



## Construction Begins on New NRG Natural Gas Peaking Plant near Houston

November 5, 2014

*—Units to Provide 360 Megawatts of Fast-Start Power to the Region When Use Is High—*

PRINCETON, N.J.--(BUSINESS WIRE)--Nov. 5, 2014-- NRG Energy, Inc. (NYSE:NRG) today announced that construction has begun on an approximately 360 megawatt<sup>1</sup>, natural gas-fired peaking plant at a site near Bacliff, Texas, southeast of Houston. When completed, the units will produce enough electricity to power an additional 72,000 Texas homes when needed most during times of peak demand.

"NRG is working hard to meet the electricity needs of the Houston area today and in the future as our region continues to grow," said John Ragan, executive vice president of NRG and president of NRG's Gulf Coast Region. "The Houston area and, in fact the entire state, is challenged with shrinking reserve margins. Rather than building costly new transmission lines and impacting hundreds of private property owners, NRG is investing in new generation, close to the homes and businesses that need it. This is the most efficient, cost-effective way to ensure reliability for this region."

The new facility will be located on a 230-acre site which was once part of the former PH Robinson power plant. It will use natural gas to power six GE 7E, economical, fast-start combustion turbines. The units require no water for cooling making them well-suited to operate in water-constrained Texas. With their fast-start capability, the peaking units have the potential to help integrate renewable power from intermittent wind and solar generation into the ERCOT grid. The air permitting process began in 2013 and was granted by the Texas Commission on Environmental Quality in August 2014.

The project will benefit from a number of unique advantages which allow NRG to construct the project at a cost of approximately \$400 per kilowatt, a significant discount to typical new build costs. Specifically, the gas turbines will be relocated from a site in New Albany, Mississippi to the Houston area at a location NRG already owns and is immediately adjacent to the switchyard where they expect to connect to the transmission grid.

"While Texas needs this additional, flexible power, the low price of power in the state makes it very difficult to finance and build new power plants," added Ragan. "We have worked hard to make these units economic so that we can add them with no ratepayer dollars involved."

The facility will be built by a partnership between BTEC Turbines and Rockland Capital, the current owners of the New Albany plant. BTEC is experienced in upgrading and relocating gas turbines. For the Bacliff project, BTEC will perform the engineering, procurement and construction of the new power plant which includes the dismantling and shipment of the turbines from Mississippi. The plant is expected to be transferred to NRG upon completion. BTEC estimates the plant will generate approximately 200 jobs at the peak of construction and is anticipated to be completed in late 2015.

In addition, NRG is in final stages of the permitting process for two large natural gas-fired plants in the Houston region. The company has been granted a permit from the Texas Commission on Environmental Quality for a new 850 megawatt combined cycle plant and expects to receive environmental permits for a second 850 megawatt facility in early 2015.

"When economics allow us to build these additional units, NRG wants to be ready to bring them online as quickly as possible to meet the growing demand in Houston with new natural gas plants," Ragan added.

### About NRG

NRG is leading customer-driven change in the U.S. energy industry by delivering cleaner and smarter energy choices, while building on the strength of the nation's largest and most diverse competitive power portfolio. A Fortune 250 company, we create value through reliable and efficient conventional generation while driving innovation in solar and renewable power, electric vehicle ecosystems, carbon capture technology and customer-centric energy solutions. Our retail electricity providers serve almost 3 million residential and commercial customers throughout the country. More information is available at [www.nrg.com](http://www.nrg.com). Connect with NRG Energy on

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### Safe Harbor Disclosure

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and include NRG's expectations regarding the Bacliff facility and permitting for new facilities in the Houston region and forward-looking statements typically can be identified by the use of words such as "expect," "believe," and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, and our ability to achieve the expected benefits and timing of our projects. 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 be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

<sup>1</sup> Represents average annual peaking capacity

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