



## **NRG Energy, Inc. Submits Bid to NYPA Proposing IGCC Technology at Huntley Plant in Western New York**

November 6, 2006

PRINCETON, N.J.--(BUSINESS WIRE)--Nov. 6, 2006--NRG Energy, Inc. (NYSE:NRG) submitted a bid--in response to the New York Power Authority (NYPA)'s request for proposal--to build an innovative, 680 net megawatts (MW), Integrated Gasification Combined Cycle (IGCC) plant at its Huntley facility in western New York. NRG's bid is fully aligned with New York's energy and environmental policy objectives, including reducing carbon dioxide emissions through the Advanced Clean Coal Power Plant Initiative launched earlier this year by the Governor's Office of Regulatory Reform. The proposed plan also reflects that NRG has entered into a Memorandum of Understanding with El Paso Corporation to explore carbon capture and sequestration (CCS) in the Northeast, with an initial focus on western New York.

"If our proposal is accepted, our new IGCC plant will provide much-needed baseload generation to the State of New York, providing jobs and improved environmental quality, while helping the State lead the nation in developing low-carbon baseload technology," said David Crane, NRG President and Chief Executive Officer. "IGCC also has the added benefit of helping to stabilize electricity prices in the State now and in the future because it uses coal--a domestic and abundant fuel that will ease New York's reliance on volatile and high-priced natural gas."

### **IGCC Technology**

IGCC is a process that involves converting coal to a synthetic gas, removing the pollutants--sulfur dioxide, nitrogen oxide and mercury--as well as potentially carbon dioxide (CO<sub>2</sub>), from the synthetic gas before combustion. The cleaned synthetic gas is then used in a combined cycle gas plant in order to generate electricity. The NRG IGCC plant will have the ability to capture up to 65 percent of the carbon dioxide produced.

### **Location and Economic Benefits**

The proposed IGCC facility would be located adjacent to the existing Huntley Generating Station and would utilize existing plant infrastructure such as rail, coal handling, and water and transmission facilities. The project would utilize NRG's experienced skilled workforce and would add an additional 100 full time jobs and over 1,000 new jobs during construction.

"We are very pleased with the strong showing of support this project has received from local, state and federal officials, local businesses, chambers of commerce, educational institutions and environmental groups since we announced this project in late June as part of our larger Repowering NRG initiative," said Crane. "Since then, we have received more than 40 letters in support of this project and the many benefits--both environmental and economic--this project brings to New York."

### **Sequestration Effort**

Combining their respective expertise, NRG and El Paso Corporation have entered into a Memorandum of Understanding to identify, create, develop and implement commercial CCS solutions. Already underway, the initial phase of this sequestration effort involves analyzing potential carbon sequestration plans, including economic feasibility and preliminary technical issues including CO<sub>2</sub> transportation and handling. El Paso Corporation owns the largest natural gas pipeline system in North America and possesses particular expertise in the handling, transmission and storage of gases and other liquids. El Paso is an ideal party to work with NRG to identify and implement safe, commercially feasible and environmentally acceptable solutions to greenhouse gas emissions from industry.

### **Timeline**

NYPA has indicated that it will announce the preferred bidder by year-end. If NRG is the preferred bidder, the IGCC plant is scheduled to go into commercial operation in 2013.

### **Safe Harbor Disclosure**

This news release contains 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. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and include NRG's expectations regarding the timing, completion, costs, financing, environmental impact, job creation, financial success and overall benefits of the IGCC project described herein, and typically can be identified by the use of words such as "will," "should," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, our ability to use existing plant infrastructure, general economic conditions, permitting and regulatory obstacles, construction delays, the volatility of energy and fuel prices, changes in the wholesale power markets and related government regulation, the availability of financing and the condition of capital markets generally and our ability to access capital markets.

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 considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

About NRG Energy, Inc.

NRG Energy, Inc. owns and operates a diverse portfolio of power-generating facilities, primarily in Texas and the Northeast, South Central and

Western 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, Germany and Brazil.

CONTACT: NRG Energy, Inc.

Media:

Meredith Moore, 609-524-4522

or

Lori Neuman, 609-524-4525

or

Investor Relations:

Nahla Azmy, 609-524-4526

or

Kevin Kelly, 609-524-4527

or

Jon Baylor, 609-524-4528

SOURCE: NRG Energy, Inc.