



**Green
Mountain
Energy®**

SUSTAINABILITY REPORT

2008-2009





MISSION
p.6



OUR MARKETS
p.12



BIG TEXAS
SUN CLUB®
p. 14

RENEWABLE
REWARDS®
p.16



| | |
|--|-----------|
| LETTER FROM THE CEO | 4 |
| ABOUT THIS REPORT | 5 |
| MISSION, VALUES & CORE TRAITS | 6 |
| COMPANY ENVIRONMENTAL IMPACT | 9 |
| 2009 and Cumulative Environmental Impact (1999-2009) | 9 |
| 2008 Environmental Impact | 10 |
| Growth in Renewable Energy Served | 11 |
| OUR MARKETS, PRODUCTS, & PROGRAMS | 12 |
| Texas | 13 |
| Oregon | 17 |
| New York | 19 |
| Florida | 21 |
| New York and New Jersey Utility Partnering Programs | 22 |
| BeGreen | 24 |
| Looking Ahead | 25 |
| OUR STANDARDS | 26 |
| Green Audit Process | 27 |
| Environmental Policies | 27 |
| OUR CARBON FOOTPRINT | 28 |
| Carbon Neutral Goal | 29 |
| EPA Climate Leaders Membership | 29 |
| Carbon Footprint Data | 29 |
| 2008 & 2009 Carbon Offset Project Details | 30 |
| 2008 & 2009 REC Project Details | 30 |

AWARDS
p.35



EMPLOYEE
PROGRAMS
p.37



OFFICE LOCATIONS
p.45



OUR
EMPLOYEES
p.46

MEMBERSHIPS & POLICY POSITIONS

- Renewable Energy Marketers Association 33
- Climate Change Position Statement 33
- Climate Change Risks to our Business 34

AWARDS

- J.D. Power and Associates Award for Business Customer Satisfaction in 2009 36
- J.D. Power and Associates Award for Residential Customer Satisfaction in 2008 36
- Take on Traffic Award in 2008 36
- CRS Green Power Beacon Award – Honorable Mention in 2008 36

EMPLOYEE PROGRAMS

- Green Ambassadors 38
- Office Recycling 39
- Employee Volunteering 39
- Employee Offset Program 40
- Earth Day Celebrations 40
- EarthShare Workplace Giving 41
- Employee Commuting Program 42

COMPANY PROFILE

- Organization & Governance 44
- Office Locations 45
- Our Employees 46
- Stakeholder Engagement 47

LOOKING FORWARD

GRI INDEX

32

35

37

43

48

50



“We have to show customers the value of choosing a company with both a long history and a bright future of sustainability.”

2008 and 2009 were exceptional years for Green Mountain Energy Company. Even in the midst of a recession, more customers chose to purchase cleaner energy and carbon offset products than ever before. In our opinion, that proves two points: environmental knowledge is growing among consumers, and Green Mountain appeals to those consumers as a green leader. When we started in 1997, Green Mountain was the only green power provider around. We literally helped create the market. Now, the green power market boasts many offers, all competing for customers.

Since sustainability is one of our core values, it's always been a priority. But continuing to grow our environmental commitment must be central to our business strategy if we want to stand out among the competition. We have to show customers the value of choosing a company with both a long history and a bright future of sustainability, instead of one for which it's just a passing fad.

This report describes our efforts to uphold the Green Mountain values of Sustainability, Integrity, and Results in 2008 and 2009. Maintaining our company's carbon neutrality was a good start, and enhancing the environmental profile of several of our Texas residential products helped too. Our exciting expansion to the New York City retail market will also help more people support sustainable sources of energy, and we are pleased with the very strong consumer response. In addition, Green Mountain was honored to receive the J.D. Power and Associates award for “Highest

in Residential Customer Satisfaction” in Texas in 2008 and “Highest in Business Customer Satisfaction” in Texas in 2009. Finally, we used Global Reporting Initiative (GRI) guidelines for the first time to create our sustainability report, which helps position this document within a standard corporate reporting framework. Given our long history as a green company, we believe the big picture view of our results really says it all.

As of the end of 2009, our customers' cumulative environmental impact grew to over 11.3 billion pounds of carbon dioxide emissions avoided. 11.3 billion pounds! That's like not driving 12.5 billion miles, or as much as 478 million trees would absorb in one year. Those big numbers represent not just carbon dioxide avoided, but the power of consumer choice to change the way power is made. Read on, and you'll find out that's our mission.

As we grow the Green Mountain community in 2010, we will be looking for new ways to do business sustainably in a shifting market landscape. Approaching changes, like the proliferation of digital smart meters that deliver real time usage data to our customers, open a new frontier in green product innovation. Pending climate change legislation also moves to cap carbon in the electric utility industry and set a nationwide goal for renewable energy usage. We can't know what the future will hold, but Green Mountain will continue to share our sustainable vision with customers by helping them voluntarily support renewable energy.

Paul Thomas
Chief Executive Officer

REPORTING PERIOD

This report covers business activity in calendar years 2008 and 2009. Green Mountain Energy Company transitioned to a biannual reporting cycle in 2006, publishing our previous Ceres report for 2006-2007 in the second quarter of 2008. This report was published in the third quarter of 2010.

GLOBAL REPORTING INITIATIVE GUIDELINES

The Global Reporting Initiative is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework. This report uses GRI's Sustainability Reporting Guidelines, version 3.0, as a general basis for its content. Please see our GRI Index at the end of this report to locate standard GRI components throughout the document. To learn more about GRI, visit their website at <http://www.globalreporting.org>.

ABOUT THE CONTENT

This report includes content that was deemed material to understanding the progression of Green Mountain in 2008 and 2009, with specific focus on the environmental impact of our products and services as well as our internal culture of sustainability. For instance, our entrance into and exit from markets, changes in branding, and status of ongoing programs were all highlighted. Finally, guidance from Ceres staff was also taken into account when setting the scope of the report, leading us to include new sections like potential climate change risks and general human resources data.

The scope of this report covers the entire company, which does not have any subsidiaries, and excludes any suppliers.

CONTACT PERSON

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INTEGRITY

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



To employees, we are committed to offering a rewarding workplace that encourages mutual respect, communication, openness to challenge, and the opportunity for 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.

WE SET HIGH STANDARDS FOR OUR COMPANY AND EMPLOYEES THROUGH OUR CORE TRAITS.



INNOVATION

- Encourage and consider new ideas from others
- Develop new ways to use fewer resources to achieve a goal
- Seek solutions for continuous improvement
- Embrace change
- Support viability of new ideas through knowledge and research

PARTNERSHIP

- Provide constructive feedback to coworkers
- Seek opportunities to partner with others outside own department
- Publicly recognize the contributions of others
- Put the success of the team before self
- Openly share expertise and information with others



COMMITMENT

- Consistently deliver results
- Strong sense of urgency about completing tasks
- Arrive on time to meetings and come prepared to participate
- Willingness to take on tasks outside of job
- Demonstrate low tolerance to mediocrity

TENACITY

- Seldom give up before finishing, especially in the face of resistance or setbacks
- Stand firm against adversity
- Demonstrate resiliency to bounce back from failure
- Ability to identify and overcome risks
- Maintain drive and ambition in the face of risks, uncertainty, and ambiguity



ACCOUNTABILITY

- Demonstrate ownership of tasks and deliverables
- Take responsibility for actions and results
- Solve problems, make decisions, own results
- Admit mistakes and deliver solutions to overcome them
- Produce quality products on a regular basis



Tracking our company's environmental impact is a cornerstone of our values of Sustainability and Results.

A. 2009 AND CUMULATIVE ENVIRONMENTAL IMPACT (1999-2009):

Green Mountain customers make a difference! The tables below shows our customers' total environmental impact for 2009, 2008, and cumulatively since 1999. Our cleaner energy and carbon offset products help the environment by avoiding CO₂ emissions associated with electricity made by fossil fuels and investing in other projects that reduce CO₂ emissions, which contribute to climate change. Tracking our company's environmental impact is a cornerstone of our values of Sustainability and Results.

2009 CUMULATIVE REGIONAL & TOTAL IMPACT

| REGION / PRODUCT LINE | CO ₂ AVOIDED (million pounds) | TONS OF CO ₂ AVOIDED (thousand short tons) | EQUIVALENT MILES NOT DRIVEN (millions) |
|---------------------------------------|---|--|---|
| Texas Residential | 544 | 272 | 605 |
| Oregon (PGE) | 517 | 258 | 575 |
| Texas C&I | 305 | 152 | 339 |
| BeGreen | 177 | 88 | 197 |
| New Jersey Utility Partnering | 18 | 9 | 20 |
| National Grid Utility Partnering | 1.8 | 0.9 | 2 |
| New York (2009 Launch) | 0.1 | 0.06 | 0.1 |
| Total 2009 | 1,565 | 782 | 1,739 |
| 1999-2008 | 9,803 | 4,901 | 10,805 |
| Total Cumulative 1999-2009 | 11,369 | 5,684 | 12,545 |

2008 CUMULATIVE REGIONAL IMPACT

| REGION/PRODUCT LINE | CO ₂ AVOIDED (MILLION POUNDS) | TONS OF CO ₂ AVOIDED (THOUSAND SHORT TONS) | EQUIVALENT MILES NOT DRIVEN (MILLIONS) |
|----------------------------------|---|--|---|
| Oregon (PGE) | 467 | 233 | 519 |
| Texas Residential | 414 | 207 | 460 |
| BeGreen | 317 | 158 | 352 |
| C&I | 274 | 137 | 304 |
| Florida | 244 | 122 | 271 |
| New Jersey Utility Partnering | 18 | 9 | 20 |
| National Grid Utility Partnering | 2 | 1 | 2 |
| Total 2008* | 1,738 | 869 | 1,931 |

*Totals may not add exactly due to rounding

Beyond reducing carbon emissions, supporting renewable energy also has the following environmental benefits:

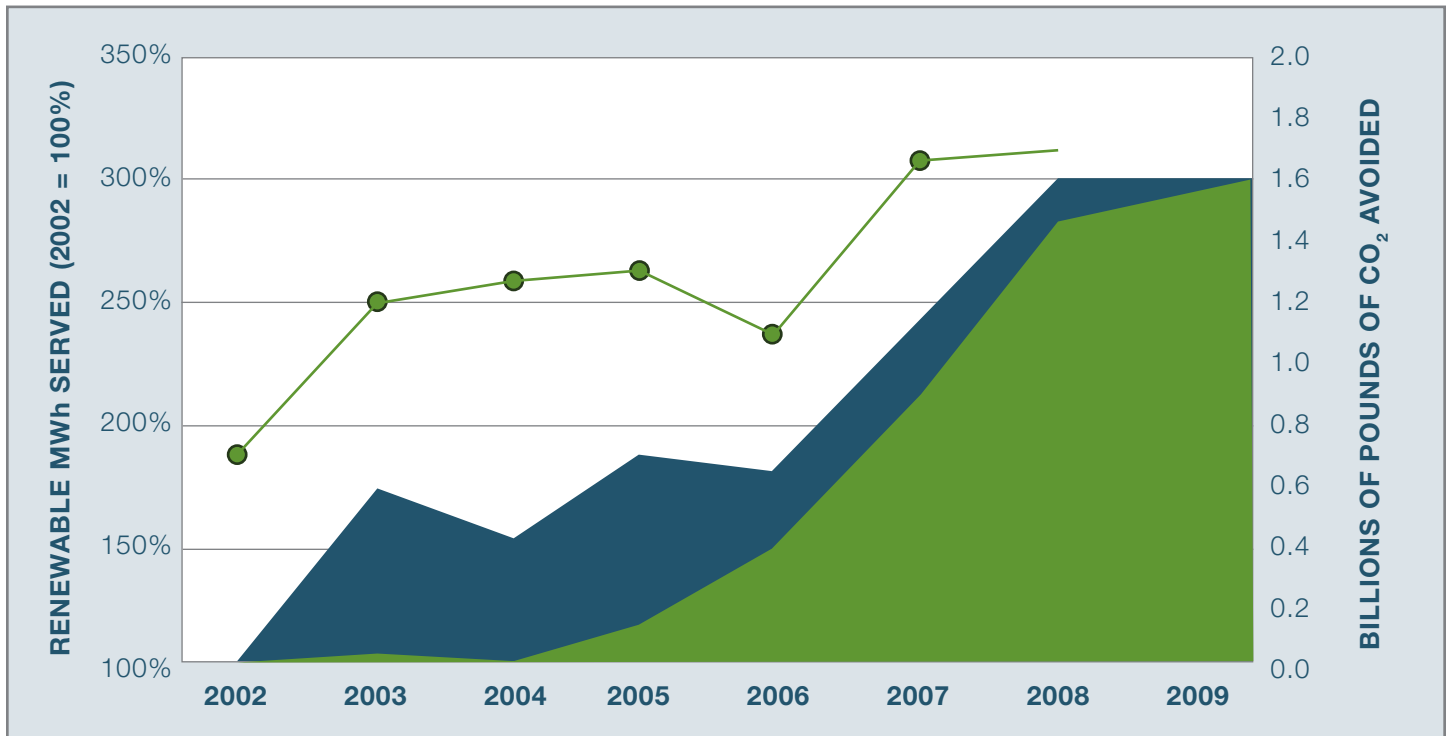
- 1 Reducing other types of air pollution, including sulfur dioxide which contributes to acid rain, nitrous oxide which contributes to smog, and mercury which is a neurotoxin that builds up in the water supply. All of these pollutants are emitted by traditional fossil fuel power plants.
- 2 Avoiding harmful extraction of fossil fuels, such as mountaintop removal for coal mining, that can destroy the landscape
- 3 Reducing fresh water consumption for the operation of fossil fuel and nuclear power plants, which can add up to millions of gallons each day
- 4 Moving toward sustainable sources of energy that will never run out, unlike limited fossil fuel resources

B. GROWTH IN RENEWABLE ENERGY SOLD

Green Mountain has grown substantially during the reporting period, broadening our customer base and helping them make a difference for the environment through renewable energy and carbon offset products. When customers choose Green Mountain, we ensure that an equivalent amount of renewable energy is put onto the grid to match the applicable percentage of their electricity usage. This helps balance out the environmental impact of fossil fuel based energy by supporting clean, renewable resources like wind and hydro.

We have tracked our total amount of renewable energy sold since 2002 and the resulting carbon dioxide emissions avoided. In previous Ceres reports, we have shown CO₂ avoided by “Green Mountain Facilities” as well as performance against a goal of New Renewable Megawatts Supported. For this report, we’ve chosen a more straightforward approach showing growth in total renewable energy served, alongside the CO₂ benefit resulting from the the quantity of new renewable energy sold.

TOTAL RENEWABLE ENERGY SERVED (NORMALIZED TO 2002) & CO₂ AVOIDED



- TOTAL RENEWABLE MWh SOLD (normalized)
- RENEWABLE MWh SOLD IN ACTIVE REGIONS (normalized)*
- CO₂ AVOIDED (lbs)

*The difference between the two colors represents divestitures. Active regions include Texas, New York, Oregon, New Jersey, and our unbundled REC business.

OUR MARKETS, PRODUCTS, & PROGRAMS



OUR MARKETS, PRODUCTS, & PROGRAMS




Green Mountain is active in the Texas and New York City competitive retail electricity markets, as well as green pricing programs in Oregon, New Jersey, and New York state. In addition, Green Mountain sells unbundled renewable energy certificates and carbon offsets at the national level. Within these markets, Green Mountain offers innovative programs and products to help customers lower their impact on the environment.





ELECTRICITY PRODUCT ENVIRONMENTAL IMPACT

GREEN MOUNTAIN PRODUCTS - ENVIRONMENTAL IMPACT DATA

| PRODUCT | USAGE INFO | | CO ₂ AVOIDED ANNUALLY (POUNDS) | CO ₂ AVOIDED EXPRESSED AS | | |
|--|-------------|--------|---|--|--|---|
| | KWh/ Month* | KWh | |  houses turning off lights for a week |  cars off the road for a week |  height of recycled newspaper stack (ft) |
| 100% Wind (Residential) | 1,000 | 12,000 | 15,892 | 4,642 | 516 | 155 |
| Pollution Free sm (Residential) | 1,000 | 12,000 | 2,384 | 696 | 77 | 23 |
| Apartment Community Program (Residential) | 1,000 | 12,000 | 2,384 | 696 | 77 | 23 |
| Fixed Commodity - 10% Renewable (Commercial) | 3,750 | 45,000 | 5,960 | 1,741 | 193 | 58 |
| 100% Renewable (Commercial) | 3,750 | 45,000 | 59,596 | 17,408 | 1,934 | 580 |

*Information in this table based on assumed monthly and annual usage as indicated.

TEXAS CUMULATIVE IMPACT : 2002 - 2009

| YEAR | CO ₂ AVOIDED (MILLION POUNDS) | TONS OF CO ₂ AVOIDED (THOUSAND SHORT TONS) | MILES NOT DRIVEN (MILLIONS) |
|--------------------------------|--|---|-----------------------------|
| 2002 (Residential) | 694 | 347 | 771 |
| 2003 (Residential) | 864 | 432 | 960 |
| 2004 (Residential) | 671 | 335 | 746 |
| 2005 (Residential + C&I) | 765 | 382 | 850 |
| 2006 (Residential + C&I) | 634 | 317 | 704 |
| 2007 (Residential + C&I) | 594 | 298 | 662 |
| 2008 (Residential + C&I) | 688 | 344 | 765 |
| 2009 (Residential + C&I) | 850 | 425 | 944 |
| Total Cumulative Offset | 5,764 | 2,882 | 6,404 |

*Totals may not add exactly due to rounding

PRODUCT CONTENT CHANGES

In July 2008, we changed the renewable energy content of two of our Texas residential electricity products, Pollution Freesm and our Apartment Community Program (ACP), to include more wind energy. The change reflected the growing availability of wind energy resources at a more reasonable cost, which enables us to increase our customers' environmental impact as measured by carbon emissions avoided. As a result of these product content changes, the environmental impact of Green Mountain customers on the *Pollution Free* and ACP products increased by 30%. These changes allowed Green Mountain to improve performance with respect to our value of Sustainability by increasing the environmental benefit of our products.



BIG TEXAS SUN CLUB®

Green Mountain's *Big Texas Sun Club* is a voluntary program for Texas residential electricity customers to support small solar installations by paying an extra \$5 on their monthly bill. We believe this program exemplifies our values of Integrity and Sustainability by giving back to the communities we serve. As of the end of 2009, this innovative program had cumulatively led to the installation of over 20 small solar facilities across Texas at worthy charities and schools, with a total capacity of nearly 200 kW. *Big Texas Sun Club* facilities make up about half of the 40 facilities that have been built since our inception as a result of Green Mountain customer support.

The following solar facilities were added during 2008 and 2009:

- 1 March 2008: **Green Mountain Energy® Solar at the Museum of Nature and Science** Dallas, Texas.

This 640W solar array powers an educational exhibit about solar energy in the Children's Museum.



- 2 April 2008: **Green Mountain Energy® Solar at the Houston Zoo** Houston, Texas.

This 6.4 kW array was the first in Texas to power a zoo exhibit. Specifically, it's in the lion area accompanied by educational materials about solar energy.

- 3 September 2008: **Green Mountain Energy® Solar at the Waco Chamber of Commerce** Waco, Texas.

This 9.6 kW array offset approximately 6.5% of the building's annual electricity usage, and was part of the Waco Chamber of Commerce's LEED Gold certification for green building practices. Additionally, the Waco Chamber became a Green Mountain customer in order to use 100% renewable energy beyond that produced by their solar panels.



- 4 January 2009: **Green Mountain Energy® Solar at Workshop Houston** Houston, Texas.

Workshop Houston is a hands-on educational organization that teaches bike repair, hip-hop music production, fashion design, welding, and reading skills after school to underprivileged children. This 2.26 kW array offsets approximately 13% of the building's annual electricity usage.



- 5 April 2009: **Green Mountain Energy® Solar at Satori Elementary** Galveston, Texas.

Satori Elementary was damaged by Hurricane Ike in late 2008, and the donation of the solar facility helped the school get back to the business of teaching. In December 2009, the school received a Solar Panel Monitoring system to see its energy production in real time!

- 6 May 2009: **Green Mountain Energy® Solar at Ballroom Marfa** Marfa, Texas.

This 5.25 kW array offsets approximately 15% of Ballroom Marfa's electricity usage. Ballroom Marfa is a cultural arts center and gallery in the West Texas arts hotspot of Marfa. Artists working there presented Green Mountain with a piece of art to commemorate the solar dedication!



7 September 2009: **Green Mountain Energy® Solar at Eastfield College** Mesquite, Texas.

The first photovoltaic (PV) solar system to power a school in the Dallas County Community College District. The solar array is being incorporated into the learning curriculum of several classes and will help educate students about the benefits of solar energy and the technical aspects of installing an array.



8 September 2009: **Green Mountain Energy® Solar at Texas State Technical College** Harlingen, Texas.

One of the largest arrays in the Rio Grande Valley. The solar array is being incorporated into the learning curriculum of several classes and will help educate students about the benefits of solar energy and the technical aspects of installing an array.



9 October 2009: **Green Mountain Energy® Solar at Girl Scouts San Jacinto Council** Houston, Texas.

The state's first Girl Scouts headquarters powered by solar energy with this 10.08 kW array. Respecting and protecting the environment has long been a component of a Girl Scout's education. This array is yet another teaching tool from which they can learn.



