



Building healthy demand response markets

Presentation to OFGEM DSWG

7 September, 2010

EnerNOC Overview

Market Leader in Demand Response

- Largest C&I DR provider in the world
- Over 4.8 GW from more than 8,000 sites
- 100+ utility and grid operator customers
- Consistent, proven reliability

Innovative Suite of Applications

 **Demand**SMART

 **Site**SMART

 **Carbon**SMART

 **Energy**SMART

Strong Financial Track Record

- Publicly traded on NASDAQ (ENOC)
- 2009 Revenue of £100M
- ~450 full-time employees

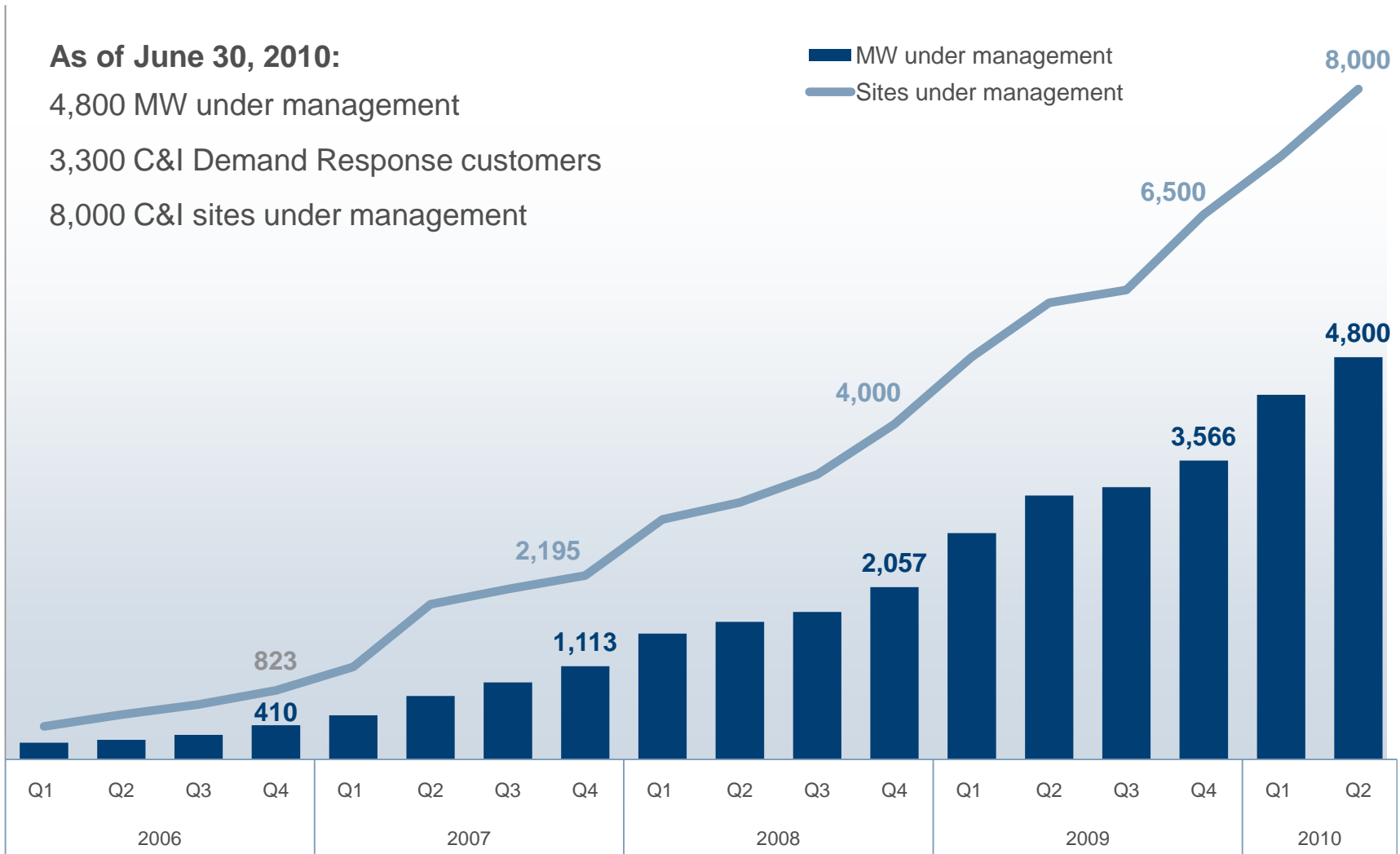
Continued Growth in Managed DR Capacity

As of June 30, 2010:

