

FREQUENTLY ASKED QUESTIONS

VIRIDIAN ENERGY 3DOMTM RATE PROGRAM

1. WHY 3DOMTM NOW?

As leaders in the retail energy business, we are committed to being a category creator and innovator in the energy industry. We are always researching and tracking trends to develop product offerings for our Associates that provide value for you. There are currently two important trends that are driving our strategic direction:

1. Due to global economic, regulatory and environmental concerns, we, like energy and economic experts around the world, are forecasting that we are entering a cycle of price uncertainty for energy costs. The U.S. Energy Information Administration (EIA) has predicted in the near term for energy prices to rise.¹ This is already playing out now in some of Viridian's markets where utilities are resetting their rates, such as Massachusetts and Connecticut. Other states are predicted to follow.

2. Customers **want more** out of their energy provider—more services, more value and more education on how to take responsibility and make better decisions about their energy use. This trend will lead to a wiser generation of consumers, who will seek support in spending less while making a difference for the environment.

2. WHY ARE WE PREDICTING THAT PRICES ARE RISING¹?

Demand is up: America has an increasing reliance on natural gas to meet our growing energy needs, as coal and nuclear power plants are retired at a faster rate than planned due to new government regulations.

Just over 50% of U.S. power plant capacity additions in 2013 alone came from natural gas.²

While we have increased domestic production of natural gas through unconventional sources, there are some fundamental challenges that are causing energy prices to rise.

Our energy infrastructure is not built to adequately support this increased use of natural gas. Many major cities cannot be sufficiently serviced by existing natural gas pipelines. Utilities and regulatory agencies will be spending billions to improve the energy infrastructure over the next decade. Those costs will be passed through as higher rates to your Customers.

Exports are up: Energy prices around the world are far more expensive than here at home. In Europe, natural gas prices are more than double what they are in the U.S., and in some Asian markets, natural gas is more than three times what we're paying.³ These foreign markets are draining U.S. reserves as they are increasingly exported to the highest bidder.

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Add to this:

1. The current presidential administration approved a \$10 billion redevelopment of the Freeport LNG terminal to export more natural gas⁴; and
2. Russia signed a \$400 billion gas deal this year to sell natural gas to China⁵, giving Beijing a new source of clean energy while shifting natural gas away from its European neighbors.

Increased foreign demands, combined with limited domestic supply, will result in significant cost increases for natural gas here at home.

Storage is down: Finally, natural gas reserves are impacted by severe weather conditions and growing demand, as experienced during the 2014 winter polar vortex, which nearly depleted what was left of our natural gas storage levels. This seasonal event pushed reserves to their lowest levels in 10 years—leaving us 50% lower than our lowest point in 2013.⁶ Without these extreme weather conditions, our nation's storage can be maintained at optimal levels. However, when depleted, the nation's natural gas reserves also make us even more susceptible to increased costs if there are future extreme weather events, such as hurricanes, heat waves, droughts, and cold snaps...all of which have become more commonplace as we experience global climate change.

Add all this together and the conclusion is simple: Greater energy demand and a smaller supply of it means higher natural gas and electricity prices. For

example, in the last two years the cost of natural gas in America has jumped 160%.⁷

Your Customers can also look at historical natural gas trend data by the U.S. Energy Information Administration (EIA). The unstable, upward cycle we are now in, which began in 2012, is trending very similarly to a decade ago, from 2002 to 2009. The cycle is projected to repeat, as the trend data shows the same price increase trajectory.⁸

3. WHEN YOUR CUSTOMERS SAY THEY WANT MORE, WHAT DO THEY MEAN—AND WHAT IS VIRIDIAN DOING AS A RESULT?

Given the instability of the current energy marketplace, Customers are seeking more than just an energy provider; they are seeking an energy partner who can help them become more educated, use less energy, and keep more money in their wallets when it comes to their energy bills.

In answer to this, Viridian is introducing an all-new energy rate program that is part rate protection for price certainty when energy prices rise, as predicted by world energy and economic experts and now playing out state by state with local utilities; and part consumer education for smarter energy use for both residential and small commercial Customers in the deregulated markets we serve. There is something for everyone with our new product offerings, in rising and lowering price markets—including peace of mind.

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4. WHAT IS VIRIDIAN DOING TO ENSURE A WORRY-FREE ENERGY FUTURE FOR YOUR CUSTOMERS?

