i>25,708</i>
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(1) Unit capabilities are based on winter capacity.

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- (2) Represents Unit 6 generating capacity. Units 1-5, with a combined net generating capacity of 228 MW, are retired and out of operation.
- (3) Represents Units 4 and 5 generating capacity. Units 1-3, with a combined net generating capacity of 119 MW, are retired and out of operation.
- (4) We indirectly own an 80% interest in this facility. Total output capacity of this facility is 1,002 MW. Additionally, Joppa has 235 MW of natural gas-fired capacity which is currently not operating and therefore excluded from the table above.
- (5) Brayton Point is scheduled to be retired in June 2017.
- (6) Kincaid is physically located within the MISO market, but is interconnected to the PJM market and sells both energy and capacity in the PJM market only.
- (7) In addition, ERC expects to acquire an additional 0.5% interest in Elwood from Dominion Energy, Inc. in the fourth quarter of 2014, which additional interest we would receive in connection with the ERC and Brayton Acquisitions.

Strategic Evaluation of California Assets

Recently, we began a strategic evaluation of our California assets including Moss Landing, Oakland and Morro Bay. We will continue operating and investing in these assets under normal course during this evaluation.

Power Prices and Spark Spreads

Our financial results are significantly impacted by fuel and commodity prices. Other factors impacting our financial results include market structure and prices for electric energy, capacity and ancillary services, including pricing at our plant locations relative to pricing at their respective trading hubs, the volatility of fuel and electricity prices, transportation and transmission logistics, weather conditions and plant performance.

The relationship between electricity prices and prices for natural gas and coal, commonly referred to as the "spark spread" and "dark spread," respectively, impacts the margin we earn on the electricity we generate. In particular, we benefit from rising commodity prices. For example, an increase in natural gas prices of \$1/MMBTu (net of heat rate contraction) can have a positive material impact on our earnings, as can rising power prices and spark spreads.

Since the announcement of the Acquisitions, power prices and spark spreads have increased in 2015 and 2016, by approximately 8% to 31% in ISO-NE, by approximately 4% to 11% in PJM and by approximately 3% to 5% in MISO, although there can be no assurances as to how long these price increases may be maintained, if at all. In the six months ended June 30, 2014, and for the year ended December 31, 2013, we, the Duke Midwest Assets and the ECP Assets generated 6.7 million MWh and 11.3 million MWh in ISO-NE, 23.0 million MWh and 45.0 million MWh in PJM and 22.1 million MWh and 45.7 million MWh in MISO, in each case, respectively.

Financing Transactions

In addition to this offering, we expect to obtain additional financing for the Acquisitions as described below. We cannot assure you that we will complete any of the Financing Transactions on the terms contemplated by this prospectus supplement or at all.

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Mandatory Convertible Preferred Stock Offering

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 4,000,000 shares of our Mandatory Convertible Preferred Stock, plus up to 600,000 additional shares of Mandatory Convertible Preferred Stock that the underwriters of the Mandatory Convertible Preferred Stock Offering have the option to purchase from us, in each case, at a public offering price of \$100.00 per share. For a description of certain of the expected terms of the Mandatory Convertible Preferred Stock, see "Description of Certain Indebtedness and Other Obligations—Dynegy's Mandatory Convertible Preferred Stock". This prospectus supplement is not an offer to sell or a solicitation of an offer to buy the shares of the Mandatory Convertible Preferred Stock.

Debt Financing

Subsequent to this offering and the Mandatory Convertible Preferred Stock Offering, we expect to obtain approximately \$5.1 billion of debt financing in connection with the financing of the Acquisitions. See "The Transactions" and "Description of Indebtedness and Other Obligations," included in this prospectus supplement. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any debt being sold or placed in the Debt Financing.

The completion of this offering is not contingent on the completion of the Debt Financing, and the Debt Financing is not contingent on the completion of this offering or the consummation of either or both of the Acquisitions. Accordingly, even if one or both of the Acquisitions or Financing Transactions are not completed, the common stock sold in this offering will remain outstanding.

We will be required to redeem all of the debt borrowed if neither of the Acquisitions is consummated. If one or the other of the Acquisitions is not consummated, we will be required to redeem the debt borrowed in connection with such contemplated but unconsummated Acquisition.

In the event we are unable to obtain such debt financing prior to the closing of the Acquisitions, we have obtained committed financing in the form of senior unsecured bridge loans as described below.

In connection with entering into each of the Duke Midwest Purchase Agreement and the ERC Purchase Agreements, we obtained \$2.8 billion and \$3.55 billion, respectively, bridge loan commitments to ensure financing for the Acquisitions. Although we do not expect to make any borrowings under the bridge loan commitments, there can be no assurance that such borrowings will not be made. In that regard, we may be required to borrow under the bridge loan commitments if any of the other Financing Transactions is not completed or generates significantly less net proceeds than contemplated by this prospectus supplement. See "Description of Certain Indebtedness and Other Obligations," included in this prospectus supplement.

Strategic Rationale for the Acquisitions

We believe that the Acquisitions will create significant value for stockholders and offer numerous strategic benefits, including:

increasing our presence in the well-structured, highly-desirable PJM and ISO-NE markets through the addition of approximately 12,500 MW of high quality coal and gas assets in favorable locations with strong operational track records;

increasing the visibility and predictability of our gross margin from PJM and ISO-NE capacity payments;

expanding our retail presence in PJM and providing additional generation in the ComEd region of PJM to complement our existing retail business in that market;

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enabling the company to leverage its existing infrastructure to reduce the overhead costs per MWh by approximately 35%; and

providing opportunities for meaningful synergies, including at least \$40 million in cost reductions per year, \$200 million in balance sheet efficiencies and nearly \$500 million in present value cash tax savings. In order to achieve these synergies, we expect to incur a cost of approximately \$40 million.

We believe that these strategic benefits significantly enhance our competitive profile as a leading U.S. independent power producer and should drive increased profitability while simultaneously reducing the risk profile of the company. We believe the diversity of our portfolio should reduce our operating risk profile and reliance on any single market because it provides a balanced mix of both intrinsic and extrinsic value throughout different market cycles, weather patterns and commodity environments. The breadth of our fleet will also mitigate asset concentration risk by reducing the reliance on any single asset for our overall financial performance. Furthermore, we believe our scale and employment of best practices improve our business development opportunities through well-established industry relationships, and a deep understanding of regional power market dynamics.

Competitive Strengths

We will have the following competitive strengths following the closing of the Acquisitions:

Strong Portfolio Balance. The Combined Company will have a well-diversified portfolio of assets with approximately 51%, 48% and 1% of total generation being fueled by natural gas, coal and oil, respectively, in multiple markets, including MISO, PJM, NYISO, ISO-NE and CAISO. The balance of the portfolio not only provides significant earnings potential and earnings diversity, but also risk mitigation as a greater proportion of the company's earnings are driven by visible capacity payments and the coal and gas fleets tend to partially hedge one another as power and fuel prices change.

Strong Cash Flow Profile. The high quality of the acquired assets, their favorable locations and strong capacity factors are expected to result in significant earnings and cash flows which may be used to further strengthen the Combined Company's balance sheet and liquidity position, make investments in existing assets, fund growth opportunities or support other high value capital allocation initiatives.

Structured Markets. The Acquisitions will increase our market share in the highly desirable PJM and ISO-NE markets. Both of these markets feature forward capacity, liquid energy and ancillary services markets that provide competitive pricing. Each of our markets benefits from mature regulatory frameworks supportive of existing generation, increasingly attractive market fundamentals and significant challenges to new construction including rising construction costs, more stringent siting and permitting processes and greater scrutiny of environmental impacts. Of the approximately 12,500 MW being acquired, 5,053 MW are modern combined cycle natural gas plants and 3,793 MW are environmentally compliant coal generation plants.

Improved Scale. The Acquisitions complement the current size and scale of our existing power generation platform. After the Acquisitions, we expect to be among the largest domestic publicly traded independent power producers, with approximately 26,000 MW of capacity, and benefit from significant diversification in terms of technology, fuel type and dispatch. The Combined Company generation fleet is geographically diversified with assets located in several power markets that feature forward capacity markets, mature regulatory frameworks supportive of existing generation, increasingly attractive market fundamentals, and low risk of becoming overbuilt because of the significant challenges to new construction. Our fleet also has a high degree of dispatch diversity consisting of baseload coal operations, some of the most efficient combined cycle assets that effectively operate in baseload mode because they are located in capacity-constrained regions, load-following capacity and peaking units. Further, the addition of Duke Energy Retail Sales will expand our retail business into three new competitive retail markets (Ohio,

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Pennsylvania and Michigan). The ECP Assets and Duke Midwest Assets will provide load following generation to support the retail business.

Business Strategies

Our business strategy is to create value through the optimization of our generation facilities, cost structure and financial resources.

Customer Focus. Our commercial outreach focuses on the needs of the customers and constituents we serve, the end-use and wholesale customer, our market channel partners and the government agencies and regulatory bodies that represent the public interest. The insight provided through these relationships will drive decisions that meet customer needs while optimizing the value of our business.

Currently, our commercial strategy seeks to optimize the value of our assets by locking in near-term cash flow while preserving the ability to capture higher values long-term as power markets improve. We may hedge portions of the expected output from our facilities with the goal of stabilizing near-term earnings and cash flow while preserving upside potential should commodity prices or market factors improve. Our wholesale origination and trading and retail marketing teams are responsible for implementation of this strategy. These teams provide access to a broad portfolio of customers with varying energy and capacity requirements. There is a significant risk reduction effect from linking our generation to our customer load which reduces the need to purchase financial hedging products in the market.

Our wholesale origination efforts focus on marketing energy and services through structured transactions that are designed to meet our customers' operating, financial and risk requirements while simultaneously compensating Dynegy appropriately for the products and services delivered. Additionally, we seek to capture the intrinsic and extrinsic value of our generation portfolios. We utilize a wide range of products and contracts such as tolling agreements, fuel supply contracts, capacity auctions, bilateral capacity contracts, power and natural gas swap agreements, power and natural gas options and other financial instruments. The retail marketing effort focuses on offering end-use customers energy products that range from fixed price and full requirements to flexible price and volume structures. Our goal is to deliver value beyond price by leveraging our experience in the energy markets and sharing our expertise to help customers make sound energy decisions. Establishing and maintaining strong relationships with retail energy channel partners is another key focus where personal service and transparent communication further build our current and future retail brands as trusted suppliers. Our objective is to maximize the benefit to both Dynegy and our current and future customers by linking our generation to the load we serve.

Dynegy operates in a complex and highly-regulated environment with multiple federal, state and local stakeholders, such as legislators, government agencies, industry groups, consumers and environmentalists. These stakeholders are important partners and exhibit influence over regulators and their decisions. Dynegy works with these stakeholders to encourage reasonable regulations that increase shareholder value through driving revenue and containing costs. Our regulatory strategy includes a continuous process of advocacy, visibility, education and building alliances. We also focus on the key issues that most affect our business. The ultimate goal is to find solutions that provide adequate cost recovery and incentivize investment, while providing safe, reliable, cost-effective and environmentally-compliant generation for the communities in which we operate.

Continuous Improvement. We have strong plant operations and are committed to operating all of our facilities in a safe, reliable, cost-efficient and environmentally compliant manner. We have dedicated significant resources toward these priorities with approximately \$1 billion invested since 2005 in our Coal segment for environmental compliance initiatives to meet contractual obligations and state and federal environmental standards. In addition, we continue to invest across all segments to maintain and improve the safety, reliability and efficiency of the fleet. The Acquisitions highlight our commitment to operating safe, reliable, cost efficient and environmentally compliant power generation facilities. The facilities

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comprising the Duke Midwest Assets and the ECP Assets have benefited from regular investment, preventative maintenance and rigorous inspection programs. In addition, we will continue to capitalize on our centralized operations support function with the primary focus of instilling various cost and operating best practices across the fleets in the areas of safety procurement, engineering and outage management.

