



## NEWS RELEASE

FOR IMMEDIATE RELEASE

### **NRG Energy and DNREC Agreement will Reduce Emissions from Indian River Power Plant Beyond Those Stipulated in Multi-Pollutant Regulation**

**PRINCETON, NJ; August 20, 2007**—NRG Energy, Inc. (NYSE: NRG) and the Delaware Department of Natural Resources & Environmental Control (DNREC) reached an agreement in principle that resolves NRG's appeal of DNREC's Multi-Pollutant Regulation, No. 1146. (A copy of this preliminary agreement is attached.) The terms of this preliminary agreement include significant emissions reductions from NRG's Indian River Generating Station. A final consent agreement will be drafted and filed with the Delaware Superior Court to formalize the agreement.

The attached preliminary agreement calls for greater reductions of all major emissions than those required by the Multi-Pollutant Regulation. This agreement contemplates emissions reductions at Indian River, including reducing nitrogen oxides (NOx) immediately, meeting the requirement for mercury emissions by January 2009, ceasing operation of unit 2 by May 2010 and unit 1 by May 2011, and meeting emissions level standards on the two largest units by 2012.

"This is an important step forward for Delaware and for NRG. This agreement allows us to do what's needed to achieve shared environmental goals," said John Ragan, President of NRG's Northeast Region. "Through this agreement, Delaware will benefit from greater emissions reductions in the long term than would otherwise have been the case under the Multi-Pollutant Regulation."

In 2006, DNREC issued Multi-Pollutant Regulation No. 1146, which is designed to reduce air emissions from Delaware's power plants. While NRG shared DNREC's environmental objectives from the start, the Company filed an appeal due to an inability to meet the 2009 Phase I timeline required for SO<sub>2</sub> and NOx emissions. This agreement settles the matter and results in positive environmental benefits for Delaware.

NRG purchased the Indian River facility from Conectiv in 2001. The four-unit, 780 net megawatt plant is located in Millsboro, DE.

#### **About NRG**

A Fortune 500 company, NRG Energy, Inc. owns and operates a diverse portfolio of power-generating facilities, primarily in Texas and the Northeast, South Central and West regions of the United States. Its operations include baseload, intermediate, peaking, and cogeneration and thermal energy production facilities. NRG also has ownership interests in generating facilities in Australia, Germany and Brazil. More information on NRG is available at [www.nrgenergy.com](http://www.nrgenergy.com).

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 emissions from NRG's Indian River Generating Station and forward-looking statements typically can be identified by the use of words such as "will," "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, weather conditions, failure of customers to perform under contracts, changes in government regulation of markets and of environmental emissions, unanticipated outages at our generation facilities, and the inability to implement value enhancing improvements to plant operations and companywide processes.

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).

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August 9, 2007

William M. Bumpers, Esquire  
Baker Botts, LLP  
The Warner  
1299 Pennsylvania Ave., NW  
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Dear Mr. Bumpers:

Your client, NRG Energy Inc., has filed an appeal to the Environmental Appeals Board and a complaint in the Delaware Superior Court concerning Regulation No. 1146, Electric Generating Unit Multi-Pollutant Regulation. DNREC believes that it and NRG are in agreement on the terms of an enforcement agreement relative to non-compliance with Phase I NO<sub>x</sub> and SO<sub>2</sub> provisions of Regulation No. 1146 at NRG's electric generating facility in Millsboro. The agreement would resolve the appealed issues. The intent of the parties is to file a consent decree in Delaware's Superior Court to effectuate the terms of the agreement. DNREC's understanding of such terms is summarized as follows:

- Upon signing the consent decree, NRG will dismiss its Environmental Appeals Board appeal of Regulation No. 1146.
- Within 60 days of signing of the consent decree in Superior Court, NRG will submit whatever paperwork is necessary to PJM and other pertinent entities to allow the moth-balling of Unit 1 and Unit 2 as indicated below.
- Upon signing the consent decree, NRG will optimize and begin year-round operation of SNCR on Units 3 and 4.
- By no later than May 1, 2008, NRG will install and operate skid-mounted SNCR on Units 1 and 2 and maintain each unit's NO<sub>x</sub> emissions below 0.30 lb/mmBtu after installation.
- After May 1, 2008, NRG will only fire coal with a sulfur content of 1.2% or less in Units 1, 2, and 3.
- By no later than December 1, 2008, NRG will install and operate sorbent injection systems and attain full compliance with the Phase I Mercury limits of Regulation 1146 on all 4 units.

*Delaware's Good Nature Depends on You!*

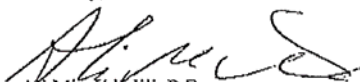
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William M. Bumpers  
August 9, 2007  
Page Two

- For the 2009 through 2011 ozone seasons (i.e., May 1 through September 30), NRG will comply with a cap of 1,700 tons facility-wide ozone season NO<sub>x</sub> limit. NRG agrees to pay stipulated penalties for exceedances of the cap as follows:
  1. \$750 per ton from 1,701 to 1,799 tons;
  2. \$1,100 per ton from 1,800 to 1,999 tons;
  3. \$2,000 per ton from 2,000 to 2,199 tons; and
  4. \$2,500 per ton from 2,200 tons and more.
- By no later than May 1, 2010, NRG will discontinue operation of and moth-ball Unit 2.
- By no later than May 1, 2011, NRG will discontinue operation of and moth-ball Unit 1.
- NRG agrees to a target date of May 1, 2011, for achieving emission rate limits of 0.10 lb/mmBtu for NO<sub>x</sub>, 0.2 lb/mmBtu of SO<sub>2</sub> and for achieving compliance with Phase II Mercury limits of Regulation 1146.
- By no later than December 31, 2011, NRG will achieve NO<sub>x</sub> emission rates of no greater than 0.10 lbs/mmBtu on a 24-hour basis and SO<sub>2</sub> emission rates of no greater than 0.20 lbs/mmBtu and attain full compliance with Phase II Mercury limits of Regulation 1146 on Unit 3 and Unit 4.
- NRG will not operate Unit 3 or Unit 4 beyond January 1, 2012, except in full compliance with the emission rate limitations required by the consent decree, Regulation No. 1146 and any other applicable federal or state requirements.

If there are any terms of our understanding that you feel are not clear or believe do not accurately reflect our agreement, please let me know in writing at your earliest convenience. Otherwise, please confirm in writing at your earliest convenience that you agree with the above summary. Should you have questions please contact me at (302) 739-9402.

Sincerely,



Ali Mirzakhali, P.E.  
Administrator

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August 10, 2007

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Ali Mirzakhaili, P.E.  
State of Delaware  
Department of Natural Resources &  
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Division of Air & Waste Management  
156 S. State Street  
Dover, Delaware 19901

Dear Ali:

I am in receipt of your letter of August 9, 2007. Your letter accurately summarizes the essential terms of an agreement in principle between the Delaware Department of Natural Resources & Environmental Control ("DNREC") and NRG Energy Inc. to resolve NRG's appeal to the Environmental Appeals Board and complaint in the Delaware Superior Court challenging Regulation 1146, Electric Generating Unit Multi-Pollutant Regulation. We will begin working with DNREC immediately to convert this agreement in principle into a consent agreement.

Thank you for your leadership in this important matter.

Sincerely,



William M. Bumpers

cc: Michael Bramnick, Esq.  
Valerie Csizmadia, Esq.

