



Encina Power Station's Project Reduces NOx Emissions by 90 Percent

July 31, 2003

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Carlsbad, Calif. and Minneapolis; July 31, 2003 – The owner of the Encina Power Station, Cabrillo Power I LLC, today announced it has completed the final phase of its air emissions reduction retrofit project. As a result of the project, nitrogen oxide (NOx) emissions—a precursor to the creation of smog—have dropped more than 90 percent as compared to previous levels.

“Cabrillo Power's goal is to provide cost-effective, reliable, efficient and environmentally responsible services to our customers,” said Stan Marks, Vice President of Cabrillo Power I LLC and NRG Cabrillo Power Operations, the plant operator. “Completing this project will allow the Encina Station to meet these goals long into the future.”

Cabrillo Power I LLC acquired the Encina Station from San Diego Gas & Electric in May 1999. Cabrillo Power immediately began the process of installing pollution control equipment on the plant's five steam boilers, spending more than \$50 million to install low NOx burners and selective catalytic reduction (SCR) equipment.

Actual installation of the catalyst equipment was delayed in 2001 when the California Independent System Operator (CAISO) prohibited the Encina Station from taking the necessary outages to make the installation during the energy crisis. In order to comply with the State's orders and keep the power flowing, Cabrillo Power installed additional low NOx burners and made other boiler modifications to reduce emissions pending installation of SCR equipment.

The interim changes were made possible through a variance granted by the Hearing Board of the San Diego County Air Pollution Control District after consultation with various environmental organizations, including the Environmental Health Coalition. Cabrillo Power continued to meet electricity demand and paid over \$11 million in donations that were used for local air emissions reduction efforts. The funds were distributed by the San Diego County Air Pollution Control District and Cabrillo Power to various mass transit authorities, including the Metropolitan Transit Development Board, the North County Transit District, and many North County school districts, for use in purchasing low-emission transit and school buses.

The addition of SCR equipment at Encina Station allows the plant to operate as required for delivering energy into San Diego while maintaining full compliance with the strict air emissions standards imposed by the Air District. The changes at the Encina Station, and the funding of clean emission buses, will help the Air District maintain its clean air attainment status.

NRG Energy, Inc.

NRG Energy, Inc. owns and operates a diverse portfolio of power-generating facilities, primarily in the United States. Its operations include competitive energy production and cogeneration facilities, thermal energy production and energy resource recovery facilities. NRG subsidiary, NRG Cabrillo Power Operations, Inc., operates the Encina Power Station.

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, the possibility that the Encina Power Station will continue to meet the requirements of environmental laws. Factors that could cause events to differ materially from those contemplated in the forward-looking statements above include, among others, that the equipment may not continue to work as contemplated or that the environmental laws will be modified such that the equipment changes will no longer be sufficient to meet the requirements of such modified environmental laws.

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 not be construed as exhaustive. For more information regarding risks and uncertainties that may affect NRG's future results, review NRG's filings with the Securities and Exchange Commission.

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