We continue to employ our cost and performance improvement initiative, known as PRIDE, which is designed to drive recurring cash flow benefits by optimizing our cost structure, implementing company-wide process and operating improvements, and improving balance sheet efficiency. Our PRIDE program has targeted \$135 million in earnings and improvements and \$165 million in balance sheet improvements during the 2014-2016 timeframe.

Capital Structure Management and Allocation. The power industry is a cyclical commodity business with significant price volatility requiring considerable ongoing capital investment. As such, it is imperative to build and maintain a balance sheet with manageable debt levels supported by a flexible and diverse liquidity program. Our ongoing capital allocation priorities, first and foremost, are to maintain an appropriate leverage and liquidity profile and to make the necessary capital investments to maintain the safety and reliability of our fleet and to comply with environmental rules and regulations. Additional capital allocation options that are evaluated include investments in our existing portfolio, potential acquisitions and returning capital to shareholders. Capital allocation decisions are based on the alternatives that provide the highest risk-adjusted rates of return.

We continue to focus on building a diverse liquidity program to support our ongoing operations and commercial activities. This includes maintaining adequate cash balances, expanding our first lien collateral program to include additional hedging counterparties and having in place sufficient committed lines of credit to support our ongoing liquidity needs. We will continue to evaluate other measures to best manage our balance sheet as well as seek additional sources of liquidity.

Industry Overview

The power industry is one of the largest industries in the United States and impacts nearly every aspect of our economy, with an estimated end-user market of approximately \$372 billion in power sales in 2013. In 2013, total generation in the United States reached approximately 4 million Gigawatt hours ("GWh"), composed of 27.4% natural gas, 39.1% coal, 19.4% nuclear, 12.8% renewables, and 1.3% other. Historically, the power generation industry has been largely characterized by electric utility monopolies producing electricity from old, less efficient, high-cost generating facilities selling to a captive customer base. Over the last 25 years, however, industry trends and regulatory initiatives, culminating with deregulation in the late 1990s and early 2000s, have transformed the market into a more competitive one where end-users purchase electricity from a variety of suppliers, including non-utility generators, power marketers, public utilities and others. Although models and rules for competition differ from state to state, all markets in which we operate have some form of wholesale market competition.

The advancing age of the U.S. power generation fleet could present system reliability challenges as the economic efficiency of operating older plants declines over time. More than half of the U.S. power generation fleet is at least 30 years old, with the average age of the U.S. coal fleet being approximately 44 years old. Retirement decisions may also be affected by the cost of compliance with anticipated and existing state and federal environmental regulations. Further, although coal and oil generation assets currently comprise a large portion of planned retirements, baseload nuclear generation has also come under increased pressure. Since 2010, 4.8 GW of nuclear capacity has been retired or is in the process of retiring in the United States and there is a potential for further retirements as several nuclear generators have expressed concerns over maintenance and repair costs, declining profitability in a lower gas price environment and increasing regulatory compliance costs. The anticipated retirement of power generation resources would significantly alter the composition of the existing power supply. As resources are retired,

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higher cost units will be dispatched earlier and more often to meet demand, leading to higher power prices, particularly during winter and summer months when the demand for power is greatest.

We believe that increasing demand and the need to replace old and less efficient generation facilities will create a significant need for additional power generating capacity throughout the United States. In our view, these factors combined with recent restructuring legislation provide an attractive environment in the United States for an independent power producer like us with existing generation assets and a history of successfully developing, acquiring and operating power generation facilities.

Our Markets and Segments

Currently, Dynegy's largest market is MISO. The Acquisitions will significantly increase our geographic diversity in the PJM and ISO-NE markets.

MISO Market. The MISO market includes all of Wisconsin and portions of Michigan, Kentucky, Indiana, Illinois, Missouri, Arkansas, Mississippi, Texas, Louisiana, Iowa, Minnesota, North Dakota, South Dakota, Montana and Manitoba, Canada. The MISO energy market is designed to ensure that all market participants have open-access to the transmission system on a non-discriminatory basis. MISO, as an independent RTO, maintains functional control over the use of the transmission system to ensure transmission circuits do not exceed their secure operating limits and become overloaded. MISO operates day-ahead and real-time energy markets using a LMP system which calculates a price for every generator and load point within MISO. This market is transparent, allowing generators and load serving entities to see real-time price effects of transmission constraints and the impacts of congestion at each pricing point. An independent market monitor is responsible for evaluating the performance of the markets and identifying conduct by market participants or MISO that may compromise the efficiency or distort the outcome of the markets. In the future, the potential retirement of marginal MISO coal capacity due to poor economics or expected environmental mandates and confirmed future capacity exports from MISO to PJM could affect MISO capacity and energy pricing.

PJM Market. PJM is the largest domestic and most liquid wholesale energy market, serving more than 61 million customers across more than 62,000 miles of transmission lines with over 1,100 generation sources. The PJM market is characterized by upward trends in energy and capacity prices, increasing retirements of coal generation assets, uncertainty of new construction projects and visible multi-year capacity revenue. The PJM market includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM administers markets for wholesale electricity and provides transmission planning for the region, utilizing the LMP system. PJM operates day-ahead and real-time markets into which generators can bid to provide energy and ancillary services. PJM also administers markets for capacity. An independent market monitor continually monitors PJM markets to ensure a robust, competitive market and to identify any improper behavior by any entity. PJM implemented a forward capacity auction in 2007, the RPM, which established long-term markets for capacity. PJM recently announced several initiatives to improve the effectiveness of the forward capacity market including additional limitations on imports and demand response, which we expect to increase the value of existing power generators. Reserve margins are also expected to tighten following substantial planned retirements due to the ongoing cost of environmental compliance. The Acquisitions will significantly increase our operating capacity to approximately 6% of the total generating capability in the PJM market.

ISO-NE Market. The ISO-NE market, serving the New England region, supplies electricity to 6.5 million households and businesses through 8,500 miles of transmission lines with approximately 350 power generation sources. The ISO-NE market is characterized by high clearing prices, a shortage of existing power generation resources, a lack of new projects under construction and a

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significant amount of current power generation assets at risk of retirement. The ISO-NE market includes the six New England states of Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island and Maine. ISO-NE also dispatches power plants to meet system energy and reliability needs and settles physical power deliveries at LMP. Energy prices vary among the participating states in ISO-NE, and are largely influenced by transmission constraints and fuel supply. This market is also benefitting from favorable supply and demand dynamics in the form of significant capacity retirements, the phase-out of nuclear power generation and the lack of new construction. The Acquisitions will significantly increase our operating capacity to more than 10% of the total generating capability in the ISO-NE market.

Our existing generation assets are divided into Coal, IPH and Gas segments. Our coal segment is comprised of four operating coal-fired power generation facilities in Illinois with a total generating capacity of 2,980 MW. Our IPH segment is comprised of five operating coal-fired power generation facilities located in Illinois with a total owned generating capacity of 4,062 MW. Our Coal and IPH segments are generally concentrated within the MISO market. The Duke Midwest Assets include partial interests in five coal-fired power generation facilities with a total net generating capacity of 2,701 MW. The ECP Assets include two coal facilities with a total net generating capacity of 2,601 MW, of which 1,493 MW relate to Brayton Point which is scheduled to be retired from service in June 2017.

Our Gas segment is comprised of six operating natural gas-fired power generation facilities located in California, Illinois, Pennsylvania, New York, and Maine and one fuel-oil fired power generation facility located in California, totaling 6,078 MW of electric generating capacity. Our Gas segment operates in the PJM, NYISO, ISO-NE and CAISO markets. The Duke Midwest Assets include 100% interests in six natural gas/oil-fired facilities with a total net generating capacity of 3,538 MW. The ECP Assets include five natural gas-fired power generation facilities, two natural gas and oil facilities in Ohio, and partial interests in one gas-fired power generation facility in Illinois, with a total net generating capacity of 3,748 MW.

Corporate Information

Our principal executive offices are located at 601 Travis, Suite 1400, Houston, Texas 77002. Our telephone number is (713) 507-6400 and we have a website accessible at www.dynegy.com. The information posted on our website is not incorporated into this prospectus supplement and is not part of this prospectus supplement.

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THE OFFERING

The summary below contains basic information about this offering. It does not contain all of the information that is important to you. You should read this prospectus supplement and the accompanying prospectus and the documents incorporated and deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus carefully before making an investment decision.

Issuer	Dynegy Inc., a Delaware corporation
Common Stock Offered	22,500,000 shares
Common Stock to be Outstanding After this Offering	122,882,015 shares (excluding shares of common stock that the underwriters have the option to purchase as described below)
New York Stock Exchange Symbol for Common Stock	DYN
Underwriters' Purchase Option	We have granted the underwriters an option for a period of 30 days to purchase up to an additional 3,375,000 shares of common stock.
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and before estimated offering expenses, will be approximately \$676.6 million (or approximately \$778.1 million if the underwriters exercise their option in full). We intend to use the net proceeds from this offering, together with the net proceeds of the Mandatory Convertible Preferred Stock Offering and the Debt Financing, the common stock placement to ECP and cash on hand to finance the Acquisitions and to pay related fees and expenses. If we consummate only one of the Acquisitions, we will use some or all of the net proceeds of this offering to fund the Acquisition that is consummated and any remaining amount for general corporate purposes. If we do not consummate either of the Acquisitions, we will use all of the net proceeds from this offering for general corporate purposes. See "Use of Proceeds."

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Concurrent Mandatory Convertible Preferred Stock Offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 4,000,000 shares of our Series A Mandatory Convertible Preferred Stock, plus up to an additional 600,000 shares of such Mandatory Convertible Preferred Stock that the underwriters of such offering have the option to purchase from us, exercisable within 30 days from the date of the prospectus supplement for the Mandatory Convertible Preferred Stock Offering. We will have the option to redeem, in whole but not in part, all of the Mandatory Convertible Preferred Stock (in cash, by delivery of shares of our common stock, or by delivery of any combination of cash and common stock) if either or both of the Acquisitions is terminated. The completion of this offering is not contingent on the completion of the Mandatory Convertible Preferred Stock Offering, and the Mandatory Convertible Preferred Stock Offering is not contingent on the completion of this offering. For additional information, see "The Transactions" and "Description of Certain Indebtedness and Obligations Our Mandatory Convertible Preferred Stock," included in this prospectus supplement.
Debt Financing	Subsequent to this offering and the Mandatory Convertible Preferred Stock Offering, we expect to obtain Debt Financing in connection with the financing of the Acquisitions. We will be required to redeem all of the debt borrowed if neither of the Acquisitions is consummated. If one or the other of the Acquisitions is not consummated, we will be required to redeem the debt borrowed in connection with such contemplated but unconsummated Acquisition. The completion of this offering is not contingent on the completion of the Debt Financing, and the Debt Financing is not contingent on the completion of this offering. For additional information, see "The Transactions" and "Description of Certain Indebtedness and Obligations Debt Financing," included in this prospectus supplement.
NYSE Trading Symbol	Our common stock is listed on the New York Stock Exchange under the symbol "DYN."
Risk Factors	See "Risk Factors" beginning on page S-23 of this prospectus supplement and page 2 of the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the common stock.

