



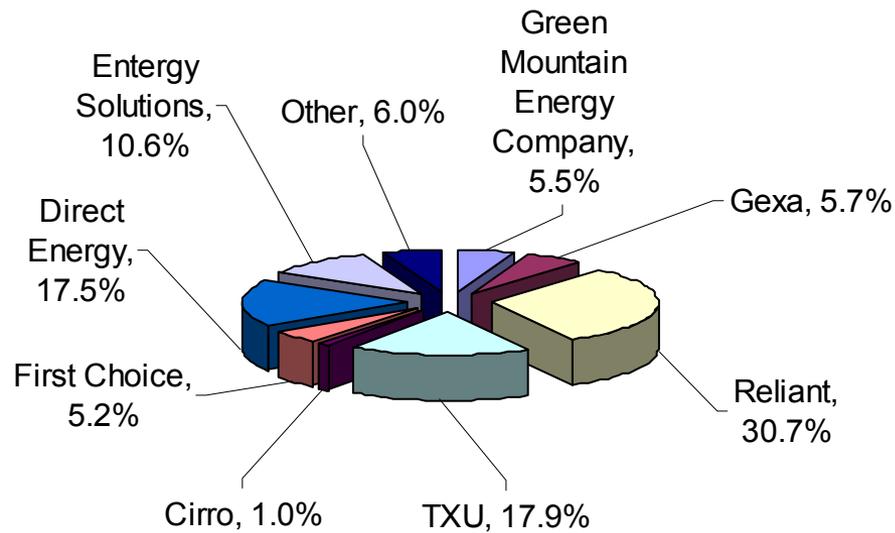
# **Selling Green Power in the Texas Retail Market**

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# TX 2005 Market Shares

– Residential Switchers –

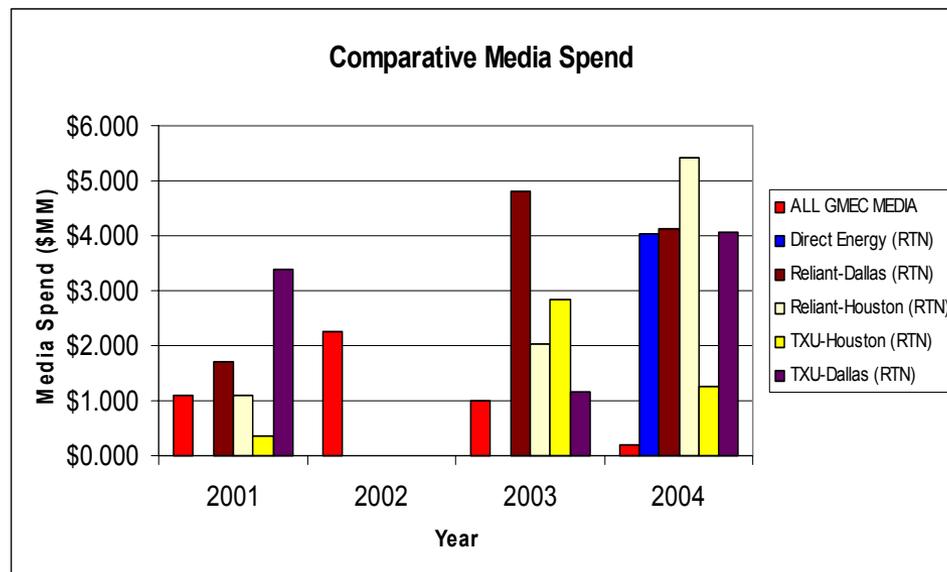


# 2005 TX Retail Market Assessment

- > Prices continuing to rise, tracking hydrocarbon markets
  - With increase in gas prices, demand for renewable increases
  - Wind being associated with cheaper, stable price power source
  
- > Overall switching rates have continued to increase with over 1MM customers now served by competitive suppliers
  
- > Key component to success is high level of market awareness
  - In previous twelve months, three companies have launched green power products in Texas
  - Signals a healthy, vibrant market for customer choice

# Comparative TX Media Investment

- > Competitive investments dwarf GMEC spending
- > TXU/Reliant have shifted to retention
  - Stepped up home territory spend
  - Reduced acquisition spend

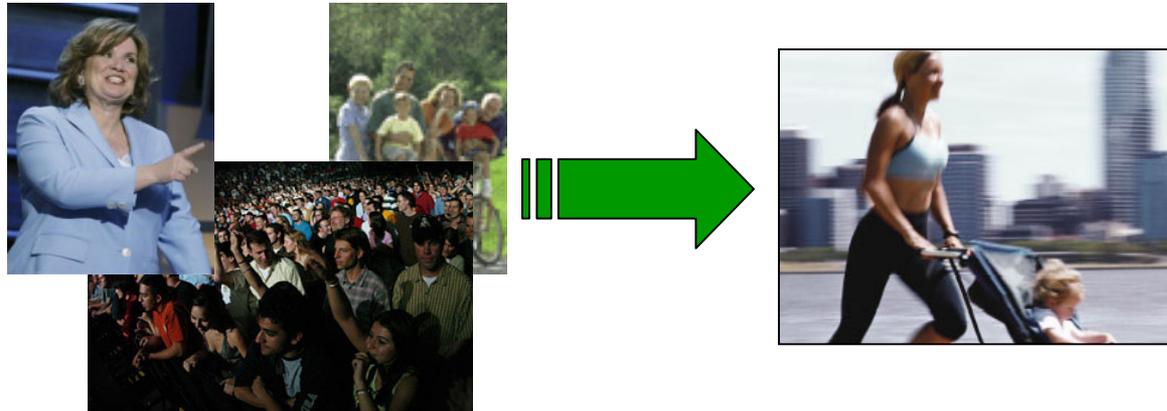


# TX Clean Electricity Category

- > Category is emerging, competition is occurring, small volumes to date
  - Reliant launched 100% Wind product at a 1¢/kWh premium in Houston
    - Little in the way of sales activity
  - Gexa has begun offering Gexa Green at a price less than the Price to Beat
    - To date, little effort in the way of acquiring customers
    - Bears monitoring as '05 proceeds and FPL acquisition is completed
  - Direct Energy
    - Launched 50% & 100% renewable products with large Wind purchase
    - Specific renewable Direct mail program in August 2005, online content
  - Airtricity has indicated an interest in acquiring customers with clean electricity products
  - C&I competition increasing with Constellation, TXU, others selling greened-up Commercial deals

# Market Positioning Penetration

- > Goal: Better align & communicate the GMEC positioning with our target customer in today's market
- > Tactics
  1. Applied 2004 research to campaign design
  2. Executed Healthy Lifestyle campaign
- > Results
  - o Healthy Lifestyle Campaign launched
  - o Anecdotal Sales channel data
    - More Targeted: Affinity/D2D – positive, on-target conversation starter
    - Less Targeted: Direct – not aligned with environmental sales pitch



# Green Mountain Approach

- > Movement from grass roots approach
- > Multi touch
  - o SFE
  - o D2D
  - o Inbound/Outbound
  - o Direct Mail
  - o Web
  - o Affinity
- > Increasing awareness in the market to choice
- > Creating a need
  - o Air Quality
  - o Healthy Lifestyle