Green Mountain Energy Company

2000 ENVIRONMENTAL REPORT

Prepared in 2001 for Coalition for Environmentally Responsible Economies (CERES)

Green Mountain Energy Company has chosen to use the Global Reporting Initiative (GRI) sustainability reporting guidelines for this environmental report. Green Mountain Energy Company is not a publicly held company. In some instances, specific economic information requested by the GRI Guidelines is confidential corporate information. Where possible this report substitutes such confidential data with related publicly available information.

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Units of Measure

For the ease of our stakeholders, we have quantified our environmental information in English units. Below are the factors for converting English to metric units.

1 pound	=	0.454 kilograms
1 gallon	=	3.78 liters
1 kilowatt-hour	=	3,600 kilojoules
1 ton (US)	=	0.9072 metric tons

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Green Mountain Energy Company
2001 CERES Report
(2000 operational year)

Contents

Coalition for Environmentally Responsible Economies (CERES) is the leading U.S. coalition of environmental, investor, and advocacy groups working together for a sustainable future. The network includes companies that have committed to continuous environmental improvement by endorsing the CERES Principles, a ten-point code of environmental conduct. By our endorsement of the CERES Principles, Green Mountain Energy Company made a commitment to conduct an annual self-evaluation of our progress in implementing the CERES Principles. This report is a product of that self-evaluation.

The CERES Principles

Endorsing Company Statement By adopting these Principles, we publicly affirm our belief that corporations have a responsibility for the environment, and must conduct all aspects of their business as responsible stewards of the environment by operating in a manner that protects the Earth. We believe that corporations must not compromise the ability of future generations to sustain themselves.

We will update our practices constantly in light of advances in technology and new understandings in health and environmental science. In collaboration with CERES, we will promote a dynamic process to ensure that the Principles are interpreted in a way that accommodates changing technologies and environmental realities. We intend to make consistent, measurable progress in implementing these Principles and to apply them to all aspects of our operations throughout the world.

Protection of the Biosphere We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.

Sustainable Use of Natural Resources We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.

Risk Reduction We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

Safe Products and Services We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.

Environmental Restoration We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

Informing the Public We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

Management Commitment We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.

Audits and Reports We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.

Disclaimer These Principles establish an environmental ethic with criteria by which investors and others can assess the environmental performance of companies. Companies that endorse these Principles pledge to go voluntarily beyond the requirements of the law. The terms "may" and "might" in Principles one and eight are not meant to encompass every imaginable consequence, no matter how remote. Rather, these Principles obligate endorsers to behave as prudent persons who are not governed by conflicting interests and who possess a strong commitment to environmental excellence and to human health and safety. These Principles are not intended to create new legal liabilities, expand existing rights or obligations, waive legal defenses, or otherwise affect the legal position of any endorsing company, and are not intended to be used against an endorser in any legal proceeding for any purpose.

Introductory Statements

Message from the Chief Executive Officer

September 2001

The year 2000 was a year of dramatic change for our company: in our ownership, our location, our markets, even our name. But the most significant change took place in rural Pennsylvania, where an abandoned strip mine became the state's first large-scale wind farm.

Green Mountain Energy Company is committed to changing the way power is made. Since we began in 1997, we've done more to accomplish that than any electricity marketer who's active in competitive markets. The Green Mountain Wind Farm at Garrett, Pennsylvania stands as physical evidence that customer choice can be an instrument of change in the way power is made. In December 2000, we developed the largest solar facility to date in California's Bay Area, Green Mountain Solar at Berkeley. By the end of 2000, we had caused the development of *five* new renewable generation facilities to serve our customer demand.

Significant change was not limited to renewables development. We strengthened our financial foundation by receiving significant investments from BP and the Dutch utility, Nuon. By their investment in our mission, we will be able to significantly expand our support for the development of new renewable electricity generation facilities and our marketing of electricity from solar, wind, hydro, and other cleaner resources. We also moved our corporate headquarters from South Burlington, Vermont to Austin, Texas –to be more centrally located and closer to the customers who will choose Green Mountain Energy[sm] electricity in Texas's retail electricity market, which opens this year.

With each new customer that selects Green Mountain Energy[sm], the potential for positive environmental change increases. In 2000, we set ourselves apart as the only marketer to offer Green-e certified products in multiple markets. We served customers in California, Pennsylvania, and expanded our service to customers in New Jersey. Together by purchasing Green Mountain Energy[sm] these customers prevented 22,251 tons of greenhouse gases, 124 tons of acid-rain-causing pollutants, and 46 tons of acid-rain and smog-causing pollutants. We also now serve in new markets in Connecticut, Texas, and Ohio. I have no doubt that our mission will be further invigorated by the 400,000 new customers in Pennsylvania and Ohio that will join us at the end of 2001.

With change, sometimes comes challenge and difficult adjustments. Such was the case when we faced dramatic increases in wholesale electricity prices in California. Volatility in that electricity market eventually led to our decision this year to return most of our California customers to their local utility's generic electric service—a development that we will cover in next year's report. At present, we stand as one of the few retail competitors remaining in the California market. We continue to work in California to create true competition, and look forward to once again offering Californians a way to support cleaner electricity.

Ironically, the one thing that hasn't changed is our commitment *to change.* We stand by our mission to change the way power is made—for our company, for our customers, and most importantly, for our planet.

Dennis Kelly
Chief Executive Officer
Green Mountain Energy Company

Message from the Chief Environmental Officer

At Green Mountain Energy Company, the highlight of the past year was, without question, the dedication of the Green Mountain Wind Farm in Garrett, Pennsylvania. This 10.4 megawatt (MW) site was the first major wind facility built in Pennsylvania, with the potential to provide power for approximately 2,500 Pennsylvania and New Jersey homes per year. It is the first wind facility built specifically as a result of customer demand in the emerging competitive electricity markets. I believe that Green Mountain Energy Company's pioneering efforts with wind in Pennsylvania have given others confidence to follow suit, so that today, Pennsylvania is a leader in wind development in the Northeast. The Garrett facility was built on land that is a reclaimed strip mine. What more powerful evidence could there be of the virtue of giving customers the choice of where their electricity comes from?

Demand from Green Mountain Energy Company's customers also spurred the development of a major (100 kilowatt) new solar facility in Berkeley, California. This facility is further tangible proof of how a market-based system *can* drive the transition to clean technologies, which lagged under the dominion of risk-averse utilities in a command-and-control regulatory regime.

Green Mountain Energy Company has set for itself a goal of bringing 1,000 MW of renewable capacity online by the end of this decade or sooner. That is an ambitious goal, one that is now effectively driving our decisions. For example, in 2001, our plans call for new renewable generation to go online in almost every state in which we do business. At Green Mountain Energy Company, we take enormous pride in the initiative we have taken to make new, pollution-free wind and solar generation a reality. The Company's willingness to enter into power-purchase agreements that enable developers to finance their facilities is unique among competitive retail providers.

Renewable generation has a multitude of virtues. It is sustainable, safe, clean, and doesn't threaten the global climate in a carbon-overloaded era. Buying electricity from renewable sources is one of the most effective steps an individual can take to combat global warming, with electricity use being responsible for 25% or more of the typical household's carbon footprint.

The amount of global warming, smog, and acid rain-causing pollution that our customers avoided by choosing Green Mountain Energy[sm] products increased from 1999 to 2000, a welcome development. The absolute amounts of avoided emissions—about 22,000 tons—remain small. However, the trend is headed in the right direction, and in 2001 we expect to double our 2000 results.

Because our particular business relies on paper and given our focus on clean electricity, we advanced two business practices initiatives. First, we established a policy to exclude old-growth fiber from the forest products we buy. We chose to take formal action regarding old-growth fiber because, as a marketing company, we rely on paper in our direct-mail offers. To ensure compliance with this policy, we require our suppliers to provide a chain-of-custody audit of virgin forest products, most notably the paper we use.

Second, because of the threat posed by global warming, we offset 50% of the carbon dioxide released as a result of our business activities. We measure the carbon emissions resulting from our employees' daily commutes to work, our business travel, the manufacture of paper we use, and the company's energy use. Working with the Pacific Forest Trust, we offset half of those carbon emissions through a forest-based ecological restoration program, which also produces additional benefits of improved wildlife habitat and water quality. In choosing where to invest time and money, we continue to scan for a strong confluence of environmental concern and key business practices.

Finding new headquarters in Austin, Texas presented us with unexpected challenges. Needing to move quickly and with space in booming Austin difficult to find, we leased quarters in a new building outside the city's core. And in doing so, we contributed in a small measure to the sprawl that afflicts the city. There is a longer story behind this summary, as is always true, and our experience is yet another reminder of the difficulty of keeping environmental considerations in the forefront when driven by tight deadlines and business exigencies.

Remediation was our response, and in consultation with environmental leaders in the Austin community, we fashioned a multi-pronged effort, including support of a local land trust to protect fragile watershed lands, support of a local environmental education program, and an employee relocation plan (which we are now putting in place) to provide incentives to employees joining the company in Austin to settle in what the city has designated as the "desired development zone."

There are lessons to draw from this experience. First, don't always expect to get things right the first time; second, you can keep at it and make improvements, and third, some people will cheerfully hold your initial shortcomings against you, while others will help you address problems and applaud you for your willingness to make improvements.

Engaging with others and improving one's performance distills the process that underlies the commitment to the CERES principles. When we find ourselves in a tight spot, with invective in the heart, if not yet on the tongue, of those with whom we should be collaborating, we return to this simple two-step approach: Seek advice, do better. Small advances can be big steps. We have heard some disparage a good thing because it is not better. Doing good is always radical. We embrace what is good, strive to do better, and are undaunted by our imperfections.

Thomas H. Rawls
Chief Environmental Officer
July 2001

Executive Summary

The Problem: Making electricity is the single largest cause of industrial air pollution in the United States and a leading cause of radioactive nuclear waste.

Making electricity causes more air pollution that any other industry in the United States. Carbon dioxide, sulfur dioxide, and nitrogen dioxide from coal burning power plants are in large part responsible for pressing environmental problems like acid rain, smog, and global warming.

- **Global Warming.** Melting glaciers increased average surface temperature, and rising sea levels are observed effects of human-induced changes in the amount of greenhouse gases in our atmosphere. Making electricity is the source of 40% of our nation's human made carbon dioxide pollution, a major contributor to global warming.

- **Acid Rain.** Electricity generation is a leading cause of acid rain in the US. Making electricity causes two-thirds of national sulfur dioxide emissions and a quarter of nitrogen oxide emissions. These are the primary pollutants that cause acid rain. Nitrogen oxides are also a significant contributor to smog, a proven health hazard. The American Lung Association estimates that in the period of 1997-1999 more than 141 million Americans lived in areas with failing grades for smog.

While nuclear generation has no air emissions, it's far from pollution-free. Setting aside the risks of nuclear accidents, spent fuel from routine operation amounts to two thousand tons of radioactive waste each year. This waste contains long-lived radionuclides that remain dangerously radioactive for tens of thousands of years.

Just by using electricity, most of us contribute to air pollution that's damaging our environment and creating long-term risks for human health. The electricity that powers our lives does not have to contribute to these environmental problems.

Air Impacts of Conventional Electricity Generation

Pollutant	Electricity generation's share of total US pollution		Environmental Effect of Pollutant	Amount of pollutant that the average US household is responsible for annually
Sulfur Dioxide	67% of all US Emissions	13,581,365 tons	Contribute to acid rain, asthma, and respiratory illness, and aggravates existing cardiovascular disease.	78 pounds
Nitrogen Oxides	25% of all US Emissions	6,435,325 tons	Contribute to acid rain, smog, asthma, and respiratory illness	37 pounds
Carbon Dioxide	40% of all human-made US Emissions	2,572,800,734 tons	Greenhouse gas that contributes to global warming	14,760 pounds
Mercury	33% of all US emissions	43.4 tons	Heavy metal that builds up in human tissue can damage human and animal nervous systems.	0.11 grams

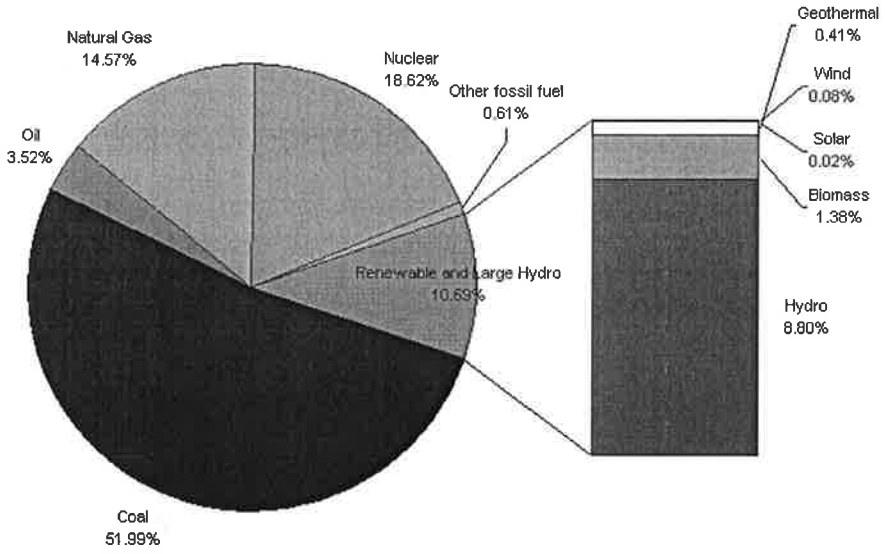
The source of the problem: Over half of the electricity in the United States is generated by burning coal. Nuclear generation makes over a third of the rest.

Each year, U.S. electric utilities burn three tons of coal for every man, woman, and child in the United States. That's 900 million tons of coal. In fact, *over half* of our nation's electricity comes from burning coal. Unfortunately, electricity is not the only thing coal generates. Compared to using burning other fossil fuels to get the same amount of energy, burning coal creates far more emissions of the pollution that causes acid rain, smog, and global warming. As a result, coal is responsible most of the air pollution that comes from power generation.

Eighteen percent of our nation's electricity is produced by nuclear generation. By 2020 cumulative discharges of spent fuel from 70 power plants in the United States are projected to total 80 thousand metric tons. Safe handling, transportation, and storage of radioactive waste for its lifetime give rise to significant environmental concerns. For example, spent nuclear fuel and high-level radioactive waste from commercial nuclear power plants makes up 90% of the material to be disposed at the controversial Yucca Mountain facility.

Cheap electricity from coal and nuclear power isn't *low cost* electricity. Our environment and human health bear the brunt of its costs.