The number of shares of our common stock to be outstanding immediately after this offering is based on 22,500,000 shares to be issued in this offering and 100,382,015 shares outstanding as of October 2, 2014, and excludes:

up to 10,322,400 shares of our common stock, in each case assuming mandatory conversion based on an "applicable market value" (as defined in the certificate of designations establishing the terms of the Mandatory Convertible Preferred Stock) of our common stock equal to \$38.75 per share which is 25% over the price at which our common stock is being offered pursuant to this prospectus supplement, and subject to anti-dilution, make-whole and other adjustments, that would be issuable

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upon conversion of Mandatory Convertible Preferred Stock issued in the Mandatory Convertible Preferred Stock Offering;

2,892,047 shares of our common stock available for future grant under our existing equity incentive plans as of October 2, 2014;

17,287,192 shares of our common stock issuable upon exercise of options, warrants and performance units, outstanding as of October 2, 2014; and

the common stock placement to ECP.

Unless otherwise specified or the context requires otherwise, information in this prospectus supplement assumes that (1) the option we have granted to the underwriters in this offering to purchase 3,375,000 additional shares of common stock and the option we have granted to the underwriters in the Mandatory Convertible Preferred Stock Offering to purchase 600,000 additional shares of Mandatory Convertible Preferred Stock, in each case, are not exercised, (2) the Mandatory Convertible Preferred Stock will not be redeemed if either or both of the Acquisitions are not consummated and (3) we elect to pay any and all dividends with respect to the Mandatory Convertible Preferred Stock in cash.

Table of Contents**SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF DYNEGY**

The selected financial information presented below as of December 31, 2012 and 2013 and for the year ended December 31, 2011, the period from January 1 through October 1, 2012, the period from October 2, 2012 through December 31, 2012, and the year ended December 2013 was derived from, and is qualified by reference to, our audited consolidated financial statements, including the notes thereto, which are incorporated by reference in this prospectus supplement. The selected financial information presented below for the years ended December 31, 2009 and 2010 was derived from, and is qualified by reference to, our audited consolidated financial statements, including the notes thereto, which are not incorporated by reference in this prospectus supplement. The selected financial information as of June 30, 2014 and for the six months ended June 30, 2013 and 2014, was derived from, and is qualified by reference to, our unaudited consolidated financial statements, including the notes thereto, which are incorporated by reference in this prospectus supplement.

This information is only a summary. You should read the data set forth in the table below in conjunction with the section entitled "Selected Financial Data" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and the section entitled "Part I. Financial Information" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, which are incorporated by reference in this prospectus supplement. As a result of the application of fresh-start accounting as of October 1, 2012, following our reorganization, the financial statements on or prior to October 1, 2012 are not comparable with the financial statements after October 1, 2012. References to "Successor" refer to Dynegy after October 1, 2012, after giving effect to the application of fresh-start accounting. References to "Predecessor" refer to Dynegy on or prior to October 1, 2012.

	Predecessor				Successor			
	Year Ended December 31,			January 1 Through October 1, 2012 ⁽²⁾⁽³⁾	October 2 Through December 31, 2012	Year Ended December 31, 2013	Six Months Ended June 30,	
	2009	2010	2011 ⁽¹⁾				2013	2014
					(in millions)			
					(unaudited)			
Statement of Operations Data:								
Revenues	\$ 2,195	\$ 2,059	\$ 1,333	\$ 981	\$ 312	\$ 1,466	\$ 619	\$ 1,283
Depreciation expense	(327)	(397)	(295)	(110)	(45)	(216)	(103)	(124)
Goodwill impairment	(433)							
Impairment and other charges, exclusive of goodwill impairment shown separately above	(326)	(146)	(5)					
General and administrative expense	(159)	(158)	(102)	(56)	(22)	(97)	(47)	(55)
Operating income (loss)	(632)	(32)	(189)	5	(104)	(318)	(226)	(53)
Bankruptcy reorganization items, net			(52)	1,037	(3)	(1)		
Interest expense and debt extinguishment costs ⁽⁴⁾	(461)	(363)	(369)	(120)	(16)	(108)	(56)	(72)
Income tax benefit	235	194	144	9		58		1
Income (loss) from continuing operations	(920)	(259)	(431)	130	(113)	(359)	(292)	(159)
Income (loss) from discontinued operations, net of taxes ⁽⁵⁾	(348)	17	(509)	(162)	6	3	5	
Net income (loss)	(1,268)	(242)	(940)	(32)	(107)	(356)	(287)	(159)
Cash Flow Data:								
Net cash provided by (used in) operating activities	\$ 152	\$ 423	\$ (1)	\$ (37)	\$ (44)	\$ 175	\$ (10)	\$ 163
Net cash provided by (used in) investing activities	790	(520)	(229)	278	265	474	283	(55)
Net cash provided by (used in) financing activities	(1,193)	(69)	375	(184)	(328)	(154)	(160)	(3)
Capital expenditures, acquisitions and investments	(596)	(517)	(21)	193	(46)	136	(55)	(69)

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	Successor		
	As of December 31,		As of June 30,
	2012	2013	2014
			(unaudited)
	(in millions)		
Balance Sheet Data:			
Current assets	\$ 1,043	\$ 1,685	\$ 1,699
Current liabilities	347	721	753
Property, plant and equipment, net	3,022	3,315	3,260
Total assets	4,535	5,291	5,188
Notes payable and current portion of long-term debt	29	13	37
Long-term debt (excluding current portion) ⁽⁶⁾	1,386	1,979	1,971
Capital leases not already included in long-term debt			
Total stockholders'/member's equity	2,503	2,207	2,052

- (1) We completed the DMG Transfer effective September 1, 2011; therefore, the results of our coal segment are only included through August 31, 2011. See Note 23 Dispositions and Discontinued Operations to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.
- (2) We completed the DMG Acquisition effective June 5, 2012; therefore, the results of our Coal segment are only included subsequent to June 5, 2012. See Note 3 Merger and Acquisition to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.
- (3) The results of operations for the period January 1, 2012 through October 1, 2012 includes the effects of the plan of reorganization ("Plan") and impacts of fresh-start accounting related to the DH bankruptcy. See "Selected Financial Data" in the 10-K for the period ended December 31, 2012, incorporated by reference in this prospectus supplement.
- (4) Includes \$46 million, \$21 million and \$11 million of debt extinguishment costs for the years ended December 31, 2009, 2011 and 2013 respectively.
- (5) Discontinued operations include the results of operations from the following businesses:
- The DNE Debtor Entities (see Note 23 Dispositions and Discontinued Operations to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion);
- The Arlington Valley and Griffith power generation facilities (sold fourth quarter 2009);
- Bluegrass power generating facility (sold fourth quarter 2009); and
- Heard County power generating facility (sold second quarter 2009).
- (6) As a result of the DH Chapter 11 Cases, we reclassified approximately \$3.6 billion in long-term debt to liabilities subject to compromise as of December 31, 2011. These liabilities were settled upon our emergence from bankruptcy on October 1, 2012. See

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Note 21 Emergence from Bankruptcy and Fresh-Start Accounting to our audited consolidated financial statements incorporated by reference in this prospectus supplement for further discussion.

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Table of Contents**SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF DUKE MIDWEST ASSETS**

The following table sets forth summary historical consolidated financial data for the Duke Midwest Assets as of and for the periods ended on the dates indicated below. We have derived the summary consolidated financial data as of and for the years ended December 31, 2011, 2012 and 2013 from the audited consolidated financial statements incorporated by reference into this prospectus supplement. We have derived the summary consolidated financial data as of June 30, 2014 and for the six-months ended June 30, 2013 and 2014, from the unaudited financial statements incorporated by reference into this prospectus supplement. The unaudited financial statements were prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair statement of the information set forth therein.

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in millions)				
Statement of Operations Data:					
Operating revenues	\$ 2,299	\$ 1,874	\$ 1,951	\$ 907	\$ 622
Operating expenses:					
Plant operating expense	1,746	1,550	1,718	818	787
Depreciation and amortization expense	154	151	146	74	77
Impairment charges	79				
Other operating expenses	27	27	28	18	18
Total operating expenses	2,006	1,728	1,892	910	882
Gain on sale of assets, net	4	6		1	1
Income from operations	297	152	59	(2)	(259)
Interest expense	2	3	2	1	5
Other income, net	3	1			1
Income (loss) before income taxes and discontinued operations	298	150	57	(3)	(263)
Income tax expense (benefit)	103	54	20	(1)	(93)
Net income (loss)	195	96	37	(2)	(170)

	As of		As of
	December 31,	2013	June 30, 2014
	2012		(unaudited)
	(in millions)		
Balance Sheet Information:			
Cash and cash equivalents	\$ 2	\$ 5	\$ 5
Total assets	3,936	3,924	3,879
Total debt	402	402	
Total liabilities	1,457	1,481	1,078
Total stockholders' equity	2,479	2,443	2,801

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The following table sets forth summary historical combined financial data for the ECP Assets as of and for the periods ended on the dates indicated below. We have derived the summary combined financial data as of and for the years ended December 31, 2011, 2012 and 2013 from the audited combined financial statements incorporated by reference into this prospectus supplement. We have derived the summary unaudited combined interim financial data as of June 30, 2014 and for the six-months ended June 30, 2013 and 2014, from the unaudited combined financial statements incorporated by reference into this prospectus supplement. The unaudited combined financial statements were prepared on the same basis as the audited combined financial statements and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments necessary for a fair statement of the information set forth therein.

	Year Ended December 31,			Six Months Ended June 30,	
	2011	2012	2013	2013	2014
	(unaudited)				
	(in millions)				
Combined Statements of Operations Data					
Operating revenues	\$ 562	\$ 558	\$ 870	\$ 381	\$ 876
Operating expenses:					
Energy and fuel costs	462	371	667	297	522
Operations and maintenance	47	68	101	23	97
Depreciation and amortization	31	52	65	28	46
Taxes other than income taxes	22	31	25	16	12
Total operating expenses	561	522	857	364	677
Operating income		36	13	18	199
Other expense (income):					
Interest and fees on debt	36	89	87	36	43
Equity (income) loss in affiliates			1		(2)
Other income, net		(4)			
Mark-to-market on interest rate derivative contracts	8	5	(4)	(8)	7
Other expense, net	44	89	84	28	48
Gain on bargain purchase of business			3		
Income (loss) before income tax expense (benefit)	(44)	(53)	(68)	(10)	151
Income tax expense (benefit)	(16)	(13)	(27)	(4)	59
Loss before preferred dividends	(28)	(40)	(41)	(7)	92
Preferred dividends	1				
Income (loss) from continuing operations	(29)	(40)	(41)	(7)	92

	As of December 31,		As of
	2012	2013	June 30, 2014
	(unaudited)		
	(in millions)		
Combined Balance Sheets Data			
Cash and cash equivalents	\$ 21	\$ 51	\$ 71
Restricted cash	73	87	85
Total assets	1,679	2,562	2,531
Total debt (includes inventory financing facility)	923	1,538	1,548
Total liabilities	1,146	1,943	1,921
Total equity	533	613	610

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following summary unaudited pro forma condensed combined financial information (the "Summary Pro Forma Financial Information") sets forth selected historical consolidated financial information for Dynegy. The Summary Pro Forma Financial Information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Information and related notes filed as Exhibit 99.1 to our Current Report on Form 8-K, filed October 6, 2014 (the "Pro Forma 8-K"), which is incorporated by reference into this prospectus supplement. The Summary Pro Forma Financial Information is provided for informational and illustrative purposes only and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes in Dynegy's Annual Report on Form 10-K for the year ended December 31, 2013 and Dynegy's audited annual consolidated financial statements and unaudited interim condensed consolidated financial statements, which are incorporated by reference into this prospectus supplement.

