



NEWS RELEASE

Texas Clean Air Cities Coalition and Environmental Defense Fund Reach Milestone Agreements with NRG Texas on Limestone Station Expansion

*Agreements will significantly offset carbon dioxide and reduce other emissions;
support renewable energy and carbon sequestration*

HOUSTON, TX; August 4, 2008—NRG Texas LLC, a subsidiary of NRG Energy, Inc. (NYSE: NRG) has reached agreements with the Texas Clean Air Cities Coalition (TCACC) and Environmental Defense Fund in which Environmental Defense Fund and TCACC have agreed to drop their opposition to the Limestone 3 permit application in response to a number of innovative commitments related to emissions of the greenhouse gas carbon dioxide (CO₂), nitrogen oxides (NO_x), sulfur dioxide (SO₂), and mercury (Hg), and to other environmental issues including reductions in water usage.

Both TCACC and Environmental Defense Fund initially announced their intention to intervene in and oppose NRG's permit application to add a third unit to Limestone Station. However, after several months of working together and discussing ways to meet Texas' demand for electricity in a manner that would minimize adverse environmental impacts, these agreements were reached.

"This agreement presents an excellent opportunity for emission reductions, beyond that which the Texas Commission on Environmental Quality (TCEQ) would have required," said Linda Koop, Dallas City Council Member and Chair of the TCACC. "The greenhouse gas reductions—50%—are particularly significant because the TCEQ does not consider carbon dioxide a pollutant and does not regulate or restrict carbon emissions."

"We applaud NRG committing to offset a significant part of its CO₂ emissions from the Limestone 3 plant. CO₂ is the gas that scientists tell us is the principal cause of global warming," said Jim Marston, Environmental Defense Fund state climate director. "Offsets, such as the projects that NRG has committed to invest in, are a low-cost way to get the large reductions in greenhouse gases that are necessary to prevent catastrophic impacts of global warming, and NRG has established a precedent for other electricity companies to follow."

"The Limestone expansion is part of our program to invest in Texas with a balanced portfolio of nuclear, gas, wind and coal," said Thad Hill, president of NRG Texas. "We have appreciated working with Environmental Defense Fund and the TCACC to bring this additional power to

Texas in an environmentally responsible manner and dramatically lower overall average emissions including CO₂.”

The agreements include the following emissions reduction measures:

- Until a Federal climate change program is implemented, NRG will offset or sequester 50% of the carbon generated by the new unit in a manner that is verifiable, which makes the carbon profile of this coal-fueled plant roughly equivalent to that of a gas-fueled plant. These efforts could include agricultural and forestry sequestration, retiring older, less efficient generation assets; bringing new wind or solar generation online; and post-combustion carbon capture and sequestration technology at the WA Parish Plant;
- Sitewide NO_x, SO₂ and mercury emissions for all three units will not increase with the addition of the new unit, and will decrease below the 2006 levels of the two existing units following startup;
- NRG will build or support the development of a utility scale solar energy project in Texas, if economically feasible as determined by criteria in the agreement. If NRG does not build or participate in a utility scale solar plant, NRG will contribute to a trust that would fund significant Texas energy efficiency projects;
- NRG will commit to reduce water usage at the new plant by almost 60% (about 5,000 acre-feet per year) through conservation and use of advanced air cooling technology, helping to preserve one of Texas’ most important natural resources;
- NRG will commit resources for a terrestrial sequestration pilot project in West Texas that will remove carbon from the atmosphere and alleviate pressure on the Ogallala Aquifer and a project to demonstrate that geologic sequestration of CO₂ is an effective technique, sequestering a significant amount of carbon in the process. Both projects will be managed by Environmental Defense Fund;
- NRG will retrofit or replace a substantial portion of its non-road diesel equipment with Tier 2 or better, further reducing NO_x emissions; and
- NRG will not build another coal-fueled plant in Texas unless the plant uses Integrated Gasification Combined Cycle, or ultra-supercritical coal technology, and sequesters or offsets at least 50% of the CO₂ emissions of that future plant.

