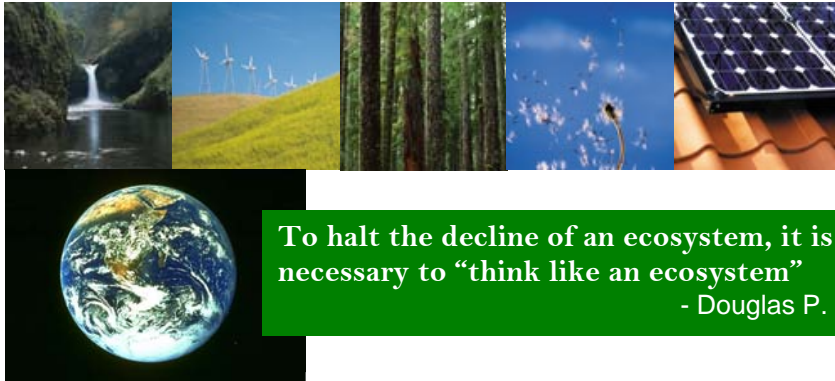


# Green Mountain Energy Company

## 2005 ENVIRONMENTAL REPORT

Prepared in 2006 for Ceres



**To halt the decline of an ecosystem, it is necessary to “think like an ecosystem”**  
- Douglas P. Wheeler



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# The Ceres Principles

**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.

**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.



Ceres  
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6th Floor  
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**Ceres**

# Welcome

Achieving continuous improvement:

2005 was an extremely exciting year at Green Mountain. Early in the year the company launched a strategic initiative to examine all facets of our business. These teams, determined to drive results and improvements within the organization, emerged with new ideas that resulted in the launch of a new business unit focusing on commercial customers who are striving to improve their environmental position. This business unit, eMission Solutions, and its products have moved Green Mountain into the arena of commercial grade carbon reduction solutions. With the launch of eMission Solutions, we are no longer limited by the poles and wires of any electric utility or by the boundaries of specific states or markets that have opened to retail electric competition. We are able to serve customers nationally with carbon offset products and services using renewable energy credits (RECs) as well as forest sequestration offsets. We invite you to learn more at [www.greenmountain.com/emissions](http://www.greenmountain.com/emissions).

In the spirit of continuous improvement and ongoing leadership in renewable energy and corporate sustainability, we accomplished several key milestones in 2005.

- Moving to new headquarters in downtown Austin, Texas from our previous building outside the city's core, gave us the opportunity to create an office space that reflects our environmental commitment from the ground up. Presented with the opportunity to build out an entirely new interior space in one of downtown's greenest buildings, we decided to follow the principles set forth by the U.S. Green Building Council's LEED-CI certification standard. In early 2006, we achieved LEED silver certification and are proud to be among the first interior office spaces in Austin to have followed the LEED process.
- Implementation of our corporate carbon reduction program through the EPA Climate Leaders Program allowed us to become carbon-neutral in 2005. This represents a 50% increase in our target reduction from the prior year.
- Development of 3 new solar facilities in Texas due to our customers who participate in the Big Texas Sun Club. These facilities represent 13.2 new kW of solar in the state of Texas and are located at the Heard Museum, Lake Sheldon State Park and a Dallas Habitat for Humanity house.
- For the second consecutive year, our Utility Partnering programs with FPL in Florida and PGE in Oregon have achieved top rankings in multiple categories from the National Renewable Energy Laboratory (NREL).
- Initiated membership to the Chicago Climate Exchange (CCX), the world's first and North America's only voluntary, legally binding rules-based greenhouse gas emission reduction and trading system. Green Mountain is the first green power marketer to gain admission.

As demonstrated by the achievements above, you can see that we live by a philosophy of continuous improvement. 2005 has been a truly exciting year at Green Mountain Energy Company and we look forward to the prospects of 2006 and beyond with confidence.

Sincerely,

Paul Thomas  
Chief Executive Officer

# Green Mountain Energy Company's Values

**Integrity:** Integrity is the foundation of our business. We will adhere, individually and collectively, to our commitments, our values and the ethical conduct of our business.

**Sustainability:** We are dedicated to the environment and maintaining lasting, mutually beneficial relationships in all aspects of our business.

- To customers, we are committed to providing quality products and services that consistently represent an exceptional value and result in high customer satisfaction.
- To society, we are committed to improving the environment through the products we sell and how we conduct our business.
  - To employees, we are committed to offering a rewarding workplace that encourages mutual respect, communication, openness to challenge and the opportunity for both personal and professional growth.
- To our investors, we are committed to creating value and consistently delivering outstanding financial returns.

**Results:** Customers, society, employees and investors will measure us by what we deliver. We will relentlessly pursue outstanding results that meet our company goals and objectives.

"**Green Mountain's Values** reflect our belief that individual commitment and fulfillment require more than financial rewards. Make no mistake - there is no substitute for delivering ever-improving financial results. We measure ourselves against this standard every day. But that's not enough - our people want to do more.

Our people want to build a profitable, growing company that gives consumers and businesses easy, affordable and meaningful ways to help improve our environment. We believe now is the time to do more to protect and improve our environment. We believe competitive markets are the best way to deliver the new products and services that will help get this done. And we believe the balance and moderation inherent in sustainable business practices will make Green Mountain an enduring company that better serves our customers, stockholders and employees and the communities where we live and work."

- Robert P. Thomas  
*Chief Legal Officer*  
*Green Mountain Energy Company*

# Report Scope

Green Mountain Energy Company delivered its first environmental report in 1999 after its first year of operation. At that time, we followed the 1998 Ceres Short Format and also the Ceres Electric and Gas Industries Report guidelines. The content of that first report was not really polished for public consumption, has an austere black and white format and reads like a question and answer document. Of course, back then, we didn't think anyone would be interested in reading it, but that wasn't why we wrote it anyway.

We wrote it because we value transparency. We believe that in the emerging and complex market of environmentally superior products, customers and key stakeholders deserve to know that the company they are buying from is acting as responsibly as they can.

Throughout our past six reports, we have disclosed our successes and failures, tracked our products and environmental policies. These reports provide the comprehensive road map to who Green Mountain Energy is today and we invite you to view them on our website at [www.greenmountain.com](http://www.greenmountain.com).

While today's report may vary in tone and format from the earlier reports, the primary composition remains the same. And, we have learned that people do in fact read them and find value in them just like we do.

Today we follow the 2002 GRI Sustainability Guidelines pertaining to environmental, social and economic performance for this 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 for such confidential data with related publicly available information.

Information about our environmental performance is presented in the Global Reporting Initiative's Sustainability Reporting Guidelines framework for environmental reporting during the 2005 operating year. (GRI 2.11) 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 Austin, Texas. Where noted, the information also incorporates activities of our smaller regional offices in Ohio, Oregon, Pennsylvania, Florida and Dallas and Houston, Texas. (GRI 2.13)

The majority of the data used to support the claims in this report have undergone various audit procedures by either internal or third-party audit groups, or in many cases a combination of the two.

# Vision and Strategy

## Section

# 1



## The Carbon Constrained Economy

The consensus among the world's climate scientists have concluded that greenhouse gas (GHG) emissions resulting from human activities, such as transportation and electricity production, have a significant impact on the atmosphere and are having a discernible influence on global climate.

Since the dawn of the industrial age, the global economy has become increasingly dependent on the use of fossil fuels to power our businesses and our way of life. We share the growing concern that, if left unchecked, these emissions will continue to alter the atmosphere and the climate, disrupting human settlements around the globe and threatening human and natural ecosystems.

Carbon dioxide (CO<sub>2</sub>) accounts for almost 85% of greenhouse gases and is released during the burning of fossil fuels like coal, oil and gas.

## Expected Consequences

- Hotter and cooler temperatures
- General rise in sea levels, in part resulting from melting polar ice caps
- Changes in rainfall patterns
- Increased frequency and severity of storm systems such as hurricanes, windstorms and thunderstorms
- Increased frequency and severity of droughts and floods
- Loss of habitat and biodiversity
- Expanded occurrence and distribution of serious health risks and diseases

As scientists have gathered increasing levels of proof that climate change is occurring, and why, efforts to combat this problem have gained significant momentum. Around the world, citizens, corporations and individuals alike, are choosing different types of transportation and sources of electricity, and are investing in technologies that promise to reduce or sequester greenhouse gas emissions. It is this group of “first movers” who will lead us towards a more sustainable future and be the best prepared to thrive in a global economy that is increasingly carbon constrained.

## The role electricity generation plays

Electricity generation is responsible for 33% of greenhouse gas emissions and the demand for electricity is growing rapidly. As of the year 2000, in the United States, generation of electricity was responsible for 33% of total GHG emissions; transportation 27%, industry 19%, agriculture 8%, commercial establishments 7%, and residences 5%. The world will consume 75 percent more electricity in 2020 than it does today—and that demand will triple by 2050, according to the [World Energy Council](#).

## There are cleaner ways to generate electricity

We purchase supply from generators that tap into the natural occurring flows of energy—like wind, water, sunshine, organic material and the heat of the earth itself. Unlike traditional forms of generation, they emit little to no air pollution and produce no nuclear waste. We also look to energy from cleaner burning non-renewable resources like natural gas for our supply needs. Natural gas creates lower quantities of greenhouse gases and criteria pollutants per unit of energy than any other fossil fuel, including coal or oil.

## Our customers are having an impact

Since 1999, Green Mountain Energy Company sales to customers have avoided approximately 2.5 million metric tons of CO<sub>2</sub> and have supported the development of over 180 MW of new renewable energy generation.



As a result of our concern for global climate change and rising greenhouse gas levels, Green Mountain Energy has offset a portion its corporate carbon footprint since 1999. In 2005 we proudly became a carbon-neutral business by offsetting 100% of the carbon emissions resulting from electricity usage, and employee commuting and travel.

\* Note: Data for 2003 and prior represents CO<sub>2</sub> avoided for by customers and 2004 and beyond includes Green Mountain Energy Company's corporate programs.



## Section

# 2

## Corporate Profile



### Origins

Green Mountain began in 1997 with a simple idea: “to change the way power is made”. We believed that if given a choice, consumers would choose a cleaner electricity product over conventional electricity products generated primarily from polluting fossil fuels. When businesses and residential customers exercise their choice and elect to have Green Mountain Energy Company serve their electricity needs, they take control of the type of generation that is put onto the power grid on their behalf.

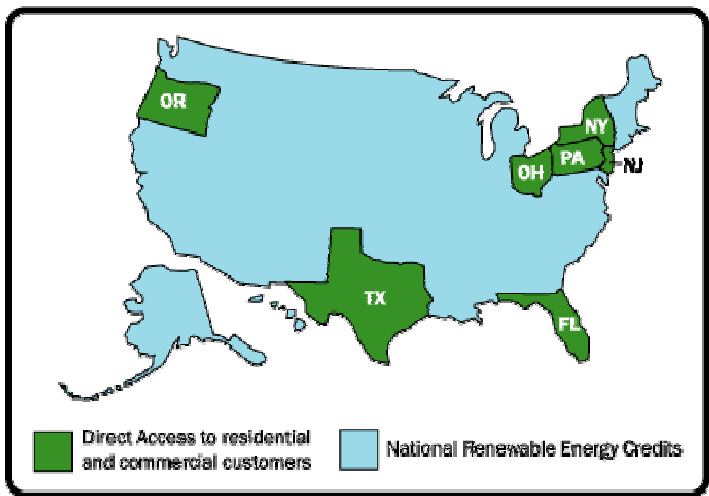
Since our inception, Green Mountain has been a pioneer and demonstrated consistent growth and innovation in the rapidly developing marketplace for renewable energy. Each year we have taken tangible steps towards realizing our mission and living up to our values of “integrity”, “sustainability” and “results.”