Viridian Energy has launched, in a state-by-state rollout in the markets we serve, an entirely new approach to rates through its program 3DOM, offering your Customers three years or 36 months of worry-free fixed rate options for responsible energy, price certainty, peace of mind, and solutions to the uncertainty around today's market conditions.

3DOM is available in three simple rate plan options: 3DOM FixedTM, 3DOM FlexTM | Auto Lock and 3DOM FlexTM | Self Lock. At Viridian, we believe it's Your Energy. Your Choice.TM

5. WHAT IS THE 3DOM PROGRAM AND HOW DOES IT WORK?

3DOM is Viridian's new rate program launched in August 2014 and available to new residential and small commercial Customers in select markets⁹—launching first in the New Jersey electricity market and then state by state until rolled out in all of the markets we serve.¹⁰

3DOM is an entirely new approach to energy rates; it's part rate protection for price certainty if energy prices rise,¹ as predicted by world energy and economic experts and now playing out state by state with local utilities; and part consumer

education for smarter energy use for both residential and small commercial Customers.

3DOM offers your Customers three years of fixed rate options made simple for responsible energy, price certainty, peace of mind and freedom if energy prices increase.

3DOM is ideal for Customers who don't want to think about their energy bill each month and want to lock in a predictable monthly rate like a fixed-rate or adjustable-rate mortgage that you can convert to a fixed, locked rate. Don't waste energy on worry.

Viridian does not guarantee savings, we guarantee price certainty. Assist your Customer to pick the plan that works best for their specific situation.

3DOM IS AVAILABLE IN TWO SIMPLE OPTIONS:

Instant Price Certainty:

3DOM FixedTM allows your Customers to enroll with a set monthly rate, right from the start of their 36-month term, like a fixed-rate mortgage. This 3DOM Plan offers instant price certainty, helping protect your Customers from rate increases and providing them with a fixed rate that is secured by a convenient, simple to redeem back-end rebate.

If by the end of the term your Customers end up paying out more with Viridian than they would have with their current utility, Viridian will rebate them for 110% of the difference, up to an established,

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average amount for utility Customers¹¹, based on the Utility Price Index. No questions asked.

Instant Savings + Price Certainty:

3DOM Flex | Auto Lock gives your Customers instant savings on the front end of their 36-month term followed by their fixed rate for price certainty. This 3DOM Plan gives your Customers an initial discount 5% below their local Utility Price Index the day they go on flow with the utility. Your Customer's introductory offer will be in place for up to 6 months¹² with Viridian. After that, they will automatically transition to their fixed rate, provided at the time of enrollment. Pretty simple!

Instant Savings + Price Flexibility:

3DOM Flex | Self Lock gives your Customers instant savings on the front end of their 36-month term with the flexibility of when to lock in, much like an adjustable-rate mortgage that they can convert to a fixed, locked rate. This 3DOM Plan gives your Customers an initial discount 5% below their local Utility Price Index the day they go on flow with the utility. Your Customer's introductory offer will be in place for up to 6 months¹² with Viridian. After that, they will automatically default to the Viridian Energy Index, plus their custom-set Retail Adder¹³—available in Enrollment Documentation and published monthly online. Your Customers decide when to switch to their fixed rate, which is established on the day they sign up. Once they lock

in, the fixed rate will remain in place through the end of their term length.

6. HOW DOES THE 3DOM FIXED REBATE WORK?

If by the end of the term your Customers end up paying more money over what they would have been billed by the utility based on the Utility Price Index, Viridian will rebate back 110% of the difference, up to an established, average amount for utility Customers.

Here's how it works:

Rebate Eligibility

1. **Rebate Form; Good Standing.** No later than thirty (30) days prior to the end of their Term, your Customers will be provided a Mail-in Rebate ("MIR") card. They must return the MIR card within thirty (30) days, fully completed, to be eligible to receive a Rebate. Their account must be in Good Standing to receive a Rebate and additional terms and conditions may apply; please check their MIR card. Your Customer's payment will come in the form of a check or a bill credit.
2. **Payment Comparison.** Viridian will calculate whether or not a rebate is due to your Customers based on the following: Viridian will review what they paid in the aggregate over the Term on the 3DOM Fixed Rate Plan, and compare it to what they would have paid over

⁶ Discount time frame may vary based on individual state requirements.

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the Term using the Utility Price Index. If this calculation shows that they paid more on the 3DOM Fixed Rate Plan, the Calculated Refund Amount will be paid back to them.