10 November 2009: **Green Mountain Energy® Solar at Chinquapin School** Highlands, Texas.

This non-profit college-preparatory school that provides high-quality education to able and motivated economically disadvantaged youths in the Houston area is now the proud owner of a 3.2 kW solar array. The array is mounted on the school's LEED-certified faculty duplex, which was designed by Chinquapin students to serve as a model for sustainable design.





LAUNCH OF RENEWABLE REWARDS®



In mid 2009, Green Mountain launched a buy-back program for customers who have qualifying renewable generation facilities – like solar panels – on their home. Customers are now able to sell back any excess energy their facility produces, up to 500 kilowatt-hours (kWh) per month, at the full retail rate to Green Mountain. Customers receive payment through bill credits toward their future usage. After 500 kWh per month, the buy-back rate is reduced to 50% of the retail rate.

Green Mountain has received a lot of positive feedback about Renewable Rewards®, which was developed in order to reward “hardcore green” customers who are early adopters of renewable facilities on their homes. Many similar programs, often known as “net metering”, do not pay customers the full retail rate for excess energy. This prolongs the payback period for the customer’s renewable facility and makes it less likely they would install the facility in the first place.

Because the structure of *Renewable Rewards* encourages small-scale renewable generation, offering this product is in line with the company's mission to change the way power is made. Since the launch of *Renewable Rewards*, Green Mountain has become the recommended retail provider in Texas for many small-scale solar panel and wind turbine installers.

Since the launch of *Renewable Rewards*, Green Mountain has become the recommended retail provider in Texas for many small-scale solar panel and wind turbine vendors.

LAUNCH OF BEGREEN® TEXAS DRIVER

Another new program for Texas customers launched in January 2009, the *BeGreen* Texas Driver. Customers were offered the opportunity to plant trees through American Forests and offset the carbon footprint of their car for a year. By adding only \$4 per month to their electricity bill a customer contributes to the planting of 17 trees over the course of a year. New customers can sign up through the Green Mountain electricity enrollment process, while existing customers can access the product in their online account.

After the *BeGreen* Texas Driver had been active for 1 year, the program planted over 5,000 trees in American Forests projects across the country. The trees have many environmental benefits, including providing wildlife habitats, rehabilitating areas after natural disaster, and of course, absorbing carbon: approximately 3.3 million pounds of CO₂ emissions over the trees’ average 40 year lifetime.








PRODUCT ENVIRONMENTAL IMPACT

Green Mountain and Portland General Electric (PGE) have worked in partnership since 2002 to provide PGE customers the opportunity to choose cleaner energy products. Green Mountain procures renewable supply for PGE's Clean Windsm and Green Sourcesm products and provides marketing assistance and sales training to PGE staff. See below for the environmental impact of the products supplied by Green Mountain for the PGE program in Oregon, as well as the total cumulative impact of these products since 2002.

GREEN MOUNTAIN PRODUCTS - ENVIRONMENTAL IMPACT DATA

| PRODUCT | USAGE INFO | | CO ₂ AVOIDED ANNUALLY (POUNDS) | CO ₂ AVOIDED EXPRESSED AS | | |
|--|------------|---------------|---|--|--|---|
| | KWh/Month* | KWh annually* | |  Houses Turning Off Lights for a Week |  Cars Off the Road for a Week |  Height of Recycled Newspaper Stack (ft) |
| Clean Wind sm (200 kWh blocks) | 200 | 2,400 | 2,165 | 632 | 70 | 21 |
| Green Source sm | 910 | 10,920 | 9,852 | 2,878 | 320 | 96 |

*Information in this table based on assumed monthly and annual usage as indicated.

OREGON (PGE) CUMULATIVE IMPACT: 2002 - 2009

| YEAR | CO ₂ AVOIDED (MILLION POUNDS) | TONS OF CO ₂ AVOIDED (THOUSAND SHORT TONS) | MILES NOT DRIVEN (MILLIONS) |
|---------------------------------|--|---|-----------------------------|
| 2002 (Actual) | 10 | 5 | 11 |
| 2003 (Actual) | 43 | 21 | 48 |
| 2004 (Actual) | 176 | 88 | 196 |
| 2005 (Actual) | 218 | 109 | 242 |
| 2006 (Actual) | 177 | 88 | 196 |
| 2007 (Actual) | 396 | 198 | 440 |
| 2008 (Actual) | 467 | 233 | 519 |
| 2009 (Actual) | 517 | 258 | 575 |
| Total Cumulative Offset* | 2,008 | 1,004 | 2,231 |

*Totals may not add exactly due to rounding



OREGON

NREL GREEN PRICING PROGRAM RANKING

Green Mountain's partnership with Portland General Electric (PGE) has yielded one of the most successful green pricing programs in the country since its inception in 2002. In fact, by the end of 2009 the voluntary renewable program had grown to over 70,000 participants, almost 10% of PGE's customer base. The success of the program has caused PGE to renew its contract with Green Mountain multiple times, and exemplifies Green Mountain's emphasis on results.

The National Renewable Energy Laboratory (NREL) annually releases green pricing program rankings that show the top ten programs in the country based on several different metrics: total sales (kWh), total customer count, and customer participation rate. The PGE program ranked in the top 3 or better in all of these metrics as of December 2008, taking first place in terms of customer count.

OTHER OREGON PROGRAMS

Over 9,000 of the PGE Oregon customers also make a monthly donation to the Nature Conservancy of Oregon that will help improve habitats and water quality for salmon and other fish and wildlife, leading to over 140 miles of river and stream restoration since 2004.

In addition, the renewable program partnership with PGE has successfully conducted four Green Power Community Challenges, adding significantly to the list of only 27 municipalities nationwide to be recognized for meeting or exceeding the Environmental Protection Agency's Green Power Community purchase requirements. A fifth is underway in 2010.



 NEW YORK

LAUNCH STORY

Green Mountain expanded the boundaries of its retail business in the summer of 2009 by entering the New York City market. This was the first new retail market for the company since entering Ohio in 2001. New York City presented an interesting challenge for Green Mountain, in that consumers had the ability to choose their electric service company (ESCO) but there was limited customer awareness. However, New Yorkers have been excited about the opportunity to make a difference by choosing cleaner electricity products from Green Mountain.

Expanding upon our activity in New York state under the National Grid utility partnering program, Green Mountain seeks to provide residential and business consumers in the consolidated Con Edison service territory in New York City with a choice to support cleaner energy. We are still the only ESCO in New York City solely dedicated to this mission, which supports our commitment to the Green Mountain value of Sustainability.



Green Mountain seeks to provide residential and business consumers in New York City with a choice to support cleaner energy. We are still the only ESCO in New York City solely dedicated to this mission, which supports our commitment to the Green Mountain value of Sustainability.



RELATIONSHIPS WITH NEW YORK CITY ENVIRONMENTAL GROUPS




Shortly after launching in the New York City retail electric market, Green Mountain partnered with GrowNYC (formerly the Council on the Environment for New York City) to offer clean, renewable electricity at the city's Greenmarkets.

The Greenmarket program promotes regional agriculture and ensures a continuing supply of healthy, fresh, locally-grown food for urban dwellers in New York City. The Greenmarket program began in 1976. The 50 Greenmarkets around the city support farmers and preserve farmland for the future by providing regional family farmers with opportunities to sell their fruits, vegetables and other farm products to New Yorkers.



Green Mountain also actively supports other GrowNYC programs such as preserving and maintaining green spaces and community gardens in the city, and hands-on environmental education programs for inner city youth.

GREEN MOUNTAIN PRODUCTS - ENVIRONMENTAL IMPACT DATA

| PRODUCT | USAGE INFO | | CO ₂ AVOIDED ANNUALLY (POUNDS) | CO ₂ AVOIDED EXPRESSED AS | | |
|---------------------------------------|-------------|---------------|---|---|---|--|
| | KWh/ Month* | KWh annually* | |  Houses Turning Off Lights for a Week |  Cars Off The Road for a Week |  Height of Recycled Newspaper Stack (ft) |
| New York 100% Wind | 400 | 4,800 | 6,381 | 1,864 | 207 | 62 |
| New York Pollution Free sm | 400 | 4,800 | 398 | 116 | 13 | 4 |

*Information in this table based on assumed monthly and annual usage as indicated.



PROGRAM DESCRIPTION






Green Mountain entered into a contract with Florida Power & Light (FPL) in 2004 to create the Sunshine Energy® program, which allowed thousands of Florida consumers to support renewable energy through their existing electricity provider. As a third party marketer, Green Mountain provided renewable energy supply for the *Sunshine Energy* product as well as marketing and sales services to FPL. Customers were given the option to add \$5 per month to their electricity bill, which purchased a 1000 kWh block of renewable energy.

PROGRAM RESULTS

By December 2007, the *Sunshine Energy* program had gained over 37,000 customers and sold 373 million kWh of renewable energy. These outstanding results earned the Sunshine Energy program 4th place in the 2007 NREL Green Pricing Program rankings by total sales. Cumulatively, from 2004 to 2008, the *Sunshine Energy* program avoided over 1 billion pounds of CO₂ emissions. In 2008, the program wound down following a policy review by the Florida Public Service Commission. Green Mountain is proud of our role in the *Sunshine Energy* program, knowing that it delivered on our values of Integrity, Results, and Sustainability to FPL customers.

PRODUCT ENVIRONMENTAL IMPACT

2008 GREEN MOUNTAIN PRODUCTS - ENVIRONMENTAL IMPACT DATA

| PRODUCT | END DATE | USAGE INFO | | CO ₂ AVOIDED ANNUALLY (POUNDS) | CO ₂ AVOIDED EXPRESSED AS | | | | |
|---|-----------|-------------|---------------|---|--|---|--|--|--|
| | | KWh/ Month* | KWh Annually* | |  Miles Not Driven |  Cars Off The Road Annually |  Trees Annual Sequestration |  Number of Recycled Aluminum Cans |  Recycled Pounds of Newspaper |
| <i>Sunshine Energy</i> (1,000 kWh blocks) | July 2008 | 1,000 | 12,000 | 10,614 | 11,794 | 0.94 | 637 | 26,127 | 4,246 |

*Information in this table based on assumed monthly and annual usage as indicated.



NEW YORK AND NEW JERSEY UTILITY PARTNERING PROGRAMS

UTILITY PARTNERING PROGRAM DETAILS




Green Mountain has been active in multi-supplier utility partnering programs in New York and New Jersey since 2003 and 2006, respectively. These programs allow customers in regulated markets to choose renewable energy products from a variety of different suppliers, while remaining with their same utility provider.

In New York, Green Mountain participates in the National Grid GreenUp program, offering a 10% Wind, 90% Hydro product that is pollution-free. Visit the National Grid website to learn more.

In New Jersey, Green Mountain participates in the CleanPower Choicesm program, offering a 50% regional wind, 50% regional small hydro product. Visit the CleanPower Choice website to learn more.

