



NRG ENERGY HISTORY

NRG Energy, Inc. (NYSE: NRG) is one of the world's leading competitive energy providers. NRG has the competitive energy industry's most diverse generation portfolio, distinguished by its range in geography, fuel source and dispatch level.

Founded in 1989, NRG develops, acquires and manages a variety of energy-related operations worldwide. Operations include competitive energy production and cogeneration facilities, power marketing, thermal energy production and resource recovery facilities.

NRG has a global portfolio of projects in North America, Europe, Asia-Pacific and Latin America. From its inception, NRG has focused on its vision to build a diverse portfolio and obtain a top-three position in selected core markets.

North America

Since the mid-1990s, NRG has made significant acquisitions in the U.S., particularly in the Northeast and California.

In 1996, NRG acquired an interest in the company now known as Cogeneration Corporation of America (CogenAmerica). CogenAmerica owns cogeneration facilities in Illinois, New Jersey, Oklahoma and Pennsylvania. In August 1999, Calpine Corporation acquired CogenAmerica. Through a stockholder's agreement with Calpine, NRG retained a 20 percent ownership interest in CogenAmerica.

In 1997, NRG acquired Pacific Generation Company (PGC). This acquisition included 12 projects with total capacity of 776 MW. The projects, located throughout the United States and Canada, utilize diverse fuel sources, including natural gas, hydro, refuse-derived fuel, coal and diesel.

NRG is prepared to take advantage of new opportunities as deregulation continues across the United States. NRG was one of the first competitive energy providers to enter the newly deregulated California market when it acquired the El Segundo and Long Beach generating stations from Southern California Edison in 1998. In May 1999, NRG acquired the Encina Generating Station and the San Diego Combustion Turbines from San Diego Gas & Electric Company. NRG has a 50 percent interest in each of these plants, which represent 2,768 MW of generation capacity.

In 1999, NRG became one of the largest competitive energy providers in the Northeast with a series of acquisitions in New York, Massachusetts and Connecticut. In April 1999, NRG acquired the 299 MW Somerset Station in Somerset, Massachusetts. In June, the company acquired the Arthur Kill Generating Station and the Astoria Gas Turbines totaling 1,456 MW. Also in June, NRG acquired two New York generating plants - Huntley and Dunkirk. A third New York facility - Oswego Generating Station - was acquired in October. Together these three facilities represent 3,060 MW of generating capacity.

In December 1999, NRG acquired four oil- and gas-fired steam generating stations (Middletown, Montville, Devon and Norwalk Harbor) and four remote combustion turbines in Connecticut. These facilities represent 2,235 MW of generating capacity. These 1999 New York and Connecticut acquisitions are fully owned and operated by NRG.

In early 2000, NRG signed an acquisition agreement with the Delaware utility company, Conectiv, for ownership of four fossil-fueled electric generating facilities in New Jersey, Delaware and Maryland, and interests in two additional facilities in Pennsylvania. NRG will own



*Arthur Kill Generating Station
New York, New York USA*

about 1,875 net MW of the combined 5,000 gross MW at these facilities. Financial closing of these assets is expected by year-end.

In March 2000, NRG, through its wholly owned subsidiary Louisiana Generating LLC, acquired the first fossil fuel generating assets of Cajun Electric Power Cooperative. The facility includes two plants near New Roads, Louisiana, generating 1,725 MW of coal- and gas-fired electricity.

In 2001, NRG grew its North and South Central region with the acquisition of 5,633 MW of operating projects and projects in construction and advanced development from LS Power, LLC, and its partners. NRG also signed an asset purchase agreement with Duke Energy North America to acquire the Audrain County, Missouri project, a 720 MW winter-rated/640 MW summer-rated simple-cycle natural gas plant. The plant has dual-fuel capability and is currently under construction.

Also in 2001, NRG signed an asset purchase agreement with Duke Energy North America for its 77 percent interest in the McClain Energy Generating Facility in McClain, Oklahoma. The combined cycle, natural gas facility is 520 MW winter-rated and 500 MW summer-rated.

