



NRG Energy, Inc. Signs Agreements to Sell California Cogeneration Facilities

September 19, 2002

MINNEAPOLIS (September 19, 2002) – NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL), today announced it has reached agreements to sell its interests in two California cogeneration power plants, Crockett Cogeneration Project and Mt. Poso Cogeneration Company.

From the sale of its 57.7 percent interest in Crockett Cogen to an undisclosed buyer, NRG will realize net cash proceeds of approximately \$72 million and will reduce balance sheet debt and credit obligations by approximately \$242 million. The transaction will result in an approximate \$4 million book loss and is expected to close by November 2002.

NRG will realize approximately \$10 million in net cash proceeds from the sale of its 39.5 percent interest in Mt. Poso to Red Hawk Energy, LLC. Red Hawk currently owns an approximately 23.5 percent interest in the plant. The transaction is expected to close by October 2002 and will result in an approximate \$300,000 book loss, net of advisor fees. CIBC World Markets acted as the exclusive financial advisor to NRG in the Mt. Poso transaction.

"The sale of our interest in these two plants demonstrates that the market recognizes the appropriate value of our assets," said Richard C. Kelly, NRG's president and chief operating officer. "Although we anticipate a small book loss from the sale of Crockett Cogen and Mt. Poso, we are moving significant debt off of NRG's balance sheet."

Located 20 miles northeast of San Francisco, Crockett Cogen is a 240-megawatt natural gas-fueled cogeneration power plant. Mt. Poso is a 49.5-megawatt coal-fueled cogeneration power plant located 20 miles north of Bakersfield, Calif. Both Crockett Cogen and Mt. Poso meet "qualifying facility" requirements under the Public Utility Regulatory Policies Act of 1978 by supplying steam to neighboring manufacturers.

Crockett Cogen and Mt. Poso are part of a group of unannounced, smaller noncore assets that NRG is marketing. NRG announced earlier this year that, as part of a plan to strengthen its balance sheet, the company planned to market its international portfolio of assets as well as facilities in the South Central part of the United States.

To date, NRG has sold its ownership interests in four foreign plants or plant operating companies: Csepel in Budapest, Hungary; ECK Generating in Kladno, Czech Republic; Collinsville Power Station in Collinsville, Australia; and Energy Developments Limited, an Australian energy company with power plant projects in various locations. NRG also has sold its interest in Entrade, an electricity trading business in the Czech Republic.

NRG Energy, a wholly owned and unregulated subsidiary of Xcel Energy, develops and operates power generating facilities. NRG's operations include competitive energy production and cogeneration facilities, thermal energy production and energy resource recovery facilities.

Xcel Energy is a major U.S. electricity and natural gas company with regulated operations in 12 Western and Midwestern states. The company provides a comprehensive portfolio of energy-related products and services to 3.2 million electricity customers and 1.7 million natural gas customers through its regulated operating companies. In terms of customers, it is the fourth-largest combination natural gas and electricity company in the U.S. Company headquarters are located in Minneapolis.

This release may include forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "estimate," "expect," "projected," "objective," "outlook," "possible," "potential" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; changes in federal or state legislation; regulation; risks associated with the California power market; currency translation and transaction adjustments; the higher degree of risk associated with Xcel Energy's nonregulated businesses compared with Xcel Energy's regulated business; the satisfaction of all conditions to the exchange offer that cannot be waived and the satisfaction or waiver of conditions to the exchange offer that may be waived; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission (SEC), including Exhibit 99.01 to Xcel Energy's report on Form 10-K for year 2001.

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