PRODUCT CONTENT & ENVIRONMENTAL IMPACT

GREEN MOUNTAIN PRODUCTS - ENVIRONMENTAL IMPACT DATA

| PRODUCT | USAGE INFO | | CO ₂ AVOIDED ANNUALLY (POUNDS) | CO ₂ AVOIDED EXPRESSED AS | | |
|---|-------------|---------------|---|---|--|---|
| | KWh/ Month* | KWh Annually* | |  Houses Turning Off Lights for a Week |  Cars Off the Road for a Week |  Height of Recycled Newspaper Stack (ft) |
| Green Mountain Energy Electricity® (New Jersey) | 400 | 4,800 | 6,381 | 1,864 | 207 | 62 |
| Green Mountain Energy Electricity® (NIMO) | 400 | 4,800 | 398 | 116 | 13 | 4 |

*Information in this table based on assumed monthly and annual usage as indicated.

BEGREEN®

THE BEGREEN BRAND

BeGreen was a brand within Green Mountain that focused specifically on providing unbundled RECs and carbon offsets to businesses and individuals. Started in 2006, *BeGreen* leveraged Green Mountain’s expertise in environmental markets and gave the company greater flexibility to serve national customers in regulated electricity markets. *BeGreen* business services included carbon footprint calculation, carbon offset and REC procurement, green marketing and PR assistance, and other innovative programs like green tickets for events. The *BeGreen* website also featured consumer tools and products, such as carbon footprint calculators, eco-friendly gifts, and “express” carbon offset products to balance out emissions from driving, flying, and using electricity. To learn more about our carbon offset products, visit our Products page (www.greenmountainenergy.com/products-and-rates/carbon-offsets).

PRODUCT ENVIRONMENTAL IMPACT

The *BeGreen* products’ environmental impact is not reported in the same way as electricity products, largely because each purchase varies widely and may not recur. However, *BeGreen* customers together have had the following cumulative environmental impact from 2006 to 2009:

| YEAR | CO ₂ AVOIDED (MILLION POUNDS) | TONS OF CO ₂ AVOIDED (THOUSAND SHORT TONS) | MILES NOT DRIVEN (MILLIONS) |
|-------------------------|---|--|--------------------------------|
| 2006 | 25 | 12 | 27 |
| 2007 | 285 | 142 | 317 |
| 2008 | 317 | 137 | 352 |
| 2009 | 177 | 152 | 197 |
| Cumulative Total | 805 | 445 | 894 |



BEGREEN®

PRODUCT CERTIFICATION

Green Mountain, through the *BeGreen* brand and beyond, offers industry-leading certification and quality assurance for its REC and carbon offset products. Our dedication to the value of Integrity in our products can be seen through our use of the following standards.



Energy

Green-e Energy certification for RECs assures customers that their purchase is supporting new renewable resources, will only be counted once, and goes beyond business as usual. Green-e certification requires an annual audit of all Green-e Energy REC purchases and sales, as well as adherence to a Code of Conduct regarding marketing and customer disclosures.

Green Mountain also submits to a voluntary green portfolio audit that encompasses all purchases and sales across all business units. More details on the full green portfolio audit can be found in the “Our Standards” section of this report.

By transacting in the carbon offset market, Green Mountain supports leading carbon offset standards such as Climate Action Reserve, Voluntary Carbon Standard, EPA Climate Leaders, and others. These standards provide assurance that offsets are real, permanent, verifiable, enforceable, and additional. Numerous electronic registries exist to support the standards listed above, and Green Mountain holds accounts on several to transact in the most transparent and verifiable way possible.



RECS AND CARBON OFFSETS GOING FORWARD

From 2006 to 2009, the *BeGreen* brand went through a number of transformations, creating a look and feel separate from the Green Mountain brand. Initially, the business services component of *BeGreen* was named eMission Solutions, with its own website, logo, and branding. *BeGreen* was the brand behind the consumer services side, likewise with its own website. In 2008, eMission Solutions was absorbed into *BeGreen*, becoming BeGreen Business. All REC and carbon offset services were then housed under the *BeGreen* website, www.begreennow.com.

In order to avoid diluting the Green Mountain brand while making best use of our marketing resources for RECs and offsets, senior management made the decision to bring these services back under the Green Mountain brand name. The shift coincided with the launch of the new Green Mountain website in early 2010. We will continue to offer high quality REC and carbon offset solutions for businesses and consumers under the main Green Mountain brand in the future.



LOOKING AHEAD

As our markets, products, and programs continue to evolve, Green Mountain aims to create new ways to help people make a difference for the environment. We hope to see deregulated electricity markets continue to open up, giving more people the opportunity to support renewable energy by choosing their electricity provider. Our recent venture into the New York City retail electricity market holds much opportunity, and we expect it to grow as New Yorkers learn more about Green Mountain in the coming months. Many of the programs that have proved successful in our Texas market, such as Big Texas Sun Club®, could have potential in New York as well. Meanwhile, we continue to seek new opportunities with green pricing programs and unbundled REC and offset sales to help round out our environmental portfolio. Throughout, we are proud to remain dedicated to the Green Mountain values of Integrity, Sustainability, and Results in every new opportunity we pursue.

AS A GREEN COMPANY, GREEN MOUNTAIN HAS ALWAYS BELIEVED IN THE VALUE OF **“WALKING THE WALK”** OF ENVIRONMENTAL SUSTAINABILITY.

While we work to accomplish our mission to change the way power is made, we also strive to reduce the impact of our business from the inside out. Maintaining strong internal environmental standards upholds our company values of Integrity and Sustainability through the way we conduct business. Our efforts include:

- 1 Going the extra mile to prove the environmental credibility of our products through an independent, third party audit
- 2 Living by environmental policies that create a culture of sustainability in the Green Mountain workplace
- 3 Measuring, reporting, and reducing our carbon footprint through EPA Climate Leaders annually

GREEN AUDIT PROCESS

Green Mountain engages an independent third party audit firm to conduct a full green portfolio audit annually, creating a foundation of Integrity for all of our products. This voluntary process tracks all purchases through the chain of ownership back to the renewable generator, either through paper attestations or electronic registry records. Additionally, the audit connects these purchases with sales for each region, down to samples of usage data from meter reads for our electricity customers. The audit covers all REC, carbon offset, and tree planting purchases used to fulfill sales to our customers. The most recent green portfolio audit report from 2008 can be found [here](#). We expect our 2009 green portfolio audit to be concluded in mid-2010, and the report will be published on [GreenMountain.com](#) shortly thereafter.



ENVIRONMENTAL POLICIES

Employees participating in our voluntary internal environmental group, the Green Ambassadors, conducted a review of Green Mountain's environmental policies in 2008, resulting in no substantial changes at that time. However, the group is currently updating the Durable Goods Standard and the Paper Standard. A brief table below lists our environmental policies as they stand today:

OVERVIEW OF GREEN MOUNTAIN'S ENVIRONMENTAL POLICIES, PROGRAMS AND STANDARDS

| POLICY | ISSUE DATE | LATEST REVISION | GEOGRAPHIC SCOPE |
|---|-------------|-----------------|------------------------|
| Environmental Charter | Fall 1997 | Summer 1999 | Company wide |
| Ceres Principles Adoption | Spring 1999 | - - - | Company wide |
| Green Mountain Values | Fall 1997 | Winter 2003 | Company wide |
| Commitment Regarding Old Growth Fiber | Winter 2000 | - - - | Company wide |
| Recycling Policy | Fall 1997 | Spring 1999 | Company wide |
| Paper Standard | Winter 1999 | Ongoing in 2010 | Company wide |
| Durable Goods Standard | Winter 2001 | Ongoing in 2010 | Company wide |
| Corporate CO ₂ Offset Policy | Fall 2003 | Fall 2004 | Company wide |
| Employee CO ₂ Offset Policy | Spring 2003 | - - - | Company wide |
| Renewable Energy Supply Policy | Spring 2004 | - - - | Company wide |
| Renewable Energy Facility Assessment Standard | Spring 2005 | Spring 2006 | Environmental Sourcing |
| Commuting Program | Spring 2004 | Spring 2006 | Company wide |
| Duplex Printing Policy | Winter 2004 | - - - | Corporate Headquarters |
| Green Ambassadors Program | Winter 2004 | - - - | Company Wide |
| Computer and Cell Phone Recycling Policy | Winter 2004 | - - - | Company Wide |
| USGBC LEED - CI Certification | 2005 - 2006 | | Corporate Headquarters |



OUR CARBON FOOTPRINT



As a company, Green Mountain, follows in the footsteps of our customers by pledging to make our business operations "carbon neutral."

CARBON NEUTRAL GOAL

Green Mountain customers reduce their carbon footprint every day when they purchase cleaner energy products. As a company, Green Mountain follows in their footsteps by pledging to make our business operations "carbon neutral" - to have a net zero impact on climate change. We accomplish this through our participation in EPA Climate Leaders, a voluntary greenhouse gas monitoring and reduction partnership between government and industry. Partnering with EPA Climate Leaders further bolsters our commitment to the company value of Sustainability, as well as Integrity since it entails having our carbon footprint calculations reviewed by a third party.

EPA CLIMATE LEADERS MEMBERSHIP

Green Mountain has been a member of EPA Climate Leaders since 2005, setting a carbon neutral goal for every year through 2010. We will set a new Climate Leaders goal in the upcoming year and discuss it in our next sustainability report. Climate Leaders are required to annually submit a greenhouse gas emissions inventory, coupled with aggressive reduction goals. In return, companies receive EPA recognition for their efforts to increase their commitment to sustainability.

