

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

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CONSTRUCTION OF MAJOR POWER PLANT IN NYC APPROVED — \$1.4B State-of-the-Art Facility Will Lower Emissions, Greatly Improve Air Quality —

Albany, NY—01/20/11—The New York State Public Service Commission (Commission) today granted approval to NRG Astoria Power LLC for the construction of a 1,040 MW electric generating facility to replace an existing 600 MW facility located at an industrial site in Long Island City, New York.

“This repowering project will replace older units with state-of-the-art combined cycle units operating primarily on natural gas,” said Commission Chairman Garry Brown. “The new units will provide reliability and environmental benefits, and will be significantly cleaner and more efficient than the existing units. In addition to increasing capacity in New York City, the project will create a total of 700 construction jobs, providing an economic boost to the local community.”

NRG Astoria is a subsidiary of NRG Energy, Inc. NRG is one of the three largest market-based sellers in New York City. After completion of the repowering, the size of NRG’s New York City generation fleet will have grown by 440 MWs. NRG Astoria intends to develop, finance, construct and operate the project as a merchant developer without relying upon cost-of-service rates set by either a federal or state regulatory entity.

The power plant project will be constructed in two phases. The first phase involves the replacement of seven simple-cycle peaking generators that have a combined rated capacity of 120 MW, with two combined-cycle units capable of providing a total of 520 MW of electricity.

The first phase is expected to take 30 months to construct and be operational in the summer of 2013.

The second phase involves the replacement of 24 simple-cycle units that have a combined capacity of 480 MW, with two combined-cycle units identical to those involved in the first phase. The second phase is also expected to take 30 months to construct, and is anticipated to be operational in 2015. The project will be located within Consolidated Edison's Astoria Complex, which is a heavily industrialized area largely isolated from residential communities.

The Commission also approved a lightened regulatory regime for the new facility and approved the proposed financing. NRG Astoria estimates that the total cost of the project would be approximately \$1.4 billion. Roughly half of the cost would be spent during each phase. The company expects to finance each phase separately through a combination of debt and equity.

Since 1999, NRG's subsidiaries have owned and operated two electric generating stations in New York City, with an aggregate generating capacity of 1,465 MW, and across the state their subsidiaries own and operate a total capacity of over 4,000 MW.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 10-E-0197 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).