The pro forma adjustments, as described in the notes to the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Pro Forma 8-K, which is incorporated by reference into this prospectus supplement, are based on currently available information. Management believes such adjustments are reasonable, factually supportable and directly attributable to the events and transactions described therein. The unaudited pro forma condensed combined balance sheet reflects the impact of the AER Acquisition, this offering, the Mandatory Convertible Preferred Stock Offering, the Debt Financing, the Duke Midwest Acquisition, the ERC and Brayton Acquisitions, and the two incremental revolving credit facilities discussed elsewhere in this prospectus supplement (see "Overview of Financial Condition, Liquidity and Capital Resources") as if they had been completed on June 30, 2014. The unaudited pro forma condensed combined statements of operations give effect to the events and transactions described in the previous sentence as if they had been completed on January 1, 2013, and only include adjustments which have an ongoing impact. The Summary Pro Forma Financial Information does not purport to represent what our actual consolidated results of operations or financial position would have been had the events and transactions occurred on the dates assumed, nor is it necessarily indicative of our future financial condition or consolidated results of operations.

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

	As of June 30, 2014						
	Dynegy As Reported	Equity Offerings	Debt Financing and Revolver	Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted	
	(in millions)						
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 948	\$ 1,065	\$ 4,977	\$ (2,849)	\$ (3,180)	\$ 961	
Restricted cash							
Accounts receivable, net	367			146	54	567	
Inventory	206			130	181	517	
Assets from risk management activities	10			9	5	24	
Intangible assets	60					60	
Prepayments and other current assets	108			140	80	328	
Total Current Assets	1,699	1,065	4,977	(2,424)	(2,860)	2,457	
Property, plant, and equipment, net	3,260			2,695	4,252	10,207	
Investment in affiliates					152	152	
Assets from risk management activities	11			8	1	20	
Intangible assets	50					50	
Goodwill							
Deferred income taxes	65				(20)	45	
Other long-term assets	103		75	14	70	262	
Total Assets	\$ 5,188	\$ 1,065	\$ 5,052	\$ 293	\$ 1,595	\$ 13,193	

LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts payable	305			143	106	554
Accrued interest	13					13
Deferred income taxes	65				(20)	45
Intangible liabilities	57					57
Accrued liabilities and other current liabilities	166			36	68	270
Liabilities from risk management activities	110			49	57	216
Debt, current portion	37					37
Total Current Liabilities	753			228	211	1,192

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Debt, long-term portion	1,971	5,100			7,071
Other Liabilities					
Liabilities from risk management activities	40		56	17	113
Asset retirement obligations	160		4	59	223
Other long-term liabilities	212		23	59	294
Total Liabilities	3,136	5,100	311	346	8,893
Commitments and contingencies					
Total Equity	2,052	1,065	(48)	(18)	4,300
Total Liabilities and Equity	\$ 5,188	\$ 1,065	\$ 5,052	\$ 293	\$ 13,193

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	Year Ended December 31, 2013					
	Debt Financing, Revolver, and Equity Offerings					
	Dynegy As Reported	AER Acquisition	Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted	
	(\$ in millions, except per share amounts)					
Revenues	\$ 1,466	\$ 1,096	\$ 1,893	\$ 870	\$ 5,325	
Cost of sales, excluding depreciation expense	(1,145)	(831)	(1,344)	(667)	(3,987)	
Gross margin	321	265	549	203	1,338	
Operating and maintenance expense	(308)	(204)	(261)	(119)	(892)	
Depreciation and amortization expense	(216)	(22)	(108)	(170)	(516)	
Gain on sale of assets	2				2	
Impairment						
General and administrative expense	(97)	(26)	(79)		(202)	
Acquisition and integration costs	(20)	20				
Operating (loss) income	(318)	33	101	(86)	(270)	
Bankruptcy reorganization items, net	(1)				(1)	
Earnings from unconsolidated investments	2				2	
Interest expense	(97)	(55)	(348)	(1)	(501)	
Loss on extinguishment of debt	(11)				(11)	
Other income and expense, net	8			2	10	
(Loss) income from continuing operations before income taxes	(417)	(22)	(348)	101	(85)	(771)
Income tax benefit (expense)	58					58
(Loss) income from continuing operations	(359)	(22)	(348)	101	(85)	(713)
Less: Income (loss) attributable to noncontrolling interest		3				3
Net (loss) income attributable to Dynegy Inc. (excluding discontinued operations)	(359)	(25)	(348)	101	(85)	(716)
Less: Preferred stock dividends			(22)			(22)
Net (loss) income attributable to Dynegy Inc. common shareholders (excluding discontinued operations)	\$ (359)	\$ (25)	\$ (370)	\$ 101	\$ (85)	\$ (738)

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Basic loss per share from continuing operations excluding discontinued operations available to common shareholders	\$ (3.59)	\$ (5.72)
Diluted loss per share from continuing operations excluding discontinued operations available to common shareholders	\$ (3.59)	\$ (5.72)
Basic shares outstanding	100	129
Diluted shares outstanding	100	129

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DYNEGY INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	Six Months Ended June 30, 2014				
	Debt Financing, Revolver, and Equity Offerings				
	Dynegy As Reported		Duke Midwest Acquisition	EquiPower Acquisition	Dynegy Pro Forma As Adjusted
	(\$ in millions, except per share amounts)				
Revenues	\$ 1,283	\$	\$ 575	\$ 876	\$ 2,734
Cost of sales, excluding depreciation expense	(917)		(605)	(522)	(2,044)
Gross margin	366		(30)	354	690
Operating and maintenance expense	(246)		(140)	(109)	(495)
Depreciation and amortization expense	(124)		(54)	(85)	(263)
Gain on sale of assets, net	14		1		15
General and administrative expense	(55)		(32)		(87)
Acquisition and integration costs	(8)				(8)
Operating (loss) income	(53)		(255)	160	(148)
Earnings from unconsolidated investments	10				10
Interest expense	(72)	(174)		(1)	(247)
Other income and expense, net	(45)		1	2	(42)
(Loss) income from continuing operations before income taxes	(160)	(174)	(254)	161	(427)
Income tax benefit (expense)	1				1
Net (loss) income from continuing operations	(159)	(174)	(254)	161	(426)
Less: Net income attributable to noncontrolling interest	5				5
Net (loss) income attributable to Dynegy Inc.	(164)	(174)	(254)	161	(431)
Less: Preferred stock dividends		(11)			(11)
Net (loss) income attributable to Dynegy Inc. common shareholders	\$ (164)	\$ (185)	\$ (254)	\$ 161	\$ (442)
Basic loss per share from continuing operations available to common shareholders	\$ (1.64)				\$ (3.43)
	\$ (1.64)				\$ (3.43)

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Diluted loss per share from continuing operations available to common shareholders		
Basic shares outstanding	100	129
Diluted shares outstanding	100	129

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RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase our common stock. In addition, you should carefully consider, among other things, the matters discussed under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in other documents that we subsequently file with the SEC, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."

Risks Related to the Proposed Acquisitions

We may be unable to obtain the regulatory approvals required to complete one or both of the Acquisitions or, in order to do so, we may be required to comply with material restrictions on our conduct or satisfy other material conditions required by various regulatory authorities.

Consummation of the Acquisitions is subject to conditions and governmental approvals, including FERC approval and review by the U.S. Department of Justice Antitrust Division, referred to as the Antitrust Division, and the Federal Trade Commission, referred to as the FTC, under the HSR. We, Duke and ECP are currently responding to preliminary inquiries by the Antitrust Division. The expiration or termination of the waiting period (and any extension of the waiting period) applicable to an Acquisition under the HSR Act is a condition to closing such Acquisition. The closing of the Acquisitions are also subject to the condition that there be no injunction or order issued by a court of competent jurisdiction that prevents the consummation of the transactions contemplated by the acquisition agreements. We can provide no assurance that all required regulatory approvals will be obtained. There can also be no assurance as to the cost, scope or impact of the actions that may be required to obtain the required regulatory approvals. Furthermore, these actions could have the effect of delaying or preventing completion of the proposed transactions or imposing additional costs, conditions or restrictions on our business and operations, some of which could be material and adversely affect our revenues and profitability following the consummation of the transactions.

Furthermore, the FERC, the Department of Justice or other governmental authorities could seek to block or challenge the Acquisitions as they deem necessary or desirable in the public interest at any time, including after completion of the transactions. In addition, in some circumstances, a competitor, customer or other third party could initiate a private action under antitrust laws challenging or seeking to enjoin either or both Acquisitions, before or after either or both of them are consummated. We may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

If one or both of the Acquisitions are consummated, we may be unable to successfully integrate the operations of the relevant Target Companies with each other or with our existing operations or to realize targeted cost savings, revenues and other anticipated benefits of the Acquisitions.

The success of the proposed Acquisitions will depend, in part, on our ability to realize the anticipated benefits and synergies from integrating the Duke Midwest Assets and/or the ECP Assets with each other or with our existing generation business. To realize these anticipated benefits, the businesses must be successfully combined.

We may be required to make unanticipated capital expenditures or investments in order to maintain, integrate, improve or sustain the Duke Midwest Assets' and/or the ECP Assets' operations, or take

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unexpected write-offs or impairment charges resulting from the Acquisitions. Further, we may be subject to unanticipated or unknown liabilities relating to the Target Companies. If any of these factors occur or limit our ability to integrate the businesses successfully or on a timely basis, the expectations of our future financial conditions and results of operations following the Acquisitions might not be met.

In addition, we, the Duke Midwest Assets and the ECP Assets have operated and, until the consummation of the Acquisitions, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses, inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to achieve the anticipated benefits of the Acquisitions and could harm our financial performance. Further, because ECP is a private company, we may be required to implement or improve the internal controls, procedures and policies of the ECP Assets to meet standards applicable to public companies, which may be time-consuming and more expensive than anticipated.

In addition, we continue to evaluate our estimates of synergies to be realized from, and the fair value accounting allocations associated with, the Acquisitions and refine them, so that our actual cost-savings could differ materially from our current estimates. Actual cost-savings, the costs required to realize the cost-savings and the source of the cost-savings could differ materially from our estimates, and we cannot assure you that we will achieve the full amount of cost-savings on the schedule anticipated or at all.

Finally, we may not be able to achieve the targeted operating or long-term strategic benefits of the Acquisitions. If the combined businesses are not able to achieve our objectives, or are not able to achieve our objectives on a timely basis, the anticipated benefits of the Acquisitions may not be realized fully or at all. An inability to realize the full extent of, or any of, the anticipated benefits of the Acquisitions, as well as any delays encountered in the integration process, could have an adverse effect on our financial condition, results of operations and cash flows.

This offering is not contingent upon the consummation of the Acquisitions. If either or both of the Acquisitions are not consummated, we will have broad discretion to use the net proceeds of this offering and our concurrent Mandatory Convertible Preferred Stock Offering for general corporate purposes. Even if the Acquisitions are consummated, they may not be consummated in the time frame, or on the terms or in the manner contemplated, which could have a negative impact on our business.

This offering is not contingent upon the consummation of the Acquisitions. Accordingly, your purchase of our common stock in this offering may be an investment in Dynegy on a stand-alone basis without any of the assets of the Duke Midwest Assets or the ECP Assets, or anticipated benefits of the Acquisitions. We will have broad discretion to use the net proceeds of this offering if either or both of the Acquisitions do not occur. General corporate purposes may include strategic investments and acquisitions.

There are a number of risks and uncertainties relating to the Acquisitions. For example, the Acquisitions may not be consummated, or may not be consummated in the time frame, on the terms or in the manner currently anticipated, as a result of a number of factors, including, among other things, the failure of one or more of the conditions to closing to be satisfied. There can be no assurance that the conditions to closing of the Acquisitions will be satisfied or waived or that other events will not intervene to delay or result in the failure to close the Acquisitions. Any delay in closing or a failure to close could have a negative impact on our business and the trading prices of our securities, including our common stock. Likewise, the Transactions may be completed on terms that differ, perhaps substantially, from those described in this prospectus supplement.