Houston Mayor Bill White said, “We commend NRG for their willingness to work with the citizens of Texas to produce a plant which adds power while reducing emissions from the site.”

“With its commitment to undertake a utility-scale solar project in Texas, either on its own or with other electric generators, NRG can help lower the cost of this emerging and abundant clean energy resource and continue their efforts to advance technologies to reverse the threat of global warming,” Marston said.

The Limestone Electric Generating Station expansion is part of the NRG Texas repowering program, which is designed to provide new, efficient and environmentally responsible power generation.

“NRG’s new build portfolio is focused on helping to meet the growing energy needs of Texas with significantly less emissions per megawatt hour of power produced,” said NRG’s Hill. “These projects also include investments in wind and natural gas generation and ultimately, bridge to zero-carbon, zero emission nuclear power. Collectively, the carbon intensity of these new repowering projects will be 70% less than the current average in Texas. By working with TCACC and Environmental Defense Fund, and implementing the steps listed in these agreements, we will reduce our carbon intensity even further. It is an important step in our efforts to be a leader in reducing our greenhouse gas emissions.”

About Limestone Electric Generating Station and NRG Energy:

Currently, the Limestone Electric Generating Station generates over 1,700 MW of baseload generating capacity – enough to supply power to over one million households. The facility, which went into operation between 1985 and 1986, operates throughout the year and employs 250 people full time. The Limestone Generating Station is 100 percent owned and operated by NRG Texas, a wholly owned subsidiary of NRG Energy, Inc.

NRG Energy, Inc. (NYSE: NRG), a *Fortune* 500 company, owns and operates one of the country’s largest and most diverse power generation portfolios. NRG’s 48 plants provide approximately 23,000 megawatts of generation capacity—enough to power nearly 20 million homes. In November 2007, NRG won two of the industry’s highest honors—Platts Industry Leadership and Energy Company of the Year awards.

Headquartered in Princeton, NJ, NRG is a member of the U.S. Climate Action Partnership (USCAP), a group of business and environmental organizations calling for mandatory legislation to reduce greenhouse gas emissions; and a founding member of “3C—Combat Climate Change,” a global initiative taking a leadership role in designing the road map to a low carbon society. For more information on NRG Energy, please visit www.nrgenergy.com.

About Environmental Defense Fund

Environmental Defense Fund is a leading national nonprofit organization representing more than 500,000 members. In 2007, Environmental Defense Fund helped negotiate a landmark agreement with Texas electric provider TXU to withdraw plans for eight new coal plants and increase energy efficiency spending. Since 1967, Environmental Defense Fund has linked science, economics and law to create innovative, equitable and cost-effective solutions to society’s most urgent environmental problems. Environmental Defense Fund is dedicated to protecting the environmental rights of all people, including future generations. Among these rights are access to clean air and water, healthy and nourishing food, and flourishing ecosystems. Guided by science, Environmental Defense Fund evaluates environmental problems and works to create and advocate solutions that win lasting political, economic and social support because they are nonpartisan, cost-efficient and fair. McElroy, Sullivan and Miller L.L.P., a widely respected Austin law firm specializing in energy and administrative matters, has donated time to represent Environmental Defense Fund in this and other coal air permit cases.

About the Texas Clean Air Cities Coalition:

The Texas Clean Air Cities Coalition consists of 37 local governmental entities from around the state representing over half the citizens of Texas. The Coalition was formed by Houston Mayor Bill White and then-Dallas Mayor Laura Miller in 2006 to contest the fast-track permitting of more than a dozen coal-fueled power plants across the state. The Coalition is represented on a pro bono basis by Susman Godfrey, a premier litigation firm. The Coalition’s efforts in protesting six permits filed by energy giant TXU were chronicled in the film “Fighting Goliath.”

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 Limestone Electric Generating Station expansion project and 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, 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, unanticipated outages at our generation facilities, the inability to implement value enhancing improvements to plant operations and companywide processes, and our ability to achieve the expected benefits and timing of our *Repowering* NRG 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.

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