



***The Carlsbad Energy Center Project will replace the aging Encina Power Plant with a new, environmentally superior and more efficient generating plant that will become a critical component in meeting renewable energy goals for the state and the growing energy demands of Carlsbad and the San Diego region.***

- ✓ The State of California projects at least 530 megawatts (MW) of new power generation is required to meet our region's energy demands by 2015 – the Carlsbad Energy Center Project will provide about 40% of that new generation requirement.
- ✓ The 2007 wildfires showed the importance of having in-basin electric generation reliability. When transmission lines in many San Diego locations were taken out of service, local plants like Carlsbad's Encina Station stepped up to keep electricity flowing.
- ✓ The City of Carlsbad set a priority (outlined in its South Carlsbad Coastal Redevelopment Plan in July 2000) to repower the aging Encina Station with smaller, more efficient generators, located up from the beach between the railroad tracks and Interstate 5.
- ✓ The new repowering project delivers on the City's redevelopment goals to phase out the existing power plant so that the land along Carlsbad Boulevard can one day be redeveloped for compatible coastal zone uses – commercial and community.
- ✓ The new smaller, more efficient plant will be largely concealed by terrain and situated east of the railroad tracks and west of the freeway—the spot the City chose in its Redevelopment Plan – and will comply with all new stringent air, noise, and visual restrictions.
- ✓ Using natural gas that powered the original three smallest boilers at the Encina Station, the fuel efficiency savings produces 540 MW in the new plant rather than 320 MW in the older boilers which the new plant will retire – trading up three of the aging 1950s gas guzzlers at Encina Station for a new hybrid - quick-start, combined cycle plant.
- ✓ NRG has provided the City of Carlsbad with a timeline on meeting the goals of the Redevelopment Plan and ensuring the phase out of the existing power plant while at the same time making sure we continue to help keep the lights on for Carlsbad and our region.
- ✓ We are proud that our plans call for replacing ocean water cooling systems with new technology substituting air cooling on the new generators to protect marine life. Many environmental groups, including the Surfrider Foundation and California Coastkeeper Alliance have commended NRG for voluntarily stepping up to make this important change.
- ✓ When the Carlsbad Energy Center is up and running, we will be generating electricity more efficiently, using less fuel and creating fewer air emissions.
- ✓ City of Carlsbad will benefit directly from the Carlsbad Energy Center through collecting new tax revenue estimated at \$4 to \$5 million annually.



- ✓ What about the big Encina Station building and its landmark stack – what’s next for that building? The Encina Station continues to be an essential component of the California electricity grid that is managed by the California Independent System Operator. Until sufficient replacement generation is constructed in San Diego or new transmission lines are built to bring in power from outside of the region, the remaining 645 (MW) produced by units 4 and 5 in the existing building must stay online. While it is believed that a combination of new generation (such as the solar initiative announced recently by SDG&E, or wind projects in east San Diego County), additional gas turbines at other strategic sites on the grid in the San Diego area, new transmission lines (such as the proposed SDG&E Sunrise Line) linking to renewable developments in Imperial County, will help relieve the need for electricity resources – those decisions will be made by a variety of public agencies, SDG&E, and other independent power producers. NRG has stated clearly that the best result for the Encina Station is to replace it as soon as possible with smaller, more efficient generators, to free up the coastal property west of the railroad tracks for other uses. We welcome public participation in that planning for the future.
- ✓ The Carlsbad Energy Center is a model for other California cities in meeting the need for reliable and efficient power, supporting sustainability goals that make less-polluting and renewable electricity generation the preferred alternative. By using clean natural gas generators in a quick-start, back-up role, and at the same time spurring redevelopment consistent with new environmental standards that are required by California State Law, the Carlsbad Energy Center is the right choice for the region and this site.

For additional information please call:

Tim Hemig, Vice President  
Carlsbad Energy Center LLC  
(760) 710-2144  
1817 Aston Avenue, Suite 104  
Carlsbad, CA 92008  
[Tim.Hemig@NRGenergy.com](mailto:Tim.Hemig@NRGenergy.com)

David Lloyd, Director,  
Community Relations  
NRG West  
(760) 710-2147  
1817 Aston Avenue, Suite 104  
Carlsbad, CA 92008  
[David.Lloyd@NRGenergy.com](mailto:David.Lloyd@NRGenergy.com)

Visit our website at: <http://www.CarlsbadEnergyCenter.com>



*These Quick Project Facts may contain 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 with respect to the Carlsbad Energy Center Project and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "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 and changes in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in government regulation of markets and of environmental emissions, unanticipated outages at our generation facilities, and construction delays.*

*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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