



NRG Energy Announces Agreement With Calpine Corporation Regarding the Acquisition Of CogenAmerica

August 27, 1999

MINNEAPOLIS (August 27, 1999) -- NRG Energy, Inc. (NRG), a wholly-owned subsidiary of Northern States Power Company (NYSE:NSP), announced today that it has entered into a Stockholders Agreement with Calpine Corporation (NYSE:CPN) relating to Cogeneration Corporation of America (Nasdaq:CGCA). NRG currently owns approximately 45 percent of the outstanding shares of CogenAmerica.

Under the Stockholders Agreement, NRG will retain a 20-percent ownership interest in CogenAmerica following completion of the acquisition of CogenAmerica announced earlier today. Pursuant to the terms and conditions of the merger agreement between CogenAmerica and Calpine, all outstanding shares of common stock, other than those to be retained by NRG, will be acquired by Calpine for a cash purchase price of \$25.00 per share.

All existing operating, management and services agreements between NRG and CogenAmerica and their respective affiliates will be terminated upon completion of the acquisition and will be replaced by agreements between Calpine and CogenAmerica and their respective affiliates. The transaction, which is subject to CogenAmerica shareholder approval and various regulatory approvals, is expected to close during the fourth quarter of 1999.

NRG acquired its interest in CogenAmerica, then named O'Brien Environmental Energy, Inc. (O'Brien), pursuant to a plan of reorganization for O'Brien proposed by NRG and approved by the U.S. Bankruptcy Court for the District of New Jersey in early 1996. In connection with NRG's plan of reorganization, the existing shareholders of O'Brien received shares in reorganized O'Brien valued by the Court at approximately \$7.50 per share and an additional \$2.00 per share in cash. Based on the \$25.00 price to be paid for the shares of CogenAmerica, the shares received in 1996 in connection with the reorganization have appreciated in excess of 40 percent per annum, compounded.

"CogenAmerica's rise from bankruptcy has been a real success story," said David H. Peterson, chairman, president and chief executive officer of NRG and chairman of the board of CogenAmerica. "In less than four years, significant shareholder value has been created as a result of the efforts of the company's management as well as the addition of two projects originally developed by NRG and transferred under the Co-Investment Agreement. Julie Jorgensen and her management team have done an excellent job of handling the company's recent challenges and putting the focus back on the company's business strategy."

Julie A. Jorgensen became interim president and chief executive officer of CogenAmerica in October 1998 and was named permanently to the position in May 1999.

Peterson said NRG's recent U.S. acquisitions have focused on larger generating stations, making the CogenAmerica assets a better overall fit with Calpine's strategic focus on combined-cycle natural gas-fired and geothermal power generation. Nevertheless, NRG will retain a 20-percent interest in CogenAmerica after the acquisition by Calpine.

NRG is one of the world's leading independent power producers, specializing in the development, construction, operation, maintenance and ownership of low-cost, environmentally sensitive power plants. Established in 1989, NRG has a high quality portfolio of projects in the United States, Europe, the Pacific Rim, and Latin America. NRG is involved in projects totaling over 19,000 MW of generating capacity utilizing diverse fuel types including natural and landfill gas, hydro, and solid fuels such as coal, lignite, biomass and refuse-derived fuel.

Certain information included in this press release contains statements that are forward-looking. Such forward-looking information involves risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of NRG. For more information regarding these risks and uncertainties, review NRG's filings with the Securities and Exchange Commission.

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