United State's Electricity Generation by Resource



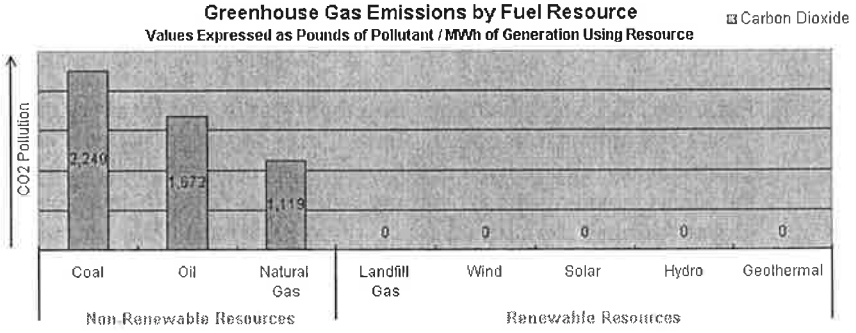
Coal Use Compared to Coal's Share of Pollution Caused by Making Electricity				
Region	Percentage of Coal in Region's Generation Mix	Percentage of Region's Electricity Generation-Related Air Emissions Caused by Coal-Fired Generation		
		CO_2	NO_x	SO_2
United States	52%	82%	86%	91%
California	16%	50%	64%	99%
New Jersey and Pennsylvania	47%	84%	88%	92%

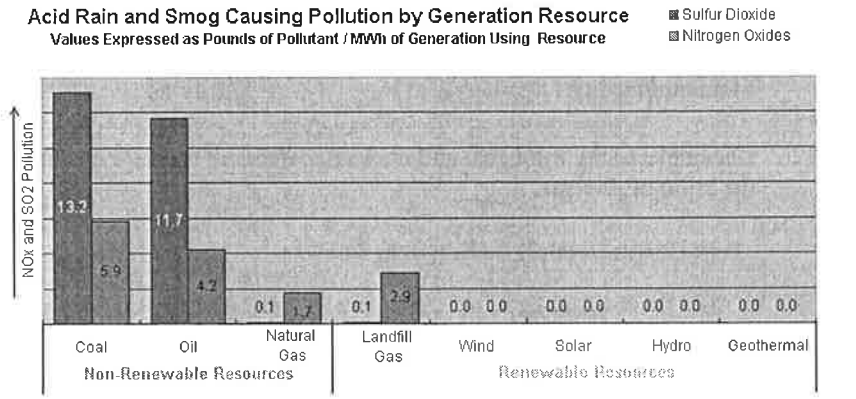
A Solution: Renewable resources and cleaner burning fossil fuels.

Fossil fuels are nonrenewable resources. It took millions and millions of years to create the limited amount of coal, oil, and natural gas within the earth's crust. We are using these finite resources at a greater rate than they can be replenished. As a result the supply will eventually dwindle, becoming too expensive or too environmentally damaging to exploit.

On the other hand, renewable energy resources are constantly replenished by the sun. Some resources are inexhaustible, like solar and wind. Others, like hydro and biomass, replenish themselves over a relatively short period of time.

There are other benefits to using these natural and abundant resources to generate electricity. Most have little to no air emissions. As a result, most do not contribute to environmental problems like acid rain, global warming, and smog. Renewable technologies can power our lives without many of the pitfalls posed by traditional generation.





In the short term, cleaner-burning fossil fuels are an integral part of the energy solution. Natural gas is the cleanest of all fossil fuels. Compared to burning other fossil fuels for the same amount of energy, natural gas combustion emits less of the pollution that causes acid rain, smog, and global warming. For this reason, natural gas has an important role as a transition fuel from coal.

Types of Renewable Resources

According to the United States National Renewable Energy Laboratories, the amount of energy from the sun that falls to the earth *in one day* could supply the entire world's energy needs for *27 years*. The challenge is harnessing that energy to do useful work. Most renewable energy comes either directly or indirectly from the sun.

Solar- Energy from the sun can be used to generate electricity. Photovoltaic (PV) panels directly convert sunlight itself into electricity. Contrast that with solar-thermal systems. They use the sun's heat to create electricity indirectly, for example by creating steam to power a turbine. Solar is a promising form of electricity generation. While still expensive, its cost is decreasing.

Wind- Turbines are mounted on tall towers to harness the wind. This pollution-free form of generation is now the fastest-growing renewable energy source in the world. The wind farms of today are constructed after studies conclude that the turbines will have little or no effect on the surrounding ecosystem, including birds.

Hydroelectric- Uses the energy of moving water to generate electricity. Even the best hydro plants can affect fish and wildlife habitats. For that reason, energy from smaller and well-managed facilities is preferable to electricity from large facilities that harm surrounding ecosystems.

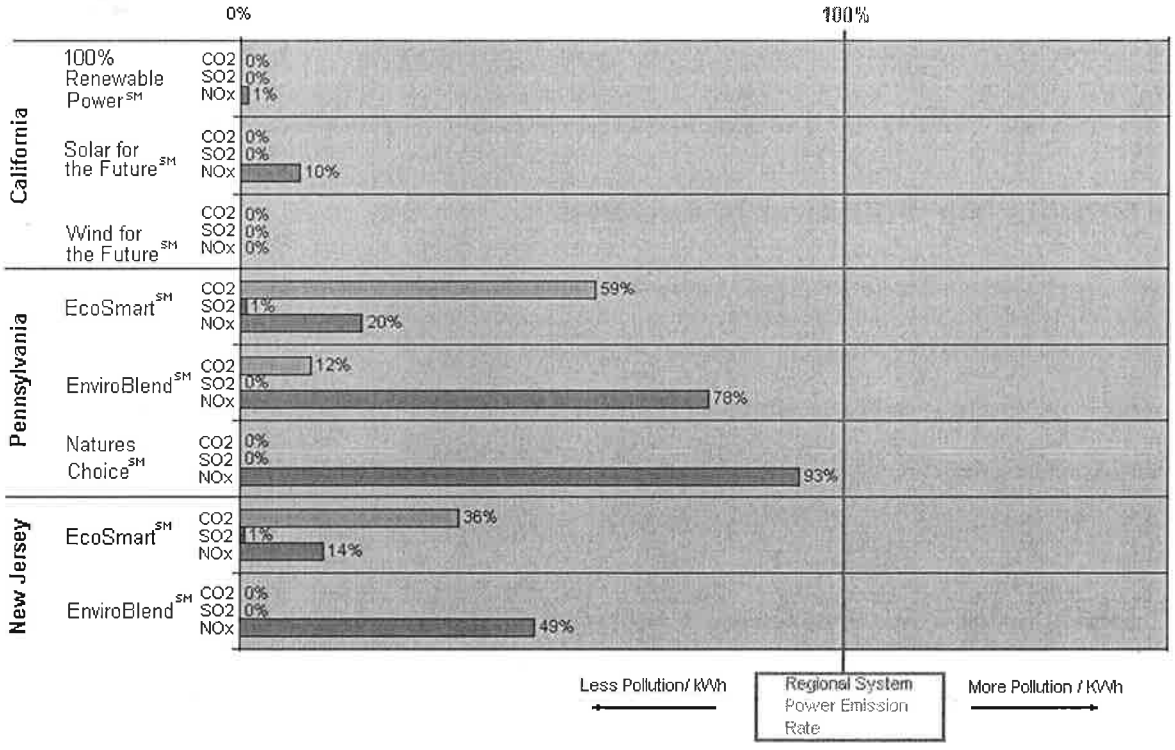
Biomass- Biomass, made up of plant and other organic matter, can be harnessed to generate electricity. Landfill gas is one of the most widely used forms of biomass generation. As organic wastes in a landfill decompose, they give off significant amounts of methane. This methane can be collected and burned to generate electricity. While biomass-based generation is renewable, it is not entirely pollution-free. However, burning biomass creates less pollution than using fossil fuels, and it does not contribute to global warming. Plus, unlike wind and solar power, biomass fuel can be stored and used as needed.

Geothermal- Geothermal generation relies on heat trapped within the earth's crust, the same kind of heat that evident in volcanic activity and geysers. Geothermal power plants tap steam and hot water trapped underground to convert that energy into electricity.

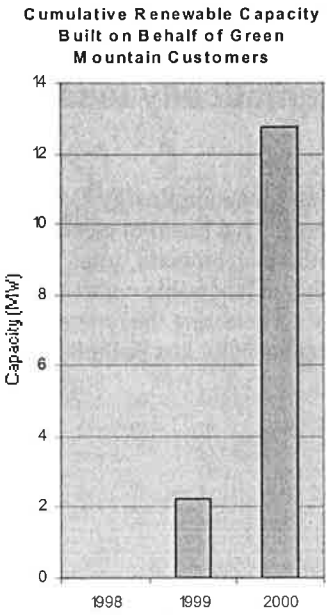
Our Role: Green Mountain Energy[sm] electricity blends are dramatically less polluting than typical generation in a region.

Green Mountain Energy Company operates as a retail marketer of Green Mountain Energy[sm]. Green Mountain Energy[sm] is a brand of electricity generated using cleaner fossil fuels, like natural gas, and renewable resources like geothermal, biomass, solar, water, and wind. We serve our customers by providing "electricity blends." Each blend differs in renewable content and price. When customers choose our electricity blends for their residential power, they are selecting the type of electricity that is put on their grid on their behalf. They are purchasing electricity that is dramatically less polluting than their region's system power.

Pollution Rates for Generation of Green Mountain Energy[SM] Products Offered in 2000 Compared to Regional System Power



Our Commitment: To Change the Way Power is Made.



Green Mountain Energy Company customers do more than buy cleaner electricity; their purchase is also an investment in a clean energy future brought about by new renewable generation facilities. We support the development of new facilities ourselves. In fact, we are the only retail energy marketer to commit to long-term contracts to enable construction new renewable facilities to serve its customers.

To date, we have caused five facilities to be built. Among them: the first wind facility built as a result of customers' choosing a clean energy product in a competitive market, the largest solar facility in Pennsylvania, and the first-large scale wind facility in Pennsylvania.

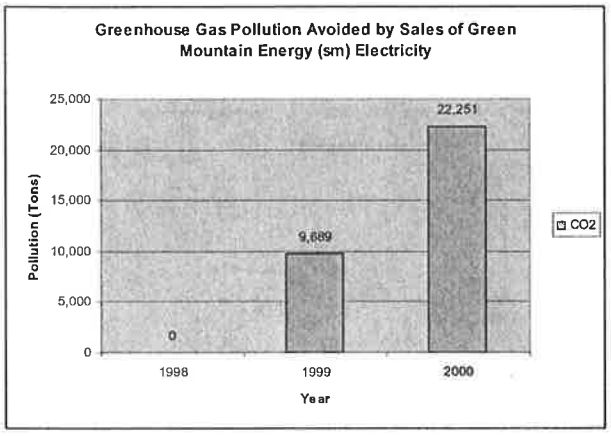
Last year alone, our Green Mountain new renewable facilities kept 6,021 tons of CO2 out of the air. To put that in perspective, it would take 819,000 trees one year to take that amount of CO2 out of the air.

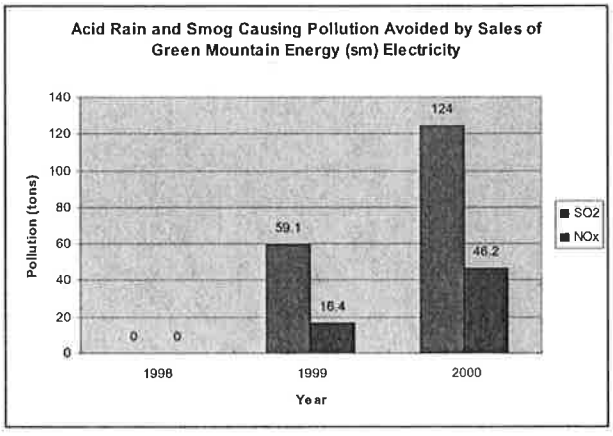
The facilities operations also avoided 10 tons of NO_x, and 28 tons of SO_2. These facilities are small but significant steps in our mission to change the way power is made.

Our Results: Air Pollution is Avoided

Reduced air pollution is a measurable way to gauge the benefits of renewable energy. By purchasing electricity from new renewable facilities and enabling the construction of new renewable facilities, polluting generation facilities operate less than they otherwise would and air pollution is avoided.

As a result of our first two years of operation, our customers have prevented 31,940 tons of greenhouse gases and 246 tons of smog and acid-rain-causing pollution from entering the atmosphere. Considering the staggering amounts of pollution that comes from making electricity, those savings are just a beginning. We have made a start.





Embracing the CERES principles: environmentally sound products and an environmentally sound business.

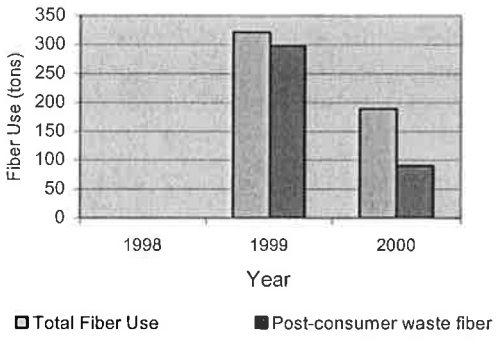
For Green Mountain Energy Company, its not just about the destination, its also about the journey. That's why it's not simply enough to work to change the way power is made. We also have a formal commitment to be an environmentally responsible business. We strive to engage in daily practices that support a healthier planet and sustainable economy.

Our operations, corporate travel, our marketing efforts and customer communications all exact a cost on our air and other natural resources. Over the past two years, we've worked to better understand the extent of our ecological footprint so that we can take steps to tread more lightly.

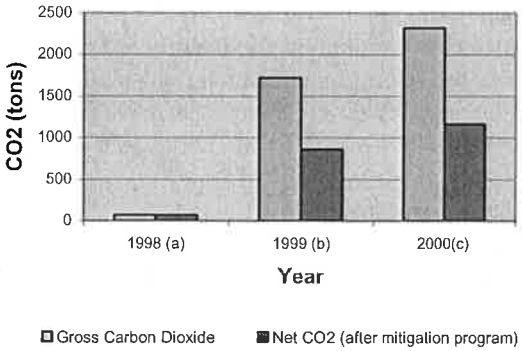
Our enterprise causes direct and indirect carbon dioxide emissions from energy use in our offices, paper use, corporate air travel, and employee commuting. We worked with Pacific Forest Trust to offset 50% of our emissions by protecting and restoring old growth habitat in the Pacific Northwest.