- We participated in one of the first electricity markets opened to retail competition in 1998, and by the end of our first year, were serving thousands of residential customers with cleaner electricity.
- Two years later we had set ourselves apart as being the only marketer to offer Green-e certified products in multiple markets.
- In 2000, we dedicated the Green Mountain Wind Farm in Garrett, Pennsylvania. This 10.4 megawatt (MW) site was the first major wind facility built in Pennsylvania and was built on the reclaimed land of a former strip mine.
- In 2003, the Green Mountain Energy® Wind Farm at Brazos, a 160 MW utility scale wind farm in West Texas was completed. Thanks in part to our customers' demand for cleaner electricity, The Green Mountain Energy® Wind Farm at Brazos is our largest renewable facility yet.
- More recently, we have developed two successful utility partnering relationships with Florida Power and Light (FPL) and Portland General Electric (PGE). Green Mountain serves as the energy supplier and marketer for both of these utility programs. In 2004 and again in 2005, they both received top 10 rankings from the National Renewable Energy Laboratory (NREL).
- Our customers created demand for the construction of 13 wind and solar facilities across the nation representing over 180,000 KW of new renewable energy. Since the first facility came online in 1999, these facilities are responsible for avoiding over 214,000 metric tons of CO<sub>2</sub>, a greenhouse gas that contributes to global warming.

In 2006 we blazed a new trail, with the launch of eMission Solutions, a division of Green Mountain that delivers carbon reduction solutions to commercial sector clients seeking to improve their environmental position. This sophisticated and cutting edge suite of carbon-free products is designed for next-generation businesses. And, as the first renewable energy marketer to offer a carbon solutions product line, we emphasize that our vision reaches far beyond that of an electricity supplier.

Through eMission Solutions, Green Mountain Energy products are available nationwide to businesses and institutions through the purchase of commercial grade RECs. The chart below depicts the regions in which Green Mountain Energy Company markets cleaner electricity products under the direct access, utility partnering and aggregation strategies.

## Green Mountain at a Glance



- In 2005 Green Mountain Energy Company Products were available in:**
- Florida
  - New Jersey
  - New York
  - Ohio
  - Oregon
  - Pennsylvania
  - Texas
  - eMission Solutions national carbon offset products

<b>Nature of Ownership</b>	Privately-held corporation
<b>Major Products/ Services</b>	<i>Green Mountain Energy</i> electricity and related cleaner and/or renewable electricity products and services
<b>Country of Operation</b>	United States
<b>Nature of Markets Served</b>	<ul style="list-style-type: none"> <li>• Direct Access: NJ, PA, TX</li> <li>• Utility Partnerships: OR, NY, FL, OH</li> <li>• Municipal Aggregations: OH</li> <li>• National RECs through eMission Solutions</li> </ul>
<b>Number of customers served with <i>Green Mountain Energy</i> electricity in 2005</b>	Over 600,000
<b>2005 Strategic Partners</b>	Niagara Mohawk (NIMO), Northeast Ohio Public Energy Council (NOPEC), Portland Gas and Electric (PGE), Florida Power and Light (FPL), American Municipal Power Organization (AMPO)
<b>Number of Employees</b>	Monthly average: 145
<b>Corporate Offices</b>	<ul style="list-style-type: none"> <li>• Austin, TX (Corporate Headquarters)</li> <li>• Mt. Laurel, NJ</li> <li>• Dublin, OH</li> <li>• Houston, TX</li> <li>• Plano, TX</li> <li>• Portland, OR</li> <li>• Juno Beach, FL</li> </ul>
<b>Revenue</b>	Range of \$200 to \$500 million. More than 99% of our revenues come from the sale of our <i>Green Mountain Energy</i> electricity products. Sales and revenue by region are proprietary and confidential
<b>Prior Ceres Reports</b>	Reports for our 2000, 2001, 2002 and 2003, 2004 operating years are available online at <a href="http://www.greenmountain.com">www.greenmountain.com</a> (1998, 1999 reports are available upon request)

## Products & Services

Green Mountain Energy Company offers customers dramatically cleaner power derived from renewable resources like wind, water, biomass, solar and geothermal heat, as well as the cleanest-burning fossil fuel, natural gas.

We offer residential and commercial customers the ability to choose the type of generation that is put onto power grids on their behalf. Our current business strategies for selling cleaner electricity include electricity products as well as carbon offset products.



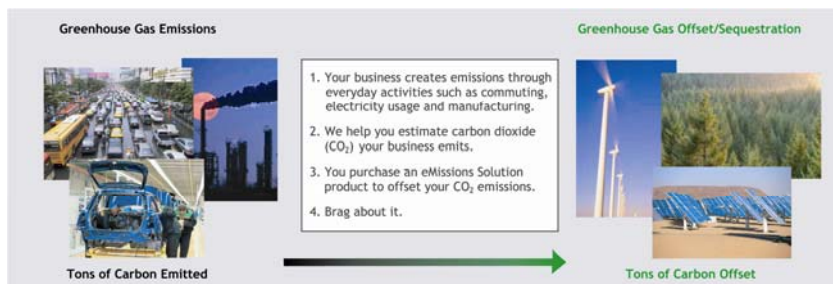
## Cleaner Electricity Products

- **Direct-access markets:** Green Mountain Energy Company markets its less-polluting *Green Mountain Energy* electricity directly to residential, commercial and industrial customers in states with competitive markets, such as Texas. For more information visit: [www.pollutionfree.com](http://www.pollutionfree.com)
- **Aggregation:** Green Mountain Energy Company served as the primary service provider to customer collectives. In 2005 we served hundreds of thousands of Ohio customers through the nation's largest municipal aggregation, NOPEC.
- **Utility Partnering:** In some states, Green Mountain Energy Company works with regulated utilities to offer their customers a renewable electricity option. In these relationships, Green Mountain Energy Company assists in marketing, provides training to utility employees and obtains renewable supply.

Residential and commercial customers who purchase *Green Mountain Energy* electricity products are able to reduce their share of carbon dioxide pollution.

## Carbon Offset Products

- **eMission Solutions:** The newest division of Green Mountain was launched in early 2006, and delivers innovative and cost effective carbon reduction solutions to commercial sector clients seeking to improve their environmental position. For more information visit [www.greenmountain.com/emissions](http://www.greenmountain.com/emissions)



## About Our Cleaner Electricity Products

Green Mountain Energy electricity products vary from region to region—as does the availability of the cleaner and renewable resources that generate them. The majority of our electricity products are dramatically cleaner than system power offered in their respective regions.

Cleaner electricity products are made up of two components: 1) the generic electricity, and 2) the clean attributes or environmental benefits associated with the generation of electricity from cleaner renewable sources. The electricity component is generally sold in the wholesale power market and flows into the power grid along with electricity from other sources, and it is impossible to distinguish between electricity generated from clean sources versus traditional polluting sources like fossil fuels. It all goes into the same reservoir of electricity from which we each draw power.

In order to ensure that we are selling cleaner electricity products, we purchase electricity on the wholesale power market to serve our customers' minute-by-minute power needs (all or the applicable portion of), and we purchase clean attributes in the form of renewable energy credits or certificates to match our customers' annual electricity usage. In this way, we ensure that the amount of electricity our customers buy is generated from the cleaner renewable resources we promise.

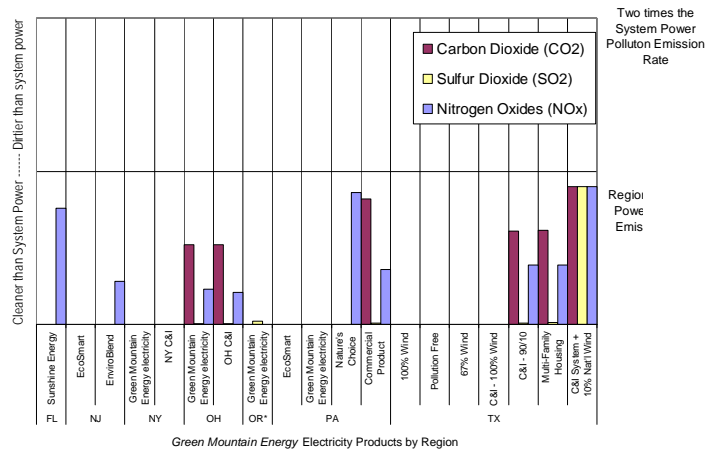
- We ensure that every Green Mountain Energy® electricity product is sourced in part from new renewable facilities.
- We retire on behalf of each respective customer, any environmental benefits that result from the purchase of Green Mountain Energy Company's cleaner electricity products made from less-polluting generation sources. This ensures that the environmental benefits from the customer's purchases are permanent and attributable only to the energy purchaser.
- In 2005, we implemented a new environmental supply procurement process that ensures greater consistency and quality in the new renewable sources that serve our customers.

### Cleaner Electricity

Green Mountain Energy electricity is dramatically cleaner than typical system power in a region.

The chart at right compares Green Mountain Energy electricity emission rates for 2005 products to regional system power<sup>1</sup>, with respect to carbon dioxide, sulfur dioxide and nitrogen oxides.



<sup>1</sup> Source: EPA eGRID v2.01  
\* OR marginal emissions rate from Northwest Power Planning Council



## An Easy and Powerful Way to Reduce a Household's Carbon Dioxide Footprint:

Every *Green Mountain Energy* electricity product is sourced in part using energy from new renewable facilities. When new renewable facilities are brought online, they help reduce our reliance on dirtier forms of generation. As a result, air pollution is avoided. Residential and commercial customers who purchase *Green Mountain Energy* electricity products are able to reduce their household's share of carbon dioxide emissions. In 2005, customers buying *Green Mountain Energy* electricity products could reduce their carbon footprint by anywhere from 400 to 66,000 pounds per year depending on their electricity usage, the product they buy and the generating mix in their region.

## Electricity Supply by Product and Region

2005 Estimated Carbon Dioxide Avoided by Green Mountain Energy Company Customer with Average Statewide Electricity Usage				
State	Product	Estimated Carbon Dioxide (pounds per customer per year)	Preventing atmospheric CO <sub>2</sub> as much as...	
			 ...not driving this many miles <sup>1</sup>	 ...this many trees, annually <sup>2</sup>
FL	<i>Sunshine Energy</i>	8,064	8,961	549
NJ	<i>Pollution Free</i>	4,939	5,488	336
	<i>EnviroBlend</i>	1,189	1,321	81
NY	<i>Green Mountain Energy</i> Electricity	3,352	3,725	228
NY	<i>NY C&amp;I</i>	20,501	22,779	1,395
OH	<i>Green Mountain Energy</i> Electricity	401	446	27
OH	<i>OH C&amp;I</i>	1,976	2,196	134
OR	<i>Green Mountain Energy</i> Electricity	7,560	8,400	514
PA	<i>Green Mountain Energy</i> Electricity	1,307	1,452	89
	<i>EcoSmart</i>	653	726	44
	<i>PA C&amp;I</i>	4,939	5,488	336
	<i>Nature's Choice</i>	1,959	2,177	133
	<i>REC Only</i>	8,355	9,283	568
TX	<i>100% Wind</i>	17,622	19,580	1,199
	<i>Pollution Free</i>	1,762	1,958	120
	<i>67% Wind</i>	11,807	13,119	803
	<i>ACP</i>	1,409	1,566	96
	<i>C&amp;I 100% Wind</i>	66,803	73,425	4,495
	<i>C&amp;I 10% Wind</i>	6,608	7,343	450
	<i>C&amp;I 10% (Nat'l)</i>	6,266	6,962	426

In the United States, making electricity causes billions of tons of carbon dioxide pollution every year

1. United States Environmental Protection Agency. Average Annual Emissions and Fuel Consumption for Passenger Cars and Light Trucks <http://www.epa.gov/otaq/consumer/f00013.htm>

2. Shilberg, Gayatri, M., Measurement and Valuing of Air Emissions in Preliminary ER-90 Resource Cases, prepared for the California Energy Commission, Feb. 1990. Quoting, Chernick, Paul and Emily Caverhill, The Valuation of Externalities From Energy Production, Delivery, and Use, Appendix C. A Report to the Boston Gas Company, December 22, 1989

## Policies, organization and management systems



### Corporate Environmental Policies

Throughout its history, Green Mountain has always been deeply invested in the development of a strong corporate environmental operations plan. From the early days of recycling implementation, to achieving 100% carbon mitigation in 2005, we strive to make improvements to our policies and programs every year.