We will incur significant transaction and acquisition-related costs in connection with the proposed Acquisitions.

We expect to incur significant costs associated with the Acquisitions and combining the operations of our company with the Target Companies, including costs to achieve targeted cost-savings. The substantial majority of the expenses resulting from the Acquisitions will be composed of transaction costs, systems

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consolidation costs, and business integration and employment-related costs, including costs for severance, retention and other restructuring. We may also incur transaction fees and costs related to formulating integration plans. Additional unanticipated costs may be incurred in the integration of our and the Target Companies' businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

The announcement and pendency of the Acquisitions could impact or cause disruptions in our, Duke Midwest Assets' and ECP Assets' operations.

The announcement and pendency of the Acquisitions could impact or cause disruptions in our, Duke's and ECP's operations. Specifically:

our, Duke Midwest Assets' and ECP Assets' current and prospective customers and suppliers may experience uncertainty associated with the Acquisitions, including with respect to current or future business relationships with us, Duke Midwest Assets, ECP Assets or the Combined Company business and may attempt to negotiate changes in existing business;

our, Duke Midwest Assets' and ECP Assets' employees may experience uncertainty about their future roles with us, which may adversely affect our, Duke Midwest Assets' and ECP Assets' ability to retain and hire key employees;

the Acquisitions may give rise to potential liabilities, including as a result of pending and future shareholder lawsuits relating to the Acquisitions; and

if the ERC and Brayton Acquisitions are consummated, the accelerated vesting of equity-based awards and payment of "change in control" benefits to some members of ECP Assets' management on consummation of the ERC and Brayton Acquisitions could result in increased difficulty or cost in retaining Duke Midwest Assets' and ECP Assets' officers and employees.

Any of the above disruptions could have an adverse effect on our business, results of operations and financial condition.

The Duke Midwest Assets and ECP Assets have no operating history as a stand-alone provider of electric energy, capacity and ancillary services. Therefore, each of the Target Companies' historical financial information and the pro forma financial information do not reflect the results we would have achieved during the periods presented as a stand-alone company and may not be a reliable indicator of our future results.

The historical and pro forma financial information included or incorporated by reference in this prospectus supplement does not reflect the financial condition, results of operations or cash flows we would have achieved during the periods presented or those results we will achieve in the future as a stand-alone provider of electric energy, capacity and ancillary services.

The audited combined financial statements included in this prospectus supplement have been derived from the books and records of Duke and Duke Ohio on the one hand and ERC and Brayton on the other hand. Preparing the audited combined financial statements required management of Duke and Duke Ohio and ERC and Brayton to assign certain assets, liabilities, revenues and expenses using the historical results of operations and cost basis of the Duke Midwest Assets and ECP Assets, respectively, during the periods presented. The financial statements of the Duke Midwest Assets also include income and expense allocations from Duke and its subsidiaries, including Duke Ohio. These assignments are based on certain assumptions, and, as a result, the audited combined financial statements may not reflect what our results of operations, financial position or cash flow would have been if we had operated as a stand-alone provider of electric energy, capacity and ancillary services.

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The unaudited pro forma condensed combined financial information included and incorporated by reference into this prospectus supplement is presented for illustrative purposes only and does not represent what the financial position or results of operations of the Combined Company would have been had the Acquisitions been consummated on the dates assumed for purposes of that pro forma information nor does it represent the actual financial position or results of operations of the Combined Company following the Acquisitions.

The unaudited pro forma condensed combined financial information included and incorporated by reference into this prospectus supplement is presented for illustrative purposes only, contains a variety of adjustments, assumptions and preliminary estimates, is subject to numerous other uncertainties and does not reflect what the Combined Company's financial position or results of operations would have been had the Acquisitions been consummated as of the dates assumed for purposes of that pro forma financial information nor does it reflect the financial position or results of operations of the combined company following the Acquisitions. The pro forma adjustments are based on the preliminary information available at the time of the preparation of this document. For purposes of the unaudited pro forma condensed combined financial information, the estimated Acquisitions consideration has been preliminarily allocated to the assets acquired and liabilities assumed based on limited information presently available to us to estimate fair values. The Acquisitions consideration will be allocated among the relative fair values of the assets acquired and liabilities assumed based on their estimated fair values as of the respective dates of the Acquisitions. The final allocation is dependent upon certain valuations and other analyses that cannot be completed prior to the Acquisitions and are required to make a definitive allocation. The actual amounts recorded may differ materially from the information presented in the unaudited pro forma condensed combined financial information.

Additionally, the unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from synergies that may be derived from any integration activities nor does it include any other items not expected to have a continuing impact on the consolidated results of operations. The unaudited pro forma condensed combined financial information has also been prepared on the assumption that the Acquisitions and the Financing Transactions will be completed on the terms and in accordance with the assumptions set forth under "Summary Unaudited Pro Forma Condensed Combined Financial Information" and in the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Pro Forma Form 8-K, which is incorporated by reference into this prospectus supplement. The purchase price and other terms of the Acquisitions and the terms of the Financing Transactions may change, perhaps substantially, and, because none of the Financing Transactions are contingent upon completion of any of the other Financing Transactions, it is possible that one or more of the Financing Transactions will not be completed. In particular, it is possible that the Financing Transactions will not generate the anticipated amount of net proceeds, which may require us to obtain additional financing or utilize cash on hand in order to effect the Acquisitions. See "Summary Unaudited Pro Forma Condensed Combined Financial Information" in this prospectus supplement, our and the Target Companies' consolidated financial statements incorporated by reference in this prospectus supplement and the Pro Forma Form 8-K, which is incorporated by reference into this prospectus supplement.

Risks Related to the Operation of Our Business

Because wholesale and retail power prices are subject to significant volatility and because many of our power generation facilities, including certain of the Target Companies' facilities, operate without long-term power sales agreements, our revenues and profitability are subject to wide fluctuations.

Because we largely sell electric energy, capacity and ancillary services into the wholesale energy spot market or into other wholesale and retail power markets on a short term basis, we are not guaranteed any rate of return on our capital investments. Rather, our financial condition, results of operations and cash flows will depend, in large part, upon prevailing market prices for power and the fuel to generate such power. Wholesale and retail power markets are subject to significant price fluctuations over relatively short

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periods of time and can be unpredictable. Factors that may materially impact the power markets and our financial results include:

addition of new supplies of power from existing competitors or new market entrants as a result of the development of new generation plants, expansion of existing plants or additional transmission capacity;

environmental regulations and legislation;

weather conditions, including extreme weather conditions and seasonal fluctuations;

electric supply disruptions including plant outages;

basis risk from transmission losses and congestion and changes in power transmission infrastructure;

development of new technologies for the production of natural gas;

fuel price volatility;

economic conditions;

increased competition or price pressure driven by generation from renewable sources;

regulatory constraints on pricing (current or future) or the functioning of the energy trading markets and energy trading generally;

the existence and effectiveness of demand-side management; and

conservation efforts and the extent to which they impact electricity demand.

The majority of our facilities and certain of the Target Companies' facilities operate as "merchant" facilities without long-term power sales agreements. Consequently, there can be no assurance that we will be able to sell any or all of the electric energy, capacity or ancillary services from those facilities at commercially attractive rates or that our facilities will be able to operate profitably. This could lead to less favorable financial results as well as future impairments of our property, plant and equipment or to the retirement of certain of our facilities resulting in economic losses and liabilities.

Given the volatility of commodity power prices, to the extent we do not secure long-term power sales agreements for the output of our power generation facilities including the Target Companies' facilities, our revenues and profitability will be subject to increased volatility, and our financial condition, results of operations and cash flows could be materially adversely affected.

Our commercial strategies for our wholesale and retail businesses may not be executed as planned, may result in lost opportunities or adversely affect financial performance.

We seek to commercialize our assets through sales arrangements of various types. In doing so, we attempt to balance a desire for greater predictability of earnings and cash flows in the short- and medium-terms with our expectation that commodity prices will rise over the longer term, creating upside opportunities for those with unhedged generation volumes. Our ability to successfully execute this strategy is dependent on

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a number of factors, many of which are outside our control, including market liquidity and design, correlation risk, commodity cycles, the availability of counterparties willing to transact with us or to transact with us at prices we think are commercially acceptable, the availability of liquidity to post collateral in support of our derivative instruments and the reliability of the systems and models comprising our commercial operations function. The availability of market liquidity and willing counterparties could be negatively impacted by poor economic and financial market conditions, including impacts on financial institutions and other current and potential counterparties as well as counterparties' views of our creditworthiness. If we are unable to transact in the short- and medium-terms, our financial condition, results of operations and cash flows will be subject to significant uncertainty and volatility. Alternatively,

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significant contract execution for any such period may precede a run-up in commodity prices, resulting in lost up-side opportunities.

Further, financial performance may be adversely affected if we are unable to effectively manage our power portfolio. A portion of the generation power portfolio is used to provide power under contracts with wholesale and retail customers. To the extent portions of the power portfolio are not needed for that purpose, generation output is sold in the wholesale market. To the extent our power portfolio is not sufficient to meet the requirements of our customers, we must purchase power in the wholesale power markets. Our financial results may be negatively affected if we are unable to manage the power portfolio and cost-effectively meet the requirements of our customers.

A decline in market liquidity and our ability to manage our counterparty credit risk could adversely affect us.

Our supplier counterparties may experience deteriorating credit. These conditions could cause counterparties in the natural gas and power markets, particularly in the energy commodity derivative markets that we rely on for our hedging activities, to withdraw from participation in those markets. If multiple parties withdraw from those markets, market liquidity may be threatened, which in turn could adversely impact our business. Additionally, these conditions may cause our counterparties to seek bankruptcy protection under Chapter 11 or liquidation under Chapter 7 of the Bankruptcy Code. Our credit risk may be exacerbated to the extent collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the exposure due to us. There can be no assurance that any such losses or impairments to the carrying value of our financial assets would not materially and adversely affect our financial condition, results of operations and cash flows. In addition, retail sales subject us to credit risk through competitive electricity supply activities to serve commercial and industrial companies and governmental entities. Retail credit risk results when customers default on their contractual obligations. This risk represents the loss that may be incurred due to the nonpayment of a customer's account balance, as well as the loss from the resale of energy previously committed to serve that customer, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are exposed to the risk of fuel and fuel transportation cost increases and interruptions in fuel supplies.

We purchase the fuel requirements for many of our power generation facilities, primarily those that are natural gas-fired, under short-term contracts or on the spot market. As a result, we face the risks of supply interruptions and fuel price volatility, as fuel deliveries may not exactly match those required for energy sales.

Moreover, profitable operation of many of our coal-fired generation facilities is highly dependent on coal prices and coal transportation rates. We monitor our price exposure by entering into term contracts for PRB coal, which we use for our Coal and IPH facilities in the Midwest. Our coal transportation requirements for the Coal and IPH facilities are fully contracted and priced for the next several years. Transportation of PRB coal can also be affected by extreme weather, slowing or stopping the delivery from the mine to the facility. Brayton Point sources some of its coal requirements from South America. The ability to procure South American coal is subject to local political and other factors that could have a negative impact on our coal deliveries regardless of any contracts.

We continue to explore various alternative contractual commitments and financial options, as well as facility modifications, to ensure stable and competitive fuel supplies and to mitigate further supply risks for near- and long-term coal supplies.

Further, any changes in the costs of coal, fuel oil, natural gas or transportation rates and changes in the relationship between such costs and the market prices of power will affect our financial results. If we are unable to procure fuel for physical delivery at prices we consider favorable, our financial condition, results of operations and cash flows could be materially adversely affected.