We are concerned about the amount of paper that we use for customer and prospective customer communications. We've taken several steps to lessen the strain that our fiber use has on forests. In 2000, our management instituted a policy to eliminate the use of virgin old-growth forest fiber in our operations. By working with suppliers, using paper high in post and pre-consumer recycled fiber content, and paper certified by the Forest Stewardship Council, we've been able to achieve substantial compliance with this policy. We have also developed standards to establish minimum recycled content and acceptable processing of the paper we use.

Forest Fiber Use Total and Post-Consumer



Carbon Dioxide Footprint from Internal Business Practices (see note)



Note on our Carbon Dioxide Footprint: Over the past three years, we've increased the scope of our CO2 measurements accordingly:

a. CO2 emissions in 1998 are based on energy use in our corporate headquarters only.
b. CO2 emissions in 1999 are based on corporate air travel, embodied emissions from purchased paper, employee commuting, and energy use in corporate headquarters.
c. CO2 emissions in 2000 are based on corporate air travel, embodied emissions from purchased paper, employee commuting, and energy use in corporate and regional offices.

2000 Operations Highlights

General:

- Began serving New Jersey customers with cleaner electricity
- Moved our corporate headquarters from Burlington, VT to Austin, TX

Electricity Products:

- All electricity products offered in California, New Jersey, and Pennsylvania were dramatically cleaner than the generic system power serving each region.
- Only marketer to offer Green-e certified products in multiple markets.

Development of New Renewable Generation Facilities:

- Announced a goal to bring 1,000 MW of renewable capacity online by 2010 or sooner.
- Caused the development of two new renewable facilities in 2000:
    - Green Mountain Wind Farm at Garrett: First large-scale wind facility in Pennsylvania
    - Green Mountain Solar at Berkeley: Largest solar facility to date in California's Bay Area
- The development of these new facilities increased the cumulative capacity developed on behalf of Green Mountain Energy Company customers by 566% from last year, to 12.749 MW.

Pollution Avoided by Our Customers Using Green Mountain Energy^{sm} Electricity

- Carbon dioxide pollution avoided in 2000 increased from last year by 230%, to 22,251 tons.
- Sulfur dioxide pollution avoided in 2000 increased from last year by 210%, to 124 tons.
- Nitrogen oxide pollution avoided in 2000 increased from last year by 282%, to 46.2 tons.

Internal Business Practices:

- Established program to offset 50% of annual CO2 resulting from internal business practices (on-site energy use, employee transportation, embodied CO2 emissions in paper used, and corporate air travel)
- Implemented standard for minimum recycled content and processing method for paper used in customer communications.
- Implemented commitment to identify and eliminate use of paper derived from old-growth forests.
- Developed relocation mitigation program that provides financial incentives to employees who settler in Austin's desired development zone rather than in environmentally sensitive areas in the Edwards Aquifer recharge zone.

Community Involvement:

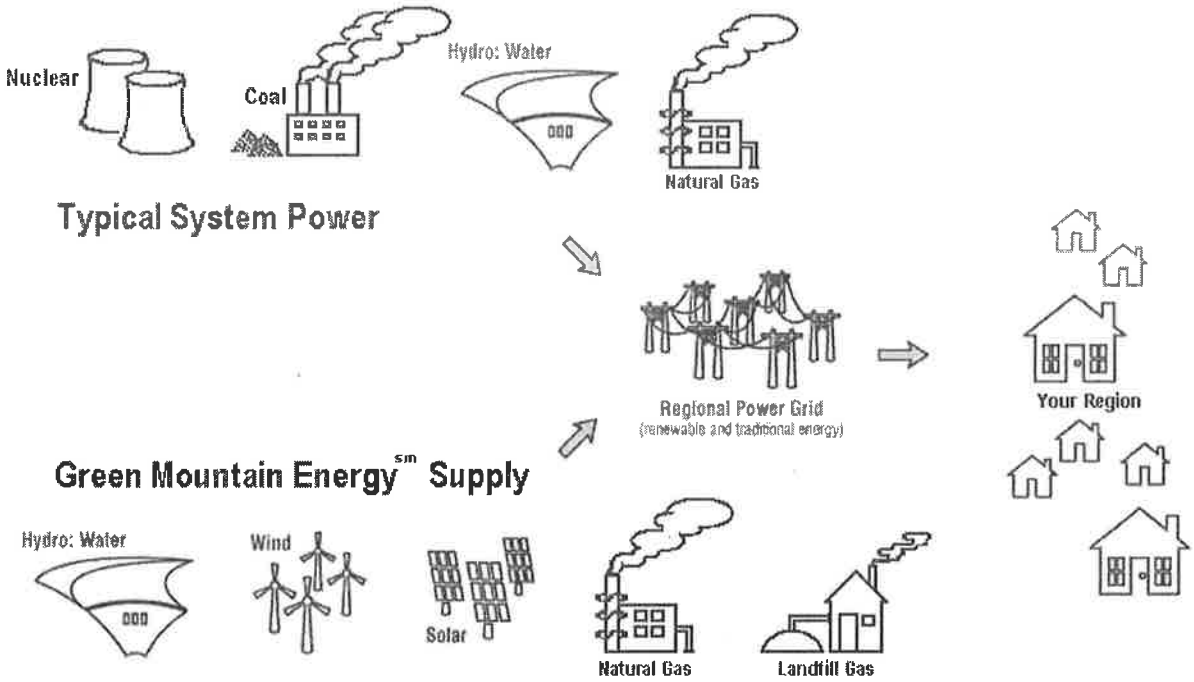
- Planted over 41,000 trees in revitalization projects throughout the country through American Forests.
- Awarded a third solar system through our Solar Powered Schools Program.
- Established a corporate matching policy for employee contributions to Earth Share. In 2000, approximately 20% of employees donated a portion of each paycheck to Earth Share Texas, Earth Share California, and Environmental Federation of New England.

Environmental Report

Corporate Profile

Our Corporate Mission: To Change the Way Power is Made

Green Mountain Energy Company[1] is a retail marketer of Green Mountain Energy[sm] brand – electricity service for residential customers featuring electricity derived from cleaner renewable resources like sun, wind, water, biomass, and geothermal heat and cleaner non-renewable generation resources like natural gas. Green Mountain Energy Company's corporate mission is *to change the way power is made.* We work to accomplish that mission by stimulating the demand for environmentally preferable electricity made from cleaner and renewable resources. Put simply, when customers in deregulated states choose Green Mountain Energy Company to provide their electricity, they have the ability to choose the type of generation used to produce the electricity that is put onto the power grid on their behalf.

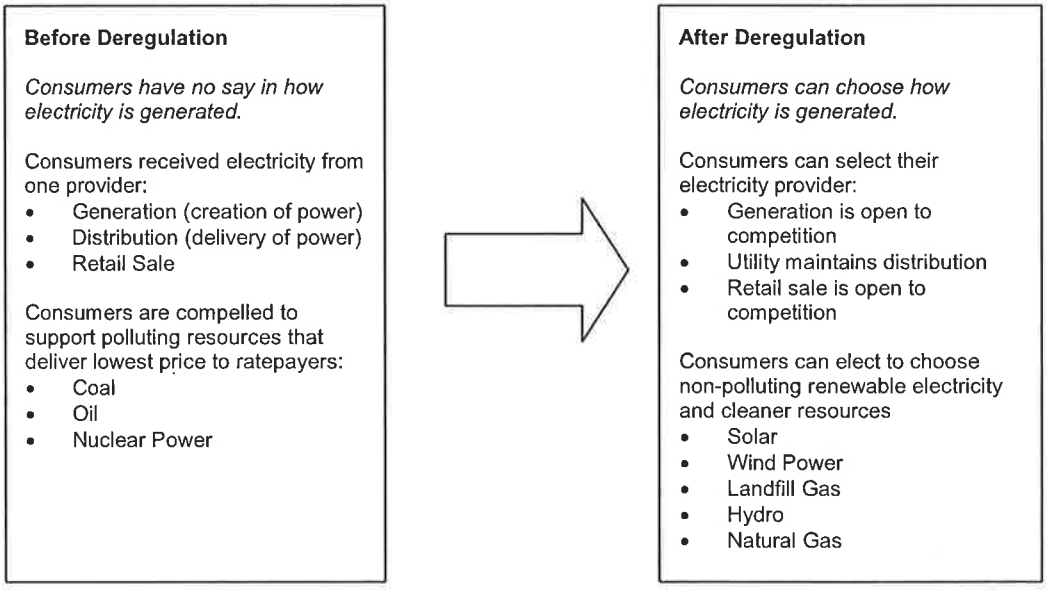


[1] On August 1, 2000 we changed our name from greenmountain.com to Green Mountain Energy Company

Deregulation is empowering customers

In order to understand our business, it's necessary to be familiar with the effect that deregulation has had on the electric industry. The industry includes three basic functions: the generation of electricity, transmission and distribution of electricity, and retail sales to the end user.

In the United States, regulated electric utilities have traditionally provided bundled electricity service that includes generation, transportation, and retail sales, within exclusive franchise service territories. Federal legislation in 1992 initiated measures to allow competition in the generation, wholesale, and retail sectors. One by one, several states have elected to deregulate. Each state develops its own unique deregulation plan. The one common element that deregulation plans share is that they separate making power (generation) and selling power (retail) from delivering power (distribution), which remains regulated.



Within this deregulated framework, Green Mountain Energy Company operates as a retail marketer of electricity, working with wholesale energy providers to offer electricity service to customers. We do not own transmission or distribution systems- these functions remain in the hands of utilities. In 2000, we offered Green Mountain Energy[sm] electricity exclusively to customers in California, New Jersey, and Pennsylvania –three states that had effectively opened their residential electricity markets to competition. That same year, we obtained licenses to begin serving customers in Texas and Connecticut.

We serve our customers by providing "power blends." Each blend differs in renewable content and price. All of our power blends are dramatically cleaner than the power mix that typically serves a region. Our electricity blends are dynamic, and we take the opportunity to improve these products from year to year. The tables on the following page show the power blends we offered to residential customers in California, Pennsylvania, and New Jersey in 2000.

In addition, in 2000 we offered several additional products through pilot projects that we began in 1999, including solar generation equipment, natural gas service, and a co-branded credit card.

Green Mountain Energy Power Blends Marketed in 2000	
California Power Blends	
100% Renewable Power[sm]	100% renewable resources from small-scale hydro, geothermal, landfill gas, and/or wind power, of which 1% comes from new renewable generation facilities.
Solar for the Future[sm]	100% renewable resources from small-scale hydro, geothermal, landfill gas, and/or wind power, of which 5% will come from new renewable generation facilities. As customers sign up for Solar for the Future[sm] solar panels are built and begin to contribute generation.
Wind for the Future[sm]	100% renewable resources (75% from renewable sources such as small-scale hydro, geothermal, and/or biomass, and 25% from new wind turbines placed in service after June 1999).
New Jersey Power Blends	
Eco Smart[sm]	1% new renewable resources; 50% large scale hydro and 49% natural gas
Enviro Blend[sm]	50% renewable resources (5% from new renewable facilities plus 45% existing renewables;) and 50% large scale hydro
2000 Pennsylvania Products	
Eco Smart[sm]	1% new renewable resources; 99% natural gas and/or large scale hydro
Enviro Blend[sm]	50% renewable resources (5% from new renewable facilities); 50% natural gas and/or large scale hydro
Nature's Choice[sm]	100% renewable resources (5% from new renewable facilities)

The power blend information provided in the accompanying tables describes the purchases of Green Mountain Energy[sm] products over the course of a calendar year. For each calendar year or portion thereof that a customer purchases Green Mountain Energy[sm], we will deliver to the grid enough power from our energy blend resources to match that customer's energy usage during that period. These deliveries will be subject to verification in accordance with the requirements of the Green-e Renewable Electricity Branding Program.

Renewable and hydroelectric resource availability varies from hour to hour and from season to season, as does our customers' use. At any specific time, we will be putting more or less of these energy sources in to the grid than our customers use. We will put system power into the grid to serve our customers' minute-by-minute consumption, but will always match our customers' annual electricity use by delivering our energy blend resources into the grid. At all times our customers' electricity needs will be served.

In California, "new renewable resources" means that these facilities began commercial operations on or after January 1, 1997. In Pennsylvania and New Jersey, "new renewable resources" means that these facilities began commercial operation on or after January 1, 1998. A facility designated as small-scale hydro is less than or equal to 30MW in size.

Fast Facts about Green Mountain Energy Company

- Green Mountain Energy Company is a privately held company.
- As of December of 2000, we had 99 employees nationwide. At that point, we had three full time personnel specifically assigned to environmental management. In addition, given the nature of Green Mountain Energy Company's business, every employee spends time on environmental matters in the course of his or her responsibilities.
- Revenues for our 2000 -operating year were in the range of 50-100 million dollars. More than 99% of our revenues come from the sale of our electricity products in Pennsylvania, New Jersey and California. Information pertaining to breakdown between sales regions is regarded as proprietary and confidential.
- In May 2000, Green Mountain Energy Company announced an agreement between the Company and several investors, including BP, to invest up to $50 million to fund the company's continued growth. In October of 2000 entered into an agreement with Nuon, the largest utility company in the Netherlands, to invest up to $53 million to fund Green Mountain Energy Company's continued growth.
- Green Mountain Energy Company has completed two prior environmental reports using the CERES format. They can be obtained by contacting the environmental team at 75 Green Mountain Drive, South Burlington, Vermont 05403.
- For more information on Green Mountain Energy Company's activities go to www.greenmountain.com

Sales and Revenue by Sector			
Sector	Measure of Scale	Amount	Revenue
Electricity	Average customers served per period in 2000	102,808	>99%
Natural Gas Pilot Program	Pilot Program Residential Total Customers Served 2000	938	<1%
CERES suggests that utilities disclose sales information in terms of total MWh sold, MWh peak demand, and ccf of natural gas sold. As a privately held non-utility operating in competitive retail markets, Green Mountain Energy Company regards that information as confidential. Therefore, we are reporting our total 2000 sales in terms of customers served and percent of revenue.			

Vision and Strategy

How does sustainability apply to our nation's electricity industry?

- Half of its product is made by burning coal.
- A third of its remaining product is generated with radioactive waste as a by-product.
- It is a major contributor to a legacy of environmental problems like global warming, acid rain, and smog.
- Its health impacts weigh most heavily on poor communities and communities of color.
- Its price does not reflect its cost on our environment and our health.
- It is *unsustainable*: environmentally, socially, and economically.

How does Green Mountain Energy Company contribute to sustainable development?