#### 2005 New Policies and Programs:

- In November of 2005, we relocated our corporate headquarters to downtown Austin in one of the city's greenest buildings. In addition, we managed the build out of our interior space using the US Green Building Council's (USGBC) Leadership in Energy and Environmental Design criteria for Commercial Interiors (LEED CI). In the spring of 2006, Green Mountain received certification at the Silver level.
- In the spring of 2005, we standardized our procedures for assessing potential new renewable suppliers. This process further ensures the quality of our renewable energy products offered in the market place. This organizational shift has ensured consistent excellence in the cleaner energy products that Green Mountain Energy Company sells today.
- As a member of the EPA Climate Leaders Program, in 2005, we offset 100% of the emissions from our corporate business operations with renewable energy effectively creating a carbon neutral business.

#### Planned for 2006:

- Revision of the Corporate Commuting Program to better reward the method in which employees commute.

## Overview of Green Mountain's Environmental Policies, Programs and Standards

Policy	Issue Date	Latest Revision	Geographic Scope	Publicly Available
Environmental Charter	Fall, 1997	Summer 1999	Company wide	Yes
Ceres Principles Adoption	Spring, 1999	- - -	Company wide	Yes
Green Mountain Values	Fall, 1997	Winter 2003	Company wide	Yes
Commitment Regarding Old Growth Fiber	Winter, 2000	- - -	Company wide	Yes
Relocation Policy	August 2001	- - -	Corporate Headquarters	Yes (1)
Recycling Policy	Fall 1997	Spring 1999	Company wide	Yes
Paper Standard	Winter 1999	Summer 2000	Company wide	Yes
Non-Energy Product Standard	Winter 2001	- - -	Company wide	Yes
Corporate CO <sub>2</sub> Offset Policy	Fall 2003	Fall 2004	Company wide	Yes
Employee CO <sub>2</sub> Offset Policy	Spring 2003	- - -	Company wide	Yes
Renewable Energy Supply Policy	Spring 2004	- - -	Company wide	Yes (1)
Renewable Energy Facility Assessment Standard	Spring 2005	Spring 2006	Environmental Sourcing	No
Commuting Program	Spring 2004	Spring 2006	Company wide	Yes (1)
Duplex Printing Policy	Winter 2004	- - -	Corporate Headquarters	Yes (1)
Green Ambassadors Program	Winter 2004	- - -	Company Wide	Yes (1)
Computer and Cell Phone Recycling Policy	Winter 2004	- - -	Company Wide	Yes (1,2)
USGBC LEED – CI Certification	2005 - 2006		Corporate Headquarters	Yes (1)

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

In 2005, as part of our "Computer and Cell Phone Recycling Policy", Green Mountain donated an estimated 50 computers to the GoodWill Computer Works program and recycled an additional 20 through North Austin Recycling.

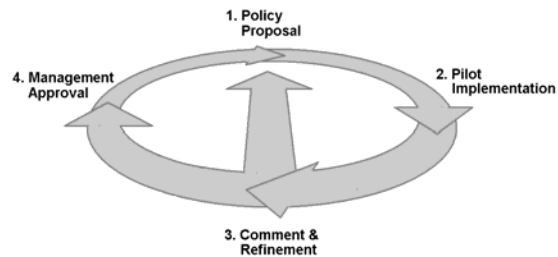
Developing New Policies and procedures:

**When developing new policies and programs for our employees, customers or stakeholders alike, Green Mountain subscribes to the following process.**

I.	Policy proposal: We are guided by the environmental community, corporate best practices and internal stakeholders in advancing draft policies.
II.	Pilot implementation: We test the draft policy on an interim basis. Often our pilots are limited in scope to specific departments or regions.
III.	Comment and Refinement: Through comments and suggestions from employees and stakeholders, we have the opportunity to improve and refine the proposal, if needed.
IV.	Management Approval: After successful pilot testing, the policy is implemented across the organization by approval of senior management.

Case study: Employee Commuting Program Revision

**Issue:** The Green Mountain Employee Commuting Program does not take into account the method of transportation, only the miles commuted. Therefore, employees who commuted using emissions-free methods of transportation such as walking and biking were not benefiting from the program because they commonly live in closer proximity to the workplace.



**Solution:**

- I. Policy Proposal: In late 2005, employees were surveyed about their opinions regarding the existing commuting program. The results indicated that changes were necessary. As a result, new program guidelines were drafted and set before an internal stakeholder team, the Green Ambassadors, for review and comment.
- II. Pilot Implementation: On Earth Day, 2006, the new program was introduced to the company.
- III. Comment and Refinement: In 4<sup>th</sup> Quarter 2006, Employees will be surveyed again regarding the new commuting program.
- IV. Management Approval: Pending 2<sup>nd</sup> survey results.





# Environmental Management and Organization

Green Mountain's senior management team includes the position **Chief Environmental Officer**, Gillan Taddune, who is responsible for REC quality and procurement, corporate environmental policies, spearheading the company's mission "To change the way power is made" and maintaining relationships with local and national environmental organizations. In addition, Ms. Taddune heads the eMission Solutions business unit, which sells carbon offset solutions to commercial and institutional customers.



Green Mountain Energy Company assembles an **Environmental Advisory Board** as a forum to receive expert advice and validation on critical environmental issues and key policy decisions. Each member of this advisory board has made significant contributions to both local and global environmental issues and represents the very top echelon of the environmental field. We are proud to have them as our guides down the path to a more sustainable future.

The "**Green Ambassadors**" includes employee representation from headquarters and all regions. This inter-departmental group promotes environmental stewardship and enforces the environmental policies throughout the company. They also assess and help revise many of our new and existing environmental policies and programs and provide leadership within the organization on sustainability topics.



Environmental Advisory Board Members		
<b>Dianne Dillon-Ridgley (Chair)</b>	Green Mountain Energy	<i>Former member of the Board of Directors</i>
<b>Ralph Cavanagh</b>	Natural Resources Defense Council	<i>Co-Director Energy Program</i>
<b>Reverend Sally G. Bingham</b>	The Regeneration Project, Interfaith Power and Light	<i>Executive Director, Interfaith Power and Light</i>
<b>Hunter Lovins</b>	Natural Capitalism Inc.	President and founder Creator of the Natural Capitalism concept
<b>Rachel Shimshack</b>	Renewable Northwest Project	Director
<b>Alison Silverstein</b>	Federal Energy Regulatory Commission (FERC)	Former Senior Energy Policy Advisor to the Chairman
<b>Robin Rather</b>	Collective Strength	Chief Executive Officer

## Stakeholder Engagement and Community Involvement

### 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.

### The “Green Family”



- 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. In 2005, we provided numerous company-wide presentations and updates to educate our employees about environmental issues and performance.
- The Green Ambassadors, our internal stakeholders, guide our initiatives towards educating fellow employees. In 2005, the Green Ambassadors developed a monthly calendar of events to engage employees in learning about topics such as organic gardening and ecosystem restoration.
- We offer employee based programs such as the Commuting Program, Employee Offset Program and EarthShare Giving Campaign that give employees an easy way to be involved and active in making sustainable choices in their daily lives.

#### **2005 Highlight: - Earth Day**

Earth Day is unlike any other ordinary day at Green Mountain Energy Company. In 2005 Earth Day was celebrated as the company's primary holiday with a variety of activities designed to inspire employees to reconnect with the environmental roots of the organization and to educate themselves about broader sustainability concepts. Workshops and speakers were offered throughout the day from a variety of local and national environmental leaders speaking on topics such as organic gardening, green home building and holistic cooking. Ralph Cavanagh -- Co-director of the Energy Program, Natural Resources Defense Council (NRDC) and Environmental Advisory Board Member at Green Mountain delivered the keynote address.

#### **2005 Highlight: - Employee CO2 Offset Program**

Since 1997, Green Mountain has been asking our customers to “do their part” to help reduce air pollution through the purchase of cleaner electricity and now that same opportunity is open to all employees in the form of the *Employee Offset Program*. We offer our employees the option to purchase 1 MWh per month of cleaner electricity made from new renewable sources to offset the emissions associated with their household's annual electricity usage. In 2005, 52% of our employees participated in the program. Together, they helped avoid over 1.6 million of CO<sub>2</sub> or to put it into perspective, that is like not driving your car over 1.7 million miles. It has the equivalent greenhouse gas benefit of removing about 142 cars from the road annually.

## External Stakeholders

- **Environmental Advisory Board** – 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.
- **Ceres** - This report is reviewed by members of the Ceres Stakeholder team before it is published and where possible we incorporate its comments.
- **POC (Portfolio Options Committee)** – This OR based stakeholder group was founded during the creation of HB1149 in 1999, which mandated that OR utilities offer renewable power products through third party marketers. Green Mountain’s Oregon region works closely with key members of this committee to share our expertise and meet their expectations in executing the PGE program.
- **Center for Resource Solutions and Green-e Certification Program** – Green Mountain Energy endeavors to include in its products only the most environmentally superior forms of renewable energy. To this end we regularly consult with CRS to ensure that we are following best practices for sourcing renewable energy.
  - In 2005, we certified our products in New York and select TRC products

## Business and Environmental Relations

Green Mountain Energy Company maintains participation in a variety of local and national environmental organizations. This keeps us on the cutting edge of emerging issues and helps us “raise the bar” in our own corporate practices.

Local and Regional Organizations	National Organizations
Green Energy Ohio (GEO)	Ceres
Clean Texas Program	Center for Resource Solutions
Texas Renewable Energy Industries Association (TREIA)	American Wind Energy Association (AWEA)
Texas Hill Country Conservancy	Mid Atlantic Renewable Energy Coalition
American Forests	World Resources Institute
Renewable Northwest Project	EPA Climate Leaders Program
Environmental Committee members in our Florida Region: - Audubon Society - American Lung Association - Southern Alliance for Clean Energy - Florida Solar Energy Center - Sierra Club	Chicago Climate Exchange (CCX)

Section

4

# Environmental Performance



*Green Mountain Energy Company helps consumers reduce their household carbon dioxide footprint and make positive steps towards controlling air pollution. Throughout our history, our customers have helped avoid over 2.7 million tons of carbon dioxide emissions. As we maintain our position as an environmental leader our singular focus is on "continuous improvement". And, we believe strongly that the health and long term sustainability of our business largely depends on it.*

**Our key environmental metrics are measured in the following areas:**

- 1. Amount of new renewable generation supported annually**
- 2. Carbon dioxide emissions avoided annually by our customers**
- 3. Amount of new renewable generation brought online as a result of our customers demand**

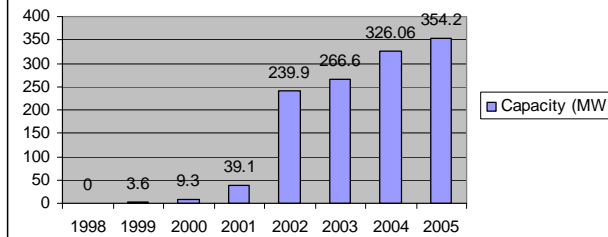
### New Renewable Generation Supported Annually

As the company has introduced new cleaner electricity products and expanded into new regions and markets, the demand for new renewables has increased.