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If one or both of the Acquisitions are not consummated, the concentration of our business in Illinois and the MISO may increase the effects of adverse trends in that market and any disruption of production at the Kendall, Ontelaunee, Independence or Moss Landing facilities could have a material adverse effect on our financial condition, results of operations and cash flows.

A substantial portion of our business is located in Illinois and the MISO where more than 50% of our plant capacity is currently located. Further, natural disasters in Illinois and changes in economic conditions in MISO, including changing demographics, congestion, or oversupply of or reduced demand for power, could have a material adverse effect on our financial condition, results of operations and cash flows.

In addition, a substantial portion of our gross margin is derived from four of our Gas facilities, Kendall, Ontelaunee, Independence and Moss Landing. Consequently, if one or both of the Acquisitions are not consummated, then any disruption of production at these facilities could have a material adverse effect on our financial condition, results of operations and cash flows.

Operation of power generation facilities involves significant risks customary to the power industry that could have a material adverse effect on our financial condition, results of operations and cash flows.

The ongoing operation of our facilities involves risks customary to the power industry that include the breakdown or failure of equipment or processes, performance below expected levels of output or efficiency and the inability to transport our product to customers in an efficient manner due to a lack of transmission capacity. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems, occur from time to time and are an inherent risk of our business. Further, several of our facilities and the Target Companies' facilities are old and require periodic upgrading and improvement. Any unexpected failure, including failure associated with breakdowns, forced outages or any unanticipated capital expenditures, could result in reduced profitability. Unplanned outages typically increase our operation and maintenance expenses and may reduce our revenues as a result of selling fewer MW or require us to incur significant costs as a result of running one of our higher cost units or obtaining replacement power from third parties in the open market to satisfy our forward power sales obligations. If we are unsuccessful in operating the facilities efficiently, such inefficiency could have a material adverse effect on our results of operations, financial condition and cash flows.

Our costs of compliance with existing environmental requirements are significant, and costs of compliance with new environmental requirements or factors could materially adversely affect our financial condition, results of operations and cash flows.

Our business is subject to extensive and frequently changing environmental regulation by federal, state and local authorities. Such environmental regulation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, use, transportation, treatment, storage and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances (including GHG) into the environment, and in connection with environmental impacts associated with cooling water intake structures. Existing environmental laws and regulations may be revised or reinterpreted, new laws and regulations may be adopted or may become applicable to us or our facilities, and litigation or enforcement proceedings could be commenced against us. Proposals being considered by federal and state authorities (including proposals regarding regulation of coal combustion byproducts, ash ponds, cooling water intake structures and GHGs) could, if and when adopted or enacted, require us to make substantial capital and operating expenditures or consider retiring certain of our facilities. If any of these events occur, our financial condition, results of operations and cash flows could be materially adversely affected.

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Many environmental laws require approvals or permits from governmental authorities before construction, modification or operation of a power generation facility may commence. Certain environmental permits must be renewed periodically in order for us to continue operating our facilities. The process of obtaining and renewing necessary permits can be lengthy and complex and can sometimes result in the establishment of permit conditions that make the project or activity for which the permit was sought unprofitable or otherwise unattractive. Even where permits are not required, compliance with environmental laws and regulations can require significant capital and operating expenditures. We are required to comply with numerous environmental laws and regulations, and to obtain numerous governmental permits when we modify and operate our facilities. If there is a delay in obtaining any required environmental regulatory approvals or permits, if we fail to obtain any required approval or permit, or if we are unable to comply with the terms of such approvals or permits, the operation of our facilities may be interrupted or become subject to additional costs and/or legal challenges. Further, changed interpretations of existing regulations may subject historical maintenance, repair and replacement activities at our facilities to claims of noncompliance. As a result, our financial condition, results of operations and cash flows could be materially adversely affected. With the continuing trend toward stricter environmental standards and more extensive regulatory and permitting requirements, our capital and operating environmental expenditures are likely to be substantial and may significantly increase in the future.

Our business is subject to complex government regulation. Changes in these regulations or in their implementation may affect costs of operating our facilities or our ability to operate our facilities, or increase competition, any of which would negatively impact our results of operations.

We are subject to extensive federal, state and local laws and regulations governing the generation and sale of energy commodities in each of the jurisdictions in which we have operations. Compliance with these ever-changing laws and regulations requires expenses (including legal representation) and monitoring, capital and operating expenditures. Potential changes in laws and regulations that could have a material impact on our business include: the introduction, or reintroduction, of rate caps or pricing constraints; increased credit standards, collateral costs or margin requirements, as well as reduced market liquidity, as a result of potential OTC market regulation; or a variation of these. Furthermore, these and other market-based rules and regulations are subject to change at any time, and we cannot predict what changes may occur in the future or how such changes might affect any facet of our business.

The costs and burdens associated with complying with the increased number of regulations may have a material adverse effect on us if we fail to comply with the laws and regulations governing our business or if we fail to maintain or obtain advantageous regulatory authorizations and exemptions. Failure to comply with such requirements could result in the shutdown of any noncompliant facility, the imposition of liens or fines, or civil or criminal liability. Moreover, increased competition within the sector resulting from potential legislative changes, regulatory changes or other factors may create greater risks to the stability of our power generation earnings and cash flows generally.

Availability and cost of emission allowances could materially impact our costs of operations.

We are required to maintain, either through allocation or purchase, sufficient emission allowances to support our operations in the ordinary course of operating our power generation facilities. These allowances are used to meet our obligations imposed by various applicable environmental laws, and the trend toward more stringent regulations (including regulations regarding GHG emissions) will likely require us to obtain new or additional emission allowances. If our operational needs require more than our allocated quantity of emission allowances, we may be forced to purchase such allowances on the open market, which could be costly. If we are unable to maintain sufficient emission allowances to match our operational needs, we may have to curtail our operations so as not to exceed our available emission allowances, or install costly new emissions controls. As we use the emissions allowances that we have

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purchased on the open market, costs associated with such purchases will be recognized as an operating expense. If such allowances are available for purchase, but only at significantly higher prices, their purchase could materially increase our costs of operations in the affected markets and materially adversely affect our financial condition, results of operations and cash flows.

Competition in wholesale and retail power markets, together with the age of certain of our generation facilities and the Target Companies' facilities, may have a material adverse effect on our financial condition, results of operations and cash flows.

Our power generation business competes with other non-utility generators, regulated utilities, unregulated subsidiaries of regulated utilities, other energy service companies and financial institutions in the sale of electric energy, capacity and ancillary services, as well as in the procurement of fuel, transmission and transportation services. Moreover, aggregate demand for power may be met by generation capacity based on several competing technologies, as well as power generating facilities fueled by alternative or renewable energy sources, including hydroelectric power, synthetic fuels, solar, wind, wood, geothermal, waste heat and solid waste sources. Regulatory initiatives designed to enhance and/or subsidize renewable generation could increase competition from these types of facilities.

We also compete against other energy merchants on the basis of our relative operating skills, financial position and access to credit sources. Electric energy customers, wholesale energy suppliers and transporters often seek financial guarantees, credit support such as letters of credit, and other assurances that their energy contracts will be satisfied. Companies with which we compete may have greater resources in these areas. In addition, certain of our current facilities and the Target Companies' facilities are relatively old. Newer plants owned by competitors may be more efficient than some of our plants, which may put these plants at a competitive disadvantage. Over time, some of our plants may become unable to compete because of the construction of new plants, and such new plants could have a number of advantages including: more efficient equipment, newer technology that could result in fewer emissions or more advantageous locations on the electric transmission system. Additionally, these competitors may be able to respond more quickly to new laws and regulations because of the newer technology utilized in their facilities or the additional resources derived from owning more efficient facilities. Taken as a whole, the potential disadvantages of our aging fleet could result in lower run-times or even early asset retirement.

Other factors may contribute to increased competition in wholesale power markets. New forms of capital and competitors have entered the industry, including financial investors who perceive that asset values are at levels below their true replacement value. As a result, a number of generation facilities in the U.S. are now owned by lenders and investment companies. Furthermore, mergers and asset reallocations in the industry could create powerful new competitors. Under any scenario, we anticipate that we will face competition from numerous companies in the industry.

In addition, the retail marketing activities compete for customers in a competitive environment, which impacts the margins that we can earn on the volumes we are able to serve. Further, with retail competition, residential customers where we serve load can switch to and from competitive electric generation suppliers for their energy needs. If fewer customers switch to another supplier than anticipated, the load we must serve will be greater and, if market prices have increased, our costs will increase due to the need to go to the market to cover the incremental supply obligation. If more customers switch to another supplier than anticipated, the load we must serve will be lower and, if market prices have decreased, we could lose opportunities in the market.

Moreover, many companies in the regulated utility industry, with which the wholesale power industry is closely linked, are also restructuring or reviewing their strategies. Several of those companies have discontinued or are discontinuing their unregulated activities and seeking to divest or spin-off their unregulated subsidiaries. This may lead to increased competition between the regulated utilities and the

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unregulated power producers within certain markets. To the extent that competition increases, our financial condition, results of operations and cash flows may be materially adversely affected.

With the exception of Joppa, we do not own or control transmission facilities required to sell the wholesale power from our generation facilities. If the transmission service is inadequate, our ability to sell and deliver wholesale power may be materially adversely affected. Furthermore, RTOs and ISOs administer the transmission infrastructure and market, which are subject to changes in structure and operation and impose various pricing limitations. These changes and pricing limitations may affect our ability to deliver power to the market that would, in turn, adversely affect the profitability of our generation facilities.

Other than for Joppa, which owns and controls transmission lines interconnecting the EEI control area to MISO, TVA and LGE, we do not own or control the transmission facilities required to sell the wholesale power from most of our generation facilities. If the transmission service from these facilities is unavailable or disrupted, or if the transmission capacity infrastructure is inadequate, our ability to sell and deliver wholesale power may be materially adversely affected. RTOs and ISOs provide transmission services, administer transparent and competitive power markets and maintain system reliability. Many of these RTOs and ISOs operate in the real-time and day-ahead markets in which we sell energy. The RTOs and ISOs that oversee most of the wholesale power markets impose, and in the future may continue to impose, offer caps and other mechanisms to guard against the potential exercise of market power in these markets as well as price limitations. These types of price limitations and other regulatory mechanisms may adversely affect the profitability of our generation facilities that sell energy and capacity into the wholesale power markets. Problems or delays that may arise in the formation and operation of maturing RTOs and similar market structures, or changes in geographic scope, rules or market operations of existing RTOs, may also affect our ability to sell, the prices we receive or the cost to transmit power produced by our generating facilities. Market design as well as rules governing the various regional power markets may also change from time to time, which could affect our costs or revenues. Additionally, if the transmission service from these facilities is unavailable or disrupted, or if the transmission capacity infrastructure is inadequate, our ability to sell and deliver wholesale power may be materially adversely affected. Furthermore, the rates for transmission capacity from these facilities are set by others and thus are subject to changes, some of which could be significant. As a result, our financial condition, results of operations and cash flows may be materially adversely affected.

Our Retail business is subject to the risk that sensitive customer data may be compromised, which could result in an adverse impact to our reputation and/or the results of operations of the Retail business.

The Retail business requires access to sensitive customer data in the ordinary course of business. Examples of sensitive customer data are names, addresses, account information, historical electricity usage, expected patterns of use, payment history, credit bureau data and bank account information. The Retail business may need to provide sensitive customer data to vendors and service providers who require access to this information in order to provide services, such as call center operations, to the Retail business. If a significant breach occurred, our reputation and that of Homefield Energy may be adversely affected, customer confidence may be diminished or we may be subject to legal claims, any of which may contribute to the loss of customers and have a negative impact on our business and/or financial condition, results of operations and cash flows.