- Our corporate mission is to change the way power is made.
- Our vision is a world powered by the sun, the wind, and the moon.
- Our electricity is generated using cleaner and renewable generation.
- Our electricity is dramatically cleaner than typical system power.
- Our corporate practices reflect our commitment to be an environmentally responsible business, engaging in daily practices that promote a healthy planet and a sustainable economy.

How are we making progress toward sustainability?

- Raising awareness about traditional electricity generation's role in causing air pollution.
- Supporting the development of new renewable generation facilities through our energy products
- Causing the development of five new renewable facilities in the past three years.
- Since 1999, our customers have prevented 31,940 tons of carbon dioxide, 183 tons of sulfur dioxide, and 63 tons of nitrogen oxide out of the air.
- One customer at a time.

Policies, Organization, and Management System

Policies

The environment is a corporate value of Green Mountain Energy Company. That's why we've developed environmental policies to guide our work, and an organizational structure and management systems aimed at making sure that these policies are implemented.

Listen, Promise, & Deliver!

Our environmental charter is a roadmap of our mission to change the way power is made. The charter lays out Green Mountain Energy Company's objectives for environmental performance. Written in broad strokes, it serves as the root for more specific policies and standards, such as our paper standard, our old growth commitment, and our purchasing guidelines.

Green Mountain Energy Company
Environmental Charter

1. Green Mountain Energy Company will use the marketplace to promote the sale of clean electricity to individual consumers and corporations

2. Green Mountain Energy Company will engage in policy work on energy issues, concentrating on developing competitive markets for energy sales.

3. Green Mountain Energy Company will be an environmentally responsible business, engaging in daily practices that promote a healthier planet and sustainable economy. These practices include working with partners to encourage them to adopt sustainable business practices.

4. Green Mountain Energy Company will encourage individual consumers and corporations to use energy resources wisely and efficiently

5. Green Mountain Energy Company will be an educator; helping people to understand the environmental consequences of their energy choices and empowering people to choose clean electricity.

Policy	Issue Date	Latest Revision	Geographic Scope	Publicly Available
Environmental Charter	Fall, 1997	Summer 1999	Company wide	Yes (1,2)
CERES Principles	Spring, 1999	- - -	Company wide	Yes (1,2)
Green Mountain Values	Fall, 1997	Spring 2000	Company wide	Yes (1,2)
Commitment Regarding Old Growth Fiber	Winter, 2000	- - -	Company wide	Yes (1)
Recycling Policy	Fall 1997	Spring 1999	Company wide	Yes (1)
Paper Standard	Winter 1999	Summer 2000	Company wide	Yes (1)

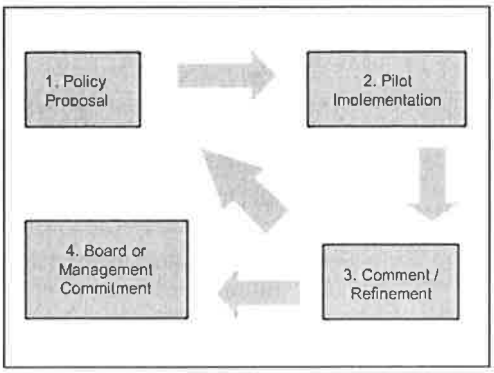
1. Available by contacting Green Mountain Energy Company's Environmental Affairs Department.
2. Available in this report.

Environmental Management

Of course, it's not enough to simply *create* policies to accomplish environmental improvement. To be meaningful, policies need to be put into practice.

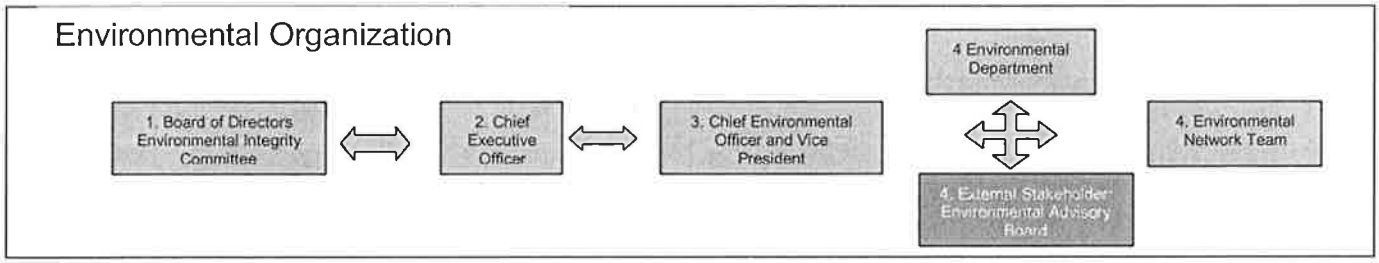
Typically, environmental policies are pilot tested with specific departments or regions. During pilot testing we receive comments and suggestions from associates and have the opportunity to improve and refine the proposal

Once the policy has demonstrated its effectiveness in pilot testing, it is implemented across the organization by approval of senior management.



We have an organizational structure responsible for oversight and implementation of environmental initiatives:

- Environmental Integrity Committee of our Board of Directors is responsible for reviewing our effect on the environment and our adherence to our environmental principles and making recommendations to the full board of directors as to how we can improve our environmental performance.
- We have two full-time staff working under the leadership of the company's Chief Environmental Officer to assist the rest of the organization in following the company's principles as set out in the environmental charter.
- We have an Environmental Network Team consisting of regional and departmental representatives. This group meets regularly to coordinate environmental efforts and facilitate communication on environmental matters throughout the organization.
- As a way to foster dialogue with the national environmental community, we assembled an Environmental Advisory Board as a forum to receive expert advice on environmental issues. The Board also encourages dialogue between the Company and other members of the environmental community. Board members serve in their individual capacity.



Environmental Advisory Board Members		
Ralph Cavanagh	Natural Resources Defense Council	*Co-Director Energy Porgram*
Elizabeth Cook	World Resources Institute	*Co-Director of Management Institute for Environment and Business*
Christopher Flavin	Worldwatch Institute	*President*
Hunter Lovins	Rocky Mountain Institute	*President*
Lewis Milford	Clean Energy Group	*President*

"We will implement these Principles and sustain a process that ensures the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor"

CERES Principle, Management Commitment

Building Communities

At Green Mountain Energy Company we have the opportunity to build and engage many different types of communities: our customers, our neighbors, our employees, and the environmental community.

- We sponsor and participate in community focused environmental events as a way of informing the public about the environmental consequences of traditional generation and giving them the option to choose renewable electricity.

- We also have the opportunity to give back to the community, through our Solar Powered Schools Program. In 2000, we awarded a third solar system, this time to Eastlake High School in Chula Vista, California. The award included a 2kW solar system, a companion curriculum, and a "Solar Powered School Celebration" day to dedicate the system and provide hands-on workshops for local community members on renewable electricity. We have plans to extend this program into Ohio and Connecticut in 2001.

- We educate our employees on the environmental purpose of our business, as well as the day-to-day effects that our operations have on the environment. Last year, we used our corporate-wide intranet, several internal publications, and numerous company-wide presentations and updates to educate our employees about environmental issues and performance.

- Green Mountain Energy Company employees have the option to make individual contributions to local civic-minded and environmental organizations. In 1999, employees were able to donate a portion of their pay to Earth Share and/or the United Way. Twenty eight percent of employees participated in the Earth Share program, raising $4,615.00. That same year, approximately 20% participated in the United Way donation, raising a total of $3,248.00. In 2000, approximately 20% of employees pledged in our employee donation program, raising $7,872.00 for Earth Share Texas, Earth Share California, and Environmental Federation of New England.

Environmental Justice

According to the Renewable Energy Policy Project's Special Earth Day Report, " the environmental impacts of electricity production weigh most heavily on poor communities and communities of color."

- "Indian country holds one-third of the country's uranium mining and milling waste."
- "At 20%, the poverty rate of communities located within one mile of coal-fired power plants is almost double that of the general population (11.3%). Such communities are 21.5% non-white, compared with 17% in the general population."
- "Compared with families with incomes over $35,000 per year, families with annual incomes below $10,000 suffer more than twice the incidence (per thousand people) of asthma, making them much more susceptible to pollution related illnesses."

Serchuk, A., The Environmental Imperative for Renewable Energy: An Update. Renewable Energy Policy Project, April 2000. Internet: www.repp.org.

Business and Environmental Relations		
Coalition for Environmentally Responsible Economies	Clean Power Campaign	World Resources Institute
Green-e Renewable Electricity Branding Program	American Wind Energy Association	Business for Social Responsibility
National Wind Coordinating Committee	Mid Atlantic Renewable Energy Coalition	Clean Texas Program
	Center for Energy Efficiency and Renewable Technologies	Texas Renewable Energy Industries Association

Environmental Performance—Electricity Products

Our power blends include less-polluting renewable energy. All of our blends include new renewable content – energy from facilities that have come on line after a state deregulates. By supporting new renewables, customers help us to change the way power is made. When electricity from new renewable generation goes onto the grid to meet customer demand, it decreases reliance on electricity generated from conventional sources. Over the long term, supporting new renewables means less of the environmental harm posed by coal and risks posed by nuclear energy.

This section details the environmental performance of our products with the following considerations

- Our Electricity Standard
- Energy Supply and Suppliers
- Air Emissions
- Water Use
- Biomass Generation
- New Renewable Facilities
- New Renewable Development, Land-Use, and Biodiversity
- Energy Efficiency

About Renewable Technologies

According to the United States National Renewable Energy Laboratories, the amount of energy from the sun that falls to the earth *in one day* could supply the entire world's energy needs for *27 years*. The challenge is harnessing that energy to do useful work. Most renewable energy comes either directly or indirectly from the sun.

Solar- Energy from the sun can be used to generate electricity. Photovoltaic (PV) panels directly convert sunlight itself into electricity. Contrast that with solar-thermal systems. They use the sun's heat to create electricity indirectly, for example by creating steam to power a turbine. Solar is a promising form of electricity generation. While still expensive, its cost is decreasing.

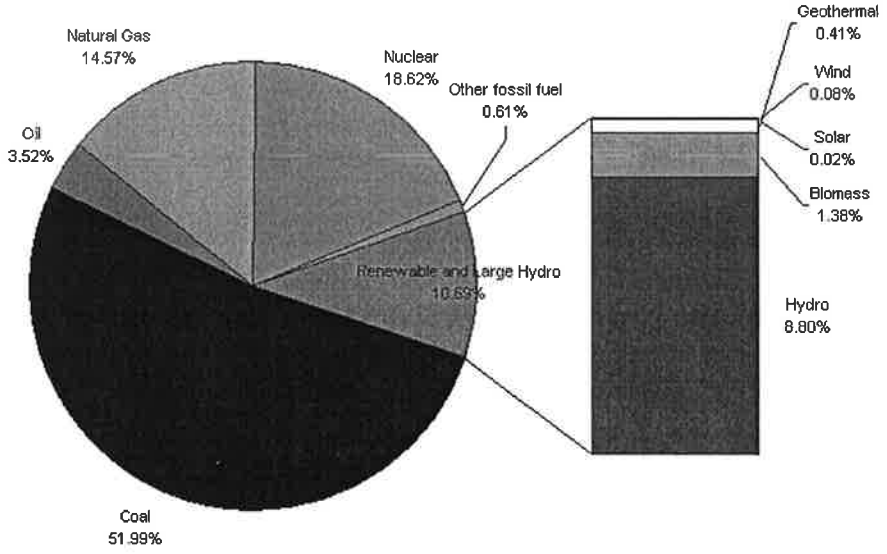
Wind- Turbines are mounted on tall towers to harness the wind. This pollution-free form of generation is now the fastest-growing renewable energy source in the world. The wind farms of today are constructed after studies conclude that the turbines will have little or no effect on the surrounding ecosystem, including birds.

Hydroelectric- Uses the energy of moving water to generate electricity. Even the best hydro plants can affect fish and wildlife habitats. For that reason, energy from smaller and well-managed facilities is preferable to electricity from large facilities that harm surrounding ecosystems.

Biomass- Biomass, made up of plant and other organic matter, can be harnessed to generate electricity. Landfill gas is one of the most widely used forms of biomass generation. As organic wastes in a landfill decompose, they give off significant amounts of methane. This methane can be collected and burned to generate electricity. While biomass-based generation is renewable, it is not entirely pollution-free. However, burning biomass creates less pollution than using fossil fuels, and it does not contribute to global warming. Plus, unlike wind and solar power, biomass fuel can be stored and used as needed.

Geothermal- Geothermal generation relies on heat trapped within the earth's crust, the same kind of heat that evident in volcanic activity and geysers. Geothermal power plants tap steam and hot water trapped underground to convert that energy into electricity.

United State's Electricity Generation by Resource

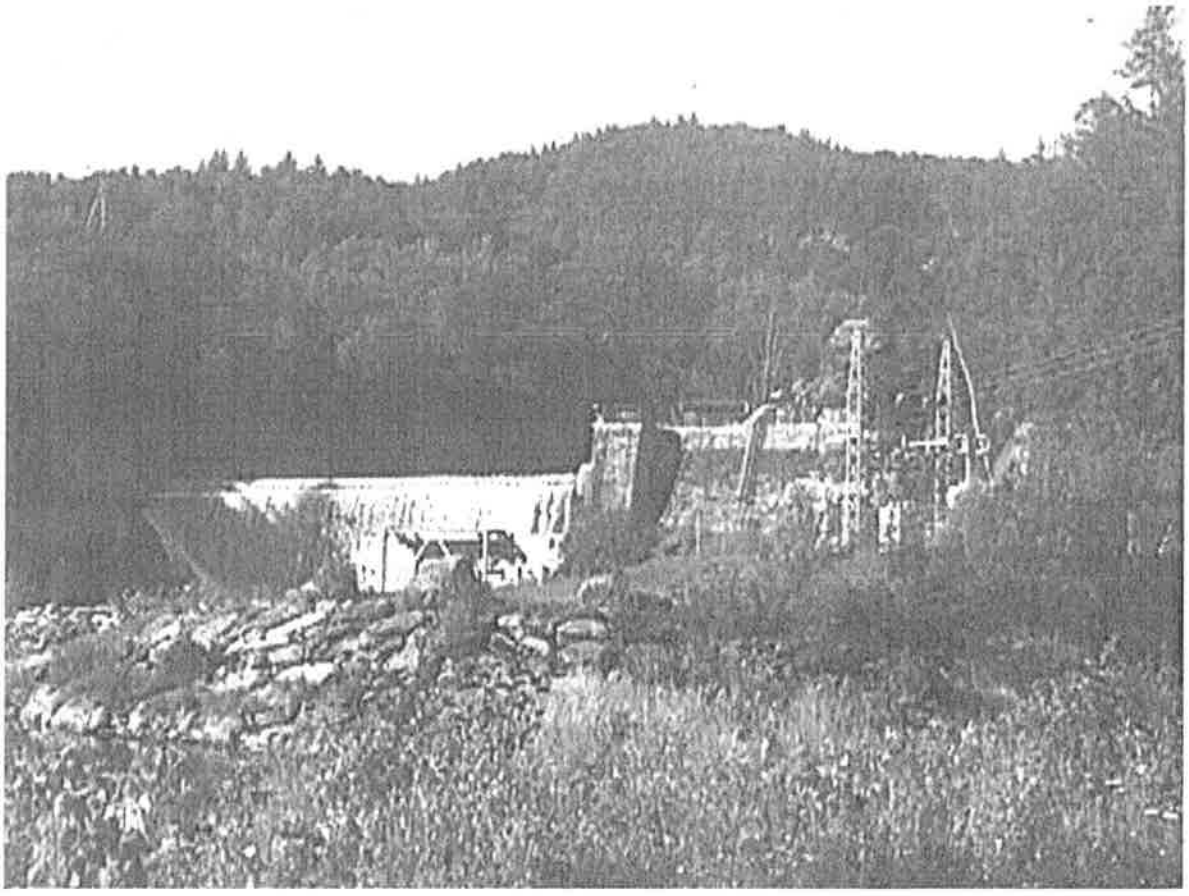


More About Hydroelectric Generation

Hydroelectric generation is an abundant source of pollution-free electricity. Green Mountain Energy Company worked with American Rivers and dam owners and operators to develop criteria that support the use of water resources, while at the same time ensuring that they are not exploited thoughtlessly. This comprehensive screening process identifies "low-impact hydroelectric" facilities. By developing a means of certification, the collaborators hope to identify and spur demand for hydroelectric facilities that operate with less harm to the environment.

