



## **NRG Energy Ranked 3rd Largest Competitive Power Company Worldwide**

August 24, 2001

**MINNEAPOLIS, Aug 24, 2001** (BUSINESS WIRE)—NRG Energy, Inc. (NYSE:NRG) today commented on its ranking by Global Power Report as the "3rd Largest Competitive Power Company" in the world as well as in North America, according to net equity in megawatts (MW). NRG ranked 5th in last year's Report.

"We are proud of our fast growth pace and NRG is on track to reach 50,000 MW of earnings-generating capacity by year-end 2005," said David H. Peterson, NRG chairman and chief executive officer. "NRG is growing the business, expanding cash flow from operations and we plan to continue our strong earnings performance of 25 percent growth per year."

NRG is a global power generation company that extracts value from its multi-pronged strategy of owning generating assets that use diverse fuels at all dispatch levels within its regional portfolios and it has geographic and market diversity amongst NRG's regional businesses.

In the past year, NRG acquired a mixture of peaking, intermediate and baseload plants utilizing diverse fuels, and also rapidly constructed peaking facilities in capacity-short regions. NRG enhanced its fuel diversity this year by acquiring major coal-fueled assets in the PJM market in the United States and in Australia, in addition to increasing its ownership of coal-fueled assets in Germany. Additional acquisitions strengthened NRG's presence in the central United States with gas-fueled baseload facilities that complement other assets in the region.

NRG enhanced its geographic diversity in the past year by focusing on acquisitions and development opportunities that build upon its core markets. The company's largest acquisition, the LS Power portfolio, added facilities, located throughout the central United States, with access to fast-growing electricity market regions. The facilities integrate well with other NRG assets in North America and provide significant power marketing opportunities.

"NRG has the most diverse generation portfolio in the industry and makes money for our investors by extracting value from all segments of the market," said Peterson. "We have limited our downside risk by selling more than 75 percent of our power forward in contracts for 2002."

NRG's growth is enhanced by utilizing power marketing and trading to extract a premium return from its competitive generating business. The company has expanded its trading capability over the past few years and currently employs more than 100 experienced trading professionals working with the most advanced hardware and software systems.

"In addition, NRG's ancillary products add tremendous value in key markets, and our sites with dual-fuel capability allow us to switch and source fuels for economic advantage," Peterson continued. "Our substantial coal-fired generation capacity provides additional margins due to the lower cost of coal compared to gas."

Peterson went on to say, "Our diversity strategy will help us deliver earnings of \$1.35 per share in 2001 and we fully expect to increase earnings by at least 25 percent per year well into the future."

NRG is a leading global energy company engaged primarily in developing, constructing, acquiring and operating power generation facilities. NRG has approximately 34,809 of generating assets in operation, under construction, in advanced development and subject to signed acquisition agreements. The company's operations utilize such diverse fuel sources as natural gas, oil, coal and coal seam methane, biomass, landfill gas, and hydro, as well as refuse-derived fuel.

The information in this news release includes forward-looking statements in addition to historical information. Forward-looking statements above include, but are not limited to, expected earnings and future growth and financial performance. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct. Factors that could cause NRG's actual results to differ materially from those contemplated above include, among others, factors affecting power generation operations such as unusual weather conditions, unscheduled generator outages, unanticipated changes in fuel costs or availability and environmental incidents; changes in government regulation or the implementation of government regulations, including pending changes within or outside of California as a result of the California energy crisis, which could result in NRG's failure to obtain regulatory approvals required to close project acquisitions, and which could adversely affect the continued deregulation of the electric industry; unanticipated developments in the California energy market, including defaults on amounts due and adverse results in current or future litigation; risks associated with the timely completion of development projects, including obtaining competitive contracts and construction delays; and factors affecting the availability or cost of capital, such as changes in interest rates and market perceptions of the power generation industry, NRG or any of its subsidiaries.

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

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