In 2005, we purchased 354.2 MW of new renewable generation. We estimate that we will increase this support by nearly 100 MW in 2006.

Capacity based on total "new" MWh RECs purchased, and converted using average capacity factors for each resource.

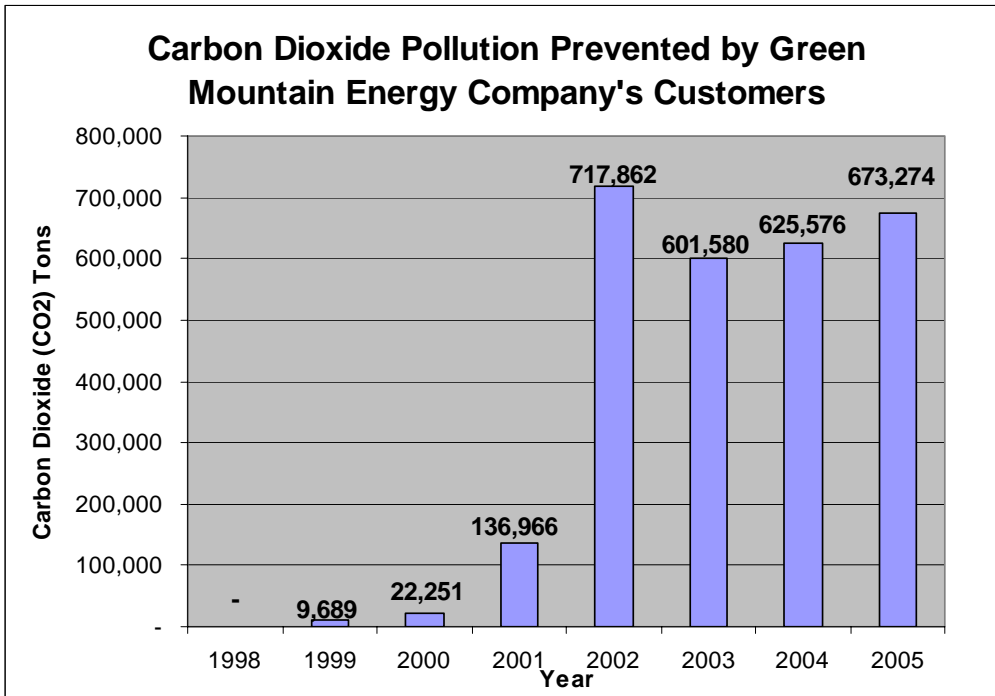
**New Renewable Generation Supported**



# Helping to Clean the Air

## Carbon Dioxide Avoided Annually

- Making electricity annually causes billions of tons of pollution in the United States.
- In 2005 Green Mountain Energy Company, together with our customers, avoided over 682,000 tons of CO<sub>2</sub>.
- Since 1999 as a group, customers choosing Green Mountain Energy Company's electricity products prevented as much carbon dioxide as:
  - not driving 6.1 billion miles
  - taking over 495,000 cars off the road for an entire year
  - the annual carbon sequestration from 227 million trees



*Note: CO<sub>2</sub> Pollution Data for 2003 and prior represents CO<sub>2</sub> avoided data by customers; 2004 and 2005 includes Green Mountain Energy Company's corporate programs.*

## Estimated Carbon Dioxide Emission Avoided by Household by Product

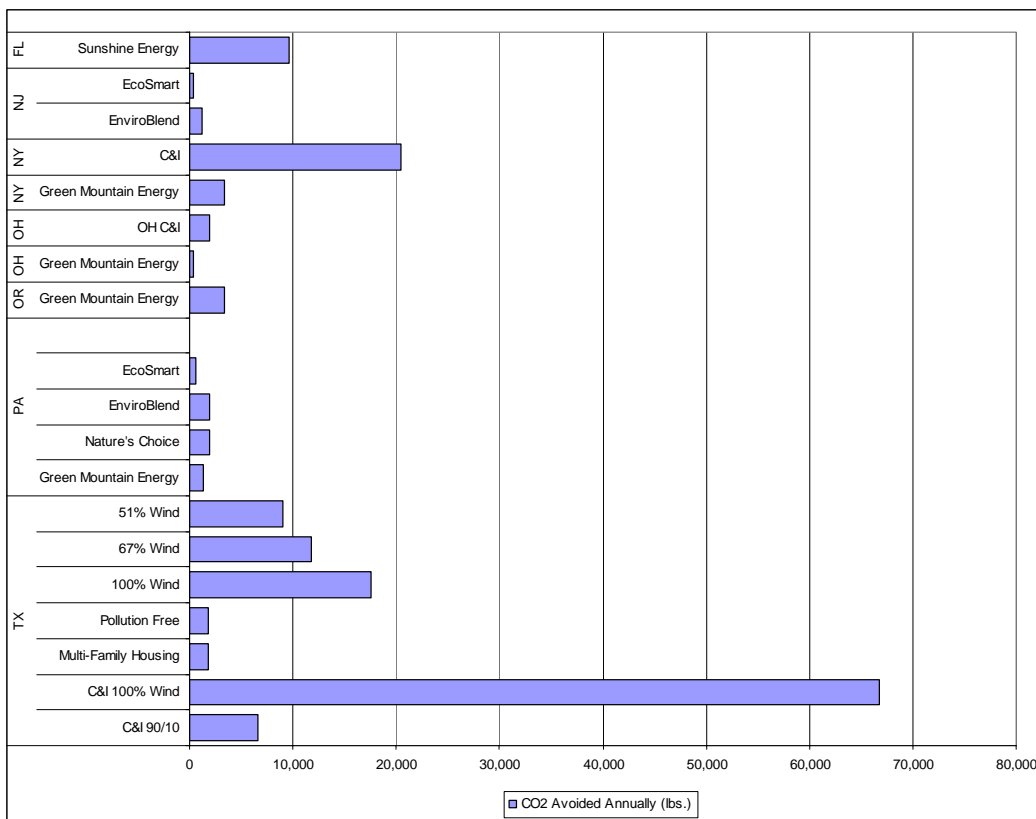
We have an internal standard to offer electricity products that:

- (1) Are dramatically cleaner than the energy mix serving a region for combined emissions of carbon dioxide, sulfur dioxide and nitrogen oxides.
- (2) Feature energy from new renewable facilities.

When electricity is generated from cleaner new renewable sources to meet our customers' demand, it decreases reliance on electricity generated from conventional sources. As a result, customers are able to reduce their household's share of pollution.

Households purchasing Green Mountain Energy electricity reduce their share of air pollution by supporting new renewable resources.

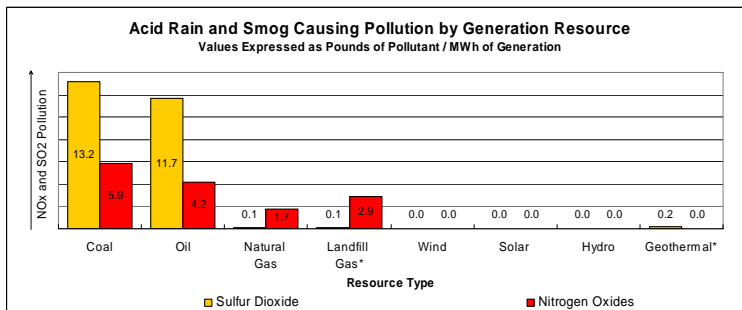
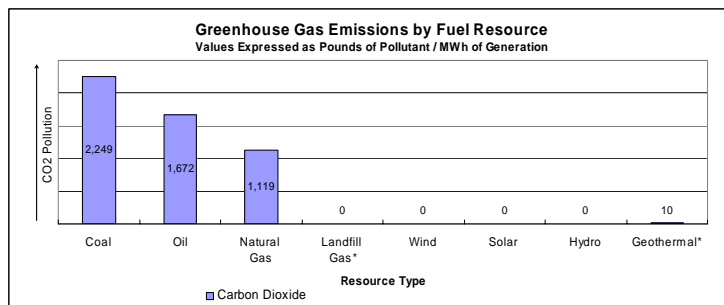
In 2005, Green Mountain Energy Company's electricity products enabled our residential and commercial customers, on average, to reduce their share of carbon dioxide emissions from 400 to 66,800 pounds depending on their electricity usage, product and region. Electricity usage is generally assumed to be the average statewide electricity usage as estimated by the Department of Energy.



## Renewable Energy Supply Policy

Because we are committed to offering cleaner electricity products that give customers a way to support incremental environmental improvement, our choice of power suppliers is important. 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 wholesale energy providers. The Renewable Energy Supply Policy that was developed in 2004 categorizes the preferred classes of renewable energy sources based on their environmental impacts, which include:

- Air Impacts
  - Climate Change (CO<sub>2</sub>)
  - Acid Rain (SO<sub>2</sub>)
  - Ozone (NO<sub>x</sub>)
  - Particulate Matter
  - Mercury
- Land Impacts
  - On-site Land Impacts
  - Off-site Land Impacts
- Water Impacts
  - Consumption of Water Resources
  - Pollution of Water Resources



## Green Mountain Energy – New Renewable Facilities

### Leading the Way

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 ability to enter into power-purchase agreements that enable developers to finance their facilities has enabled our success in building new wind and solar facilities across the nation.

Since the first Green Mountain Energy Company facility began operating on Earth Day 1999, we have helped develop 12 additional wind and solar facilities across the U.S. totaling 180 MW of new renewable generation.

We are particularly proud of these facilities because they were among the first renewable generation sources in the nation to be constructed as a direct result of customer demand. They serve as tangible evidence that customer choice can lead us to a cleaner and more secure energy future.

### 2005 New Facilities Development

- As part of our Big Texas Sun Club program, our Texas customers helped support the development of 13.2 KW of new solar in Texas in 2005
  - 6 KW Heard Museum, McKinney, Texas
  - 1.2 KW Dallas Area Habitat for Humanity home

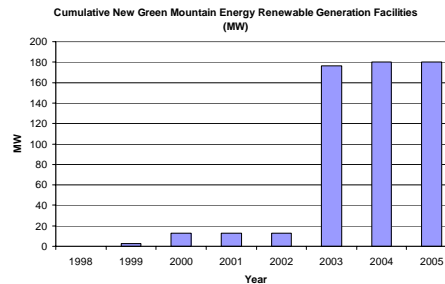
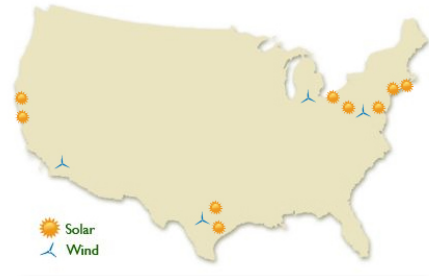


"We feel this is an important partnership," said John Ernst, executive director of The Heard Museum. "Conservation is an important part of our message to guests that come and visit us here. By using and promoting renewable sources of energy, we do our part to help address a problem that can have a significant impact on ecosystems around the world."