4,800 MW under management

3,300 C&I Demand Response customers

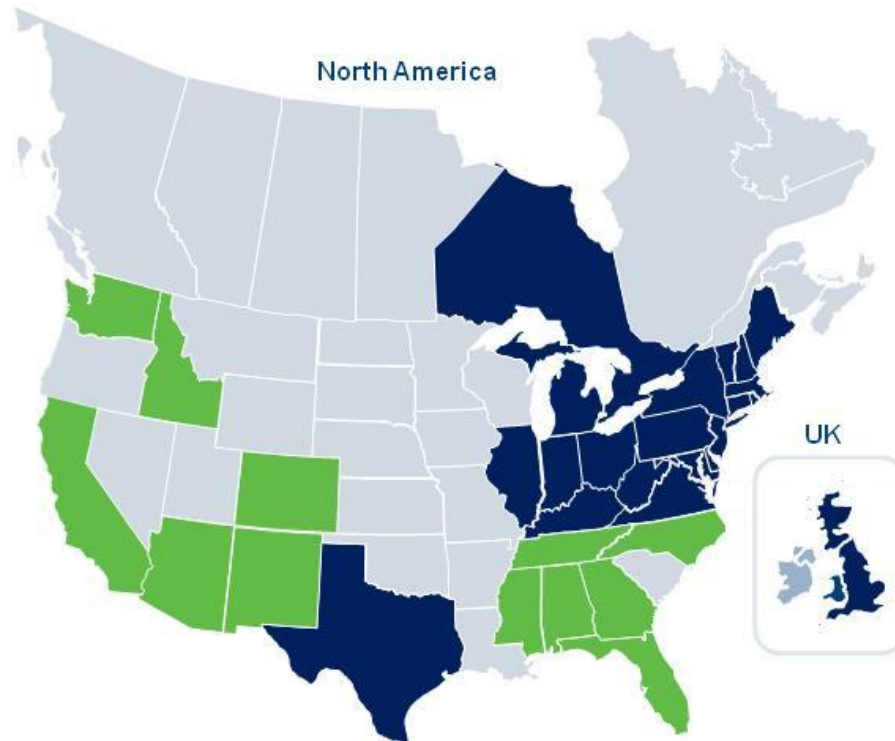
8,000 C&I sites under management



Demand Response Footprint



EnerNOC is the largest C&I demand response provider in the world



RESTRUCTURED MARKETS
ISO-New England (ISO-NE)
PJM Interconnection (PJM)
New York ISO (NYISO)
Ontario Power Authority (OPA)
Electric Reliability Council of Texas (ERCOT)
California (CAISO)
National Grid UK

BILATERAL UTILITY CONTRACTS
<i>Western North America</i>
Idaho Power
Pacific Gas & Electric
Public Service Company of New Mexico
Puget Sound Energy
Salt River Project
San Diego Gas & Electric
Southern California Edison
Xcel Energy (Colorado)
<i>Eastern North America</i>
Burlington Electric Dept (VT)
Allegheny Power
Baltimore Gas & Electric
Delmarva Power
Pepco
Tennessee Valley Authority
Tampa Electric Company



Bridging the gap: building successful DR markets

Successful DR Bridges system operators' needs and end-user realities.