CARBON FOOTPRINT DATA

Green Mountain's 2008 and 2009 corporate greenhouse gas emissions inventory consisted of Scope 1, 2, and 3 emissions, which are standard groups of similar emissions sources. The scopes, along with the areas that are included within each scope in Green Mountain's inventory, are defined below:

SCOPE 1: DIRECT EMISSIONS FROM COMPANY-OWNED OR LEASED SOURCES

- Natural gas used by Green Mountain offices
- Refrigerant (air conditioning chemical) used by Green Mountain offices
- Corporate vehicle usage

SCOPE 2: INDIRECT EMISSIONS FROM ELECTRICITY USAGE

- Electricity used by Green Mountain offices

SCOPE 3: DIRECT EMISSIONS FROM NON-COMPANY OWNED SOURCES

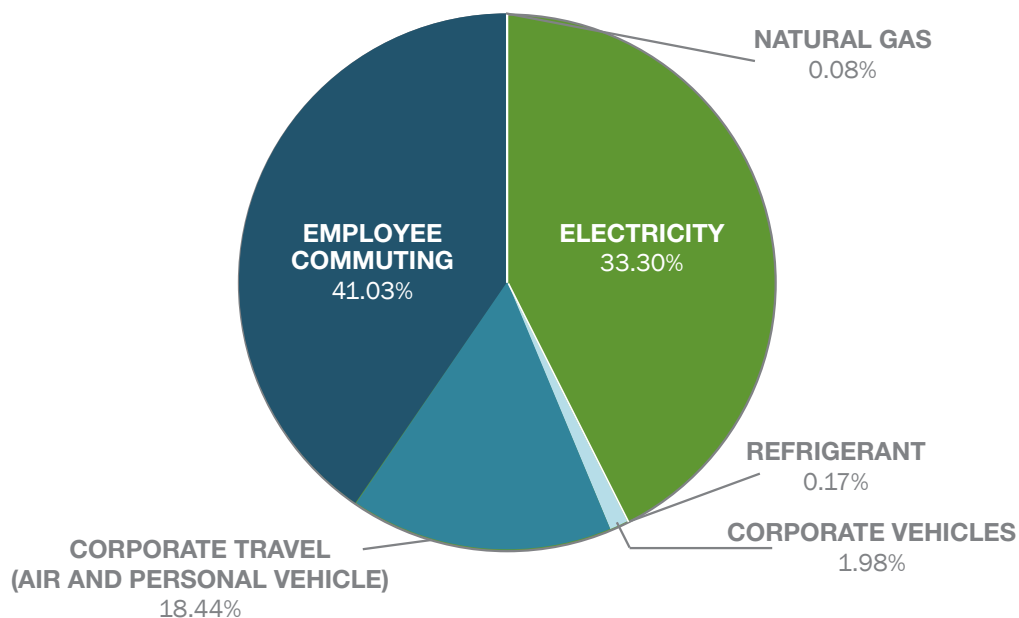
- Corporate travel (air & personal vehicle) by Green Mountain employees
- Green Mountain employee commuting

Scope 3 emissions are often considered the “catchall” category for any emissions that don’t fit into Scopes 1 or 2. Calculating and offsetting these emissions is considered optional by the EPA Climate Leaders program, but Green Mountain strives to monitor and reduce emissions in as many areas as possible.

Although Green Mountain began participating in EPA Climate Leaders in 2005, the company has been calculating its carbon footprint since 2003. See below for a historical comparison of all emissions from the sources described above, including most recent data from 2008 and 2009.

| CARBON DIOXIDE SOURCES | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Metric tons of CO ₂ emissions | | | | | | |
| Direct Emissions from Office Natural Gas Combustion | 1.48 | 0.00 | 0.00 | 0.63 | 0.59 | 0.74 | 1.13 |
| Indirect Emissions from Office Electricity Consumption | 112.03 | 725.21 | 680.74 | 510.51 | 546.59 | 506.82 | 532.86 |
| Refrigerant Emissions from Office AC use | 0.00 | 2.00 | 3.51 | 2.33 | 2.31 | 2.22 | 2.35 |
| Emissions from Corporate Travel (Air & Personal Vehicle) | 289.15 | 259.25 | 234.03 | 230.23 | 179.58 | 157.60 | 256.52 |
| Emissions from Employee Commuting | 523.90 | 928.69 | 473.32 | 633.21 | 722.23 | 458.29 | 570.78 |
| Mobile Source Emissions | 0.00 | 9.97 | 11.44 | 34.79 | 24.81 | 37.20 | 27.58 |
| TOTAL | 926.56 | 1,925.11 | 1,403.04 | 1,411.70 | 1,476.10 | 1,162.87 | 1,391.22 |

2009 CARBON FOOTPRINT BY SOURCE



Green Mountain's carbon footprint varied in 2008 and 2009, rising and falling somewhat while staying underneath our 2005 Climate Leaders baseline. A dip in our total number of employees in 2008 helped contribute to the lower footprint, as did a larger and more accurate data sample for employee commuting compared to previous years. In 2009, our total number of employees rebounded to 2007 levels, however we managed to reduce our total footprint by increasing employee education on saving energy in the office and our commuting incentives program.

Beyond direct emissions reduction measures, Green Mountain adheres to its carbon neutral goal by purchasing renewable energy certificates (RECs) and carbon offsets to balance out the company's remaining carbon footprint. See below for the details on the projects supported in 2008 and 2009.

2008 & 2009 CARBON OFFSET PROJECT DETAILS

DANC (DEVELOPMENT AUTHORITY OF NORTH COUNTY) LANDFILL GAS METHANE CAPTURE

DESCRIPTION: The DANC Solid Waste Management Facility (DANC) is an active municipal landfill located in Rodman, New York. The landfill covers an area of approximately 75 acres and will expand 100 acres more during 2008 to 2009. It started accepting waste in 1992 and by the end of 2007 had approximately 3,548,208 tons of waste in place. DANC installed a methane flare in 2001 to destroy harmful methane emissions from the decomposition of organic waste in the landfill.

CERTIFICATION: Climate Action Reserve Landfill Project Reporting Protocol v1.0, EPA Climate Leaders

VERIFICATION: First Environment

VINTAGE: 2008 (to be used toward 2008 and 2009 Green Mountain carbon footprints¹)

LOCATION: Rodman, New York

2008 & 2009 REC PROJECT DETAILS

PYRON WIND FARM

Description: More than 70 landowners recently welcomed the Pyron Wind Farm into their agricultural community near the town of Hermleigh, TX. The Pyron Wind Farm generates 249 megawatts of clean energy using 166 GE 1.5 MW turbines. Generating the same amount of power using a fossil-fuel based power plant would emit approximately 11.5 million pounds of carbon dioxide and consume roughly 275 million gallons of fresh water every year. By comparison, no fuel or water is consumed in the wind farm's operation.

VERIFICATION: Green Mountain voluntary third party audit

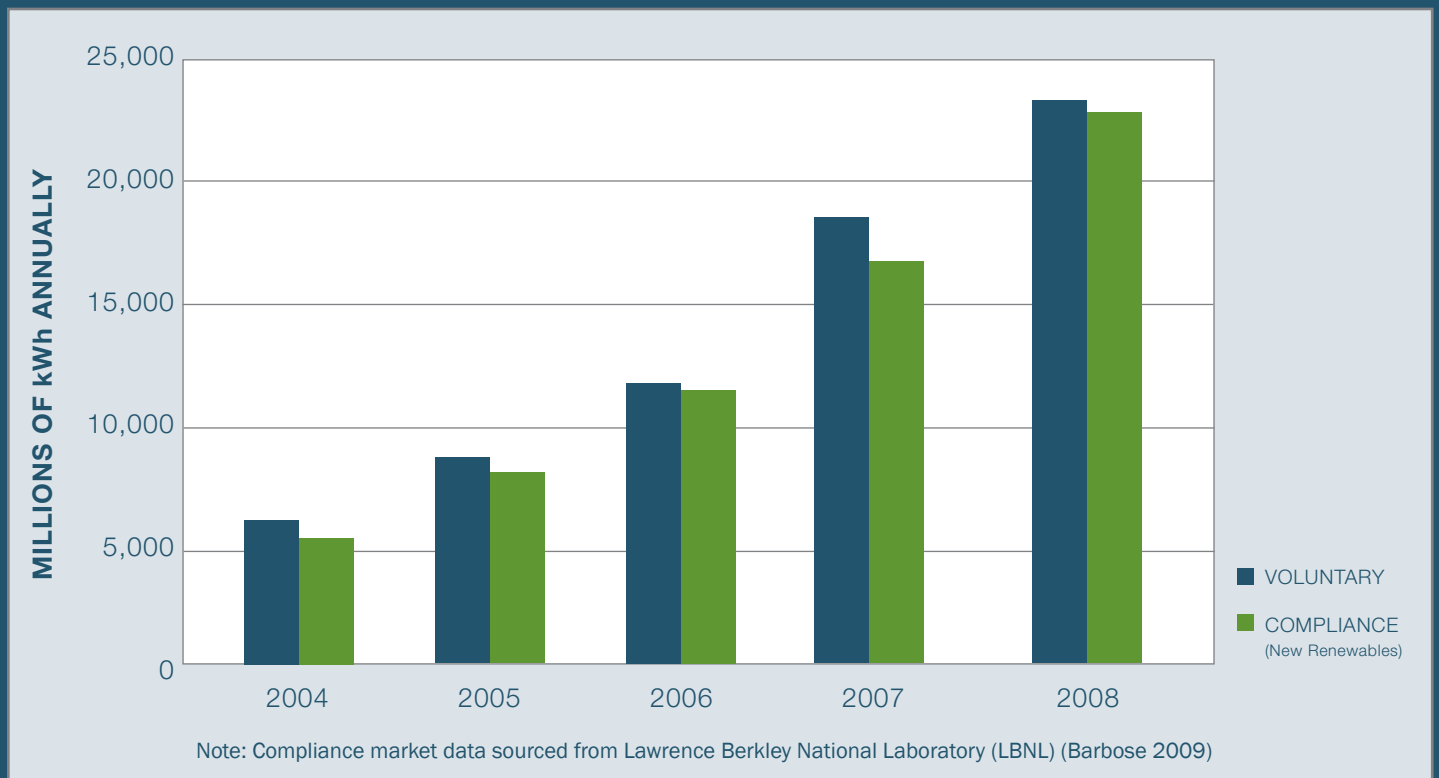
VINTAGE: 2009 (to be used toward 2008 and 2009 Green Mountain carbon footprints)

LOCATION: Hermleigh, Texas

¹ Note that offsets generated at any point within a company's Climate Leaders goal period may be used throughout the goal period, as per EPA Climate Leaders guidelines. Green Mountain's goal period is 2005-2010, so 2008 vintage offsets are eligible for both 2008 and 2009 emissions.



GREEN MOUNTAIN IS A PIONEER IN THE VOLUNTARY RENEWABLE ENERGY MARKET, offering consumers the opportunity to choose cleaner energy products since 1997. One of our top priorities is supporting a vibrant voluntary renewable energy market whenever possible. Pursuing this goal supports our values of Sustainability, referring to the ongoing health of the market as well as its environmental impact, and Results. The impacts of the voluntary market have already been impressive; according to recent data from the National Renewable Energy Laboratory (NREL), the voluntary market delivered 24 billion kilowatt-hours of renewable energy onto the grid in 2008, exceeding even compliance markets².



Participating in industry groups like the Renewable Energy Marketers Association enables us to help educate legislators and consumers about the benefits of the voluntary market, including reducing the electricity industry's impact on climate change. As a company that is helping consumers reduce their carbon footprints right now, Green Mountain is keenly aware of other potential risks and opportunities to our business associated with climate change. See below for further discussion of these issues.

² "Green Power Marketing in the United States: A Status Report (2008 Data)". Lori Bird, Claire Kreycik, & Barry Friedman. National Renewable Energy Laboratory, September 2009.