## About Our Projects

Wind and solar, are among the cleanest of all electricity sources because they produce absolutely zero emissions. ***In 2005 all of our facilities combined were responsible for avoiding the emission of over 21,000 metric tons of CO<sub>2</sub>, a greenhouse gas that contributes to global warming.***



Since the first Green Mountain Energy Company facility\* began operating on Earthday 1999, we have helped develop 12 additional wind and solar facilities across the U.S. totaling 180 MW of new renewable generation.

We are particularly proud of these facilities because they were among the first renewable generation sources in the nation to be constructed as a direct result of customer demand. They serve as tangible evidence that customer choice can lead us to a clean energy future.

Green Mountain Energy Company New Renewable Facilities*			
Facility Name	Date	Location	Size
Green Mountain Solar at BJ's	Spring 1999	Conshohoken, PA	50 kW
Green Mountain Wind at San Gorgonio	Summer 1999	Palm Springs, CA	2,100 kW
Green Mountain Solar 2000 Mendocino	Fall 1999	Hopland, CA	106 kW
Green Mountain® Wind Farm	Spring 2000	Garrett, PA	10,400 kW
Green Mountain Solar – Berkeley	Winter 2000	Berkeley, CA	100 kW
Green Mountain Solar – Pittsburgh	Fall 2001	Pittsburgh, PA	30 kW
Green Mountain Solar – Winston School**	Spring 2002	Dallas, TX	58 kW
Green Mountain Solar – Upper Kirby District, Houston**	Spring 2002	Houston, TX	43 kW
Green Mountain Solar – Lake Metropark, OH	Spring 2002	Kirtland, OH	26 kW
Green Mountain Solar – Southern New Jersey	Spring 2002	Deptford, NJ	52 kW
Green Mountain Solar – Discovery Museum, CT	Spring 2002	Bridgeport, CT	19 kW
Green Mountain Energy® Wind Farm at Bowling Green - Added 3600 KW of capacity in 2004	Fall 2003	Bowling Green, OH	7,200 kW
Green Mountain Energy® Wind Farm at Brazos	Groundbreaking, 2003 Operational, 2003	Brazos, TX	160,000 kW

\*Green Mountain Energy wind and solar facilities are owned and operated by various third parties and branded Green Mountain Energy facilities through licensing agreements with such owner operators.  
\*\* Facilities in Texas built thanks to our Big Texas Sun Club members.

## Third Party Product Verification

We have been guided by the Green-e Renewable Electricity Program in developing our electricity products. They have been and continue to be an important stakeholder in the evolution of our product portfolio. In 2005, we offered Green-e certified products in NY. We also certified various national Tradable Renewable Certificates (TRC) products.

The strategy for ensuring that our products are made from the highest quality renewable sources includes following the Green-e standards for sourcing eligible renewable generation, as set forth by the Center for Resource Solutions.

### Eligible Renewables (as defined by Green-e):

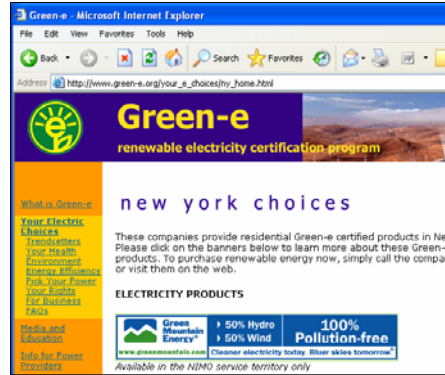
- Wind
- Solar
- Small Hydroelectric (less than 42MW or certified by the Low Impact Hydropower Institute)
- Geothermal
- Applicable Biomass

### New Renewable Date

In all cases, Green Mountain Energy Company will defer to state standards for new renewable dates. Where state standards do not exist, Green Mountain Energy Company will assume a new renewable date of January 1, 1997.

### Vintage of Tags

Consistent with Green-e certification standards, renewable energy certificates purchased to fulfill green power products will be generated in the relevant calendar year, the first three months of the following calendar year, or the last 6 months of the prior calendar year. In all cases, Green Mountain Energy Company will defer to state standards.



### About Green-e:

Green-e was formed by the Center for Resource Solutions (CRS) as part of its mission to preserve and protect the environment by promoting sustainable energy technologies.

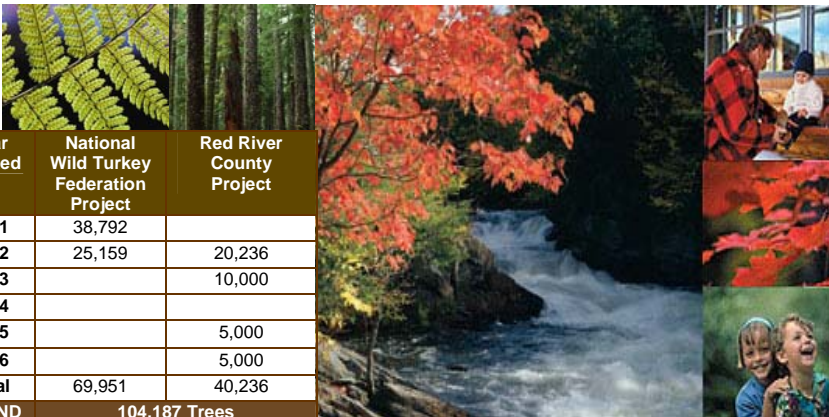
Working with environmentalists, consumer advocates and renewable energy experts, CRS formed Green-e to provide a simple way for the public to understand the benefits of renewable electricity and to establish confidence by certifying renewable power from credible companies. More information is available at [www.green-e.org](http://www.green-e.org)

# Land Use and Biodiversity

## Habitat Restoration

A key way in which we diversify our portfolio of sustainable actions is through the sponsorship of tree plantings with our long term partner American Forests. We believe that in supporting the planting of trees, we demonstrate our concern about the waste and abuse of the world's forests and help restore wildlife habitat and preserve biodiversity. The additional benefits of planting trees include contributing to the development of carbon sinks which facilitate the long term storage of carbon in forests.

Green Mountain Energy and American Forests have been planting trees together for environmental restoration since 2001. In fact, Green Mountain has sponsored the planting of more than 100,000 trees through American Forests' Global ReLeaf Campaign over the past five years. Following are short descriptions of the projects hand picked by Green Mountain where its support has made a significant and lasting impact.



Year Planted	National Wild Turkey Federation Project	Red River County Project
2001	38,792	
2002	25,159	20,236
2003		10,000
2004		
2005		5,000
2006		5,000
<b>Total</b>	69,951	40,236
<b>GRAND TOTAL</b>	<b>104,187 Trees</b>	

### National Wild Turkey Federation Project

A total of 1,430 one-acre sites were planted in four regions nationwide to provide winter food sources for wild turkeys and other wildlife. Operation SOS, in Wisconsin and Minnesota, will plant red oak, hackberry, cranberry, green ash, and red pine. Operation Heartland, in Iowa, Missouri, Illinois, Indiana, Ohio, and Kentucky, will plant red oak, white oak, pin oak, sycamore, persimmon, and cottonwood. Operation Oak, in the southeastern states, will plant sawtooth oak. Operation Appleseed, in the northeastern states, will plant sargent crabapple.

### Red River County Project

This project helped restore 737 acres of degraded wetlands and adjacent wildlife habitat by planting a mixture of 147,400 native trees on 75% of the area and native grasses on the rest. The land is an alluvial floodplain along 2 miles of the Red River that had been drained and farmed. This private agricultural land is being restored in partnership with the National Resources Conservation Service (NRCS), through its Wetlands Reserve Program and will have a 30-year conservation easement on the property. It is expected that the property will remain as forested wetlands well after the easement expires. The owner plans to remove the cattle from 1,052 acres adjacent to this site. Prescribed burning will be used to develop and maintain the site. Federally threatened and endangered animals to benefit include the Bald Eagle and Interior Least Tern as well as numerous migratory and wetland birds. Documented Texas Threatened and Endangered species to benefit include the Canebrake Rattlesnake, Alligator Snapping Turtle, and Wood Stork.

## Land Preservation

- Since our move to Austin, TX in 2000, Green Mountain has been a supporter of the **Hill Country Conservancy** and its efforts to restore, protect and preserve the natural beauty and open spaces of the Texas Hill Country. With our native roots in the Green Mountain state, we had a natural interest when we moved to a town near the Texas Hill Country to help protect and preserve our local natural areas.

As part of our ongoing environmental education efforts, Green Mountain employees received a guided tour at the Nalle Bunny Run Wildlife Preserve, situated on the banks of the Colorado River in May of 2006. During the tour, the group learned about the native species living on the preserve and observed a diverse combination of ecosystems that exist on the 35 acre parcel.



## Other Efforts

- We employ a strict internal policy against using any materials or goods made with old growth fiber content.
- Formerly the site of a coal strip-mining operation, the first Green Mountain® Wind Farm was constructed in Garrett, PA in 2000. Our development partners conducted reviews that far exceeded the mandatory requirements in assessing environmental impacts relating to bird risks, endangered species, wetlands and sensitive habitats.

Section

5

# Operational Performance: Environmental, Health and Safety



*We do not own generation or energy distribution operations. Rather, we engage in retail marketing of cleaner energy and its environmental benefits. Consequently, the environmental, health and safety considerations of our business operations are comparable to those of an office environment, rather than those of a traditional electric utility.*

## Compliance

Ceres asks endorsing companies to complete the accompanying 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	

## Carbon Dioxide Emissions

- Because of the threat of global warming from increased CO<sub>2</sub> concentrations in the air, we are guided by the precautionary principle. Therefore, we estimate the CO<sub>2</sub> emissions from our key business activities and act to reduce or offset them.

For 2005, as part of the EPA Climate Leader's program, we offset 100% of our corporate emissions with green power purchases for all emissions reported for the EPA Climate Leader's program. Because of these efforts, today we are a carbon neutral business!

- Key business activities include at a minimum: corporate air travel, manufacturing of the paper we purchase, employee commuting and office energy use.
  - We will achieve these reductions through greenhouse gas reduction initiatives, including increased use of renewable technologies, energy efficiency measures and other reductions at the source.
  - We will use carbon offsets to mitigate our corporate emissions footprint. We will show a preference for high quality offsets that: (1) result in new reductions in CO<sub>2</sub>, (2) reduce CO<sub>2</sub> at its source rather than those that sequester it, (3) are likely to be permanent, and (4) offer additional environmental benefits beyond GHG reductions.

