



NRG Reaches Agreement with the State of New York to Significantly Reduce Emissions

January 11, 2005

PRINCETON, N.J., Jan 11, 2005 (BUSINESS WIRE) -- NRG Energy, Inc. (NYSE:NRG) has reached an agreement with the State of New York and the New York Department of Environmental Conservation (DEC) to reduce levels of sulfur dioxide (SO₂) by over 86 percent and nitrogen oxide (NO_x) by over 80 percent in aggregate at its Huntley and Dunkirk facilities in Western New York.

"This milestone agreement signifies NRG's commitment to the State of New York and the environment - it delivers many benefits to the State and its residents, including a faster reduction in emissions than might have otherwise occurred with federal or state legislation," said David Crane, President and Chief Executive Officer. "NRG is committed to the communities where we live and do business and has worked constructively with New York's Office of the Governor, the Attorney-General and the DEC to achieve major environmental improvements. The settlement provides us with the regulatory certainty that we need to ensure these plants continue to meet consumer demand for electricity, in an environmentally sound manner, into the next decade."

To meet the requirements of this settlement, NRG will retire units 63 and 64 at its Huntley facility after receiving the appropriate regulatory approvals. Units 65 and 66 will be retired eighteen months later. NRG also has agreed to limits on the transfer of certain federal SO₂ allowances. The agreed upon emissions reductions will occur progressively over the next eight years.

"NRG's Huntley and Dunkirk plants play a critical role in providing competitively priced and reliable electric power to the region and we are proud that we can achieve this in an environmentally responsible manner," said Caroline Angoorly, NRG Vice President, Environmental & New Business.

The agreement resolves a lawsuit brought by the State of New York for alleged noncompliance with the Clean Air Act. The lawsuit arose out of a Notice of Violation (NOV) issued by the DEC for alleged non-compliance with New Source Review regulations that occurred before NRG's acquisition of the facilities.

NRG purchased the Huntley and Dunkirk Generating Stations from Niagara Mohawk in June of 1999. Dunkirk Station, a four-unit, 600 MW plant, is located 55 miles southwest of Buffalo, New York. Huntley Station, located three miles north of Buffalo is comprised of six units with a total generating capacity of 760 MW.

NRG Energy, Inc. owns and operates a diverse portfolio of power-generating facilities, primarily in the Northeast, South Central and West Coast regions of the United States. Its operations include baseload, intermediate, peaking, and cogeneration facilities, thermal energy production and energy resource recovery facilities. NRG also has ownership interests in generating facilities in Australia and Germany.

Certain statements included in this news release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements above include, but are not limited to, NRG's plans for retiring units and reducing emissions. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct. Factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements above include, among others, delays in the obtaining regulatory approvals, and changes in environmental regulations.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this news release should be read in conjunction with the risks and uncertainties that may affect NRG's future results contained in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

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Contact: **NRG Energy, Inc.**

Investor Relations

Nahla Azmy 609.524.4526

Katy Sullivan 609.524.4527

Media Relations

Meredith Moore 609.524.4522