Rebate Calculation

The amount of the Rebate paid to your Customers will be the Calculated Refund Amount. In the event that the Usage Limit Amount is less than the Calculated Refund Amount, the Usage Limit Amount will be paid to your Customers.

Definitions

“Calculated Refund Amount” means the Overpaid Amount multiplied by 110%.

“Good Standing” means that your Customer’s account is up to date on all payments at the time of the Rebate calculation, and other criteria as may be published on Viridian’s website.

“Usage Limit Amount” means the dollar amount equal to the total kWh account usage your Customers used during their Term, multiplied by one cent.

“Utility Price Index” means a utility index rate developed by Viridian, specific to your Customer’s utility, published monthly by Viridian and available at www.liveviridian.com/utilitypriceindex. See question about “What is an Index” for more information.

7. HOW DOES A 3DOM FLEX SELF LOCK CUSTOMER SWITCH TO A FIXED RATE?

Once your Customers are past their 6-month¹², initial discount period, while on the Viridian Index (which varies monthly) plus their custom-set Retail Adder, your Customers can switch to their 3DOM Fixed rate, which is set on the day they sign up by calling Customer Care at 1-866-663-2508. Our electricity and natural gas products can be converted to fixed at different times. The lock-in through Customer Care will trigger an email to your Customers that the request to convert to fixed has been received. It will take one to two billing cycles to be in effect in a rate-ready market, and sooner in a bill-ready market.

8. WHAT IS AN INDEX?

When your residential or small commercial Customer signs up for an indexed rate plan, both your Customer and their energy provider are agreeing to a specific formula for electricity or for natural gas that will be used to set their rates each month—providing visibility into what they are being charged, based on current market conditions driving indexes. The Utility Price Index is based on rate filings by each of the utilities where we operate. Here are the components that make up the Viridian Term Free Index Rate for our electricity or natural gas products.

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VIRIDIAN TERM FREE Index Rate = (Energy Index + Capacity Index + Ancillary Index) + Retail Adder

Definitions

ENERGY INDEX

The energy index is determined by a blended rate of 60% peak fixed price and 40% off-peak fixed price for your Customer's given Utility. Prices for the month will be determined on the 15th of the prior month, which can be found on [ICE](#). Energy Index prices will change on a monthly basis.

CAPACITY INDEX

The capacity index is determined quarterly, based on the capacity and transmission auction for the given utility. As an example, for electricity, the capacity price, as published by each ISO in advance of the quarter, will be used to calculate as follows: Average Capacity Price (CP) in \$/kW-month for electricity for the quarter multiplied by the Quarterly Capacity Factor (CF) in kW-month/kWh. Links to current ISO auctions are as follows:

- [PJM Requirements and Rates](#)
- [PJM Auction Results](#)
- [ISO-NE Requirements and Rates](#)
- [NYISO Requirements and Rates](#)
- [MISO Requirements and Rates](#)

ANCILLARY INDEX

The ancillary (or pass-through index) will be a blend of incremental, un-hedgeable Utility and ISO costs. These costs include shaping, balancing, line loss, and ISO ancillary charges. This index will change quarterly based on the previous 12 months' cost.

VIRIDIAN ENERGY INDEX

This is the sum of the Energy Index + Capacity Index + Ancillary Index, each of which change either monthly or quarterly as defined above.

RETAIL ADDER

If your Customers enroll in a 3DOM Flex Plan, their Retail Adder will be a custom-set adder for the length of their term and listed in their Enrollment Documentation. The Retail Adder for Customers on a Term Free Index Plan may vary periodically. The Retail Adder is based on their green content level and Customer type, and covers the costs for starting new service and other products and services Viridian offers.

To see the Term Free Index rate history, visit www.liveviridian.com/3DOM.

ISO

The U.S. is divided into different Independent System Operators called ISO's. Each ISO manages and governs the electric grid for their given territory.

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9. WHERE DOES THE CUSTOMER VIEW THE UTILITY PRICE INDEX?

Viridian publishes monthly online a [Utility Price Index](#) for reference.

10. HOW DO THESE NEW 3DOM PLANS IMPACT VIRIDIAN'S COMMITMENT TO ENVIRONMENTALLY RESPONSIBLE ENERGY PRODUCTS?

There is no difference. Viridian is committed more than ever to providing affordable, responsible energy to our Customers, as shown in our annually published [Sustainability Report](#). Like Customer value, affordable, responsible energy and sustainability are core to our mission.