### Estimated Carbon Dioxide Emissions from Business Practices:

	1998 <sup>a</sup>	1999 <sup>b</sup>	2000 <sup>c</sup>	2001 <sup>c</sup>	2002 <sup>c</sup>	2003 <sup>c</sup>	2004 <sup>d</sup>	2005 <sup>d</sup>
CO <sub>2</sub> (tons)	68	1,721	2,324	2,275	1,610	1,941	1,925	1403
Net CO <sub>2</sub> <sup>e</sup> (tons)	68	861	1,162	1137.5	1,067	1,162	785	0

Notes
<p>a. CO<sub>2</sub> emissions in 1998 are based on energy use in our corporate headquarters only.</p> <p>b. CO<sub>2</sub> emissions in 1999 are based on corporate air travel, embodied emissions from purchased paper, employee commuting and energy use in corporate headquarters.</p> <p>c. CO<sub>2</sub> emissions in 2000 and beyond are based on corporate air travel, embodied emissions from purchased paper, employee commuting and energy use in corporate and regional offices.</p> <p>d. In 2004 &amp; 2005, refrigerant emissions of office AC use, mobile sources and corporate business travel emissions from air and gas powered vehicles were included. Paper was removed as per EPA Climate Leaders requirements.</p> <p>e. Net CO<sub>2</sub> - The resulting corporate business emissions after offsets have been accounted for.</p>

#### Carbon Dioxide from Business Practices

Year	CO <sub>2</sub> (tons)	Net CO <sub>2</sub> (tons)
1998	68	68
1999	1,721	861
2000	2,324	1,162
2001	2,275	1,137.5
2002	1,610	1,067
2003	1,941	1,162
2004	1,925	785
2005	1,403	0

**2005 Highlight: - Significant Reductions in our Overall Footprint**

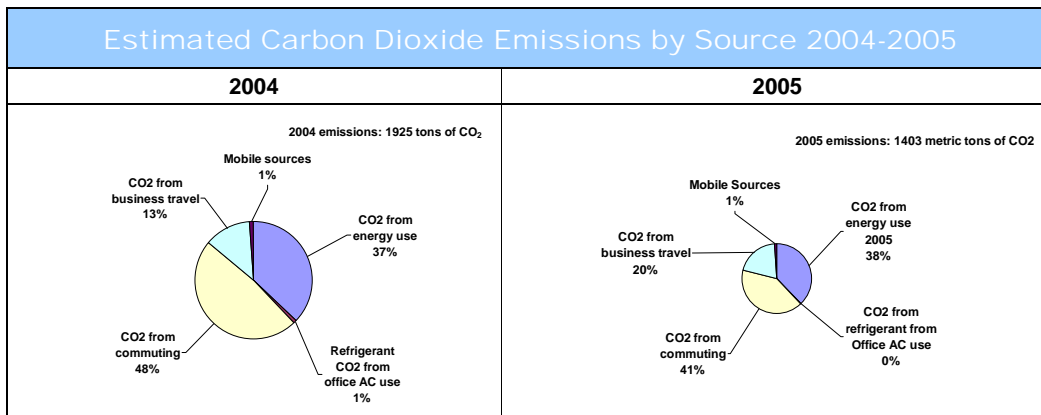
2005 marked several important changes at Green Mountain that had significant impacts on our corporate environmental footprint. In the chart below, it is obvious that we were able to reduce our emissions footprint by over 500 metrics tons of CO<sub>2</sub>. While we applaud the fact that our overall footprint was lighter, it is due in part to the fact that we closed some of our regional offices late in the year. That impacted both our annual electricity usage as well as reduced employee commuting miles. In addition, we moved our corporate headquarters to a downtown location and that impacted both the average employee commuting miles as well as the electricity usage. We are proud to note that our new space is far more efficient than the previous one. With roughly 10,000 more square feet in the new office space, our electricity usage has been comparable or in some cases even lower electricity usage than our usage at our larger former location.

**Calculating a Corporate Environmental Footprint**

We calculate our emissions from activities like: corporate travel, employee commuting, refrigerant emissions from office AC use, mobile sources and our office energy use.

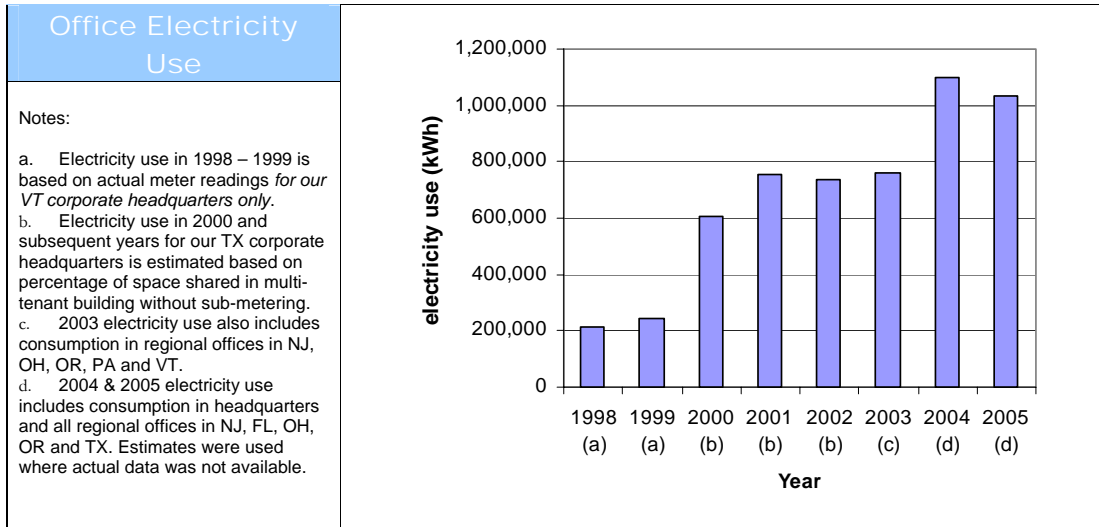
In 1998, we set out to identify the major components of our company's CO<sub>2</sub> footprint. Since then, we have developed a method to estimate the amount of carbon dioxide emitted to the atmosphere as a result of our business operations and increased the boundaries of our reporting to include regional offices. In 2004, we took the work we had been doing for the past five years relating to corporate emissions reporting and brought it up to the next level and developed, as part of our commitment to the EPA Climate Leaders program, an Inventory Management Plan (IMP). The IMP brings greater transparency and standardization to our corporate emissions calculations. In 2005, an independent third party, representing the EPA visited our offices to audit the work we had done on our 2004 report. As a result new procedures and practices were implemented for the 2005 and 2006 reporting years.

In the past, we have included emissions from purchase of recycled paper in our annual CO<sub>2</sub> emissions reporting. However in 2004, with our adoption of the EPA's Climate Leaders voluntary reporting guidelines, we have temporarily discontinued the calculation of emissions associated with paper use. When the Climate Leaders Program develops a protocol for reporting emissions from paper use, we will once again include that into our environmental footprint. In the mean time, we will continue to collect the data.



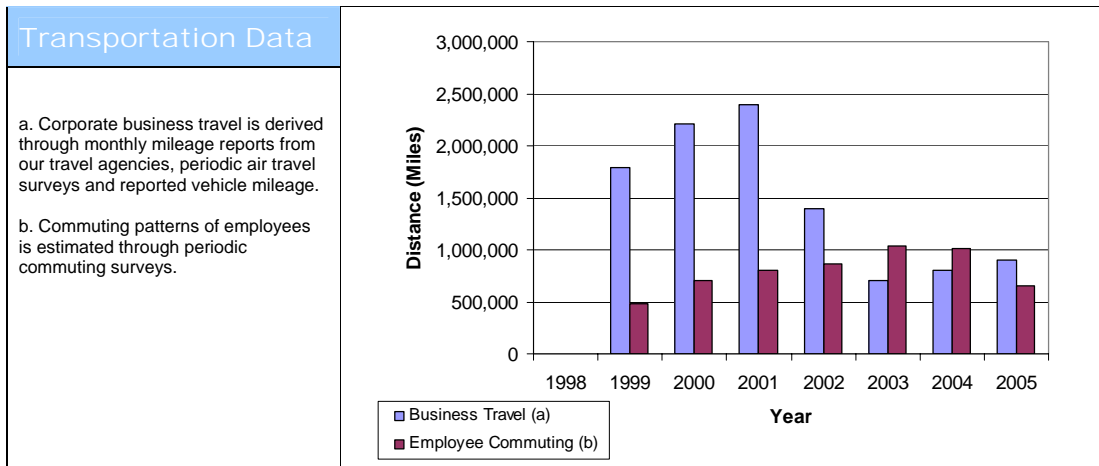
## Energy Use

Green Mountain Energy Company's primary energy use is the electricity necessary to operate the company's offices. We have taken steps to decrease the environmental consequences of our energy use by purchasing renewable energy and implementing energy efficiency measures in our offices.



## Corporate Commuting

We rely on commercial air transportation to meet with each other, with suppliers and counterparties and to attend key sessions with stakeholders. We recognize the consequences that our corporate transportation has on our environment.





## Mitigation Strategy

In past years, we had acted on our interim commitment to mitigate 50% of carbon dioxide emissions resulting from our business operations each year. In 2002, we began a mitigation strategy based on reductions to a baseline (50% of 2000 gross CO<sub>2</sub> emissions = 1,162 short tons of CO<sub>2</sub>). This new approach was motivated by our desire to transition to an absolute emission reduction target—one that ensures over time that our footprint will get no larger. We chose to use 50% for a number of reasons. First, we shared the growing concern that if left unchecked, CO<sub>2</sub> emissions will continue to alter the atmosphere disrupting human settlements around the globe and threatening human and natural ecosystems. Second, our participation with Ceres provides that 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” - is an incredibly high standard to achieve. Lastly, through our research, we found 50% to exceed the standard among businesses at the time. In the spirit of continuous improvement, we raised our 2005 goal to 100% mitigation. This commitment through the EPA Climate Leaders Program is until 2010.

Actual reductions to our 2005 footprint are largely attributable to purchasing renewable energy credits to match the corporate emissions footprint in our Austin headquarters and regional offices. In 2005 we used over 1,500 MWhs of wind energy credits to offset our footprint.

## Suppliers and Partners

Green Mountain Energy Company is tasked, as its primary line of business, with supply of renewable energy to its customers. In 2004, we developed and adopted an internal Renewable Energy Supply Policy. With the large array of renewable energy choices available from a supply perspective, Green Mountain Energy Company must endeavor to include in its product only the most environmentally superior forms of renewable energy. To this end we have developed, based on Green-e standards and input from environmental groups, classes of preferable renewables as a way to lead Green Mountain Energy Company in its supply choices.

In our business operations, we have carefully chose suppliers who support our sustainability goals, focusing particularly on the paper that we use and the products that we offer customers.

## Standards for Non-Energy Product Offerings

Our standard promotes 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 at least one significant category: durability, reusability, recycled content, natural content, energy efficiency or water efficiency.

For example: One of our favorite promotional items is a pen made from recycled currency.

We also require that we only purchase those products that meet the following criteria: (1) do not contain old growth forest fiber, (2) do not contain substances that damage the ozone layer, (3) have emission-free operation and (4) are made free of child labor.

## Water Use

Our corporate water use is limited to that drawn by our 170 or so employees in our corporate offices. Green Mountain Energy Company operates in 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 have ensured that our offices are equipped with low-flow water fixtures to promote water conservation.

# Summary

Green Mountain Energy Company has endorsed the Ceres Principles and 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 live up to these principles through our company policies, organization, environmental and operational performance:

Our corporate organization puts a premium on environmental management. Our Chief Environmental Officer reports directly to the Chief Executive Officer and our environmental mission is apparent in the products we sell. We also maintain an Environmental Advisory Board as a way to foster dialogue with the national environmental community.

Our cleaner electricity products work to offset emissions associated with the use of traditional fossil fuel based generation. We maintain an aggressive internal goal of supporting the development of 1,000 MW of new renewable generation by 2010.

Our internal operations seek to reduce, reuse and recycle as much as possible. Our corporate policies look to manage paper use, office waste, employee transportation and office energy use. Our standards for non-energy product offerings strive to promote environmentally superior products, and our goal to neutralize our operational carbon footprint by year end 2005 will be a key driver of our operational performance.

We believe that the public must be informed about the relationship between electricity production and air pollution so that they can make informed decisions about the sources of their electricity.

We are committed to maintaining our aggressive targets as drivers of our continued growth and the company's success.

