



## **NRG Energy Concludes Acquisition of 1,218 MW of Power Generation Facilities in Southern California**

May 21, 1999

**MINNEAPOLIS (May 21, 1999)** -- NRG Energy, Inc., a wholly owned subsidiary of Northern States Power Company (NYSE: NSP), today announced the financial close of the previously announced acquisition of 1,218 megawatts (MW) of power generation facilities in Southern California awarded to the NRG and Dynegy Inc. consortium. These facilities consist of the Encina Generating Station, a 965 MW power generating station located in Carlsbad, CA, and 17 combustion turbines totaling 253 MW located on seven sites throughout the San Diego area

NRG and its partner Dynegy acquired the plants from the San Diego Gas & Electric Company (SDG&E). NRG and Dynegy each own a 50 percent interest in the assets. NRG will be the lead party on operations and overall plant management, and Dynegy will be the lead party on fuel procurement and power marketing.

With the addition of these assets, the NRG and Dynegy partnership holds one of the top four positions in the California independent power producer market. With this acquisition, NRG owns interests in nine power generating facilities in California and will be the operator of more than 3,000 MW. Those facilities include El Segundo, 1,020 MW, Long Beach, 530 MW, and Crockett, 240 MW. An NRG subsidiary, NEO Corporation, a national leader in landfill gas generation, also owns a 50 percent interest in nine landfill gas projects in California.

"This Southern California addition to our West Coast portfolio is an integral part of our strategy to focus on building our targeted core markets in order to become one of the top players," said David Peterson, chairman, president and chief executive officer of NRG Energy. "Consistent with that leadership position, we are committed to high standards for safety, environmental performance and reliability for the communities we serve."

NRG is one of the world's leading independent power producers, specializing in the development, construction, operation, maintenance and ownership of low-cost, environmentally sensitive power plants. Established in 1989, NRG has a high quality portfolio of projects in the United States, Europe, the Pacific Rim, and Latin America. NRG is involved in approximately 16,000 MW of projects utilizing diverse fuel types including natural and landfill gas, hydro, and solid fuels such as coal, lignite, biomass and refuse-derived fuel.

Certain information included in this press release contains statements that are forward-looking. Such forward-looking information involves important 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.

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