

Press Release

NRG Energy Defaults on Settlement with **FORTISTAR**

White Plains, New York, August 30, 2002: Fortistar Capital Inc. of White Plains, New York, has announced that NRG Energy, Inc. defaulted today on a May 8, 2002 court stipulation to settle two separate lawsuits. NRG failed to make a payment today as required under the stipulation. FORTISTAR will seek to obtain a judgment against NRG next week in Hennepin County District Court in Minnesota.

In the first lawsuit, FORTISTAR claimed that an exclusive agreement between FORTISTAR and NRG was violated when NRG acquired the Oswego Steam Station in 1999. The Oswego Steam Station is a 1,700 megawatt oil-fired electric generating facility located in Oswego, New York. In its suit, FORTISTAR claimed that NRG agreed in 1998 to work exclusively with FORTISTAR to acquire the facility. In violation of that agreement, NRG bid in direct competition with FORTISTAR and acquired the facility in 1999 from Niagara Mohawk Power Corporation.

In the second lawsuit, Fortistar Methane LLC, a FORTISTAR affiliate, claimed that NEO Corporation, a subsidiary of NRG, made false and misleading projections in connection with Fortistar Methane's acquisition of 50% of Minnesota Methane LLC. Minnesota Methane is a portfolio of fifteen landfill gas-fired electric generating facilities across the United States with 60 megawatts of total installed capacity. The majority of the facilities are located in California and the Northeast. NEO developed and constructed each of the fifteen facilities.

Based in White Plains, New York, FORTISTAR is a privately-owned independent power company that is focused on owning and managing independent power facilities.

NRG Energy, Inc. is a subsidiary of Minneapolis-based Xcel Energy.