RENEWABLE ENERGY MARKETERS ASSOCIATION



During the reporting period, Green Mountain has been a member of the Renewable Energy Marketers Association (REMA), which lobbies at the state, regional, and federal level to protect and grow the voluntary renewable energy market. REMA was especially active in late 2009 while climate and energy legislation was being debated on Capitol Hill. Green Mountain signed onto REMA letters to lobby Congress to adopt a voluntary “set-aside” for carbon credits, which would allow RECs sold in the voluntary market to retain their full carbon value. This policy solution closely matches what was adopted by nine northeastern states under the Regional Greenhouse Gas Initiative (RGGI), and has been endorsed by the Center for Resource Solutions’ Green-e Energy program. Additionally, REMA has been active in negotiations on this issue within the Western Climate Initiative and the state of California.

REMA also lobbies for the protection of existing voluntary REC contracts under a federal Renewable Electricity Standard. Similar to policies adopted by the majority of states to encourage renewable energy, a federal Renewable Energy Standard (RES) would set a target year by which all utilities would draw some target percentage of their energy from renewable sources; 20% by 2020, for instance.³ Currently drafted legislation creates a federal version of a REC to help utilities comply with these goals, similar to the commodities currently being traded for voluntary and state regulatory purposes. REMA continues to educate legislators on why contracts for RECs signed before the creation of federal RECs should contain full environmental attributes in support of voluntary market claims.

CLIMATE CHANGE POSITION STATEMENT

Green Mountain Energy Company supports the development of *renewable energy and the reduction of carbon emissions*. The environment is precious and irreplaceable, and everyone has a role in protecting it. While the government plays a role in tackling this issue, Green Mountain has been working to protect the environment since our inception. We were founded with the mission to change the way power is made through consumer choice, and our customers have been making a difference for the environment with cleaner electricity for 13 years.

Green Mountain offers residential and business customers the choice to purchase cleaner, competitively-priced electricity products that emit less pollution, including carbon dioxide, as well as the opportunity to purchase other environmental products. We offer a market solution to an environmental problem that has an immediate impact. Federal legislation and regulation can be a complicated, long-term process. Regardless of what happens in Washington we will continue providing customers with an easy and affordable way to make a difference today by choosing clean renewable energy.



Green Mountain Energy Company supports the development of renewable energy and the reduction of carbon emissions.

³ This example may not reflect the actual policy advanced by federal energy legislation, when and if it is brought forth.



CLIMATE CHANGE RISKS TO OUR BUSINESS

Identifying climate change risks to our business is important in upholding our company's values of Sustainability and Results. Climate change has the potential to fundamentally shift the weather patterns which can impact the rhythm of Green Mountain's business. In this way, climate change could have major impacts on the volatility of our customers' usage and, likewise, on electric power and natural gas markets that guide our pricing. Hotter summers and colder winters would likely increase electricity usage, while possibly causing unpredictable spikes in power prices that increase risk for the company. Meanwhile, more numerous inclement weather events may threaten the electric infrastructure and could further hamper our business in the event of more frequent outages.

Legislation to mitigate the effects of climate change is likely beneficial to Green Mountain's business, insofar as it is successful in slowing the above effects. However, among the various bills proposed in the past year, several contained language that could threaten the integrity of the voluntary renewable energy market, if not properly constructed. Two concerns in particular have been noted: 1) if voluntary sales are not awarded carbon allowances (or there is no 'set-aside') under a federal cap and trade, an argument could be made that these sales do not reduce overall carbon emissions, or 2) establishing a federal RES with federal RECs to match should honor existing contracts for voluntary RECs signed before the creation of federal RECs.

As of the time of this report, REMA has been successful in having draft language included in the Senate version of the Climate Bill (American Power Act) as follows:

"IT IS THE POLICY OF THE UNITED STATES TO SUPPORT THE CONTINUED GROWTH OF VOLUNTARY RENEWABLE ENERGY MARKETS. NOTHING IN THIS ACT OR THE AMENDMENTS MADE BY THIS ACT IS INTENDED TO INTERFERE WITH OR PREVENT THE CONTINUED OPERATION AND GROWTH OF THE VOLUNTARY RENEWABLE ENERGY MARKET."

REMA will continue to support legislation and regulatory policies that promote the development of the voluntary renewable energy market in alignment with the language of the American Power Act.

Despite these two risk areas associated with climate change, we believe that other beneficial effects could come to pass as well. Increased focus on climate change and energy among the general public makes it easier for Green Mountain to sell our products. In our experience, we have seen the average consumer become much more environmentally savvy over the last 12 years, which in turn makes them more likely to opt for renewable energy. Greater awareness about energy's relationship to climate change can have positive financial impacts for Green Mountain, which is the only retail electricity provider dedicated to cleaner energy.

³This example may not reflect the actual policy advanced by federal energy legislation, when and if it is brought forth.



AWARDS

J.D. POWER AND ASSOCIATES AWARD FOR BUSINESS CUSTOMER SATISFACTION IN 2009

Green Mountain ranked “Highest in Business Customer Satisfaction with Retail Electric Service” in Texas in the 2009 J.D. Power and Associates study⁴. Green Mountain received the highest numerical score among business electric service retailers in Texas in the proprietary J.D. Power and Associates 2009 Texas Business Retail Electric Provider Satisfaction StudySM. The study was based on responses from 2,231 businesses measuring 7 retailers and measures opinions of businesses with their electric service provider.



J.D. POWER AND ASSOCIATES AWARD FOR RESIDENTIAL CUSTOMER SATISFACTION IN 2008

Green Mountain ranked “Highest in Residential Customer Satisfaction with Retail Electric Service” in Texas in the 2008 J.D. Power and Associates study⁵. Green Mountain received the highest numerical score among residential electric service providers in Texas in the proprietary J.D. Power and Associates 2008 Texas Residential Retail Electric Service Satisfaction StudySM. The study was based on responses from 2,572 consumers, and measured opinions of consumers with their electric service provider.

TAKE ON TRAFFIC AWARD IN 2008

Green Mountain received the 2008 Greater Austin Business “Take on Traffic” Award from the Greater Austin Chamber of Commerce in the small/medium business category for its Green Commuting program. The “Take on Traffic” Award for Vehicle Trip Minimization recognizes innovative company policies or programs that encourage employees to reduce vehicle trips during morning and afternoon rush hour.

Employees in all Green Mountain offices track the days in which they use an alternative solution to commute to and from work and the miles saved. Points are awarded based on the method of commuting; the greener the commuting alternative, the more points are granted. See the Employee Commuting Program section of this report for more details.



CRS GREEN POWER BEACON AWARD – HONORABLE MENTION IN 2008

In April 2008, Green Mountain launched its first integrated marketing and sales campaign targeting the Hispanic market in Houston and South Texas, consisting of both English and Spanish language advertising, and a comprehensive media mix of TV, radio, print and outdoor. The campaign also included a phone line staffed by Spanish-speaking representatives and the launch of a Spanish language micro-site.

Green Mountain’s efforts resulted in a doubling of Spanish inbound phone calls, a 277 percent increase in sales to Spanish speakers in just in the first month of the campaign, and drove significant traffic to the Spanish microsite. The 2008 *Green Power Beacon Award* was presented by CRS to Green Mountain at an awards event in conjunction with the 2008 National Renewable Energy Marketing Conference in Denver, Oct. 26, 2008.

⁴ Proprietary study results are based on experiences and perceptions of consumers surveyed May-June and September-October 2009. Your experiences may vary. Visit jdpower.com

⁵ Proprietary study results are based on experiences and perceptions of consumers surveyed in June 2008. Your experiences may vary. Visit jdpower.com



EMPLOYEE PROGRAMS

We are dedicated to creating a sustainable and enjoyable workplace at Green Mountain. Employees here have a passion for the environment and regularly volunteer their time and talents to make a difference in our community. Their commitment to sustainable environments mirrors the Green Mountain values of Integrity and Sustainability. The following programs were active during 2008 and 2009.

GREEN AMBASSADORS

The Green Ambassadors is the company's voluntary interdepartmental group that organizes environmental events such as Earth Day celebrations, volunteering opportunities, and educational lunch and learns. With representatives from Finance to Inside Sales to Marketing, this group represents members of the company who go beyond their daily responsibilities to help ensure that Green Mountain continues to remain truly green, from the inside out. Some accomplishments of Green Ambassadors during the reporting period include:

- Reviewing the company's environmental policies in 2008
- Planning the 2008 Earth Day celebration
- Adopting a street in downtown Austin to keep it litter-free quarterly
- Presenting Renewable Energy 101 Lunch and Learns for employees
- Establishing The Mountain View, a blog to help Green Mountain employees stay connected to environmental activities in the company





OFFICE RECYCLING

In 2008, the Green Ambassadors group chose to expand office recycling to include hazardous and hard-to-dispose-of materials such as batteries, CFLs, and cell phones. Materials are taken as needed to local recycling centers by Green Ambassadors, or sent in the mail to organizations that recycle or refurbish these materials. Offering these disposal options makes it less likely that these hazardous materials will end up in landfills.

EMPLOYEE VOLUNTEERING

Green Mountain employees have taken the company's environmental mission and spread it throughout their communities by volunteering. Organized by the Green Ambassadors, volunteering opportunities in 2008 and 2009 have included trail clean-ups at Lady Bird Lake in Austin, participating in Adopt-A-Street cleanups in downtown Austin, and working with low income households to increase energy efficiency through 1 House At A Time.



Green Mountain employees volunteering at 1 House At A Time.



EMPLOYEE OFFSET PROGRAM

In late 2009, we offered the Employee Offset Program to allow Green Mountain employees to purchase RECs monthly via payroll deduction. Since the majority of our employees live outside our service areas, this program enables them to green up their electricity just like our customers. Initial participation in the relaunch of the program hit 18% of all regular employees, and 10% of all employees (including temporary and contract employees).

EARTH DAY CELEBRATIONS

At Green Mountain, Earth Day is our biggest holiday of the year. April 22nd is the day we take time to celebrate our company's environmental achievements and help employees live greener every day. Green Ambassadors are responsible for planning Earth Day celebrations, which in the past two years have included:

2008



Catered in-office happy hour with organic drinks and food



Calculating employees' carbon footprints and learning ways to reduce them



Organic Earth Day t-shirt for all regular employees



Reusable bag filled with Method green cleaning supplies for all regular employees

2009



Catered in-office lunch from Whole Foods flagship store down the street from our headquarters



Green Mountain organic polo shirt for all regular employees



Lonely Planet's Code Green sustainable travel book for all regular employees

EARTHSHARE WORKPLACE GIVING



Green Mountain supports EarthShare, an organization that manages workplace giving campaigns through payroll deduction to support dozens of environmental charities. Our Texas offices support EarthShare of Texas, while our Oregon office supports EarthShare of Oregon. The

New York office does not yet participate in EarthShare.