Renewable Energy Plan Options:

For electricity, our new 3DOM Plans still make it easy to choose either Everyday Green® +50% renewable energy or Pure GreenTM +100% renewable energy sourced entirely from wind. For natural gas, your Customers will still also have the options of either Simply RightTM with 25% of carbon emissions offset, or Simply Right 100TM with 100% of carbon emissions offset.

Your Customers will select at enrollment their preferred 3DOM Plan with the respective responsible electricity or natural gas energy product options.

WE CALL OURSELVES GENERATION V, and represent the "more" that people are wanting from their energy providers. We are looking to work together with our Customers to realize our vision for a more sustainable future. Viridian's Four Pillars of Sustainability form the framework for making a measurable, long-term impact on the environment for future generations. To learn more about Our Purpose and our sustainability mission, visit the sustainability tab on www.liveviridian.com.

11. HOW DOES A CUSTOMER ENROLL IN ONE OF THE NEW 3DOM PLANS?

Your Customers will be able to choose which 3DOM Plan best fits their needs in active 3DOM markets. The enrollment process is the same. On Viridian.com > Become a Customer, your Customers will need to complete the 4 steps:

1. Getting Started
2. Account Information
 - a. On the online form, your Customers will need to enter their email address in order to receive their FREE monthly *Your Energy Reporter*TM eNewsletter.
3. Customer Verification
4. Enrollment Confirmation

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You also have the option of paper enrollments submitted to Viridian via email or fax:

For **residential accounts**, return the enrollment form by e-mail to enrollments@viridian.com or by fax to **855-486-9988**. For **small commercial accounts**, return the enrollment form by e-mail to enrollcommercial@viridian.com or by fax to **855-258-1329**.

12. WHEN 3DOM ROLLS OUT IN MY MARKET, WHAT ARE MY ENERGY PLAN OPTIONS?

Customers in 3DOM markets will be able to select one of three 36-month term plans, 3DOM Fixed, 3DOM Flex / Auto Lock or 3DOM Flex / Self Lock, as well as the TERM FREE Index Plan that is our month to month plan.

For electricity, our new 3DOM Plans still make it easy to choose either Everyday Green +50% renewable energy or Pure Green +100% renewable energy sourced entirely from wind. For natural gas, your Customers will still also have the options of either Simply Right with 25% of carbon emissions offset or Simply Right 100 with 100% of carbon emissions offset.

Your Customers will select at enrollment or renewal their preferred 3DOM Plan with the respective responsible electricity or natural gas energy product options.

13. AS AN EXISTING CUSTOMER, CAN I SWITCH OVER TO A 3DOMTM PLAN?

Viridian has identified "Switch Rules" for Existing Customers so your Customers can also take advantage of these new energy rate plans. Whether the Customer is on one of our traditional fixed rate plans or one of the 3DOM Rate Plans, they have the ability to switch. They will be charged the Early Termination Fee provided in their enrollment documentation, if one applies.

14. WHAT DO YOUR CUSTOMERS DO AFTER THEIR 3-YEAR TERM ENDS?

Your Customers will receive a Renewal Letter approximately 30 - 60 days before the end of their term. In this notice, they will receive from Viridian their future plan, product and rate options. As an added back up, *Your Energy Reporter* eNewsletter will also alert them 60 and 30 days out from the end of their contract term.

A Customer on the Term Free Plan can switch to a 3DOM Plan at any time without a cancellation or switch fee.

15. ARE THERE EARLY TERMINATION FEES WITH THE 3DOMTM PROGRAM?

Viridian purchases energy for every 3-year term on your Customer's behalf and contract commitment. As a result, residential Customers wishing to cancel from any 3DOM Rate Plan enrolled on or switched

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to on or after January 12, 2015, will pay a one-time early termination fee (ETF) of the lesser of \$150, or of the Customer's maximum allowable ETF, if one applies, no matter what 3DOM Plan they are on and no matter where they are in the features of each rate plan (introductory discount period, fixed rate portion or Viridian Energy Index). If a Customer enrolled on or switched to a 3DOM Rate Plan prior to January 12, 2015, they would pay an ETF of \$50, if one applies. For small commercial Customers, their ETF is equal to the Remaining Contract Quantity times the greater of the Contract Price less Market price at the time of the Termination, or \$0.02/kWh or Ccf/therm. The Remaining Contract Quantity shall mean the total estimated usage for the period remaining in the Fixed Term of the Agreement¹⁷ at the time of termination, based on the Buyer's historical usage or Viridian's estimated usage calculated in a commercially reasonable manner. The Market Price for the remainder of the Fixed Term will be determined by Viridian in a commercially reasonable manner. The Customer should always refer to their enrollment documentation for details.

