



NRG Energy and EnBW Wish to Develop VEAG Into a Leading Competitive Power in the Electricity Market

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BERLIN, Oct 04, 2000 (BUSINESS WIRE)---

American-German Bidding Group in Agreement: VEAG Will Maintain Independence and Its Headquarters Will Remain in Berlin.

NRG Energy, Inc. (NYSE:NRG) and EnBW Energie Baden-Wurtemberg AG are joining together to bid on the outstanding majority of stock up for sale in the Vereinigte Energiewerke AG (VEAG.) The two companies clarified the bidding group's goals, agreed upon in the last few days, in Berlin this evening.

"We want to maintain VEAG as an independent company and develop it to become a leading competitive power in the German electricity market," explained NRG Chairman, President and CEO, David H. Peterson and EnBW Board Member Dr. Klaus J. Kasper.

"We welcome discussions with municipal utilities (Stadtwerke,) as well as other companies, regarding their possible participation in our joint concept of a future VEAG Group," explained Peterson and Kasper. The headquarters for the independent VEAG is currently in Berlin where it will remain. In addition, the partners seek to enhance distribution capabilities at VEAG.

NRG and EnBW do not expect any obstacles against the American-German bidding group from the standpoint of anti-trust law. NRG does not have any competing interests in, or obligations to, other competitors in Germany. The partners also have the necessary credit standing to ensure the long-term viability of VEAG. Peterson and Kasper said, "the joint concept expressly provides for VEAG's ability to operate in the market independent of EnBW."

Peterson and Kasper gave reasons for the NRG and EnBW partnership to bid for VEAG, pointing out the "ideally complementary competencies of the two companies." The combining of equipment and production know-how of NRG-the fifth largest independent power producer in the world-with EnBW's successful experience in the competitive European energy market and customer orientation could be the "driving force behind the success of the new VEAG."

The brown coal companies Laubag and MIBRAG, in which NRG has a 33 percent interest, are essential components of NRG and EnBW's VEAG concept. NRG has expertise mining brown coal, not only through its ownership in MIBRAG, but also through part ownership in the largest brown coal mining operation in Australia. NRG also owns a portion of Schkopau, a 960-megawatt (MW) plant supplied with MIBRAG brown coal. In 1993 NRG founded the first consortium to successfully acquire and privatize coal mining and generation assets in the new federal states. NRG has completely fulfilled its privatization contract with MIBRAG.

Peterson and Kasper declined to give any details of the planned bid being made to the current VEAG majority owners. The time period for making the bids, open until November 15, 2000, will leave enough time for this offer to be worked out carefully.

"This VEAG concept, backed by our companies' strengths and good names, is a long-term stable partnership that could be critical to the future of the East German economic structure."

NRG Energy is a leading global energy company primarily engaged in the acquisition, development, construction, ownership and operation of power generation facilities. NRG owns all or a portion of 63 power generation projects and its net ownership interest in these projects exceeds 16,300 MW. NRG, headquartered in Minneapolis, has offices in Berlin, London, Prague, Warsaw, Brisbane, Tallinn and Istanbul. NRG carries investment-grade credit ratings.

Certain information included in this news release contains statements that are forward-looking. Such forward-looking information involves risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of NRG Energy. For more information regarding these risks and uncertainties, review NRG Energy's filings with the Securities and Exchange Commission.

More information on NRG Energy is available at www.nrgenergy.com.

Contact: Media Contacts:

EnBW Energy Baden-Wurtemberg AG

Stephan Gabart

Tel. (0721) 63-14320

s.gabart@enbw.com

or

Meredith Moore

NRG Energy Inc.

Tel. 001-612-373-8892

meredith.moore@nrgenergy.com

or

Investor Relations:
Dan Dokken
NRG Energy Inc.
Tel. 001-612-373-5336
dan.dokken@nrgenergy.com