## Contact Details

Contact Person:	Gillan Taddune
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Parent Dun & Bradstreet Number	17-687-1481
Corporate Tax ID Number	03-0360441
Corporate Website	<a href="http://www.greenmountain.com">www.greenmountain.com</a>

## About Units of Measure

For the convenience of our stakeholders, we have quantified our environmental information in English units. Factors for converting English units to metric units are provided below:

1 pound (lb)	=	0.454 kilograms (kg)
1 gallon	=	3.78 liters (L)
1 kilowatt-hour (kWh)	=	3,600 kilojoules (kJ)
1 short ton (US)	=	0.9072 metric tons

# Appendix

## Appendix A: Green Mountain Energy Environmental Charter

Green Mountain Energy Company's Environmental Charter sets out our objectives for environmental performance. It is the basis for the policies that guide our product and operational performance.

- Green Mountain Energy Company will use the marketplace to promote the sale of cleaner electricity to individual consumers and corporations.
- Green Mountain Energy Company will engage in policy work on energy issues, concentrating on developing competitive markets for energy sales.
- 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 our partners to encourage them to adopt sustainable business practices.
- Green Mountain Energy Company will encourage individual consumers and corporations to use energy resources wisely and efficiently.
- Green Mountain Energy Company will be an educator; helping people to understand the environmental consequences of their energy choices and empowering people to choose cleaner electricity.

## Appendix B: GRI Reporting Index

A P

GRI Section	GRI Indicator	Page Reference (or other explanation)	GRI Section	GRI Indicator	Page Reference (or other explanation)
<b>1. VISION AND STRATEGY</b>			2.16	Restatements of information	No such restatements from earlier reports.
			2.17	Decisions not to apply GRI principles or protocols	
1.1	Vision & Strategy	9,10	2.18	Criteria or Definitions	2
1.2	CEO statement	6	2.19	Significant changes in measurement methods	None
<b>2. ORGANIZATIONAL PROFILE</b>			2.20	Policies and internal practices	8
2.1	Name of organization	1	2.21	Independent assurance for the full report.	This report is reviewed internally for accuracy of claims and data where applicable.
2.2	Major Products and/or Services	12, 13	2.22	Means by which report readers can obtain additional data from this report.	17
2.3	Operational Structure	12	<b>3. STRUCTURE AND GOVERNANCE</b>		
2.4	Description of major divisions, subsidiaries	12	3.1	Governance structure of the organization	19
2.5	Countries where operations are located	12	3.2	Board of directors	Not available in this report.
2.6	Nature of ownership; legal form	12	3.3	Process for determining expertise of Board members and Environmental Advisory Board members	19, 47, 48
2.7	Nature of markets served	12	3.4	Board level processes	19
2.8	Scale of organization	12	3.5	Executive compensation	Not available in this report.
2.9	Stakeholders, key attribute, relationship	20,21	3.6	Organization structure of new policy implementation	18
2.10	Contact Person	2	3.7	Mission and Values	7, 17, 37
2.11	Reporting Period	8	3.8	Shareholder mechanism	Green Mountain is a privately held organization.
2.12	Date of Previous Report	8	3.9	Identification of stakeholders	20, 21
2.13	Boundaries of Report	8	3.10	Stakeholder involvement	19, 20, 21
2.14	Significant changes in size, structure, etc.	11	3.11	Stakeholder input	19, 20, 21
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, outsourced operations, and/or other situations	Green Mountain has no such relationships at this time.	3.12	Use of stakeholder input	19, 20, 21
			<b>38</b>		

GRI Section	GRI Indicator	Page Reference (or other explanation)	GRI Section	GRI Indicator	Page Reference (or other explanation)
<b>OVERREACHING POLICIES AND MANAGEMENT SYSTEMS</b>			<b>ENVIRONMENTAL PERFORMANCE INDICATORS</b>		
3.13	Precautionary principle	31	EN1	Total Materials Use	Not available in this report.
3.14	Externally adopted principles	5	EN2	% of materials that are wastes	100% of purchased paper products contain at least 30% post consumer waste
3.15	Principal Memberships	21	EN3	Direct Energy Use	Green Mountain does not have any direct energy use at any of its facilities
3.16	Policies for managing external vendors	17	EN4	Indirect Energy Use	33
3.17	Management of indirect economic, environmental and social impacts	34	EN5	Total Water Use	35
3.18	Changes in location or operations	6, 16	EN6	Land ownership in biodiversity rich habitats	Green Mountain does not own or lease any facilities in biodiversity rich habitats at this time.
3.19	Programs and procedures pertaining to performance	18	EN7	Biodiversity	28,29
3.20	Certifications	17, 27	EN8	Greenhouse gas emissions	31.32
<b>4.1 GRI CONTENT INDEX 38-40</b>			EN9	Emissions of Ozone depleting substances	As an office based entity, we do not create any ozone depleting substances.
<b>ECONOMIC INDICATORS</b>			EN10	Nox, Sox and other significant air emissions by source	All emissions associated with our corporate environmental footprint are calculated as CO2e and offset through our commitment to the EPA Climate Leaders Program.
EC1	Net Sales	Green Mountain is a privately held company. Sales and revenue by region are proprietary and confidential	EN11	Total amount of waste by type and destination	Office paper waste is recycled through a separate vendor. Digital waste is also recycled or donated. 17

A P P E N D I X

GRI Section	GRI Indicator	Page Reference (or other explanation)	GRI Section	GRI Indicator	Page Reference (or other explanation)
EC2	Geographic breakdown of markets	12	EN12	Significant discharges to water by type	As an office based entity we discharge only modest amounts of wastewater.
EC3-10	Cost of all goods, services and materials purchased.	Proprietary and confidential information	EN13	Significant spills of chemicals, oils and fuels	None.
<b>SOCIAL PERFORMANCE INDICATORS: Labor Practices and decent work</b>			EN14	Significant environmental impacts of products and services	15, 23
LA1-17		Green Mountain is an equal opportunity employer.	EN15 – EN16		Not applicable
HR1-3	Human rights issues	Green Mountain is a small business that operates with integrity within the community.	EN17	Renewable Energy	As a renewable energy retailer, all of our initiatives, both internal and external focus on renewable energy.
HR6	Child labor	Our non-energy product standard explicitly states that we will not purchase products made using child labor.	EN18	Energy Consumption	33
HR7	Forced and compulsory labor	Forced labor is not an issue at Green Mountain.	EN19	Other indirect energy consumption	32, 33
HR11	Human Rights Training for security personnel	Green Mountain does not presently employ security personnel.	EN20-22	Water	35
			EN23-26, 28,29	Biodiversity	Green Mountain does not own or lease any land at this time.
			EN27	Initiatives to protect land use and biodiversity	28, 29
			EN33	Suppliers	17, 34



## Appendix C. Environmental Performance of Products

All *Green Mountain Energy Company's electricity* products are dramatically cleaner than regional system power because they feature energy from renewable resources and the cleanest burning fossil fuel- natural gas.



**Hydro** – Uses the energy of moving water to generate electricity. Even the best hydro plants may affect fish and wildlife habitats, but they are a non-polluting resource.



**Wind** – Turbines are mounted on tall towers to harness the wind. This pollution-free form of generation is now the fastest-growing 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.



**Biomass** - Biomass generation harnesses energy stored in organic materials. Biomass includes materials like wood and mill wastes and energy crops, as well as the gases naturally produced when waste decomposes.






**Solar** – The sun's energy can be used to generate electricity in two different ways. Photovoltaic (PV) cells can convert sunlight into electricity directly. Solar-thermal systems use the sun's heat to generate electricity, often by creating steam to power a generator's turbine.



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



**Natural Gas** – Natural gas is not a renewable resource. It is, however, the cleanest burning fossil fuel. Compared to burning fuels like coal and oil for the same amount of energy, natural gas emits less of the pollution that causes global warming, acid rain and smog.

New Jersey Supply 2005							
<p>According to EIA, wind and biomass resources offer the best potential for renewable electricity generation in the Mid-Atlantic region. Portions of New Jersey are characterized as having “good” wind resources. Biomass also offers a promising form of renewable generation. The state has 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.</p>							
	EcoSmart® electricity		EnviroBlend® electricity		Pollution Free electricity		Pennsylvania System Power <sup>4</sup>
	Promised Supply <sup>1</sup>	Actual Supply	Promised Supply <sup>1</sup>	Actual Supply	Promised Supply <sup>1</sup>	Actual Supply	(for comparison)
Renewable	5%	5%	50%	50%	50%	50%	2.6%
Biomass	-	-	-	23.8			1.4%
Geothermal	-	-	-	-			-
Low Impact Hydro <sup>2</sup>	-	-	-	-			-
Solar (PV)	-	-	-	.2%			-
Wind	-	5%	-	26%	50%	50%	<1%
Large Hydro <sup>2</sup>	95%	95%	50%	50%	50%	50%	1.2%
Natural Gas	-	-	-	-			8.8%
Coal	-	-	-	-			45.1%
Nuclear	-	-	-	-			40.0%
Oil	-	-	-	-			2.8%
Other	-	-	-	-			<1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>% New Renewable<sup>3</sup></b>	<b>5%</b>	<b>5%</b>	<b>15%</b>	<b>41%</b>	<b>50%</b>	<b>50%</b>	
<p>Columns may not sum to 100% due to rounding.</p> <p>(1) Promised Supply refers to power that we contracted to provide and included an unspecified mix of eligible renewable resources dependant upon resource availability. Actual Supply refers to the actual resource mix of the electricity that a customer purchases during the year.</p> <p>(2) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.</p> <p>(3) In New Jersey, “new renewable resource” means that these facilities began commercial operation on our after January 1, 1998.</p> <p>(4) Average NJ system power mix is derived from EPA eGRID v2.01 Generation Resource Mix data, Pennsylvania-Jersey-Maryland ISO power control area. Based on average state-wide use.</p>							

New York Supply  
2005





According to EIA, New York has excellent wind resources in portions of the state while useful solar resources are present throughout the state. New York has a good hydropower resource as a percentage of the state's electricity generation and a good biomass resource potential. The state has no geothermal resources capable of generating electricity.

	Green Mountain Energy® electricity		Green Mountain Energy® electricity C&I		New York System Power <sup>4</sup>
	Promised Supply <sup>1</sup>	Actual Supply	Promised Supply <sup>1</sup>	Actual Supply	(for comparison)
Renewable	50%	55.4 %	100%	100%	19.0%
Biomass	-	-	-	-	1.6%
Geothermal	-	-	-	-	-
Low Impact Hydro <sup>2</sup>	-	-	-	-	17.3%
Solar (PV)	-	-	-	-	-
Wind	-	55.4%	100%	100%	-
Large Hydro <sup>2</sup>	50%	44.6%	-	-	<0.1%
Natural Gas	-	-	-	-	29%
Coal	-	-	-	-	18%
Nuclear	-	-	-	-	22.7%
Oil	-	-	-	-	10.7%
Other	-	-	-	-	<1%
<b>TOTAL</b>	100%	100%	100%	100%	100%
<b>% New Renewable<sup>3</sup></b>	50%	55.4%	100%	100%	

Average NY system power mix is derived from EPA EGRID v2.01 emission rates for the NYPOOL PCA region  
Columns may not sum to 100% due to rounding.

- (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) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.
- (3) In New York, "new renewable resource" means that these facilities began commercial operation on or after January 1, 1998.
- (4) Based on average state-wide use.