The company encourages employees to contribute a small amount out of each paycheck to EarthShare by offering to match up to \$10 per pay period. Employees can designate an environmental group of their choice to receive their donation, or it can be spread evenly among the many local groups supported by EarthShare. Some examples of groups supported by Green Mountain:

- Hill Country Conservancy
- Bat Conservation International
- Texas Solar Energy Society
- Renewable Northwest Project
- eOregon Wild

EarthShare participation rose between 2008 and 2009, leading to a total of \$13,672 being donated. See below for the participation statistics:

EARTHSHARE DONATIONS

| YEAR | PARTICIPATING EMPLOYEES | EMPLOYEE DONATION | COMPANY MATCH | TOTAL DONATION |
|------|-------------------------|-------------------|---------------|----------------|
| 2008 | 23 | \$3,325 | \$2,375 | \$5,700 |
| 2009 | 36 | \$4,511 | \$3,461 | \$7,972 |



EarthShare participation rose between 2008 and 2009, leading to a total of \$13,672 being donated.

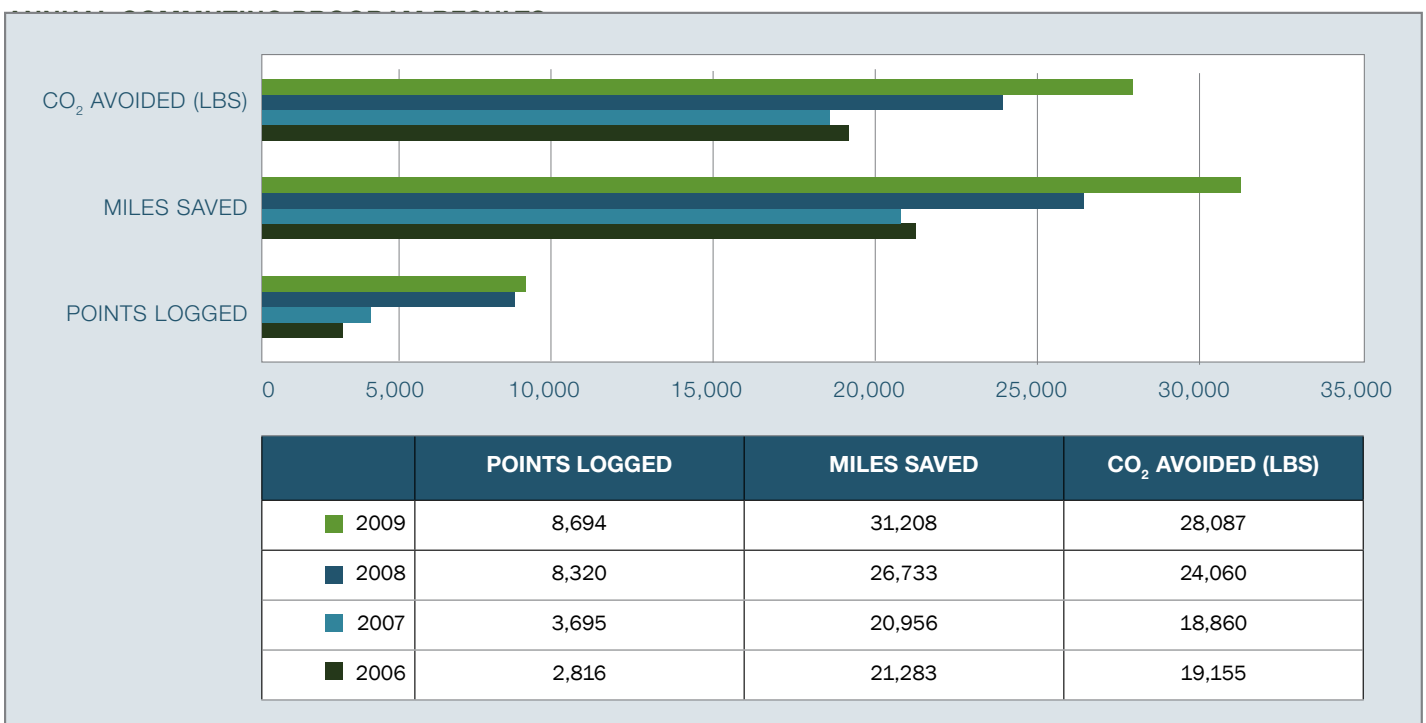
EMPLOYEE COMMUTING PROGRAM

Employees in all of our offices are encouraged to use cleaner, more efficient modes of transportation in their daily commutes to work. Green Mountain has adopted a points system to reward employees who choose the most environmentally friendly forms of commuting, like biking and walking. See the adjacent table to see point levels for all eligible commuting methods. Employees accumulate and log commuting points monthly, and receive a \$10 gift card to Whole Foods each month they log 20 points or more.

| COMMUTING TYPE | POINT EQUIVALENT |
|--|------------------|
| Basic Carpooling – 2 people in a traditional vehicle | 1 point per day |
| Scooter or electronic bike | 1 point per day |
| More than two people in a traditional vehicle | 2 points per day |
| Bus | 2 points per day |
| Commuting in a hybrid or bio-diesel vehicle | 3 points per day |
| Biking or walking | 5 points per day |
| Daily participation point | 1 point per day |

In 2008, 37 Green Mountain employees participated in the commuting program, logging 8,320 commuting points over the course of the year. That added up to 26,733 miles avoided commuting in a single occupancy vehicles, which prevented approximately 28,087 pounds of CO₂ emissions.

In 2009, 26 Green Mountain employees participated, logging 8,694 commuting points overall. Their efforts led to the avoidance of 31,208 miles that would have been commuted in single occupancy vehicles, saving about 24,060 pounds of CO₂ emissions.



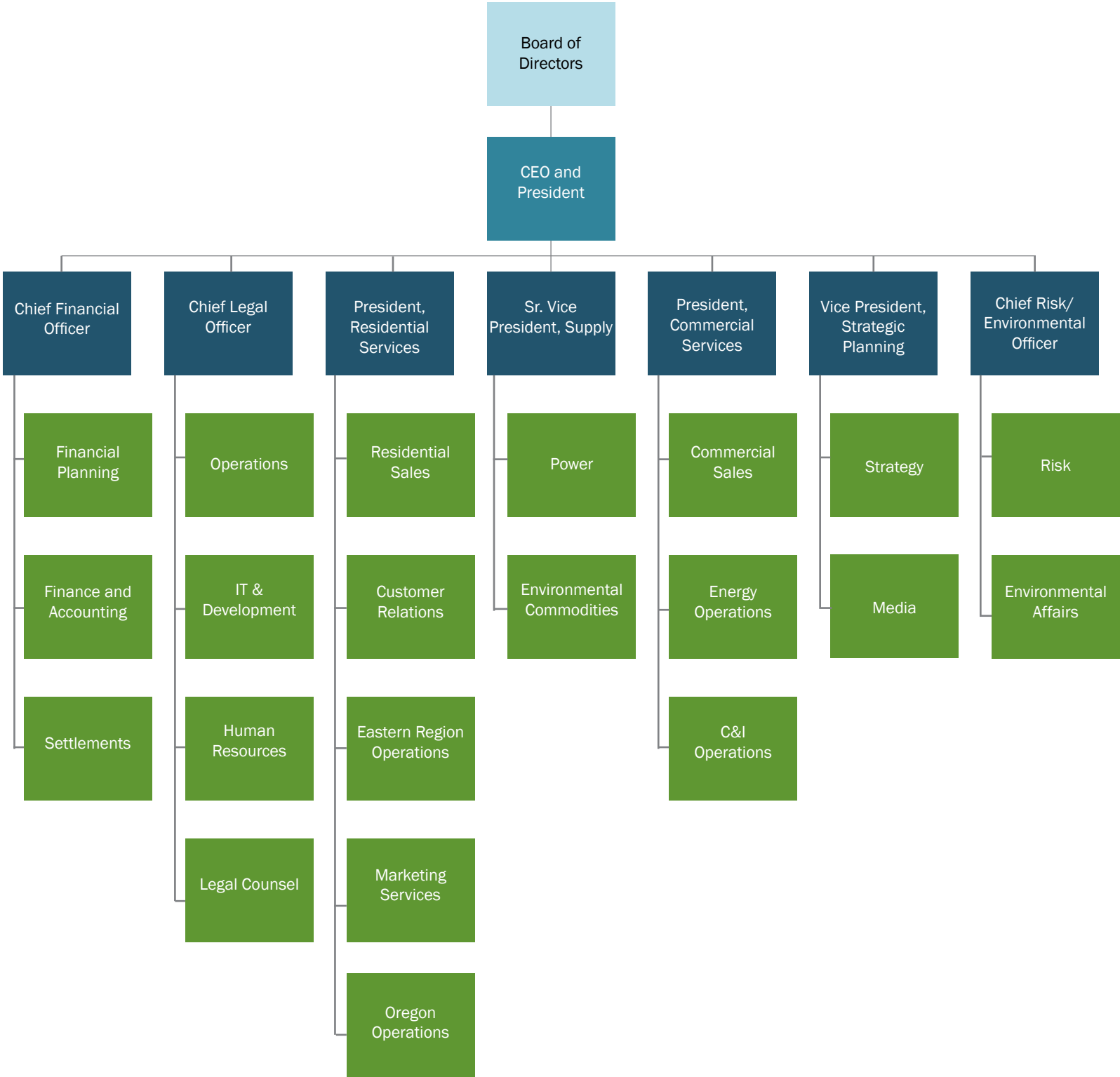


COMPANY PROFILE

Green Mountain is a privately held company based in Austin, Texas.

Founded in 1997, the company offers cleaner energy and carbon offset solutions to residential and business consumers. To learn more, visit the About Us section of our website.

