



## **NRG Energy Corrects and Replaces Previous Release, BW0821, MN-NRG-ENERGY, Issued Nov. 6**

November 7, 2000

**MINNEAPOLIS, Nov 7, 2000 (BUSINESS WIRE)---**

### **NRG Energy Acquires 5,691 MW Project Portfolio and Opportunity to Purchase Future 3,000 MW from LS Power**

NRG Energy, Inc. (NYSE:NRG) announced plans to acquire a 5,691 megawatt (MW) portfolio of operating projects and projects in construction and advanced development from LS Power, LLC for \$658 million, subject to purchase price adjustments at closing time. Additionally, NRG has the opportunity to acquire ownership interests in the next 3,000 MW of generation projects developed and offered for sale by LS Power and its partners.

LS Power is a privately held independent power producer that develops, finances, owns and manages independent power projects in the United States. Headquartered in East Brunswick, New Jersey, LS Power owns a majority interest in the project portfolio NRG is acquiring.

NRG's purchase of these projects is expected to increase the company's portfolio to more than 20,000 MW and contributes to its goal of having 50,000 MW generation in place by 2005.

"This acquisition is expected to contribute to NRG's long-term earnings growth and expand our United States generation portfolio," said David H. Peterson, chairman, president and CEO of NRG. "NRG will use its expertise in construction, finance and operations to integrate these projects into our company and create additional value for our shareholders. The opportunity to acquire future projects developed by LS Power will also allow NRG to pursue new capacity in markets that complement our existing assets."

NRG is acquiring net ownership interests totaling 1,755 MW in four facilities in operation and construction. An additional two projects--totaling 2,336 MW--are expected to reach construction financial close early in 2001. The remaining four projects, totaling 1,600 MW, are in advanced development (See Exhibit A). All facilities employ natural gas-fired, highly efficient, combined-cycle technology and enjoy low-cost fuel supply--typically through direct interconnection with multiple competing gas pipelines. The facilities are strategically located in the electric transmission system to serve the targeted markets. As part of the transaction, NRG receives rights to a number of turbines with attractive delivery dates.

"This acquisition of greenfield development projects allows NRG to pursue its aggressive growth strategy while reducing its reliance on acquiring assets divested by utilities," said Craig A. Mataczynski, president of NRG North America. "Additionally, this acquisition strengthens NRG's presence in the central United States with high-efficiency, gas-fired, baseload facilities that complement NRG's current facilities which are principally coal-fired baseload, as well as gas and oil-fired peaking and intermediate dispatch level units.

The facilities are located in Illinois, Mississippi, Florida and Texas, and provide access to the fast-growing Chicago, New Orleans and Tampa, Florida electricity markets. These regions are geographically diverse with very different weather and load characteristics. The facilities integrate well with other NRG assets in North America and provide significant power marketing opportunities.

NRG expects the portfolio's contribution to earnings to be accretive and help NRG achieve its 2001 earnings forecast. In addition, NRG expects the portfolio's contribution to earnings per share to increase to approximately 30 to 50 cents once the projects in construction come on line in 2003. At closing, which is expected to occur during first quarter 2001, the company will finance the acquisition with a bridge loan facility. In early 2001 NRG plans to replace the bridge loan and finance these projects with a combination of common equity, preferred securities and senior debt.

Chase Securities acted as financial advisor to NRG.

NRG held an analyst/investor conference call at 2:30 PM (eastern) on Tuesday, November 7 to discuss recent acquisitions. The call is available for replay through November 14 on the "Investor Relations" portion of NRG's website, [www.nrgenergy.com](http://www.nrgenergy.com), or by dialing 800.475.6701 from within the United States, or 320.365.3844 from international locations. The access code is 548854.

NRG Energy is a leading global energy company primarily engaged in the acquisition, development, construction, ownership and operation of power generation facilities. NRG currently owns all or a portion of 63 power generation projects and its net ownership interest in these projects is 14,476 MW. The company's operations utilize such diverse fuel sources as natural gas, oil, coal and coal seam methane, biomass, landfill gas, and hydro, as well as refuse-derived fuel. 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 expected earnings and future financial performance of NRG Energy, Inc. as a result of the acquisition announced in this news release. 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 actual results to differ materially from those contemplated in the forward-looking statements above include, among others, factors affecting power generation operations such as unscheduled generation outages and environmental incidents; limitations on NRG's ability to control the operation of projects in which it has less than 100 percent interest; risks associated with timely completion of development projects, including obtaining competitive contracts, obtaining regulatory and permitting approvals, local opposition, and construction delays; and factors challenging the successful integration of projects not previously owned or operated by NRG, including the ability to obtain operating synergies. NRG undertakes no obligation to publicly 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 actual results to differ materially from those contemplated in the forward-looking statements included in this news release should not be construed as exhaustive. For more information regarding these risks and uncertainties, review NRG Energy's filings with the Securities and Exchange Commission. This news release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful, prior to registration or qualification under the securities laws of any such state or jurisdiction. More information on NRG Energy is available at [www.nrgenergy.com](http://www.nrgenergy.com).

# Project Portfolio

PROJECT	LOCATION/POWER MARKET	PLANT CAPACITY	NET OWNER- SHIP	FACILITY TYPE	CURRENT STATUS (OPERATION DATE)
Borger(1)	Texas/SPP	230	58	Cogeneration	Operating
Mustang	Texas/SPP	487	122	CCGT	Operating
Batesville (2)	Mississippi/ SERC	837	407	CCGT	Acceptance Testing
Kendall	Illinois/MAIN	1,168	1,168	CCGT	Construction (2-5/2002)
Nelson	Illinois/MAIN	1,168	1,168	CCGT	Financing 3Q (6/2003)
Pike	Mississippi/ SERC	1,168	1,168	CCGT	Financing 3Q (6/2003)
Kendall Expansion	Illinois/MAIN	584	584	CCGT	Development (2003)
Batesville Expansion	Mississippi/ SERC	292	146	CCGT	Development (2003)
Hardee	Florida/FRCC	510	510	Simple- cycle	Development (2003)
Hardee Conversion to Combined Cycle	Florida/FRCC	360	360	CCGT	Development (2005)
Total Current Portfolio		6,804	5,691		

(1) The Company's interest in the Borger Project is in the form of preferred equity.

(2) Subject to minor adjustment in accordance with the terms of the project company's organizational documents.

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