There are no early termination fees for the Term Free Plan, since the Customer is on a month to month plan.

16. IF I WANT MORE FROM MY ENERGY PROVIDERS, HOW DO THE 3DOM PLANS FIT INTO THE TREND?

All 3DOM Customers will receive Viridian's FREE

monthly *Your Energy Reporter* eNewsletter, which uses the actual usage data from your Customer's meter to provide them with easy to understand insights on how to manage their energy use, including seasonal and weather-related trends tied to their monthly usage—all so your Customers can better control their energy bill costs! Studies show that consumers who have access to their usage data make better, more informed decisions on their energy usage and save up to 3% a month on average, using valuable resources like this.

The enrollment process remains the same. **Just remember, your Customers will need to enter their email address in order to receive the FREE monthly *Your Energy Reporter* eNewsletter.**

17. CAN I UNSUBSCRIBE FROM VIRIDIAN'S YOUR ENERGY REPORTER™ eNEWSLETTER?

Yes, like any ePublication, your Customers will have the ability to unsubscribe. There will be an opt-out option at the bottom of every eNewsletter they receive. We strongly discourage this, as research has shown how valuable resources like this educate your Customers to make better, more informed decisions on their energy usage. As an energy partner, we want to help your Customers make smart energy choices for their home or small commercial business, actively involving them in their energy usage and, as a result, helping them

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better control their energy bill costs—as much as 3% a month on average.

18. WHAT ARE THE KEY BENEFITS ASSOCIATED WITH THE 3DOMTM PROGRAM?

We believe 3DOM is an important proof point that Viridian is more than just an energy provider; we are a committed energy partner seeking the best interests of our Customers, even if that means helping your Customers spend less with us. We understand it's Your Energy. Your Choice.TM

The benefits of the 3DOMTM rate offerings are clear, providing:

- Peace of mind in uncertain times
- Value to our Customers
- The same responsible electricity and/or natural gas energy product options

1. <http://www.eia.gov/forecasts/steo/report/electricity.cfm>

2. U.S. Energy Information Administration (EIA), *Electric Power Monthly*, December 2013 edition

3. Federal Energy Regulatory Commission, *Market Oversight*, June 2014

4. *The Wall Street Journal*: U.S. Approves Expanded Gas Exports, May 19, 2014

5. *The Washington Post*: China, Russia sign \$400 billion gas deal, May 21, 2014

6. U.S. Energy Information Administration (EIA), *Weekly Natural Gas Storage Report*, June 2014

7. NYMEX Henry Hub Natural Gas Contract for April 2012 – 2014

8. NYMEX Henry Hub Natural Gas Settled Prices between 2002 - 2014 with forward projection

9. See question about Existing Customers switching over to 3DOMTM Plans to learn more.

10. Due to current and changing state requirements, there will be instances where one or both of these rate plans may not be available in some markets.

11. Set monthly based on the prevailing utility price for a Customer with usage of 1,000 kWh per month—up to \$.01 cap per kWh.

12. Discount time frame may vary based on individual state requirements.

13. See question about “What is an Index?” to learn more.

14. Existing Customers with preset rollover plans may have state regulatory renewal requirements that mandate they roll to their present plan. This depends state by state. Viridian will provide renewal options in the Renewal Letters, as allowed by each state.

15. There is an early termination fee if your Customers cancel before the end of their term or switch to another 3DOM Rate Plan. For most residential Customers, who enrolled/switched prior to January 12, 2015, the early termination fee is \$50, if one applies. For new Customers or existing Customers who switch on or after January 12, 2015, the early termination fee for cancelling their contract or switching to a different rate plan will be \$150, if one applies. For small commercial Customers the early termination fee is calculated using their remaining contract quantity at the time of cancellation. See the enrollment documentation for more details on how the early termination fee is calculated.

16. The word “Customer” applies to New or Existing on a 3DOM Plan.

17. The word “Agreement” consists of the Terms and Conditions provided with a Customer's enrollment packet, also called enrollment documentation.