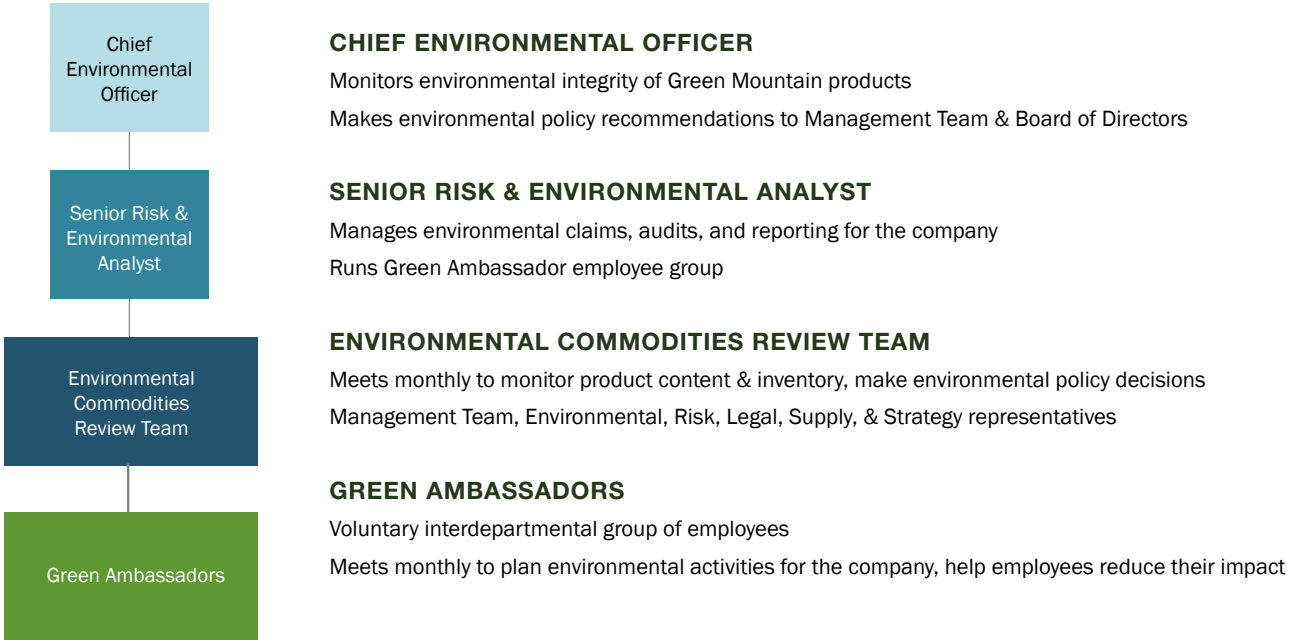
ORGANIZATION & GOVERNANCE



BOARD OF DIRECTORS

www.greenmountainenergy.com/about-us/our-leadership/board-of-directors

ENVIRONMENTAL GOVERNANCE



OFFICE LOCATIONS



HEADQUARTERS:
AUSTIN, TEXAS



HOUSTON,
TEXAS



PLANO,
TEXAS



PORTLAND,
OREGON



MCALLEN,
TEXAS



NEW YORK CITY,
NEW YORK



OUR EMPLOYEES

NUMBER OF EMPLOYEES

Green Mountain has approximately 321 employees across 6 regional offices, encompassing employment types from regular full-time to temporary employees. Over half of these are regular full time employees, with the rest made up by temporary employees, regular part time employees, and contractors.

EMPLOYEE BENEFITS

All Green Mountain employees (regular full-time, regular part -time and temporary employees) are eligible for participation in the 401k. In addition, all Regular Full Time employees are eligible for Green Mountain's full benefit package:

- Medical insurance
- Dental insurance
- Vision insurance
- Life and AD&D insurance
- Short and Long Term Disability insurance
- 4 weeks of Paid Time Off, in addition to paid holidays

PERFORMANCE REVIEWS

All Regular Full Time and Regular Part Time employees receive annual performance reviews and may participate in an optional employee development plan.

DIVERSITY

Green Mountain is committed to a policy and the practice of Equal Employment Opportunity. It is the policy of this organization to recruit, hire, train, compensate, and promote its employees and applicants on the basis of merit, experience, and other work-related criteria without regard to race, color, religion, national origin, sexual orientation, marital status, age, or veteran status. Any form of discrimination – sexual, racial, ethnic, or any other type – is strictly against our policy and will result in disciplinary action



Green Mountain has approximately 321 employees across 6 regional offices, encompassing employment types from regular full-time to temporary employees.

STAKEHOLDER ENGAGEMENT

Green Mountain engaged with employees, customers, communities, and our Board of Directors during the reporting period in ways described below. These stakeholder groups were focused upon because they are the most material to Green Mountain's business.

EMPLOYEES:

Conducting an annual employee survey, with participation rates reaching 90% in 2009. Following the employee survey, we held focus groups to discuss feedback and help implement suggestions.

Quarterly "State of the Mountain" meetings where the senior management team discusses recent developments across the company and takes questions from employees.

Monthly "Bagels with the Tall Guy" meetings where employees can ask questions of the CEO in an informal setting.

Offering our Values Hotline for employees to anonymously report any example of the company deviating from its values of Integrity, Sustainability, and Results. Board members on our Audit Committee review all reports from the Values Hotline quarterly, acting to remediate any issues in a timely manner.

CUSTOMERS:

Through our robust Customer Care department, responsible for answering all customer concerns and questions.

Using social media websites, including Facebook and Twitter, to connect with customers and answer questions about Green Mountain.

COMMUNITIES:

In Austin, where our headquarters is located, Green Mountain frequently participates in green events such as those associated with the University of Texas at Austin and local environmental groups.

In communities in our Texas, New York, and Oregon markets, Green Mountain representatives are present at community events throughout the year to sell electricity products and answer questions about the company.

Our Big Texas Sun Club® program donates small scale solar facilities to nonprofits in Texas communities, and Green Mountain representatives visit each one during a dedication ceremony.

BOARD OF DIRECTORS:

Quarterly board meetings in which company performance is discussed and major issues are addressed.

ENVIRONMENTAL GROUPS:

Green Mountain is conducting an engagement campaign with national, state, and local environmental groups in 2010 and 2011. We look forward to reporting more on these efforts in the upcoming reporting period.





LOOKING FORWARD

IN OUR PREVIOUS REPORT, we identified trends around growing certificate markets, increasing consumer awareness of environmental issues, and climate change legislation. Certificate markets certainly have grown, both in the voluntary and compliance realms, and we are proud to reiterate that the voluntary market has been the stronger of the two overall. The increase in consumer awareness about the environment has been reflected by the steadily growing number of Green Mountain customers, who continue to support our products over many competing green offers. Climate change legislation, however, still earns a spot in our “looking forward” section, with the Kerry-Lieberman American Power Act currently being considered in the U.S. Senate and later, reconciled with the Waxman-Markey bill already approved by the House.

Additionally, we see several new trends on the horizon. In our Texas market, digital smart meters are now being deployed by the transmission, distribution, and service providers to customers. This marks a fundamental change in the way customers use electricity. Traditional meters measure the flow of electricity coming into houses, and have to be read monthly by a technician. New smart meters can read both inflow and outflow of electricity, and they automatically deliver readings every 15 minutes. Customers will soon have access to a vast amount of data about when they use electricity and how much they use, allowing them to make smarter choices to conserve energy and lower their bills. Smart meters also open the door for time-of-use products that price energy differently depending on when customers use it, home energy monitoring technology, smart appliances, distributed generation, and even electric vehicles. Green Mountain is excited to work on innovative projects that take advantage of these new technologies.

Green Mountain has also observed a greater sense of urgency among consumers. Beyond basic awareness, more people seem to understand that clean energy solutions need to be implemented sooner rather than later. The benefits of renewable resources and energy efficiency are gaining prominence both in the media and politics, alongside the negative consequences of fossil fuels. We feel that Green Mountain is uniquely positioned to serve a growing number of consumers who want to support cleaner energy today, not in five or ten years. And we’re giving our customers new ways to tell us why they chose Green Mountain, using social media outlets like Facebook as well as in our 2010 marketing campaign “For Everyone” that features real customer testimonials.

WE AT GREEN MOUNTAIN, ALONG WITH
OUR CUSTOMERS, ARE PASSIONATE ABOUT
CHANGING THE WAY POWER IS MADE, AND
WE’RE MAKING PROGRESS EVERY DAY.

| GRI PROFILE DISCLOSURE | SECTION | PAGE |
|---|--|-------|
| 1.1 Statement from the CEO | Letter from the CEO | 4 |
| 2.1 Name of organization | Letter from the CEO | 4 |
| 2.2 Primary brands, products, services | Our Markets, Products & Programs | 12 |
| 2.3 Operational structure of the organization | Organization and Governance | 44 |
| 2.4 Location of HQ | Contact Information | 5 |
| 2.5 Number of countries where the organization operates | Office Locations | 45 |
| 2.6 Nature of ownership and legal form | Company Profile | 43 |
| 2.7 Markets served | Our Markets, Products, & Programs | 12 |
| 2.8 Scale of organization | Company Profile | 46 |
| 2.9 Significant changes in operations during reporting time | Letter from the CEO Our Markets, Products, & Programs | 4, 12 |
| 2.10 Awards received during the reporting period | Awards | 35 |
| 3.1 Reporting period | About this Report | 5 |
| 3.2 Date of most recent previous report | About this Report | 5 |
| 3.3 Reporting cycle | About this Report | 5 |
| 3.4 Contact point for questions regarding this report | Contact Information | 5 |
| 3.5 Process for defining content | About this Report | 5 |
| 3.6 Boundary of report | About this Report | 5 |
| 3.7 Limitations on scope/boundary of report | About this Report | 5 |
| 3.8 Basis for reporting on entities that affect comparability across reports (if any) | Not applicable | - |
| 3.10 Explanation of any corrections to earlier reports | Not applicable | - |
| 3.11 Significant changes from previous report in scope, boundary, or measurement techniques | Not applicable | - |
| 3.12 GRI Index | GRI Index | 50 |
| 4.1 Governance structure of the organization | Board of Directors | 44 |
| 4.2 Is chair of highest governance body also an executive officer? If so, why? | Board of Directors | 44 |
| 4.3 How many board members are non-executives? | Board of Directors | 44 |

| | | |
|--|--------------------------------|----|
| 4.4 Mechanisms for employees to provide recommendations to the highest governance body | Stakeholder Engagement | 47 |
| 4.8 Internally developed statements of mission or values | Mission, Values & Core Traits | 6 |
| 4.13 Memberships | Memberships & Policy Positions | 32 |
| 4.14 List of stakeholder groups engaged by organization | Stakeholder Engagement | 47 |
| 4.15 Basis for identification and selection of stakeholders with whom to engage | Stakeholder Engagement | 47 |

| GRI INDICATORS | SECTION | PAGE |
|--|---------------------------------------|------|
| Economic: EC2 “Financial implications and other risks and opportunities for the organization’s activities due to climate change” | Climate Change Risks | 34 |
| Social: LA1 “Total workforce by employment type, employment contract, and region” | Our Employees, Green Mountain website | 46 |
| Social: LA3 “Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations” | Our Employees | 46 |
| Social: LA12 “Percentage of employees receiving regular performance and career development reviews” | Our Employees | 46 |
| Social: SO5 “Public policy positions and participation in public policy development and lobbying” | Memberships & Policy Positions | 32 |
| Environmental: EN6 “Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives” | Our Markets, Products & Programs | 12 |
| Environmental: EN16 “Total direct and indirect greenhouse gas emissions by weight” | Our Carbon Footprint | 28 |
| Environmental: EN17 “Other relevant indirect greenhouse gas emissions by weight” | Our Carbon Footprint | 28 |
| Environmental: EN18 “Initiatives to reduce greenhouse gas emissions and reductions achieved” | Employee Programs | 37 |
| Environmental: EN26 “initiatives to mitigate the environmental impacts of products and services, and extent of impact mitigation” | Our Markets, Products & Programs | 12 |
| Environmental: EN29 “Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce” | Our Carbon Footprint | 28 |