Large hydroelectric facilities are often associated with serious environmental problems, and all hydroelectric plants can affect fish and wildlife habitats and water quality. Under the current Green-e standard, small-scale hydroelectric facilities (plants 30 megawatts in capacity or less) are considered renewable; large-scale generation (greater than 30 megawatts) is not. Under the more comprehensive low-impact-hydro standard, screening criteria will include: fish protection; satisfactory river flow, preservation of water quality, mitigation of inundated lands, threatened or endangered species protection, protection of cultural resources, facilities removal recommendations, and availability of recreational opportunities.

The demand for facilities certified by the Low Impact Hydro Institute remains uncertain. As of yet, none of the hydroelectric generation that Green Mountain Energy Company supplies comes from Low-Impact Hydroelectric Institute-certified facilities.



More About Biomass Generation

Some of the electricity marketed by Green Mountain Energy is generated from renewable biomass. Biomass generation technologies use plants and organic matter to generate electricity. These resources may be burned directly or converted into another fuel before being used.

Green Mountain Energy Company purchases electricity generated from only two sources of biomass: wood and landfill gas. We do not purchase electricity derived from burning municipal solid waste for any of our energy products.

As things like food, yard clippings, wood, and other organic wastes decompose they give off methane, water vapor, and other trace gases. Referred to collectively as landfill gas, this combination of gases can be collected and burned to generate electricity.

There are big differences between burning landfill gas and burning municipal solid waste (MSW). Municipal solid waste involves burning the solid waste itself, which can be problematic because the waste often contains contaminants. Using landfill gas, on the other hand, involves burning the gas *byproduct* of decomposing organic matter sitting in landfills.

For Pennsylvania and New Jersey electricity blends that contained biomass, 100% of that biomass supply came from landfill gas facilities. In California, the biomass electricity we purchased was derived from a combination of landfill gas and wood biomass facilities.

Because biomass involves combustion, there are air emissions from its use. As a result of these air emissions, biomass is an imperfect renewable resource compared to pollution-free resources like wind and solar. However, biomass generation is significantly better than generation that relies on fossil fuel. (see comparison of biomass and fossil fuel air emissions.) It can also provide "baseload" power, electricity on demand 24 hours a day. Unlike wind and solar resources, biomass fuel can be stored and used as needed. Green Mountain Energy Company uses biomass from facilities that meet Green-e standards for air emissions.

Why Does Burning Biomass Result in No Net Carbon Dioxide Emissions?

As plants grow, they absorb atmospheric CO_2 and store it in their mass. As these plants die and decompose naturally, they release this carbon back into the atmosphere in the form of carbon dioxide and methane. When they decompose there is no *net* release of CO_2 – these plants are merely releasing what they already absorbed from the atmosphere. By using biomass to generate electricity, no more CO_2 is being released than if the plant had decomposed naturally. Therefore, assuming a sustainable level of harvest, the fuel source has no net carbon dioxide emission and is CO_2 neutral.

Contrast the CO_2 impact of using biomass with burning fossil fuels. As fossil fuels form, natural processes lock carbon deep within the earth's surface. It would remain there but for human interference. By mining and drilling for that carbon, bringing it to the surface, and burning it, we release additional CO_2 into the atmosphere. These *additional* CO_2 emissions are observed as increased gas concentrations in our atmosphere. These additional carbon dioxide emissions are causing global warming.

Comparison of Biomass and Fossil Fuel Air Emissions

Resource	Net air emissions (lbs/MWh)		
	CO_2	NO_x	SO_2
Landfill Gas	**0.0**	**<2.9**	**0.1**
Coal	2,248.9	5.9	13.2
Oil	1,672.1	4.2	11.7
Natural Gas	1118.9	1.7	0.1

Electricity Products: Our Standard

We stake our reputation on the environmental soundness of our products. Through our Environmental Charter, we have formally committed ourselves to offering only electricity products that are cleaner than the current energy mix serving that region.

We have also been guided by the Green-e Renewable Electricity Program (Green-e) in developing our electricity products. In 2000, two of our three electricity products offered to customers in Pennsylvania, half of our electricity products offered to customers in New Jersey, and all of our electricity products offered to new customers in California were certified by the Green-e. Our current Connecticut product is also Green-e certified, as our Texas product will be.

In order for an electricity product to be certified by Green-e, it must satisfy the following criteria:

- At least 50% of the product must come from specified renewable sources.
- Emissions of sulfur dioxide, nitrogen oxides, and carbon dioxide from the non-renewable generation component of the product must not exceed average emissions rates of fossil fuel in the region's system mix.
- Total fossil-fuel emissions of the product cannot exceed the average system power emissions rate.
- One year after deregulation, the product must contain at least 5% "new renewable" electricity. This requirement increases to 10% the next year.
- The product does not include nuclear power other than what is contained in any system power purchased for this product.
- The product must be offered by a company committed to following the Green-e Code of Conduct on ethical treatment of customers, including the use of simple contracts and disclosure labels.

A tool to evaluate electricity products is available on the internet. Developed by representatives of leading environmental organizations, it can be found at www.powerscorecard.org.

The Green-e Renewable Electricity Program was developed by the Center for Resource Solutions (CRS) as part of its mission to preserve and protect the environment by promoting sustainable energy technologies. Working with environmentalists, consumer advocates, and renewable energy experts, CRS formed Green-e to provide a simple way for the public to understand the benefits of renewable electricity and to establish confidence by certifying renewable power from credible companies. Green-e also ensures that retail suppliers of Green-e certified electricity actually deliver the renewable energy promised to their customers. Under the program, annual independent audits of the delivery of certified products are conducted. For more information on Green-e, go to www.green-e.org or call 1-800-63-GREEN.

Electricity Products: Our Energy Supply and Suppliers

We create electricity blends that must meet specific requirements for generation source and vintage. We are committed to offering electricity blends that are dramatically cleaner than a region's system mix. We are also committed to including electricity from new renewable facilities in our blends, to support incremental environmental improvement. Therefore, in order to design our power blends, we examine the generation source, vintage, and air emissions of generation facilities supplying our energy. We stipulate specific environmental criteria for generating facility performance in our contracts with our wholesale energy providers.

The Green-e standard guides our supplier decisions, especially for those products that we will have certified in the Green-e program. Green-e excludes certain renewable generation technologies from their definition of renewable resources (i.e. large scale hydroelectric generation: hydroelectric facilities 31 MW in size or greater). Green-e also limits the use of coal or nuclear power within a certified product, and sets air emissions requirements for various generation sources.

The tables on this page and the next summarize the projected and actual electricity energy supply mix purchased in California, New Jersey, and Pennsylvania in 2000.

Power Blend information provided in the accompanying tables describes the purchases of Green Mountain Energy[sm] over the course of a calendar year. For each calendar year or portion thereof that a customer purchases Green Mountain Energy[sm], we will deliver to the grid enough power from our energy blend resources to match that customer's energy usage during that period. These deliveries will be subject to verification in accordance with the requirements of the Green-e Renewable Electricity Branding Program. Renewable and hydroelectric resource availability varies from hour to hour and from season to season, as does our customer's use. At any specific time, we will be putting more or less of these energy sources in to the grid than our customers' use. We will put system power into the grid to serve our customers' minute-by-minute consumption, but will always match our customer's annual electricity use by delivering our energy blend resources into the grid. At all times our customer's electricity needs will be served.

Our 2000 Energy Supply	
Primary Energy Source	**Source of MWh Sold**
Unknown	--
Oil	--
Natural Gas Combustion	Hay Road (DE) Other Natural Gas*
Hydro (excluding pumped storage)	APX Small Hydro? * (CA) Essex 19? Lake Lynn (WV) Lake Siskiyou? (CA) Slate Creek? (CA) Conowingo (MD) Other Small Hydro? *
Nuclear	--
Solar	BJ's / Sunpower Solar (PA) Green Mountain Solar at Berkeley (CA) Solar 2000 (CA) Searsburg Wind (VT)
Wind	San Gorgonio Wind Farm (CA) Wyoming New Wind (WY) Green Mountain Wind Farm at Garrett, (PA)
Geothermal	APX Geothermal* (CA) Geysers (CA)
Biomass	APX Biomass* (CA) APX New Biomass* (CA) Archbald Landfill Gas (PA) Fairless Hills Landfill Gas (PA) Other Landfill Gas*
Other	--

*- Due to contract confidentiality requirements, these sources cannot be disclosed to the general public. The Green-e program is designed to ensure that retail suppliers of Green-e certified electricity actually purchase the renewable energy promised to their customers. As required by our Green-e certification, fuel mix percentages by product are disclosed to all customers. An annual independent audit of the delivery of certified products is conducted.

? - indicates that generating facility is small scale hydro power (=30MW)

APX- The Automated Power Exchange was a wholesale electricity market operator of electricity commodities. APX operated an online exchange where an entire community of wholesale buyers and sellers could exclusively trade renewable power.

Electricity Supply: California

California has abundant renewable energy resources. These include wind, solar, hydroelectric, biomass, and geothermal resources sufficient for electricity generation. According to Energy Information Administration of the Department of Energy (EIA), California has excellent resources for wind energy. Recent studies indicate that biomass also has excellent potential within the state. California also has the underground reservoirs of high-temperature steam and water necessary for geothermal generation. EIA characterizes its hydropower potential as "good."

Because of the exceptional renewable resource availability in California and surrounding regions, we were able last year to offer three power blends that were 100% renewable. New renewable content was as high as 25% in our Wind for the Future[3.0sm] electricity blend. Geothermal, small scale hydroelectric, and wind were predominant resources. The table below details the promised power content of the electricity blends we marketed in California last year, as well as the content of the actual supply we delivered to the grid on behalf of our customers.

California Electricity Supply Mix for 2000
Promised vs. Actual Supply

Power Blend	100% Renewable[3.0sm]		Solar for the Future[sm]		Wind for the Future[3.0sm]		California Generic System[4]
Generation Resource	Promised Supply[1]	Actual Supply[1]	Promised Supply	Actual Supply[1]	Promised Supply[1]	Actual Supply[1]	(For Comparison)
Eligible Renewable	100%	100%	100%	100%	100%	100%	11.9%
Biomass	*	-	*	3%	*	-	2.3%
Geothermal	*	29%	*	35%	*	44%	4.6%
Small Hydroelectric[2]	*	71%	*	61%	*	31%	3.0%
Solar (PV)	*	-	*	<1%	*	-	0.4%
Wind	*	-	*	1%	25%	25%	1.5%
Coal	-	-	-	-	-	-	15.7%
Large Hydroelectric[2]	-	-	-	-	-	-	18.8%
Natural Gas	-	-	-	-	-	-	35.1%
Nuclear	-	-	-	-	-	-	17.2%
Other	-	-	-	-	-	-	1.3%
TOTAL	100%	100%	100%	100%	100%	100%	100%
% New Renewable[3]	1%	1%	5%	5%	25%	25%	

(1) Promised Supply refers to power that we contracted to provide. Actual Supply refers to the actual resource mix of the electricity that a customer purchases during the year.
(2) Small hydroelectric facilities are defined by the Green-e Renewable Electricity Branding Program as hydroelectric power plants less than or equal to 30 MW in size. Large hydroelectric facilities are defined as greater than 30MW in size.
(3) In California, "new renewable resource" means that these facilities began commercial operation on or after January 1, 1997.
(4) Average CA system power mix is derived from 2000 California Energy Commission generation data and EPA EGRID 2000 emission rates for the State of California.

* Promised Supply included an unspecified mix of eligible renewable resources dependant upon resource availability.

Electricity Supply: New Jersey

According to EIA, wind and biomass resources offer the best potential for renewable electricity generation within New Jersey. Portions of the state are characterized as having "good" wind resources. Biomass also offers a promising form of renewable generation. The state has a relatively few hydropower resources. Less than 1% of New Jersey's electricity needs could come from hydropower located within its borders. EIA characterizes New Jersey's solar resources as useful or marginally useful depending on the type of solar technology employed. The state has no geothermal resources capable of generating electricity.

In 2000, we used landfill gas and wind resources to meet our renewable electricity requirements. We delivered three times the amount of new renewable energy we promised to our Eco Smart[sm] customers, and two times the amount of new renewable energy we promised to our Enviro Blend[sm] customers. The table below details the promised power content of the electricity blends we marketed in New Jersey last year, as well as our deliveries to the grid for our customers.