Unauthorized hedging and related activities by our employees could result in significant losses.

We intend to continue our commercial strategy, which emphasizes forward power sales opportunities intended to reduce the market price exposure of the Company to power price declines. We have various internal policies and procedures designed to monitor hedging activities and positions. These policies and procedures are designed, in part, to prevent unauthorized purchases or sales of products by our employees. We cannot assure, however, that these steps will detect and prevent all violations of our risk management

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policies and procedures, particularly if deception or other intentional misconduct is involved. A significant policy violation that is not detected could result in a substantial financial loss for us.

Our risk management policies cannot fully eliminate the risk associated with our commodity trading activities.

Our asset-based power position as well as our power marketing, fuel procurement and other commodity trading activities expose us to risks of commodity price movements. We attempt to manage this exposure through enforcement of established risk limits and risk management procedures. These risk limits and risk management procedures may not work as planned and cannot eliminate all risks associated with these activities. Even when our policies and procedures are followed, and decisions are made based on projections and estimates of future performance, results of operations may be diminished if the judgments and assumptions underlying those decisions prove to be incorrect. Factors, such as future prices and demand for power and other energy-related commodities, become more difficult to predict and the calculations become less reliable the further into the future estimates are made. As a result, we cannot predict the impact that our commodity trading activities and risk management decisions may have on our business and/or financial condition, results of operations and cash flows.

Our financial condition, results of operations and cash flows would be adversely impacted by strikes or work stoppages by our unionized employees.

A majority of the employees at our facilities and the Target Companies' facilities are subject to collective bargaining agreements with various unions. Additionally, unionization activities, including votes for union certification, could occur at our non-union generating facilities in our fleet. If union employees strike, participate in a work stoppage or slowdown or engage in other forms of labor strike or disruption, we could experience reduced power generation or outages if replacement labor is not procured. The ability to procure such replacement labor is uncertain. Strikes, work stoppages or an inability to negotiate future collective bargaining agreements on commercially reasonable terms could have a material adverse effect on our financial condition, results of operations and cash flows.

The IPH segment's ring-fencing structure may not work as planned and Dynegy may be subject to the claims of the creditors of IPH and its subsidiaries.

In connection with the AER Acquisition, IPH and its direct and indirect subsidiaries were organized into ring-fenced groups. The entities within the IPH ring-fenced structure maintain corporate separateness from our other current legal entities. This structure was implemented, in part, to minimize the risk that creditors of IPH, or a bankruptcy trustee if any entity of the IPH segment were to become a debtor in a bankruptcy case, would attempt to assert claims against Dynegy for payment of IPH's obligations. We believe the ring-fenced structure should preclude any corporate veil-piercing or other similar claims of IPH's creditors but, if any such claims were successful, it could have a material adverse effect on our financial position, results of operations and cash flows. We also believe the ring-fenced structure should preclude any bankruptcy court from ordering the substantive consolidation of Dynegy's assets and liabilities with the assets and liabilities of any IPH debtor in bankruptcy. However, bankruptcy courts have broad equitable powers, and as a result, outcomes in bankruptcy proceedings are inherently difficult to predict. To the extent a bankruptcy court were to determine that substantive consolidation was appropriate under the facts and circumstances, it could have a material adverse effect on our financial position, results of operations and cash flows.

Terrorist attacks and/or cyber-attacks may result in our inability to operate and fulfill our obligations, and could result in material repair costs.

As a power generator, we face heightened risk of terrorism, including cyber terrorism, either by a direct act against one or more of our generating facilities or an act against the transmission and distribution infrastructure that is used to transport our power. We rely on information technology networks

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and systems to operate our generating facilities, engage in asset management activities and process, transmit and store electronic information. Security breaches of this information technology infrastructure, including cyber-attacks and cyber terrorism, could lead to system disruptions, generating facility shutdowns or unauthorized disclosure of confidential information related to our employees, vendors and counterparties.

Systemic damage to one or more of our generating facilities and/or to the transmission and distribution infrastructure could result in our inability to operate in one or all of the markets we serve for an extended period of time. If our generating facilities are shut down, we would be unable to respond to the ISOs and RTOs or fulfill our obligations under various energy and/or capacity arrangements, resulting in lost revenues and potential fines, penalties and other liabilities. Pervasive cyber-attacks across our industry could affect the ability of ISOs and RTOs to function in some regions. The cost to restore our generating facilities after such an occurrence could be material.

Risks Related to Investing

Our indebtedness could adversely affect our ability to raise additional capital to fund our operations. It could also expose us to the risk of increased interest rates and limit our ability to react to changes in the economy or our industry as well as impact our cash available for distribution.

As of June 30, 2014, we had approximately \$2.1 billion of total indebtedness and approximately \$1.2 billion of indebtedness net of cash. Following the completion of this offering, on a pro forma basis to give effect to the Acquisitions, the Debt Financing, the Mandatory Convertible Preferred Stock Offering and this offering, we expect to have approximately \$7.2 billion of total indebtedness and approximately \$6.2 billion of indebtedness net of cash. We have secured commitments for two incremental revolving credit facilities totaling \$950 million, each of which is expected to close upon consummation of the respective Acquisition. We expect to have approximately \$600 million available, net of expected letters of credit outstanding, for future borrowings under our revolving credit facility immediately following the completion of the Acquisitions. Our debt could have important negative consequences for our financial condition including:

increasing our vulnerability to general economic and industry conditions;

requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

limiting our ability to enter into long-term power sales or fuel purchases which require credit support;

limiting our ability to fund operations or future acquisitions;

restricting our ability to make certain distributions with respect to our capital stock and the ability of our subsidiaries to make certain distributions to us, in light of restricted payment and other financial covenants in our credit facilities and other financing agreements;

exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under our revolving credit facility, are at variable rates of interest;

limiting our ability to obtain additional financing for working capital including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and

limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who may have less debt.

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We may not be successful in obtaining additional capital for these or other reasons. Furthermore, we may be unable to refinance or replace our existing indebtedness on favorable terms or at all upon the expiration or termination thereof. Our failure to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our existing credit facilities contain, and agreements we enter into in the future may contain, covenants that significantly restrict our operations and our ability to redeem our Mandatory Convertible Preferred Stock.

Our existing credit facilities contain covenants imposing financial and operating restrictions on our business. These restrictions may affect our ability to operate our business, may limit our ability to take advantage of potential business opportunities as they arise and may adversely affect the conduct of our current business, including restricting our ability to finance future operations and capital needs and limiting our ability to engage in other business activities. These covenants will place restrictions on our ability and the ability of our operating subsidiaries to, among other things:

declare or pay dividends, repurchase or redeem stock or make other distributions to stockholders, including redeeming our Mandatory Convertible Preferred Stock upon an Acquisition Termination Event;

incur additional debt or issue some types of preferred shares;

create liens;

make certain restricted investments;

enter into transactions with affiliates;

enter into any agreements which limit the ability of certain subsidiaries to make dividends or

otherwise transfer cash or assets to us or certain other subsidiaries;

sell or transfer assets; and

consolidate or merge.

These restrictions may also limit our ability to obtain future financings, withstand a future downturn in our business or the economy in general, or otherwise conduct necessary corporate activities. We may also be prevented from taking advantage of business opportunities that arise because of the limitations that the restrictive covenants under our existing credit facilities impose on us. Agreements we enter into in the future may also have covenants that restrict our operations. A breach of any covenant in the existing credit facilities or the agreements governing our other indebtedness would result in a default. A default, if not waived, could result in acceleration of the debt outstanding under any such agreement and in a default with respect to, and acceleration of, the debt outstanding under any other debt agreements. The accelerated debt would become due and payable immediately. If that should occur, we may not be able to make all of the required payments or borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us.

Risks Related to this Offering and Ownership of Our Common Stock

The market price of our common stock may be volatile, which could cause the value of your investment to decline.

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The prevailing price of our common stock on the NYSE after this offering and the Mandatory Convertible Preferred Stock Offering may fluctuate substantially and may be higher or lower than the price you have paid in this offering. Numerous factors, including many over which we have no control, may have a significant impact on the market price of our common stock. These risks include those described or

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referred to in this "Risk Factors" section and in the other documents incorporated herein by reference as well as, among other things:

our operating and financial performance and prospects;

investor perceptions of us and the industry and markets in which we operate;

our access to financial and capital markets to issue debt or enter into new credit facilities;

future sales of equity or equity-related securities;

sales of our common stock by our executive officers, directors and significant stockholders or sales of substantial amounts of our common stock;

payment of dividends on our Mandatory Convertible Preferred Stock by delivery of shares of our common stock;

changes in earnings estimates or buy/sell recommendations by analysts; and

general financial, domestic, economic and other market conditions.

In addition, investors in the Mandatory Convertible Preferred Stock may employ a convertible arbitrage strategy with respect to the Mandatory Convertible Preferred Stock by selling short the common stock underlying the Mandatory Convertible Preferred Stock or by entering into cash-settled over-the-counter derivative transactions with respect to the underlying common stock that have the same economic effect. Short sales of our common stock or derivative actions having the same economic effect could adversely impact the market price of our common stock.

Sales of substantial amounts of our common stock in the public market and the conversion of our Mandatory Convertible Preferred Stock or the payment of dividends thereon in the form of stock, or the perception that these events may occur, could cause the market price of our common stock to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. In particular, pursuant to a registration rights agreement with Franklin Advisers, Inc. ("Franklin"), on October 2, 2013, we filed a registration statement with the SEC which permits Franklin to publicly offer and sell from time to time an aggregate of up to 31,459,816 shares of our common stock owned by it. As of August 14, 2014, Franklin was the beneficial owner of 18,927,023 shares of our common stock. We do not know when or in what amounts Franklin may offer these shares of common stock for sale. Any such sales could impact the market price of our common stock. An increase in the number of available shares of our common stock may make it more difficult for us to sell equity securities in the future at a time and price we deem appropriate.

In addition, the market price of our common stock could also decline as a result of the conversion of our Mandatory Convertible Preferred Stock or the payment of dividends on the Mandatory Convertible Preferred Stock in the form of shares of our common stock, or the perception that such conversions or dividends could occur.

Our common stock will rank junior to the Mandatory Convertible Preferred Stock with respect to dividends and amounts payable in the event of our liquidation and ranks junior to our indebtedness.

Our common stock will rank junior to the Mandatory Convertible Preferred Stock with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding-up. This means that, unless accumulated dividends have been paid or set aside for payment on all outstanding Mandatory Convertible Preferred Stock for all completed dividend periods, no dividends may be declared or paid on our common stock. Likewise, in the event of our voluntary or involuntary liquidation, dissolution or winding-up, no distribution of our assets may be made to holders of our common stock until

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we have paid to holders of the Mandatory Convertible Preferred Stock a liquidation preference equal to \$100.00 per share plus accrued and unpaid dividends.

Additionally, in the event of our liquidation, dissolution or winding up, our common stock would rank below all debt claims against us. As a result, holders of our common stock will not be entitled to receive any payment or other distribution of assets upon our liquidation, dissolution or winding up until after all of our obligations to our debt holders have been satisfied.

Our board of directors may, without stockholder approval, cause the issuance of shares of preferred stock with rights which could adversely affect the right of holders of our common stock or could discourage, delay or prevent a change of control of us.

Our third amended and restated certificate of incorporation provides for the issuance of up to 20,000,000 shares of preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors. A portion of this preferred stock will be issued pursuant to the Mandatory Convertible Preferred Stock Offering. However, after the consummation of the Mandatory Convertible Preferred Stock Offering, we will still have a significant amount of authorized but unissued shares of preferred stock. Our board of directors may, without further stockholder approval, cause the issuance of preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of our common stock. If issued, the preferred stock could also dilute the holders of our common stock and could discourage, delay or prevent a change of control of us, including transactions in which stockholders might receive a premium for their shares.

