

# NEWS RELEASE

## FOR IMMEDIATE RELEASE

### California Energy Commission Staff Recommends Approval of NRG Energy's San Diego Region Repowering Project

*—This modern, lower-profile power plant that will provide cleaner energy, is one step closer to approval—* 

**PRINCETON, NJ; November 12, 2009**—NRG Energy, Inc.'s (NYSE: NRG) Carlsbad Energy Center Project received an approval recommendation from the California Energy Commission Staff in its Final Staff Assessment issued today. The Staff's endorsement marks a significant permitting milestone that will advance modernization plans for NRG's Encina Power Station in Carlsbad, California. NRG will replace three existing steam boiler units with a new, more efficient, 558-megawatt (MW) plant that will significantly enhance the facility's overall environmental performance and be able to provide electricity to approximately 450,000 homes.

The CEC's Final Staff Assessment comes on the heels of the San Diego Air Pollution Control District's August release of its Final Determination of Compliance, in which the Air District concluded that the Carlsbad Energy Center Project will meet all ambient air quality standards and achieve public health goals.

"We appreciate the support we've received from the Energy Commission and the Air District, and their recognition of the value our Carlsbad Energy Center Project will bring to the San Diego region by helping to meet growing energy demand," said David Crane, President and CEO, NRG Energy, Inc. "The new facility not only will provide rapid response to peak demand periods, such as warmer summer days, but also will support the integration of renewable, intermittent energy resources, such as solar and wind, that are being added to the California grid."

The Carlsbad Energy Center Project will produce fewer emissions per megawatt generated; eliminate the need for over 200 million gallons per day of permitted ocean water intake for cooling; and reduce Encina Power Station's potable water use. In addition to the environmental benefits, the new power plant will increase the net output of Encina Power Station by more than 200 MW.

According to the Final Staff Assessment, CEC staff concluded that the Carlsbad Energy Center Project "would comply with all applicable laws, ordinances, regulations and standards." It also determined "that significant adverse direct, indirect, and cumulative impacts would not occur, and/or can be brought to a level of less than significant."

Originally constructed in 1954, Encina Power Station has five steam generating units and one peaking combustion turbine. The proposed modernization would replace the three oldest steam generating units with a highly efficient power plant. Two generating units, built in 1974, will continue to operate as needed to support regional demand.

"The retirement of the older units at Encina Power Station will create important environmental benefits, including a one-third reduction in both water usage and greenhouse gas emissions on a per megawatt basis," said Steve Hoffmann, NRG's western regional president. "NRG is helping to meet California's need for reliable, efficient power in a way that meets both environmental and aesthetic concerns by replacing the older units with a physically smaller, more efficient power generating plant."

The Carlsbad Energy Center Project will use air-cooled condensers instead of ocean water for its cooling requirements, reducing intake from the adjacent Agua Hedionda Lagoon, and emissions from the new plant will be well below California's newly imposed greenhouse gas standard. Constructed in a recessed site that is approximately 30 feet below grade, the project is designed to have a low visual profile and complement the future community and commercial development of the Encina site.

The permitting process will continue into spring 2010. Pending issuance of necessary permits and contingent on securing a long-term sales contract for the power, NRG anticipates bringing the facility online by 2013. The project will create more than 350 construction jobs in the San Diego region and estimated tax revenues of \$4 to \$5 million annually.

The Carlsbad Energy Center Project is part of the Company's *Repowering*NRG initiative—a multi-billion dollar program to develop new, efficient and environmentally responsible power generation, including more natural gas, solar and wind.

#### About NRG

NRG Energy, Inc., a Fortune 500 company, owns and operates one of the country's largest and most diverse power generation portfolios. Headquartered in Princeton, NJ, the Company's power plants provide more than 24,000 megawatts of generation capacity—enough to supply more than 20 million homes. NRG's retail business, Reliant Energy, serves more than 1.6 million residential, business, commercial and industrial customers in Texas. A past recipient of the energy industry's highest honors—Platts Industry Leadership and Energy Company of the Year awards, NRG is a member of the U.S. Climate Action Partnership (USCAP), a group of business and environmental organizations calling for mandatory legislation to reduce greenhouse gas emissions. More information is available at <a href="https://www.nrgenergy.com">www.nrgenergy.com</a>.

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 Encina Power Station project and typically can be identified by the use of words such as "will," "expect," "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, general economic conditions, permitting and regulatory obstacles, and construction delays.

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 <u>www.sec.gov</u>.

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