



## **MPUC Approves Certificate of Need for NRG/Tenaska 550-MW Electric Generating Facility**

June 25, 1999

**MINNEAPOLIS (June 25, 1999)** -- The Minnesota Public Utilities Commission (MPUC) voted yesterday to approve a Certificate of Need without condition allowing Lakefield Junction LLP (Lakefield Junction) to continue to pursue permitting and plans for construction of an electric peaking generation facility near Trimont, Minnesota. Lakefield Junction is a limited liability partnership owned 50 percent by an affiliate of Tenaska Inc. (Tenaska), of Omaha, Neb., and 50 percent by an affiliate of NRG Energy Inc. (NRG), of Minneapolis, Minn. The Tenaska affiliate is the managing partner of the project.

The unanimous vote granting the certificate followed a favorable recommendation from Administrative Law Judge Richard C. Luis citing growing demand for electricity in Minnesota and the need for additional sources of peaking generation.

The 550-megawatt (MW) Lakefield Junction generation facility will consist of six natural gas-fired combustion turbine generators and is intended to provide low-cost wholesale power for periods of peak demand and system contingencies. The construction of the project is scheduled to begin in early 2000, and operation is expected to start in May 2001. The facility will make efficient use of existing resources by using existing electric transmission lines and natural gas pipelines.

"We are extremely pleased with the Minnesota Public Utility Commission's vote to accept Judge Luis's recommendation, and we are eager to move forward with the next phase of the project," said Dave Peterson, chairman, president and chief executive officer of NRG. "A number of utilities have expressed interest in capacity sales agreements, and we are continuing to negotiate with them."

Marc Petersen, Vice President, Tenaska Inc., noted that Lakefield Junction represents an important source of new electricity capacity in Minnesota.

"When combined with other new resources, Lakefield Junction will help ensure that Minnesotans' growing demand for electricity is met," Petersen said.

Judge Luis's recommendation stated that all nine Minnesota generation and transmission utilities forecast increased electricity demand through 2007. Mid-Continent Area Power Pool (MAPP) and utility resource plans project Minnesota will experience summer electric capacity deficits beginning in 2001 and winter deficits beginning in 2002. The recommendation stated that beyond 2003, existing resources in the MAPP region could not meet Minnesota's forecasted capacity requirements.

Tenaska is an international power development company and energy marketer, known for its expertise in power plant development, ownership and operations; and natural gas and electric power marketing. Headquartered in Omaha, Neb., the company has developed approximately 2500 MW of generating facilities in operation or construction, with another 4500 MW currently in active development. Tenaska has regional offices in Dallas, Texas USA; Calgary, Alberta Canada and Rio De Janeiro, Brazil.

NRG, a wholly owned subsidiary of Northern States Power Company (NYSE: NSP), is one of the world's leading independent power producers, specializing in the development, construction, operation, maintenance and ownership of reliable, cost-efficient and environmentally sensitive power plants. Established in 1989, NRG is involved in approximately 16,000 MW of projects throughout the United States, Europe, the Pacific Rim, and Latin America, utilizing diverse fuel types, including natural and landfill gas, hydro and solid fuels such coal, lignite, biomass, and refuse-derived fuel.

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