New Jersey Electricity Supply Mix for 2000
Promised vs. Actual Supply

	Eco Smart[sm]		Enviro Blend[sm]		New Jersey Generic System[5]
	Promised Supply	Actual Supply	Promised Supply	Actual Supply	(For Comparison)
Eligible Renewable	1%	3%	50%	50%	<1%
Biomass	*	2%	*	47%	-
Geothermal	*	-	*	-	-
Small Hydroelectric[2]	*	-	*	-	<1%
Solar (PV)	*	-	*	-	-
Wind	*	1%	*	3%	-
Coal	-	-	-	-	47%
Large Hydroelectric[2]	= 50% [3]	51%	50%	50%	<1%
Natural Gas	= 49% [3]	46%	-	-	9%
Nuclear	-	-	-	-	37%
Oil	-	-	-	-	4%
Other	-	-	-	-	2%
TOTAL	100%	100%	100%	100%	100%
% New Renewable[4]	1%	3%	5%	10%	

(1) Promised Supply refers to power that we contracted to provide. Actual Supply refers to the actual resource mix of the electricity that a customer purchases during the year.
(2) Small hydroelectric facilities are defined by the Green-e Renewable Electricity Branding Program as hydroelectric power plants less than or equal to 30 MW in size. Large hydroelectric facilities are defined as greater than 30MW in size.
(3) Our power supply agreements required that at least 50% of Eco Smart[sm] provided in New Jersey would consist of large hydroelectric. Our supplier could increase that amount (reducing its use of natural gas) and may use any combination of large and small hydroelectric resources. To the extent available, renewable resources would be substituted.
(4) In New Jersey, "new renewable resource" means that these facilities began commercial operation on our after January 1, 1998.
(5) Average NJ system power mix is derived from 1998 Environmental Protection Agency EGRID Generation Resource Mix data, Pennsylvania-Jersey-Maryland ISO power control area.

* Promised Supply included an unspecified mix of eligible renewable resources dependant upon resource availability.

Electricity Supply: Pennsylvania

According to EIA, biomass and wind resources offer the best potential for electricity generation within Pennsylvania. The state also has some useful solar generation resources. Our renewable supply was generated with landfill gas, hydroelectric resources, wind resources, and modest amounts of solar.

In 2000, we delivered three times the new renewable content promised to our Eco Smart[sm] customers, and twice the content promised to our Enviro Blend[sm] and Nature's Choice[sm] customers. The table below details the promised power content of the electricity blends we marketed in Pennsylvania last year, as well as our deliveries to the grid for our customers.

Pennsylvania Electricity Supply Mix for 2000
Promised vs. Actual Supply

	Eco Smart[sm]		Enviro Blend[sm]		Nature's Choice[0]		Pennsylvania Generic System[5]
	Promised Supply	Actual Supply	Promised Supply	Actual Supply	Promised Supply	Actual Supply	(For Comparison)
Eligible Renewable	1%	3%	50%	81%	100%	100%	<1%
Biomass	*	2%	*	72%	*	89%	-
Geothermal	*	-	*	-	*	-	-
Small Hydroelectric[2]	*	-	*	6%	*	8%	<1%
Solar (PV)	*	-	*	-	*	<1%	-
Wind	*	1%	*	3%	*	3%	-
Coal	-	-	-	-	-	-	47%
Large Hydroelectric[2]	<99%[3]	26%	<50%[3]	5%	-	-	<1%
Natural Gas	<99%[3]	71%	<50%[3]	14%	-	-	9%
Nuclear	-	-	-	-	-	-	37%
Oil	-	-	-	-	-	-	4%
Other	-	-	-	-	-	-	2%
TOTAL	100%	100%	100%	100%	100%	100%	100%
% New Renewable[4]	1%	3%	5%	10%	5%	13%	

(1) Promised Supply refers to power that we contracted to provide. Actual Supply refers to the actual resource mix of the electricity that a customer purchases during the year.
(2) Small hydroelectric facilities are defined by the Green-e Renewable Electricity Branding Program as hydroelectric power plants less than or equal to 30 MW in size. Large hydroelectric facilities are defined as greater than 30MW in size.
(3) Our power supply agreements required that 99% of Eco Smart[sm] and 50% of Enviro Blend[sm] provided in Pennsylvania would consist of large hydroelectric and/or natural gas. To the extent available, renewable resources would be substituted.
(4) In Pennsylvania, "new renewable resource" means that these facilities began commercial operation on our after January 1, 1998.
(5) Average PA system power mix is derived from 1998 Environmental Protection Agency EGRID Generation Resource Mix data, Pennsylvania-Jersey-Maryland ISO power control area.

* Promised Supply included an unspecified mix of eligible renewable resources dependant upon resource availability.

Electricity Products: Air Emissions

Making electricity is the leading cause of industrial air pollution in the United States. That's the problem. Renewable resources and cleaner natural gas-fired generation provide a solution. Renewable resources like solar, wind, geothermal, and biomass have little to no air emissions, and pose none of the risks associated with nuclear generation. Natural gas causes significantly less of the emissions that cause global warming and acid rain when compared to coal, which is the source of 52% of generation in the United States. By stimulating the demand for renewable resources and natural gas generation, Green Mountain Energy Company is able to offer electricity blends are dramatically cleaner than a region's system power.

Air Impacts of Conventional Electricity Generation

Pollutant	Pollutant Emissions from electricity generation, as a percentage of total U.S. annual emissions from all sources	Environmental Effect of Pollutant
Sulfur Dioxide[1]	67%	Contribute to acid rain, asthma, and respiratory illness, and aggravates existing cardiovascular disease.
Nitrogen Oxides[2]	25%	Contribute to acid rain, smog, asthma, and respiratory illness.
Carbon Dioxide[3]	40%	Greenhouse gas that contributes to global warming
Mercury[4]	33%	Heavy metal that builds up in human tissue can damage human and animal nervous systems.
Particulate Matter (PM_{10})[5]	8%	Contribute to respiratory illness

1. EPA. 1998 National Air Pollutant Emission Trends, 1900-1998
2. EPA. 1998 National Air Pollutant Emission Trends, 1900-1998
3. EIA and EPA. Carbon Dioxide Emission from the Generation of Electric Power in the United States. 10/15/99
4. EPA. 1997 Mercury Study Report to Congress
5. EPA. 1998 National Air Pollutant Emission Trends, 1900-1998

"We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants."

CERES Principle, Protection of the Biosphere

Global Warming

In the United States, making electricity accounts for more than one-third of carbon dioxide emissions each year. Though not a regulated pollutant, emissions of carbon dioxide and other greenhouse gases are the focus of international concern and the target of the Kyoto Protocol.

Human-induced emissions of these greenhouse gases are upsetting the Earth's natural balance of greenhouse gases and altering the global climate. These changes in global climate are expected to cause more severe weather patterns, increased precipitation, melting of the polar ice caps, and rising sea levels. The disruptions to human settlements around the globe and the threat to natural eco-systems are potentially enormous.

Based on Environmental Protection Agency studies, choosing renewable electricity is one of most significant steps and individual can take to fight global warming. In 2000, Green Mountain Energy offered blends that were 41% - 100% cleaner in CO_2 emissions than respective regional system mixes. Our customers kept 22,251 tons of CO_2 out of the air.

Global Warming Facts

- Since the industrial revolution, CO_2 levels have increased by 30%.
- Global mean surface temperatures have increased 0.6 to 1.2 degrees Fahrenheit over the past 100 years
- Sea level has risen 4 to 10 inches over the past 100 years.
- By 2100, global mean surface temperatures are expected to rise 2-10 degrees F. For comparison, temperatures during the last ice age were only 9 degrees cooler than today. This brought ice sheets as far south as New York City.

Product CO_2 Emissions and CO_2 Emissions Avoided from 2000 Products

State	Percent New Renewable In Power Blends	Total CO_2 Emissions (Tons)		Total CO_2 Emissions avoided through new renewable content of Green Mountain Energy℠ (tons) [1]		
		Using Green Mountain Energy℠ Electricity	If that electricity was supplied using generic system power. (for comparison)	From Green Mountain Energy℠ New Renewable Facilities	From Other New Renewable Facilities	From ALL New Renewable Facilities
CA	1% - 25%	0	141,578	2,705	4,084	6,789
NJ	2.5% - 10%	429	1,961	31	83	114
PA	2.5% - 12.5%	152,318	340,686	3,284	12,063	15,347
Total [2]		152,747	484,225	6,021	16,230	22,251

(1) Green Mountain Energy Company's power blends come from existing and new renewable facilities, as well as other cleaner energy sources. When calculating the avoided emissions from our products, we do not claim the reduced emissions from "existing" renewable facilities (facilities that were running before deregulation). Only emissions benefits from new renewable facilities are claimed.

(2) Due to rounding, individual columns might not add to total amount

Acid Rain

Making electricity accounts for 67% of sulfur dioxide emissions and 25% of nitrogen oxides emissions. The emissions react with water vapor in the atmosphere to form acidic compounds. Eventually the acidic compounds fall to the earth in precipitation and or as dry gases or in combination with dust particles. Acid rain damages sensitive forests and bodies of water, and threatens populations of species that rely on these areas for habitat.

In 2000, Green Mountain Energy offered blends that were 7% to 99% cleaner for nitrogen dioxides emissions than respective regional system mixes. Our power blends were 99% to 100% cleaner than system power for emissions of sulfur dioxide. Our customers kept 46 tons of nitrogen dioxides and 124 tons sulfur dioxide of out of the air.

Acid Rain Facts

- In some lakes and streams, acidification has completely extirpated sensitive fish species.
- Temporary acidification from acidic snowmelts or heavy downpours can cause large "fish kills" in sensitive species.
- Certain regions in the United States are more susceptible to acid rain damage than others. These regions include the Adirondacks, the mid-Appalachian highlands, the upper Midwest, and the high elevation West
- The Adirondacks have 3000 lakes and ponds, 350 of which have acid levels so high that they can no longer sustain life.

Smog

The ozone that exists naturally in the upper atmosphere protects us from the ultraviolet radiation from the sun. Manmade ozone at ground level, known as "smog," harms human health. This ozone comes about when NOx reacts with certain organic hydrocarbons, such as those in automobile exhaust or in cleaning solvents.

Smog damages the lungs and can impair a person's ability to breath. Smog also increases susceptibility to infection, and decreases the ability of otherwise healthy individuals to exercise. Studies show that emergency room visits and hospital visits for respiratory causes to increase with elevated smog levels.

How does Ozone effect the Environment?

"Ground level ozone can have several environmental impacts:

- Ozone impairs the ability of plants to produce and store food. This inhibits plant growth and reproduction and diminishes plant health, which in turn weakens the ability of plants to survive disease, insect attacks, and extreme weather
- Ozone can have long-term impacts on forests and ecosystems including disruption of ecological functions (such as water movement and mineral nutrient cycling) and adverse impacts on the natural habitats of plants and animals."

Product SO_2 Emissions and SO_2 Emissions Avoided from 2000 Products

State	Percent New Renewable In Power Blends	Total SO_2 Emissions (Tons)		Total SO_2 Emissions avoided through new renewable content of Green Mountain Energy℠ (tons)[1]		
		Using Green Mountain Energy℠ electricity	If that electricity was supplied from generic system power (for comparison)	From Green Mountain Energy℠ New Renewable Facilities	From Other New Renewable Facilities	From ALL New Renewable Facilities
CA	1% - 25%	0.3	191.1	3.1	4.7	7.8
NJ	2.5% - 10%	0.1	14.7	0.2	0.6	0.9
PA	2.5% - 12.5%	20.1	2,560.0	24.7	90.6	115.3
Total[2]		20.5	2,765.8	28.0	96.0	124

(1) Green Mountain Energy Company's power blends come from existing and new renewable facilities, as well as other cleaner energy sources. When calculating the avoided emissions from our products, we do not claim the reduced emissions from "existing" renewable facilities (facilities that were running before deregulation). Only emissions benefits from new renewable facilities are claimed.

(2) Due to rounding, individual columns might not add to total amount

Product NO_X Emissions and NO_X Emissions Avoided from 2000 Products

State	Percent New Renewable In Power Blends	Total NO_X Emissions (Tons)		Total NO_X emissions avoided through new renewable content of Green Mountain Energy℠ (tons)[1]		
		Using Green Mountain Energy℠ electricity	If electricity was supplied using generic system power (for comparison)	From Green Mountain Energy℠ New Renewable Facilities	From Other New Renewable Facilities	From ALL New Renewable Facilities
CA	1% - 25%	13	243	3.3	7.6	10.9
NJ	2.5% - 10%	1	4.6	0.1	0.2	0.3
PA	2.5% - 12.5%	270	798	6.8	28.3	35.1
Total[2]		285	1,045.6	10.1	36.1	46.2

(1) Green Mountain Energy Company's power blends come from existing and new renewable facilities, as well as other cleaner energy sources. When calculating the avoided emissions from our products, we do not claim the reduced emissions from "existing" renewable facilities (facilities that were running before deregulation). Only emissions benefits from new renewable facilities are claimed.

(2) Due to rounding, individual columns might not add to total amount

Our Direct Support of New Renewable Generation

By the end of 2000, Green Mountain Energy Company had supported the development of five new renewable generation facilities. These new renewable facilities are among the first in the nation to be constructed as a direct result of deregulation of the electric industry.

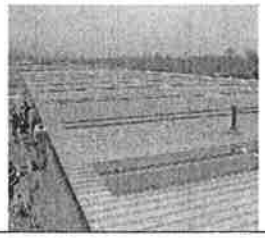
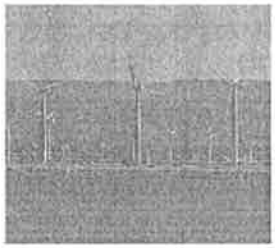
Development of new renewables is key to true environmental improvement. Put simply, when electricity from new renewable plants goes onto the grid to meet customer demand, we reduce our reliance on more polluting forms of generation. In so doing, we take steps to eliminate public health and safety risks resulting from these forms of generation.

Last year alone, our Green Mountain Energy Company new renewable facilities kept 6,021 tons of CO2 out of the air. To put that in perspective, the facilities removed as much CO2 as 819,000 trees annually. The facilities' operations also avoided 10 tons of NO_x, and 28 tons of SO_2. These facilities are important steps in our mission to change the way power is made.

"We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning."

