



NEWS
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Green Mountain Power Outlines Energy Future for Customers

COLCHESTER, VT... Incoming Green Mountain Power CEO Mary Powell announced today a broad plan to drive the development of renewable energy sources, to combat climate change, to spur a green energy economy in Vermont and to maintain our competitive electricity pricing advantage in the region.

Ms. Powell, who will succeed outgoing CEO Chris Dutton on August 1, said the proposal emphasizes the aggressive development of renewable energy sources for the state. It is also intended to encourage discussion among customers of how best to provide the energy resources necessary for a healthy and secure economic and environmental future.

Ms. Powell said that after discussions over the past few months with key energy stakeholders, Green Mountain Power is ready to reach out to its customers for reaction to the Company's vision for its energy future. GMP will continue to communicate about the plan with a broad coalition of energy industry leaders, regulators, renewable energy developers, environmental groups, legislators and educators.

"This is an exciting but very serious time to be discussing our customers' energy future," said Ms. Powell. "Vermont needs to build on the foundation laid by the Department of Public Service in the Vermont Comprehensive Energy Plan 2009 and the good information gleaned through the public engagement process that the Department of Public Service conducted," Ms. Powell said.

The State's draft comprehensive energy plan identified several opportunities for pursuit of low-cost, low-emissions resources in the electricity sector. GMP's vision addresses regional and national carbon constraints, energy efficiency, regional generation, replacement of expiring contracts and local generation, all of which were specified in the Department's plan.

"It is clear to me that we have an opportunity to create significant environmental and economic value for our customers and at the same time help to create a clean energy economy that combats climate change and creates green jobs in Vermont," Ms. Powell said.

Ms. Powell said expiring energy contracts for Vermont Yankee and Hydro Quebec power have served the state well, providing low cost supply with extremely low emissions. Vermont currently has the lowest rates in New England because of these resources. This is a "once in a

generation opportunity" to reexamine not only how Vermont gets its power, but how wisely it is used.

"Energy is an issue that affects all of us in every facet of our lives," Ms. Powell said. "It is time for new thinking and new solutions."

Green Mountain Power's energy future proposal is built on the following concepts:

1. Seek, with the Douglas administration, regulators and regional development entities, to establish "green energy zones" to drive the development of in-state renewable energy projects, consistent with the Department of Public Service's comprehensive Energy Plan.
2. Ramp down our dependence on Vermont Yankee as we ramp up in-state renewable generation.
3. Forge a new geo-political relationship with the Province of Quebec as well as Hydro Quebec in order to leverage Vermont's unique geographic location with respect to this long-term energy provider.
4. Develop a "smart, green grid" that will allow renewable generation to play a more significant role on the Vermont grid. With a smart, green grid, the importation of base-load, low or no carbon hydro and other renewable energy from Quebec and eastern Canada provides a stable back up to the electric system for in-state renewable generation, thus addressing some of the limitations of local renewable power.
5. Increase investment in energy efficiency, distributed generation and demand response programs as a way to accelerate efforts to create a green economic and education sector in Vermont.

"We are pleased to see Ms Powell and GMP taking the initiative with regard to Vermont's long-term electric supply. Today we are in an envious position of having the lowest rates in New England and the lowest carbon emissions in the country. I welcome GMP's efforts to secure a continuation of our strong position, especially a focus on diversity," said David O'Brien, Commissioner of the Department of Public Service.

Green Mountain Power's energy strategy would set the stage for replacing a material portion of our purchases of Vermont Yankee power with renewable resources over time. The plan envisions a 20-year transition period in which Vermont aggressively develops renewable energy sources in the state and secures access to low-emission baseload energy from Canada and other states.

"In this way, we believe we can actually improve our already enviable low-cost, low-emissions supply portfolio," Ms. Powell said.

A key component to the plan -- and to maintain Vermont's low emissions -- is the successful re-licensing of Vermont Yankee for 20 years, assuming the plant can continue to operate safely and reliably.

Another key component is negotiating with Hydro Quebec a mutually beneficial contract and a plan to invest in new transmission infrastructure to import more power from Quebec, which will provide back up support for Vermont renewable generation and support the replacement of declining purchases from Vermont Yankee.

In preparing the leadership transition at Green Mountain Power, Ms. Powell led an intensive discussion within the Company to develop new ways to look at Green Mountain Power's energy future. The GMP vision that resulted was vetted among a broad range of organizations and people over the past few months and its public release now is intended to inspire further creative and innovative thinking.

"Our customers and the state will be well served if we can create an energy future that enjoys broad public support," said Ms. Powell.

For a detailed copy of the plan, go to www.greenmountainpower.com and check on "Energy Future."

-- 31 --

About Green Mountain Power

Green Mountain Power (www.greenmountainpower.com) is an electric utility owned by Northern New England Energy Corporation, a wholly owned subsidiary of Gaz Métro, a leading Québec energy company with a long history of investment in Vermont. Green Mountain Power transmits, distributes and sells electricity and utility construction services in the State of Vermont in a service territory with approximately one quarter of Vermont's population. It serves approximately 94,000 customers.

For further information, please contact Dorothy Schnure, Green Mountain Power Manager of Corporate Communications, at 802-655-8418.