Ohio Supply 2005			
Ohio has marginal wind resources according to EIA. Studies indicate that Ohio has good resources for generating electricity from biomass. If fully developed, they could supply 64% of the state's residential electricity demand.			
	Green Mountain Energy electricity		Ohio Generic System <sup>4</sup>
Generation Resource	Promised Supply <sup>1</sup>	Actual Supply <sup>1</sup>	(For Comparison)
Renewable	2%	2%	1.0%
Biomass	-	1.12%	0.5%
Geothermal	-	-	-
Low Impact Hydro <sup>2</sup>	-	-	0.4%
Small Hydro <sup>2</sup>	-	.60%	
Solar (PV)	-	-	-
Wind	-	.28%	-
Coal	-	-	87.3%
Natural Gas	98%	98%	2.7%
Oil	-	-	0.5%
Nuclear	-	-	8.1%
Other	-	-	0.4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>% New Renewable<sup>3</sup></b>	<b>2%</b>	<b>2%</b>	
Columns may not sum to 100% due to rounding.			
<p>(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.</p> <p>(2) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 42 MW in size. Large hydroelectric facilities tend to be greater than 42MW in size.</p> <p>(3) In Ohio, "new renewable resource" means that these facilities began commercial operation on or after January 1, 1997.</p> <p>(4) Average OH system power mix is derived from EPA EGRID v2.01 emission rates for the ECAR NERC region</p>			

## Oregon Supply 2005



According to EIA, Oregon has excellent wind resources in portions of the state. EIA estimates that About 1.5% of the state of Oregon has wind resources that could be developed, not including land that is subject to land-use conflicts, has urban development, or is environmentally sensitive. If all this potential was developed with utility-scale wind turbines, the power produced each year would equal 43,252,500 megawatt-hours - or 92% of the entire state's electricity consumption.





Oregon also has good biomass resources, useful solar resources in the eastern part of the state, very good hydropower resource (as a percentage of the state's electricity generation) and geothermal resources sufficient to generate electricity.

Generation Resource	PGE Renewable Options				Oregon Generic System <sup>3</sup>
	Green Mountain Energy		Clean Wind		(For Comparison)
	Promised Supply <sup>1</sup>	Actual Supply <sup>1</sup>	Promised Supply <sup>1</sup>	Actual Supply <sup>1</sup>	
Renewable	100%	100%	100%	100%	42.3%
Biomass	-	-	-	-	1.1%
Geothermal	25%	25%			1.2%
Large Hydro <sup>2</sup>	-	-	-	-	40%
Low Impact Hydro <sup>2</sup>	25%	25%			
Solar (PV)	-	-	-	-	-
Wind	50%	50%	100%	100%	-
Coal	-	-	-	-	46.3%
Natural Gas	-	-	-	-	6.1%
Oil	-	-	-	-	1.3%
Nuclear	-	-	-	-	4.0%
Other	-	-	-	-	-
<b>TOTAL</b>	100%	100%	100%	100%	100%
<b>% New Renewable<sup>3</sup></b>	50%	50%	100%	100%	

Columns may not sum to 100% due to rounding.

- (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) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.
- (3) In Oregon, under Renew 2000 guidelines a facility, or portion thereof, is generally considered "new" if it is built, re-powered, or enhanced on or after May 1, 1999.

Average Oregon system power mix is derived Northwest Power Pool, Oregon Office of Energy 2001

Pennsylvania Supply 2005							
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 and modest amounts of solar. The state has no geothermal resources capable of generating electricity.							
	EcoSmart® electricity		Green Mountain Energy® electricity		Nature's Choice® electricity		Pennsylvania System Power <sup>4</sup>
	Promised Supply <sup>1</sup>	Actual Supply	Promised Supply <sup>1</sup>	Actual Supply	Promised Supply <sup>1</sup>	Actual Supply	(for comparison)
Renewable	5%	5%	10%	10%	100%	100%	2.6%
Biomass	-	-	-	-	-	73%	1.4%
Geothermal	-	-	-	-	-	-	-
Low Impact Hydro <sup>2</sup>	-	-	-	-	-	-	-
Solar (PV)	-	-	-	-	-	<1%	-
Wind	5%	5%	10%	10%	-	27%	<1%
Large Hydro <sup>2</sup>	95%	95%	90%	90%	-	-	1.2%
Natural Gas	-	-	-	-	-	-	8.8%
Coal	-	-	-	-	-	-	45.1%
Nuclear	-	-	-	-	-	-	40.0%
Oil	-	-	-	-	-	-	2.8%
Other	-	-	-	-	-	-	<1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>% New Renewable<sup>3</sup></b>	<b>5%</b>	<b>5%</b>	<b>10%</b>	<b>10%</b>	<b>15%</b>	<b>38.5%</b>	
Columns may not sum to 100% due to rounding.							
1. Promised Supply refers to power that we contracted to provide and included an unspecified mix of eligible renewable resources dependant upon resource availability. Actual Supply refers to the actual resource mix of the electricity that a customer purchases during the year. 2. Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size. 3. In Pennsylvania, "new renewable resource" means that these facilities began commercial operation on our after January 1, 1998. 4. Average PA system power mix is based on EPA E-GRID v2.01 Generation Resource Mix data, Pennsylvania-Jersey-Maryland ISO power control area.							



<p>Texas Supply (1) 2005</p>			
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Texas has tremendous wind resources and solar resources, as well as high temperature geothermal resources capable of electricity generation. If all of Texas' potential for wind was developed, excluding lands in urban development, accounting for land-use conflicts and environmentally sensitive areas, the power produced could supply 421% of the state's annual electricity consumption.

	<i>100% Wind (Residential, C&amp;I)</i>		<i>67% Wind</i>		<i>C&amp;I, Multi-Family Housing<sup>sm</sup></i>		<i>Texas System Power<sup>4</sup> (for comparison)</i>
	<i>Promised Supply<sup>1</sup></i>	<i>Actual Supply</i>	<i>Promised Supply<sup>1</sup></i>	<i>Actual Supply</i>	<i>Promised Supply<sup>1</sup></i>	<i>Actual Supply</i>	
Renewable	100%	100%	67%	67%	10%	10%	0.7%
Biomass	-	-	-	-	-	-	0.4%
Geothermal	-	-	-	-	-	-	-
Low Impact Hydro <sup>2</sup>	-	-	-	-	-	-	0.2%
Large Hydro <sup>2</sup>	-	-	33%	33%	-	-	
Solar (PV)	-	-	-	-	-	-	-
Wind	100%	100%	67%	67%	10	10%	0.1%
Natural Gas	-	-	-	-	90%	90%	50.1%
Coal	-	-	-	-	-	-	37.1%
Nuclear	-	-	-	-	-	-	9.9%
Oil	-	-	-	-	-	-	0.7%
Other	-	-	-	-	-	-	1.4%
<b>TOTAL</b>	100%	100%	100%	100%	100%	100%	100%
<b>% New Renewable<sup>3</sup></b>	100%	100%	67%	67%	10%	10%	



Columns may not add, due to rounding.



- (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) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.
- (3) In Texas, "new renewable resource" means that these facilities began commercial operation on or after September 1, 1999.
- (4) Average TX system power mix is based on EPA EGRID v2.01 emission rates for the State of Texas.

Texas Supply (2)			
<p>Texas has tremendous wind resources and solar resources, as well as high temperature geothermal resources capable of electricity generation. If all of Texas' potential for wind was developed, excluding lands in urban development, accounting for land-use conflicts and environmentally sensitive areas, the power produced could supply 421% of the state's annual electricity consumption.</p>			
	<i>Pollution Free<sup>sm</sup></i>		Texas System Power <sup>4</sup> (for comparison)
	Promised Supply <sup>1</sup>	Actual Supply	
Renewable	100%	100%	0.7%
Biomass	-	-	0.4%
Geothermal	-	-	-
Low Impact Hydro <sup>2</sup>	-	-	0.2%
Large Hydro <sup>2</sup>	90	90%	-
Solar (PV)	-	-	-
Wind	10	10%	50.1%
Natural Gas	-	-	37.1%
Coal	-	-	9.9%
Nuclear	-	-	0.7%
Oil	-	-	1.4%
Other	-	-	-
<b>TOTAL</b>	100%	100%	100%
<b>% New Renewable<sup>3</sup></b>	10%	10%	
Columns may not add, due to rounding.			
<p>(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.</p> <p>(2) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.</p> <p>(3) In Texas, "new renewable resource" means that these facilities began commercial operation on or after September 1, 1999.</p> <p>(4) Average TX system power mix is based on EPA EGRID v2.01 emission rates for the State of Texas.</p>			

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Texas Supply (3)			
<p>Texas has tremendous wind resources and solar resources, as well as high temperature geothermal resources capable of electricity generation. If all of Texas' potential for wind was developed, excluding lands in urban development, accounting for land-use conflicts and environmentally sensitive areas, the power produced could supply 421% of the state's annual electricity consumption.</p>			
<b>C&amp;I - 10% Nat'l</b>			
	Promised Supply <sup>2</sup>	Actual Supply (for comparison) <sup>5</sup>	
Renewable	11%	11%	
Biomass			
Geothermal			
Low Impact Hydro <sup>3</sup>			
Large Hydro <sup>3</sup>			
Solar (PV)			
Wind			
Natural Gas	45%	50%	
Coal	39%	37%	
Nuclear	12%	10%	
Oil			
Other	3%	2%	
<b>TOTAL</b>	110%	110%	
<b>% New Renewable<sup>4</sup></b>	10%	10%	
<p>Columns may not add, due to rounding.</p> <p>(1) With the purchase of this electricity product from Green Mountain Energy Company, you are supporting cleaner electricity by offsetting 10% of your annual electricity usage with renewable energy certificates representing the environmental attributes of an equivalent amount of power generated from new renewable sources. Green Mountain Energy Company does so by purchasing and retiring renewable energy certificates or attributes from specific renewable generation facilities. You will not have electricity from a specific generation facility delivered directly to your ESI ID(s), but your purchase causes new renewable energy equal to 10% of your electricity usage for which you have paid to be delivered to the national power grid on an annual basis. We may take up to three months following the close of a calendar year to make up any deficiency in a particular resource promised in connection with this electricity product.</p> <p>(2) 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.</p> <p>(3) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.</p> <p>(4) In Texas, "new renewable resource" means that these facilities began commercial operation on or after September 1, 1999.</p> <p>(5) U.S. EPA E-GRID 2000 v.2.01 database – Texas state generation resource mix.</p> <p style="text-align: center;">•</p>			

Florida Supply				
	Sunshine Energy electricity		Florida Generic System <sup>4</sup>	
Generation Resource	Promised Supply	Actual Supply	(For Comparison)	
Renewable	100%	100%	1.9%	
Biomass	80%	56%		
Geothermal	-			
Low Impact Hydro <sup>2</sup>	-			
Large Hydro <sup>2</sup>	-			
Solar (PV)	-			
Wind	20%	44%		
Coal	-	-	51.7%	
Oil	-	-	2.8%	
Natural Gas	-	-	15.8%	
Nuclear	-	-	19.8%	
Other	-	-	8%	
<b>TOTAL</b>	100%	100%		
<b>% New Renewable<sup>3</sup></b>	65% (Jan – Mar) 50% (Apr – Dec)	52%		

Columns may not sum to 100% due to rounding.

(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) Low Impact hydroelectric facilities are certified by the Low Impact Hydroelectric Institute (LIHI) and tend to be less than or equal to 30 MW in size. Large hydroelectric facilities tend to be greater than 30MW in size.

(3) In Florida, "new renewable resource" means that these facilities began commercial operation on or after January 1, 1997.

(4) Average U.S. system power mix is derived from EPA eGRID v2.01 Generation Resource Mix data. Based on average U.S. use.