CERES Principle, Sustainable Use of Natural Resources

Green Mountain Energy Company's New Renewable Projects

BJ's Solar		
Location	Conshohoken, PA	
Operation Date	April 22, 1999	
Capacity	43 kW	
Partners	Sun Power Electric, BJ's Wholesale Club	
San Gorgonio Wind Farm		
Location	Palm Springs, CA	
Operation Date	June 28, 1999	
Capacity	2.1 MW	
Partners	Pacificorp	
Solar 2000 "Real Goods"		
Location	Mendocino, CA	
Operation Date	September 28, 1999	
Capacity	106 kW	
Partners	GPU Solar	
Green Mountain Wind Farm - Garrett		
Location	Garrett, PA	
Operation Date	May 1, 2000	
Capacity	10.4 MW	
Partners	National Wind Power	
Green Mountain Solar - Berkeley		
Location	Berkeley, CA	
Operation Date	December 7, 2000	
Capacity	100 kW	
Partners	Owned and operated by GPU solar	

2000 Total Avoided Emissions (tons)	
CO2	6,021
NOx	10
SO2	28

New Renewable Development, Land Use, and Biodiversity

We recognize the potential for land-use consequences in developing wind facilities. Working with our development partners we ensure that these facilities are sited to avoid significant negative affect on their surroundings. Detailed environmental surveys are conducted on proposed facility sites.

Case Study: Development of the Green Mountain Wind Farm in Garrett, Pennsylvania

Environmental Review

In 2000, the Green Mountain Wind Farm in Garrett, Pennsylvania became operational. When we proposed the windfarm in 1999, it was the largest project we had played a role in developing to date. Situated in the Pennsylvania hillside, the site had formerly been part of a coal strip-mining operation and continues to support agricultural activities.

Our development partners conducted extensive review that far exceeded mandatory requirements –assessing environmental as well as acoustic impacts from the proposed development. The study assessed bird risks, endangered species impact, wetlands review, and sensitive habitat study. Subsequent monitoring of the site during operation supports the original findings of no significant impact.

For more information on the Garrett wind farm, refer to our 1999 CERES report.

"We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity."

CERES Principle, Protection of the Biosphere

Electricity Products: Customer Energy Use

Our efforts to date in demand-side management have been modest. We have identified customer energy efficiency as an opportunity for future improvement.

- We have presented information through our website and our customer newsletter, Small Planet Press, designed to educate our customers on how they can become more energy efficient.

- We also worked with the Natural Resources Defense Council (NRDC) to develop an NRDC consumer action guide entitled, "What You Can Do To Save Energy and Our Environment." This publication was distributed free-of-charge to customers in our pilot program for Green Mountain Natural Gas.

- At this point, our rate structure does not promote reduced consumption.

Environmental Performance—Business Practices

This section details the environmental performance of our business operations, considering the following:

- Carbon Dioxide Emissions
- Energy Use
- Transportation
- Materials Use
- Office Waste
- Suppliers and Partners
- Water Use

Information about our environmental performance is presented in the Global Reporting Initiative's Sustainability Reporting Guidelines framework for environmental reporting during the 2000-operating year. Where possible, we have provided information on prior years for the reader's comparison. Unless otherwise indicated, this information covers the activities of Green Mountain Energy Company's Corporate Headquarters, located in South Burlington, Vermont prior to October of 2000, and presently located in Austin, Texas. Where noted, the information also incorporates activities of our smaller regional offices in California, Pennsylvania, New Jersey, and Vermont.

Compliance

CERES asks endorsing companies to complete the chart, indicating if their operations in any way require compliance with environmental, health, or safety regulations at either the national, sub-national or supra-national level, in key environmental categories.

At our offices, we are subject to regulation in workplace health and safety. We are also subject to local regulations prohibiting introduction of the nickel cadmium batteries we use in some portable electronic devices into the waste stream. No enforcement action in any environmental, health, and safety regulation has been raised against Green Mountain Energy Company.

Category	Compliance Required?
Air Quality	No
Water Quality	No
Drinking Water	No
Chemical Certification	No
Hazardous Waste*	Yes
Emergency Response	No
Workplace Health & Safety	Yes
Radioactive Materials	No
Habitat Protection	No
** Nickel cadmium batteries used in pagers*	

Business Practices: Carbon Dioxide Emissions

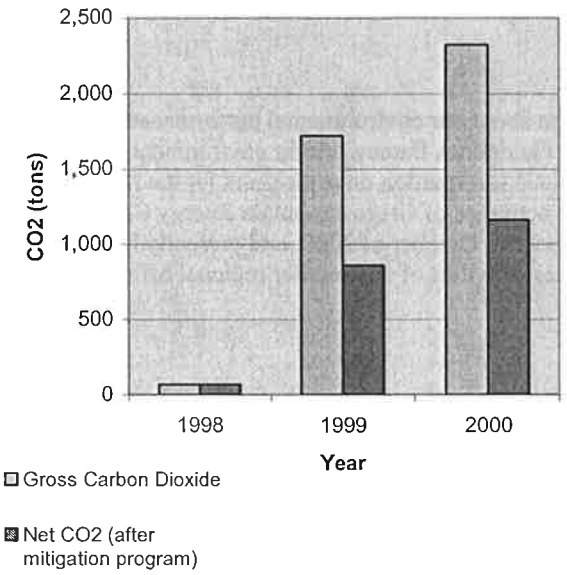
The threat of global warming resulting from increased atmospheric CO2 concentrations warrants that environmentally responsible companies identify the greenhouse gas emissions caused by their business operations. While we have not formally adopted a climate change policy, we developed an interim commitment to annually mitigate 50% of our global warming impact from carbon dioxide emissions resulting from our business operations.

Carbon Dioxide from Business Practices Emissions Data

	1998 [a]	1999 [b]	2000 [c]
CO2 (tons)	68	1,721.0	2,324
Net CO2 (tons)	68	860.5	1,162

Note(s)

a. CO2 emissions in 1998 are based on energy use in our corporate headquarters only.
b. CO2 emissions in 1999 are based on corporate air travel, embodied emissions from purchased paper, employee commuting, and energy use in corporate headquarters.
c. CO2 emissions in 2000 are based on corporate air travel, embodied emissions from purchased paper, employee commuting, and energy use in corporate and regional offices.

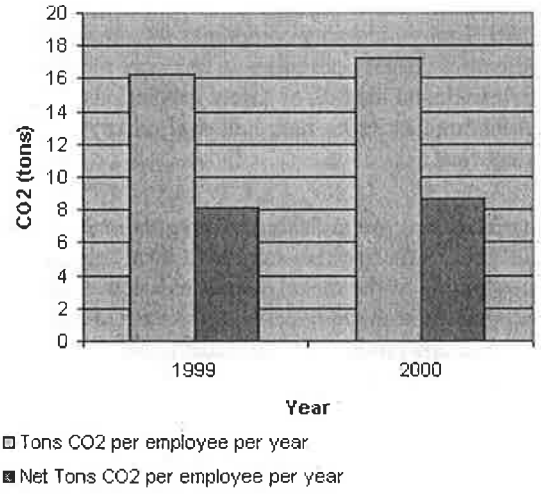


In 1998, we set out to identify the major components of our company's CO2 footprint. Since then, we have developed a method to estimate the amount of carbon dioxide emitted to the atmosphere as a result of our business operations.

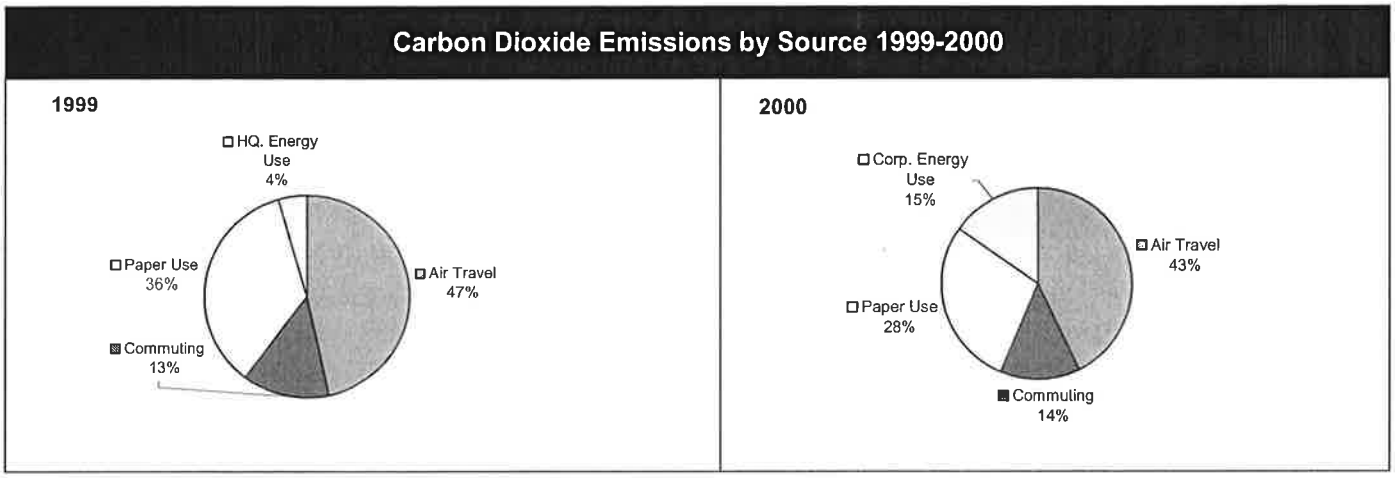
Over the past three years, we've incrementally increased the scope of our footprint estimation. In 1998, our accounting included only the carbon dioxide emissions from energy use in our corporate headquarters. In 1999, we expanded our estimate to include the majority of our air travel, embodied emissions in paper used, and employee commuting. In 2000, we further expanded our metric to include energy estimate for our regional office's energy use.

We estimate that the bulk of our direct and indirect CO2 emissions from business practices come from our corporate air travel (43%). The embodied emissions from our paper use contribute to 28% of our footprint. Corporate energy use and employee commuting contribute 15% and 14%

CO2 Emissions Normalized by Employee



respectively of our carbon dioxide footprint. The table below details our carbon dioxide emissions by source for 1999- 2000.



Our Carbon Dioxide Mitigation Program

After taking inventory of our direct and indirect carbon dioxide emissions, we chose to mitigate our global warming impact by supporting ecological restoration. Working with Pacific Forest Trust, a non-profit organization located in Booneville, California, Green Mountain Energy Company purchased carbon offsets to mitigate half of CO2 emissions from business operations in 1999 and 2000. We discounted the offset credits by 10% to account for measurement uncertainties that can accompany forest sequestration projects, and out of recognition that carbon offsets are different than reductions at the source.

PFT uses the proceeds from the sale of carbon credits to further its work with private landowners to ensure sustainable forest management, restoration, and conservation in Northern California. Through restoration and conservation, carbon dioxide is removed from the atmosphere and stored in the growing forest where it cannot contribute to global warming.

Our support of Pacific Forest Trust's carbon offset program uses a conservation easement to help promote ecological restoration of part of an 850-acre forest adjacent to Butano Creek in Northern California. This private property contains rare old-growth and mature second-growth coastal redwoods. By requiring that forest management be focused on maintaining and enhancing the characteristics of old-growth habitat, the project protects habitat crucial to several endangered species, including the marbled murrelet and red-legged frog. The easement also helps to protect Butano Creek, home to steelhead and coho salmon.

"I commend Pacific Forest Trust and Green Mountain Energy Company for showing that addressing climate change is good for both our economy and the environment."

Roger Ballentine, Chairman of the White House Climate Change Task Force

"We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants."

CERES Principle, Protection of the Biosphere

Business Practices: Corporate Energy Use

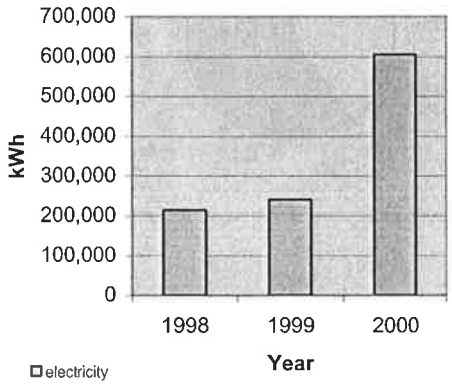
Green Mountain Energy Company's primary energy use is the electricity necessary to operate the company's offices. In 2000, we took steps in energy efficiency and planned for modest onsite generation to decrease the harm that comes from our energy use.

Office Electricity Use

	1998 [a]	1999 [a]	2000 [b]
Electricity (kWh)	214,560	240,800	605,016

Note(s)

a. Electricity use in 1998 – 1999 is based on actual meter readings *for our VT corporate headquarters only*.
b. Electricity use in 2000 for our TX corporate headquarters is estimated based on percentage of space shared in multi-tenant building without sub-metering. Electricity use also includes consumption in regional offices in CA, PA, and VT.

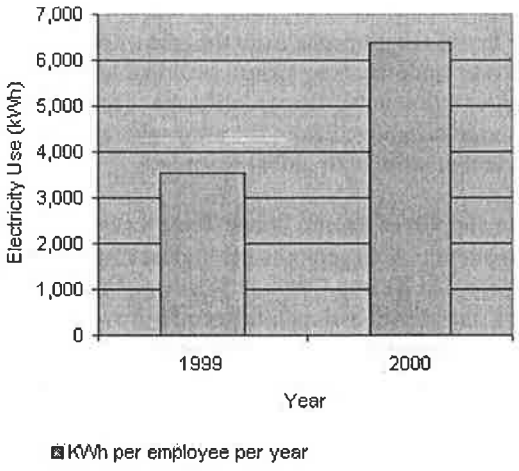


In 2000, we moved our corporate headquarters from Burlington, VT to Austin, TX. The location we selected was an unfinished space in a shared building. Inability to sub-meter the space has also led to difficulties in assessing our electricity use in 2000. Currently, electricity use in our TX corporate headquarters is estimated based on percentage of space shared in multi-tenant building without sub-metering.

Our tenant fit-up included steps aimed at energy efficiency, including:

- Installation of energy efficient fluorescent and compact fluorescent lighting
- Installation of motion detecting light switches in our conference rooms
- Floor space design to maximize use of natural light

Electricity Use Normalized by Employee



A variety of factors have prevented us from using Green Mountain Energy to power our own offices: an inability to sub-meter leased office space and location of some offices in areas without electric competition. Late in 2000, we began working with our property manager to install a modest photovoltaic generation system atop our corporate headquarters in Austin, TX.

- The project will consist of 60 individual BP Millennia series solar panels. Each panel uses "thin film" technology, a promising low-cost source of solar energy.
- The system's estimated annual energy output is about 3,500 kWh per year. The system will displace approximately 1% of our overall energy use in the office.

