



## **Reliant Energy and Texas: Leaders in Renewable and Smart Energy**

Reliant Energy was one of the first retail companies in Texas to offer renewable energy products generated from 100 percent pollution-free wind power. In addition to wind power, Reliant provides power from several other renewable sources, including solar energy and methane gas from landfills. We are encouraged by the growing interest and investment in new renewable power technologies, and look forward to more options becoming viable for large scale use in the coming years for mass market and large consumers alike.

### **Reliant Energy Competitive Market Energy Efficiency Offerings**

- Reliant Energy has offered renewable products to its Commercial and Industrial (C&I) customers for about four years which represents approximately 32,000 MWh of C&I load on renewable specific products in Texas
- Reliant Energy has offered 100% renewable energy (currently, as part of its Flex Plan – Wind program) to Texas customers outside of Houston since June 2001 and has offered Houston residents the 100% wind energy option since March 2005.
- Residential customers in the Houston area can purchase one of two different Reliant wind energy products.

*1) OneRate Flex Wind Plan*– Reliant Energy offers residential customers in the Houston area an opportunity to select a month-to-month, 100 percent wind power plan at the same price as the non renewable plan (and Reliant Energy offers longer term renewable products at a slight premium to our conventional products - -renewable power products typically sell at a premium to other electricity pricing plans.) The company is offering one of the lowest-priced wind power offers to encourage customers to participate in renewable energy products.

#### *2) 12-month OneRate Secure Wind Plan*

To insulate customers from potential increases in power prices driven by natural gas or other market forces for one year, Reliant Energy offers a flat-rate 100% wind power plan. This one-year plan gives residential customers the power to avoid seasonal changes in energy prices that are associated with default supply rates.

*3) Heat Relief Product* -In Spring 2006, Reliant Energy offered Houston-area customers a way to better manage high summer energy bills by enabling them to receive \$50 monthly bill credit for each month (June, July, August, September),



up to \$200, in which the summer temperatures in Houston exceeded historical averages by more than 2 degrees.

### **C&I Demand Response Products**

#### *LaaR Program – Load acting as a Resource*

A Customer that has operations which can interrupt their electricity consumption may provide capacity to the ERCOT Ancillary Service market and will be eligible for a capacity payment, regardless of whether the Customer is actually curtailed. Reliant Energy is offering a Response Reserve and a Non Spinning Reserve Service product, and currently has ~250 MW of load enrolled with ten different counterparties.

#### *EIL Program - Emergency Interruptible Load Service*

EIL is a special emergency service used to reduce load and assist in maintaining or restoring system stability. An EIL customer is willing to shed load within 10 minutes of ERCOT notice via the retailer and return to their normal operating level within 10 hours of ERCOT notice to restore.

### **Renewable Energy Credits**

Reliant Energy is one of the largest purchasers of Renewable Energy Credits (RECs) in Texas, purchasing over three million RECs from 2002 through 2006. A REC represents one megawatt hour (MWh) of renewable energy that is physically metered and verified in Texas. Reliant Energy is also active in purchasing Renewable Energy Credits in the form of Solar, Hydroelectric, LFGas, Wind and MS Waste in the PJM Market (including New Jersey and Maryland).

## **Smart Energy**

### **Smart Meter/Energy Efficiency Pilot Programs**

Reliant Energy plans to expand its competitive energy efficiency offerings to residential and small commercial customers, as local electric distribution companies install more “smart meters.” Between 2007 and 2012, CenterPoint is considering installation of 50,000 electric and gas advanced meters per month. Reliant is currently conducting a time-of-use pricing pilot program and is developing a suite of other products and services that take advantage of the “smart meter” capabilities to improve customer service and help customers manage their consumption.



### **Reliant Energy Savings Center**

In 2002, Reliant Energy launched a web-based, energy-saving center and home energy check-up tool, which has had more than 100,000 visits annually. Reliant also partners with community organizations to help low-income and elderly residents lower their energy usage through home improvements and energy efficiency upgrades. The Energy Savings Center allows residential and commercial customers to build customized energy conservation plans based on answers to a series of detailed questions. For commercial customers, it incorporates separate measures reflecting 40 different types of businesses. In 2005, Reliant Energy established its Home Energy Advisors Team to provide personal consulting and energy-efficiency resources in both English and Spanish.

### ***Residential***

Reliant Energy provides tools, including the following, to assist homeowners in becoming more energy efficient:

- **Energy Savings Projects** - Detailed instructions and walk-throughs on valuable energy saving projects such as caulking, adding attic insulation, landscaping and lighting maintenance.
- **Reliant Energy Checkup** – This tool helps residential customers improve, analyze, learn and save on energy.
- **Neighborhood Energy Advisors** – Specially trained Reliant Energy employees meet face to face with consumers at events and in home improvement stores to educate and answer questions.
- **Energy Experts@Reliant.com** – Reliant experts respond online to customer questions with customized tips and information.
- **Centameter Program** – Evaluated a device that provides real time energy usage and cost information to consumers. Further product development is underway.

### ***Commercial***

“Purchasing Advisor” provides commercial customers with expert information about demand reduction technologies for their businesses, ranging from HVAC systems to chillers and from compact fluorescent lights to harmonic mitigating transformers. “Operations and Maintenance Advisor” provides tips and recommendations that help customers control your energy costs. “Commercial Advisor” provides information about short-term and longer-term energy savings measures that commercial customers can apply on an industry-by-industry basis..

### **Reliant’s Compact With Texas**

The Reliant Energy Compact With Texas urges Texans to make a simple home energy efficiency improvement: a switch from incandescent bulbs to more energy efficient compact fluorescent lights (CFLs). To date, Reliant Energy has collected pledges for



18,000 bulb replacements and is on target to be in the top five pledge drivers in the country. Reliant Energy will distribute over 20,000 free compact fluorescent lights (CFLS) via various promotions as part of this campaign. All those receiving a bulb are asked to formally pledge to "create a better Texas for tomorrow by switching at least one incandescent light bulb in my home to an ENERGY STAR-qualified compact fluorescent bulb this year."

### **Reliant Energy Efficiency Partnerships with Community Assistance Programs**

Reliant Energy has distributed more than \$3 million of assistance through community programs for low-income customers. Increasingly, those contributions – which are not recovered through rate base -- work to enhance low-income energy efficiency efforts. These efforts include:

- **Energy Efficiency Home Makeovers**- led by Reliant Energy with employee volunteers
- **Acres Homes Energy Efficiency Makeover** - Reliant Energy recently made a \$600,000 investment in a low-income Houston neighborhood, Acres Homes Community. The investment went toward making energy efficiency improvements to approximately 300 homes; reducing the energy consumption in each household by over 10%.
- **Rebuilding Together Houston** – Donated \$100,000 for energy efficiency upgrades to senior or disabled customers to lower their electricity usage.

*Reliant Energy, Inc. (NYSE: RRI) based in Houston, Texas, provides electricity and energy services to retail and wholesale customers in the United States. In Texas, the company provides service to nearly 1.9 million retail electricity customers, including residential and small business customers and commercial, industrial, governmental and institutional customers. Reliant also serves commercial, industrial, governmental and institutional customers in the PJM (Pennsylvania, New Jersey and Maryland) market.*

*The company is one of the largest independent power producers in the nation with approximately 15,000 megawatts of power generation capacity across the United States. These strategically located generating assets utilize natural gas, fuel oil and coal.*