System Operators' Needs

- Resources that meet expectations – amount, location, duration, frequency, ramp
- Resources that relieve emerging constrained pockets quickly – deployment and reaction time
- Resources that are monitored in real time

End-User Realities

- Energy is only occasionally interesting
- Not staffed to take on peripheral activities
- Uncertain ability to reduce load
- Unfamiliar internal decision making
- Best DR: infrequent, clear economic and societal benefits, handled by others entirely and effortlessly

Attributes of a healthy demand response market

Transparency	<ul style="list-style-type: none">• Customers need to have a clear line of sight into:<ul style="list-style-type: none">• Drivers for DR event dispatch• How the market functions• How their actions will impact their performance
Baseline calculation	<ul style="list-style-type: none">• No baseline calculation is perfect, but early DR markets often have baselines tailored to generator participants• Baseline should ideally reflect the “typical” load shape of each participating customer
Payment level	<ul style="list-style-type: none">• Payments are not the sole driver for customer participation – but they are important nonetheless• Program payments should reflect additional value that demand side resources bring, such as reduced line losses, geographic distribution, and capital efficiency
Flexibility	<ul style="list-style-type: none">• Demand response is not generation; a customer’s ability to respond will vary over time• Aggregators can help to “firm up” this resource, but flexibility is still required

Consolidated Edison



Con Ed's DLRP provides localized distribution system relief through the use of 400 MW of aggregated commercial and industrial demand response resources.

“DLRP helps maintain reliable service on the Con Edison power-delivery system through temporary demand reduction.”

Consolidated Edison of New York

Program Name
Distribution Load Relief Program (DLRP)

Program Period
May – October

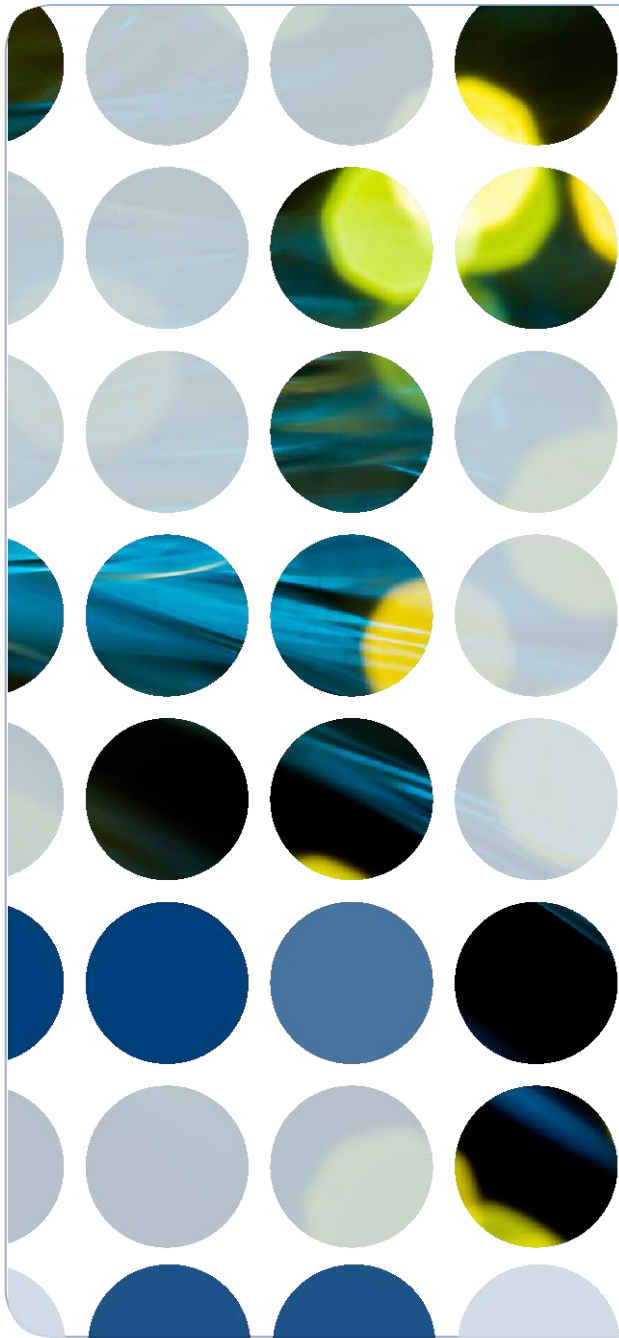
Program Hours
24 hours/day, 7 days/week

Event Notification
2 hours

Event Duration
4 hours minimum

Demand Response Strategies
Curtailment and permitted generation

Response Method
Automatic and manual



Ilse Dubois

Director of Business Development, UK

idubois@enernoc.com

+44 (0) 782 685 6562