We do not currently anticipate paying cash dividends on our common stock in the foreseeable future.

We have paid no cash dividends on our common stock and have no current intention of doing so. Any future determination to pay cash dividends will be at the discretion of our Board, subject to applicable limitations under Delaware law, and will be dependent upon our results of operations, financial condition, contractual restrictions and other factors deemed relevant by our Board.

The ownership position of Franklin limits other stockholders' ability to influence corporate matters and could affect the price of our common stock.

As of August 14, 2014, Franklin had sole dispositive power over 18% of our outstanding common stock, or 15% immediately after giving effect to this offering. As a result, it, or any entity to which it sells our common stock, may be able to exercise significant control over matters requiring stockholder approval. Further, the sale of our common stock by a large shareholder may have an adverse effect on the market price for our common stock.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

In addition to historical information, this prospectus supplement contains, and the accompanying prospectus and any documents incorporated by reference herein and therein may contain, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. We use words such as "believe," "intend," "expect," "anticipate," "plan," "may," "will," "should," "estimate," "potential," "project" and similar expressions to identify forward-looking statements. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause actual results to differ materially from those anticipated in the forward-looking statements. Such risks and uncertainties include, but are not limited to:

expectations regarding environmental matters, including costs of compliance, availability and adequacy of emission credits and the impact of ongoing proceedings and potential regulations or changes to current regulations, including those relating to climate change, air emissions, cooling water intake structures, coal combustion byproducts and other laws and regulations to which we are, or could become, subject;

beliefs, assumptions and projections regarding the demand for power, generation volumes and commodity pricing, including natural gas prices and the timing of a recovery in natural gas prices, if any;

sufficiency of, access to and costs associated with coal, fuel oil and natural gas inventories and transportation thereof;

beliefs and assumptions about market competition, generation capacity and regional supply and demand characteristics of the wholesale and retail power generation market, including the anticipation of plant retirements and higher market pricing over the longer term;

the effects of, or changes to, MISO, PJM or ISO-NE power procurement process;

the effectiveness of our strategies to capture opportunities presented by changes in commodity prices and to manage our exposure to energy price volatility;

efforts to secure retail sales and the ability to grow the retail business;

efforts to identify opportunities to reduce congestion and improve busbar power prices;

beliefs and assumptions about weather and general economic conditions;

projected operating or financial results, including anticipated cash flows from operations, revenues and profitability;

expectations regarding our compliance with our credit facilities, including collateral demands, interest expense, any applicable financial ratios and other payments;

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our focus on safety and our ability to efficiently operate our assets so as to capture revenue generating opportunities and operating margins;

beliefs about the costs and scope of the ongoing demolition and site remediation efforts at the South Bay and Vermilion facilities;

beliefs regarding redevelopment efforts for the Morro Bay facility;

ability to mitigate impacts associated with expiring RMR and/or capacity contracts;

beliefs about the outcome of legal, administrative, legislative and regulatory matters;

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the timing and anticipated benefits to be achieved through our company-wide savings improvement programs, including our PRIDE initiative;

expectations regarding performance standards and capital and maintenance expenditures; and

the synergies, completion, timing, terms and anticipated benefits of the Acquisition and the Financing Transactions.

This discussion of uncertainties is by no means exhaustive but is designed to highlight important factors that may impact our outlook. We disclaim any obligation or intent to update forward-looking statements made by us in order to reflect new information, events or circumstances after the date they are made.

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We estimate that the net proceeds from this offering, after deducting underwriting discounts, commissions and before estimated offering expenses, will be approximately \$676.6 million (or approximately \$778.1 million if the underwriters exercise their option to purchase additional shares of common stock in full). We intend to use the net proceeds from this offering, together with the net proceeds of the concurrent Mandatory Convertible Preferred Stock Offering and the Debt Financing, the common stock placement to ECP and cash on hand to finance the Acquisitions and to pay related fees and expenses. If we consummate only one of the Acquisitions, we will use some or all of the net proceeds of this offering to fund the Acquisition that is consummated and any remaining amount for general corporate purposes. If neither of the Acquisitions are consummated, we will use all of the net proceeds of this offering for general corporate purposes.

The following table outlines the sources and uses of funds for the Transactions. The table assumes that the Acquisitions and the Financing Transactions are completed simultaneously, although the Financing Transactions are expected to occur before consummation of the Acquisitions. The table also assumes that we complete the Transactions on the terms and in accordance with the assumptions set forth under "Summary Unaudited Pro Forma Condensed Combined Financial Information" and in the Pro Forma Form 8-K, which is incorporated by reference into this prospectus supplement.

All of the amounts in the following table are estimated. The actual amounts may vary from the estimated amounts set forth below.

Source of Funds		Use of Funds	
(Dollars in millions)			
Common Stock Offering	\$ 676.6	Duke Midwest Acquisition consideration	\$ 2,800.0
Mandatory Convertible Preferred Stock Offering	388.0	ERC and Brayton Acquisitions consideration	3,450.0
Debt Financing	5,100.0	Transaction expenses	160.0
Common Stock Placement to ECP ⁽¹⁾	200.0		
Cash on hand	45.4		
Total sources of funds	\$ 6,410.0	Total uses of funds	\$ 6,410.0

(1)

In accordance with the ERC Purchase Agreements, the purchase price for the EquiPower Acquisition is \$3.25 billion of cash and \$200.0 million of our common stock issued in a transaction exempt from registration under the Securities Act. The final number of shares issued for the EquiPower Acquisition will be based on the weighted average trading price of the 10 day trading period ending on the second business day immediately preceding the closing of the EquiPower Acquisition. In certain circumstances, we will have the option to pay some or all of this amount in cash. For additional information, see the ERC purchase agreement, a copy of which is attached as Exhibit 2.2 on our Current Report on Form 8-K, filed on August 26, 2014, and the terms of which are incorporated by reference herein.

For more information, see "Summary Unaudited Pro Forma Condensed Combined Financial Information" included in this prospectus supplement and in the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Pro Forma Form 8-K, which is incorporated by reference into this prospectus supplement.

The estimated net proceeds from this offering reflected in this section have been calculated based on the actual public offering price of \$31.00 per share of common stock.

The estimated net proceeds from the Mandatory Convertible Preferred Stock Offering have been calculated using the actual public offering price of \$100.00 per Mandatory Convertible Preferred Stock. In

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addition, we will have the option to redeem, in whole but not in part, all of the Mandatory Convertible Preferred Stock (in cash, by delivery of our common stock, or by delivery of any combination of cash and common stock) if either or both of the Acquisitions is terminated.

If one or the other of the Acquisitions is not consummated, we will be required to redeem the Debt Financing in connection with such contemplated but unconsummated Acquisition.

To the extent that the aggregate net proceeds from this offering and the Mandatory Convertible Preferred Stock Offering are less than the aggregate amount set forth in the above table, we intend to increase the amount of debt borrowed in the Debt Financing to effect the Acquisitions by a similar amount. However, if any of the Financing Transactions is not completed or the aggregate net proceeds from the Financing Transactions are less than the amount set forth in the above table, we may be required to obtain additional financing or utilize cash on hand in order to effect the Acquisitions.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and our consolidated capitalization as of June 30, 2014:

on an actual basis;

on an as adjusted basis, after giving effect to this offering (but not the use of proceeds therefrom);

on an as further adjusted basis to also give effect to the Mandatory Convertible Preferred Stock Offering (but not the use of proceeds therefrom);

on an as further adjusted basis to also give effect to the Debt Financing (but not the use of proceeds therefrom);

on an as further adjusted basis to also give effect to the Duke Midwest Acquisition, the payment of related fees and expenses and the application of a portion of the net proceeds of the Financing Transactions and available cash for those purposes; and

on an as further adjusted basis to also give effect to the ERC and Brayton Acquisitions, the payment of related fees and expenses and the application of the net proceeds of the Financing Transactions for those purposes.

The as adjusted data in the following table assumes that the applicable transactions had been completed as of June 30, 2014, on the terms and in accordance with the assumptions set forth under "Summary Unaudited Pro Forma Condensed Combined Financial Information" included in this prospectus supplement and in the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Financial Statement Form 8-K, which is incorporated by reference into this prospectus supplement. You should read the following information in conjunction with the sections entitled "Risk Factors," "Summary Unaudited Pro Forma Condensed Combined Financial Information" included in this prospectus supplement, the Unaudited Pro Forma Condensed Combined Financial Information filed as an exhibit to the Pro Forma Form 8-K and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the year ended December 31, 2013, and in our Quarterly Report on Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014, each incorporated by reference in this prospectus supplement, and the financial statements of Dynegey, AER, the Duke Midwest Assets and the ECP Assets and the related notes incorporated by reference into this prospectus supplement. The data presented in the following table is for illustrative purposes only, does not purport to reflect what our actual financial position would have been had this offering (and the use of proceeds contemplated hereby)

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actually taken place on such date and is not necessarily indicative of our financial position as of the specified date or in the future.

	As of June 30, 2014						
	As Further Adjusted						
		Adjusted for this Offering	For the Mandatory Convertible Preferred Stock Offering	For the Debt Financing	For the Duke Midwest Acquisition	For the ERC and Brayton Acquisitions	Total, as Adjusted
	Actual						
	(in millions)						
Cash and cash equivalents	\$ 948	\$ 677	\$ 388	\$ 4,977	\$ (2,849)	\$ (3,180)	\$ 961
Long-term debt (including current portion):							
Revolving Credit Facility ⁽¹⁾⁽²⁾	\$	\$	\$	\$	\$	\$	\$
Tranche B-2 Term Loan Agreement	792						792
5.875% Senior Notes due 2023	500						500
7.95% Senior Notes due 2032	275						275
7.00% Senior Notes due 2018	300						300
6.30% Senior Notes due 2020	250						250
Debt financing				5,100			5,100
Emissions Repurchase Agreements	29						29
Unamortized discount on debt, net	(138)						(138)
Total long-term debt (including current portion)	\$ 2,008	\$	\$	\$ 5,100	\$	\$	\$ 7,108
Stockholders' equity							
Common stock, \$0.01 par value, 420,000,000 shares authorized at June 30, 2014 and December 31, 2013; 100,363,958 shares and 100,202,036 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	1						1
Additional paid-in capital	2,623	677	388			200	3,888
Accumulated other comprehensive income, net of tax	54						54
Accumulated deficit	(627)			(48)	(18)	1,049	356
Total Dynegy stockholders' equity	\$ 2,051	\$ 677	\$ 388	\$ (48)	\$ (18)	\$ 1,249	\$ 4,299
Noncontrolling interest	1						1
Total equity	2,052	677	388	(48)	(18)	1,249	4,300
Total capitalization	\$ 4,060	\$ 677	\$ 388	\$ 5,052	\$ (18)	\$ 1,249	\$ 11,408

(1)

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Dynegey has a \$1.275 billion credit agreement that consists of (i) an \$800 million seven-year senior secured term loan B facility and (ii) a \$475 million five-year senior secured revolving credit facility. In addition, we have secured commitments for two incremental revolving credit facilities totaling \$950 million, each of which is expected to close upon consummation of the respective Acquisition.

(2)

At June 30, 2014, there were no amounts drawn on the Revolving Credit Facility; however, we had outstanding letters of credit of approximately \$181 million, which reduces the amount available under the Revolving Credit Facility.

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PRICE RANGE OF OUR COMMON STOCK

Our common stock is listed on the NYSE under the symbol "DYN" and has been trading since October 3, 2012. No prior established public trading market existed for our common stock prior to that date. The following table sets forth the per share high and low closing prices for our common stock as reported on the NYSE for the periods presented.