Europe

During the early 1990s, as world governments began privatizing their energy operations, NRG began investing in international projects. NRG formed regional partnerships in its European projects, a strategy that marked us as a pioneer in privatization.

In 1994, NRG as the founding partner of a power consortium - one of the first of its kind - that acquired, privatized and refurbished the coal mining and generating assets of Mitteldeutsche Braunkohlengesellschaft AG (MIBRAG) near Thiessen, Germany.

Also in 1994, NRG secured an interest in the 960 MW, coal-fired Schkopau plant near Leipzig, Germany. Schkopau was NRG's first greenfield development project. In 2001, NRG acquired additional ownership interests in MIBRAG and Schkopau.

NRG expanded its European presence in 1994 by acquiring an interest in a two-part power project in the Czech Republic. NRG and its partners refurbished the 28 MW coal-fired Energy Center Kladno (ECK) and recently completed a 345 MW expansion of ECK Generating (ECKG).

The company entered the United Kingdom merchant plant market through the development and construction of the Enfield Energy Centre, a 396 MW gas-fired facility in North London. The plant, slated for commercial operation in July 2001, will sell power to the U.K. electricity grid. In March, NRG acquired the 665 MW gas-fired combined-cycle Killingholme A power station, located in North Lincolnshire, England.

In June 2001, NRG acquired its first assets in Hungary. Located on Csepel Island in Budapest, Csepel I is a 116 MW thermal plant, and Csepel II is a 389 MW gas turbine power station.

Asia-Pacific

NRG extended its leadership in privatization to Australia in 1994 when the company acquired a 37.5 percent interest in the 1,680 MW Gladstone Power Station, a coal-fired plant in Queensland. In 1996, NRG acquired a 50 percent interest in Collinsville, a 192 MW coal-fired power station in Queensland, which went into commercial operation in August 1998.

In 1997, NRG acquired a 25.3 percent interest in Loy Yang A, a 2,000 MW brown coal-fired thermal power station. Loy Yang A, Victoria's largest power station, is Australia's lowest-cost electric generating facility. At the time of the acquisition, it represented the largest energy asset privatization in the world.

In 1997, NRG acquired interests in Energy Developments Limited (EDL), an integrated energy company which develops, owns and operates power generation, cogeneration and waste-to-energy projects in Australia and the United Kingdom.

In September 2000, NRG acquired Flinders Power, two coal-fired plants with 760 MW of capacity in Southern Australia. NRG is Australia's second largest competitive energy provider.

NRG acquired 30 percent of the Lanco Kondapalli facility in Andhra Pradesh, India. NRG operates this 355 MW facility.

In July, NRG acquired 60 percent of Hsin Yu Energy Development Co. Ltd. The acquisition included a 170 MW natural gas facility near Taipei and its expansion, plus a 490 MW greenfield project in Southern Taiwan.

Latin America

NRG was one of the first competitive energy providers to enter the Latin America power market. In 1993, NRG and its partners formed the Scudder Latin America Power Fund, designed to invest in private power plants, electric infrastructure and privatized power



*Schkopau Generating Station
Halle, Germany*

plants in Latin America and the Caribbean. Today, the fund has projects in Columbia, Guatemala, Honduras, Jamaica and Peru.

In 1996, NRG strengthened its Latin American presence by acquiring Compania Boliviana De Energia Electrica S.A.-Bolivian Power Company Limited (COBEE). COBEE is the second largest power generator in Bolivia with approximately 202 MW of hydroelectric generating assets and approximately 18 MW of natural gas-fired generation facilities.

In 2001, NRG also signed asset purchase agreements to acquire interests in several projects in Peru and Brazil from Vattenfall.

NRG's Successful Start

Since its inception in 1989, NRG has experienced unparalleled success. With over 34,000 net MW of installed capacity for projects in operation, under construction and subject to acquisition, NRG has become the world's third largest independent power producer. NRG has achieved its vision of becoming a global generation company with a leadership position in core markets by adhering to its growth strategies and building a diverse portfolio. NRG will continue to expand its energy investment portfolio through thoughtful acquisitions and an aggressive greenfield and brownfield construction program.

