



## **NRG Repowering Texas with Cedar Bayou Station Expansion**

August 2, 2007

Power for more than 440,000 homes in time for 2009 summer season

Houston, TX; (Aug 2, 2007)—NRG Energy, Inc. (NYSE: NRG) and EnergyCo, a joint venture between PNM Resources Inc. (NYSE: PNM) and a subsidiary of Cascade Investment, L.L.C., will build a new natural gas-fueled combined cycle generating plant at NRG's Cedar Bayou Generating Station in Chambers County, Texas. The plant will add 550 megawatts (MW) of electrical generation to the Texas grid – enough to power more than 440,000 homes.

Construction for Cedar Bayou unit 4 began last week when the air permit was received and is expected to take no more than 24 months. The new unit is scheduled to commence operations in time for 2009 peak summer demand.

"This plant will help meet the ever-increasing demand for energy caused by growth in population, industry and business in Texas," said Thad Hill, President, NRG Texas. "The Electric Reliability Council of Texas (ERCOT) has stated that without new generation, the state's reserve margin will fall below 12.5 percent in 2009. Cedar Bayou unit 4 will come online in time to help ensure that Texans have the power they need on the hottest days of the year."

Cedar Bayou unit 4 will be one of the most flexible generating plants in the Houston area. It will be able to start in as little as 30 minutes to respond to rapidly changing load conditions, such as hot spring afternoons and icy winter mornings.

The new unit 4 will use the Texas Commission on Environmental Quality's latest prescribed Best Available Control Technology. The combustion turbines will be fitted with ultra-low nitrogen oxides (NOx) burners and the heat recovery steam generator will have a selective catalytic reduction system to further reduce NOx emissions. NRG's plans also include the permanent retirement of unit 3 which has been inactive for several years.

"We are very pleased that NRG Energy has made this investment in clean and efficient electricity generation in Chambers County," said Chambers County Judge Jimmy Sylvia. "The Cedar Bayou plant is one of the economic engines of our community and we look forward to continuing our partnership to help meet the growing energy needs of southeast Texas."

EnergyCo and NRG will each own a 50% interest in the project and NRG Texas will operate the new unit using the current Cedar Bayou operating staff supplemented with 16 new positions at the plant. NRG expects that 600 construction workers will work on Cedar Bayou unit 4 during the peak period of construction.

### **About NRG Energy**

A Fortune 500 company, NRG Energy, Inc. owns and operates a diverse portfolio of power generating facilities, primarily in Texas and the Northeast, South Central and West regions of the United States. Its operations include baseload, intermediate, peaking, and cogeneration and thermal energy production facilities. NRG also has ownership interests in generating facilities in Australia, Germany and Brazil.

NRG is a member of US Climate Action Partnership (USCAP), a diverse group of business and environmental organizations standing together in calling for the federal government to take immediate action to enact mandatory legislation to achieve significant reductions of greenhouse gas emissions. NRG is also a founding member of "3C—Combat Climate Change," a global initiative with 42 business leaders calling on the global business community to take a leadership role in designing the road map to a low carbon society. More information on NRG is available at [www.nrgenergy.com](http://www.nrgenergy.com).

### **About PNM Resources**

PNM Resources (NYSE: PNM) is an energy holding company based in Albuquerque, N.M., with 2006 consolidated operating revenues of \$2.5 billion. Through its utility and energy subsidiaries, PNM Resources serves electricity to approximately 835,000 homes and businesses in New Mexico and Texas and natural gas to nearly 490,000 customers in New Mexico. Its utility subsidiaries are PNM and Texas- New Mexico Power. Other subsidiaries include First Choice Power, a deregulated competitive retail electric provider in Texas, and Avistar, an unregulated energy technology company. With generation resources of more than 2,465 megawatts, PNM Resources and its subsidiaries market power throughout the Southwest, Texas and the West. In addition, EnergyCo, the joint venture in which the company has a 50-percent ownership, owns approximately 920 megawatts of generation. For more information, visit [www.PNMResources.com](http://www.PNMResources.com).

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 typically can be identified by the use of words such as "will," "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. NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this news release may be found with information regarding risks and uncertainties that may affect NRG's future results, which are included in NRG's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

More information on NRG is available at [www.nrgenergy.com](http://www.nrgenergy.com)

Contacts:

Meredith Moore or David Knox