"We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources"

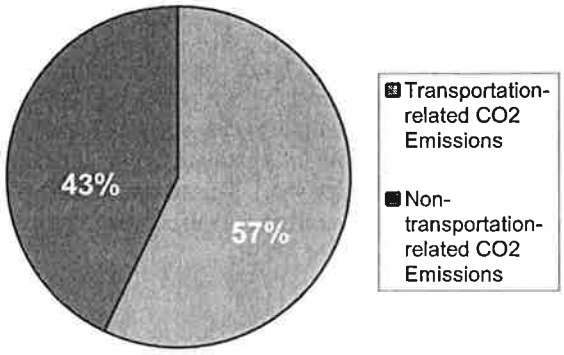
CERES Principle, Energy Conservation

Business Practices: Corporate Transportation

We recognize the impact that our corporate transportation has on our environment. We calculate that CO2 emissions from air travel and employee commuting constituted 57% of our corporate CO2 footprint in 2000. As a growing company that is expanding into several regions, we rely on commercial air transportation to meet with each other and attend key sessions with stakeholders.

Our annual CO2 mitigation program is designed to offset half of the carbon dioxide emissions from our employee commuting and air travel. We are challenged to find effective ways to reduce the damage at the source.

2000 CO2 Emissions by Source

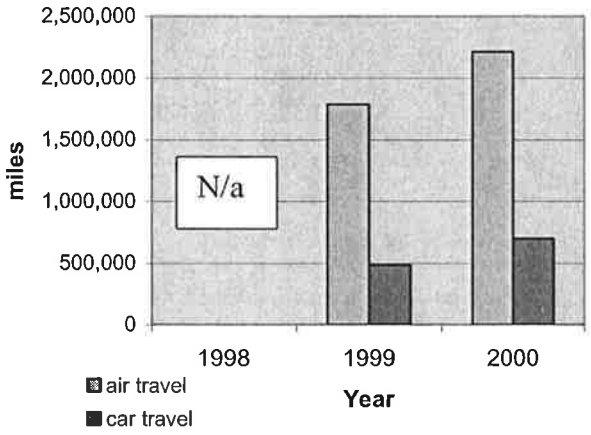


Transportation Data

	1998	1999	2000
Air Travel[a] (miles)	N/a	1,787,056	2,214,140
Car Travel[b] (miles)	N/a	486,696	698,162

a-. Corporate air travel is derived through monthly mileage reports from our travel agencies

b- Commuting patterns of employees is estimated through bi-annual commuting surveys



Business Practices: Natural Resource Use

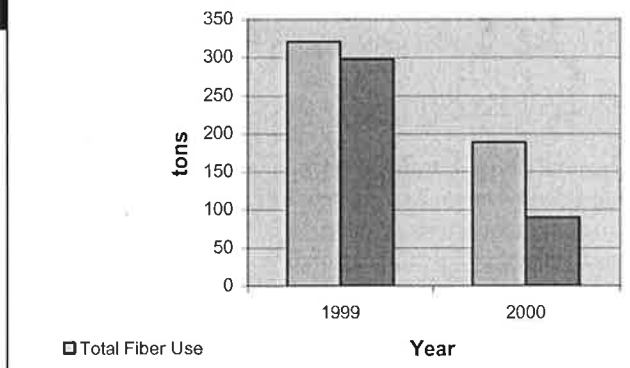
As power retailer, our use of materials and water is similar to that in any office environment. We identify our paper use as the most substantial portion of our materials footprint. Customer and prospective customer communications accounts for approximately 98% of our paper use. We've taken steps to reduce environmental harm from our paper use by setting clear environmental guidelines for the paper we purchase.

Forest Fiber Use

	1998	1999	2000
Total Forest Fiber (pounds)	N/a	321	189
Estimated portion post-consumer waste (pounds)	N/a (20-100%)	298 (93%)	90 (48%)

Percentage of post-consumer waste fiber derived from direct reports from partners. In the absence of direct reports, minimum content allowed by standard is assumed.

Actual forest fiber use data not available for 1998.



Paper Use

In 1999, we launched a tremendous direct-mail educational effort to inform potential customers of about electricity generation and the benefits of supporting renewable technologies. As a result, we used a considerable amount of forest fiber. Subsequently, we scaled back our direct-mail efforts in 2000. As a growing company, we expect our paper use will increase in coming years.

We've taken several initiatives to reduce the environmental consequence of our paper use:

- In 2000, our management approved a policy to (1) inform our suppliers that it is our policy not to purchase forest products that contain old-growth fiber; (2) actively work with our suppliers to verify that the forest products we purchase do not contain old-growth fiber; (3) ask our suppliers to verify the companies and regions from which virgin fiber content is derived; and (4) measure and benchmark the amount of forest products we use, as well as their content of post-post consumer waste. We achieve compliance with this policy by selecting paper made with recycled fiber content (preferably post-consumer recycled content) and by requiring written statements from our manufacturers disclosing the origins of virgin fiber.

- A formal standard addressing fiber content and chlorine processing has guided our paper purchases since 1999. Under our standard, paper must contain at least 30% post-consumer waste recycled content. An additional 20% of the paper's fiber must come from environmentally preferable sources (additional post-consumer waste recycled fiber, pre-consumer fiber, Forest Stewardship Council certified fiber, and/or tree-free fiber.) The paper must be processed using process chlorine free or elemental chlorine free technologies. Lastly, any virgin fiber within the paper must not be derived from old-growth forests. We also use soy-based inks for printing. Our paper selections often exceed the requirements of the standard. For example, in 2000 we increased the percentage of post-consumer fiber used in our billing stock from 20% post-consumer waste recycled fiber to 100% post-consumer waste recycled fiber.

Contributing to the Welfare of Forests

Since 1999, we've worked with American Forests, the nation's oldest non-profit conservation organization to contribute to the welfare of forest ecosystems across the country. Through its three centers – Global ReLeaf, Urban Forest and Forest Policy – American Forests mobilizes people and organizations around the world to improve the environment by planting and caring for trees.

"We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning."

CERES Principle, Sustainable Use of Natural Resources

Green Mountain Energy Company and American Forests have worked together for the last two years to plant more than 41,000 trees through environmental revitalization projects in areas throughout the country, including Pennsylvania, Connecticut and California. These projects were part of promotional efforts aligned with our corporate values. While these plantings undoubtedly result in global warming benefits, these projects were unrelated to our support of ecological restoration in our carbon dioxide mitigation plan described previously.

Business Practices: Office Waste

Our waste stream is typical of most office environments. The bulk of our waste is recyclable material. We have instituted a companywide recycling policy. We estimate the amount of material recycled in our corporate headquarters and the amount of waste sent to landfills. We also monitor or waste stream to gauge whether our policies are being successfully implemented. For our efforts in waste reduction and our establishment of a recycling program that exceeded requirements of mandatory recycling, we were awarded the Year 2000 "Partners in Recycling Award" by Vermont's Chittenden Solid Waste District.

Direct comparisons of waste volume across the time periods are difficult. In 1998, consultants estimated the amount of waste we produce by volume. In 1999 and 2000, our privately contracted maintenance staff recorded the weight of our waste directly. With our transition to Austin, Texas, our maintenance services are contracted by our landlord, and we are no longer able to take direct measurements of our waste stream. Instead, we track our pro-rata share of the waste volume taken in bulk from our shared office building.

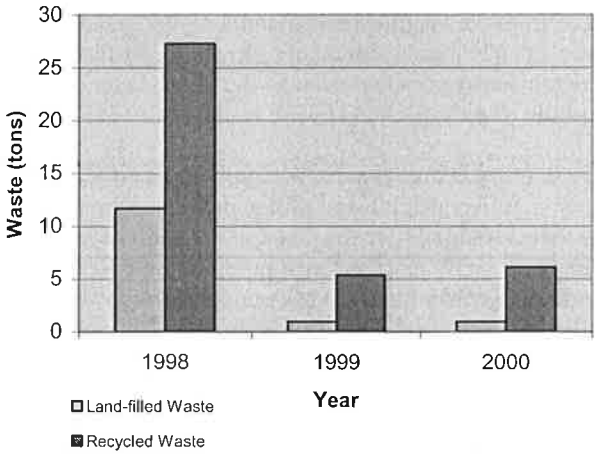
For the purpose of the comparison below, we've used standard volume-to-weight conversion factors provided by the US Environmental Protection Agency to convert all volume estimates to weight estimations. The decrease in waste indicated for 1999 and 2000 is more than likely attributable to refinements in our estimation processes rather than any physical reduction in office waste.

Waste Data

	1998	1999	2000
Land-filled Waste (tons)	12	1	1
Recycled Waste (tons)	27	5	6

Note(s)

- 1998 waste estimated by volume, converted to weight using EPA's Standard Volume to Weight conversion factors
- 1999 and 2000 waste estimated by sampling direct measurement.



We have taken actions to reduce the amount of waste attributable to our operation:

- We have well organized waste and recycling collection areas and educate our employees on the importance of recycling.
- We encourage our employees to use electronic communication in lieu of paper and encourage double side copying and printing
- The only hazardous waste generated in our facilities is expended batteries for electronic devices and spent fluorescent light bulbs. As a matter of policy, these wastes are segregated for disposal at local hazardous waste depots.
- We request that recipients of our customer communications recycle them after use.

"We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods."

CERES Principle, Reduction and Disposal of Wastes

Business Practices: Non-Energy Suppliers and Partners

As an electricity retailer, most of our effort in supply chain management has focused on energy supply issues. For more information about our work with energy suppliers, refer to page 24.

In our business operations, we've begun to address supplier issues in marketing activities, focusing particularly on the paper that we use and promotional products that we offer customers.

Durable Product Standards: In 1999, we began the process of developing environmental standards to guide the selection of durable products. In 2000, we began pilot testing the standard with specific product offerings. Our standard is aimed to promote products that are environmentally superior to others in the same category. To accomplish that, we work with the product's manufacturer or supplier to ensure that each product excels in durability, reusability, recycled content, natural content, or energy or water efficiency. We also received written assurances from our suppliers and manufacturers to ensure that those products: (1) didn't contain old growth forest fiber, (2) didn't contain substances that damage the ozone layer, (3) had emission-free operation, and (4) were made free of child labor.

Old Growth Content and Paper: We approved a policy to (1) inform our suppliers that it is our policy not to purchase forest products that contain old-growth fiber; (2) actively work with our suppliers to verify that the forest products we purchase do not contain old-growth fiber; (3) ask our suppliers to verify in writing the companies and regions from which any virgin fiber is derived.
We also work with our marketing outsourcing partners to ensure that the paper used for our corporate communications meets requirements for recycled content, chlorine processing, and ink content.

Supplier Relationships in Tenant Fit-up of our Austin Headquarters

In finishing our Austin headquarters, we worked with our landlord and an architectural firm to ensure that our purchases reflected our desire to use environmentally preferable materials and support suppliers with strong environmental commitments. For example:

- As a result of our supplier research, we chose carpeting manufactured by Interface, because of the company's strides in waste reduction, reducing air emissions, and energy efficiency in manufacturing.
- We also selected office furniture manufactured by Steelcase, based on their commitment to continuous environmental improvement, adherence to a set of corporate environmental principles, and a their corporate goals in waste reduction.
- Paint used in our facilities was free of volatile organic compounds (VOC's). VOC's are a common source of indoor air pollution and can cause headaches and irritation of eyes, nose, and throat.
- Rather than using vinyl flooring, we used a product developed by Forbo Industries, that is made with renewable resources like wood flour, corks flour, natural rosins, linseed oil, and limestone, with a backing of biodegradable jute.

"Green Mountain Energy Company will be an environmentally responsible business, engaging in daily practices that promote a healthier planet and sustainable economy. These practices include working with partners to encourage them to adopt sustainable business practices."

Green Mountain Energy Company, Environmental Charter

Business Practices: Water Use

Our corporate water use is limited to that drawn by our 100 or so employees in our corporate offices. Green Mountain Energy Company operates office environments and does not engage in water intensive or manufacturing processes.

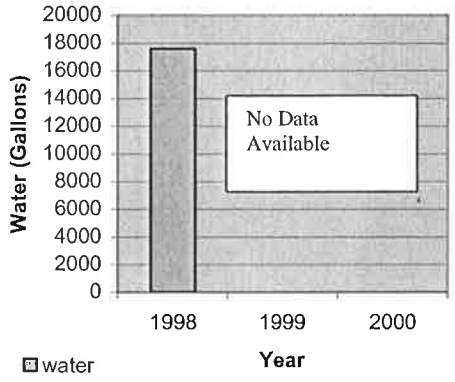
Early in our business operations, we tracked our water use in our corporate headquarters. After gathering a year's worth of data, we concluded that our water use was of relatively little significance compared to other aspects of our environmental footprint. That said, we make an effort to be efficient with our water use. Where possible, we've ensured that our offices are equipped with low-flow water fixtures to promote water conservation.

Water Use Data

	1998	1999	2000
Water (Gallons)	17,601	N/a	N/a

Note(s)

- In 1998, we tracked water use in corporate headquarters.
- In 1999, we concluded that our water use was insignificant compared to other aspects of our footprint and stopped collecting data.



Recognizing the Need for Watershed Protection

Moving our corporate headquarters to Austin, TX presented a challenge due to a strict timeline and little vacancy for commercial space. After relocating to a new building outside the city, we realized the impact that urbanization was having on the six watersheds of the Barton Springs Edwards Aquifer. As a result, we engaged local environmental organizations dedicated to preservation of these fragile ecosystems.

As a first step toward promoting the conservation of these fragile ecosystems, we donated money to the Hill Country Conservancy. This donation was assisted them in their mission to conserve open space in Texas's Blanco, Hays, and Travis Counties.

We also sponsored the City of Austin's Earth Camp program. The four-day, outdoor program is offered to 400 low-income students in the Austin Independent School District annually, at no charge. The primary focus of Earth Camp is on Austin's watersheds and the preservation of water quality in these watersheds. Daily field trips include hands-on science investigations and activities encompassing the study of the geography, science, and natural history of the watersheds and the Barton Springs/ Edwards Aquifer. Our sponsorship was publicly recognized with an award honoring our ongoing commitment to Austin's Environment from the Save Barton Creek Association, a non-profit organization working to protect and conserve the watersheds of the Barton Springs Edwards Aquifer.

We are currently developing a relocation program for employees joining the company in Austin. Under the program Green Mountain Energy Company provides financial incentives to employees who settle in Austin's "desired development zone" rather than in environmentally sensitive areas in the Edwards Aquifer recharge zone.

We continue to work with Hill Country Conservancy and the Save Barton Creek Association in their local stewardship efforts. Green Mountain Energy Company employees have participated in several local projects, including local trail cleanups.

We continue to work with Hill Country Conservancy and the Save Barton Creek Association in their local stewardship efforts. The Green Mountain employees pictured above spent their Saturday picking up trash and repair trails on the Barton Creek Greenbelt as part of Save Barton Creek Association's Trail Clean Up Day.