

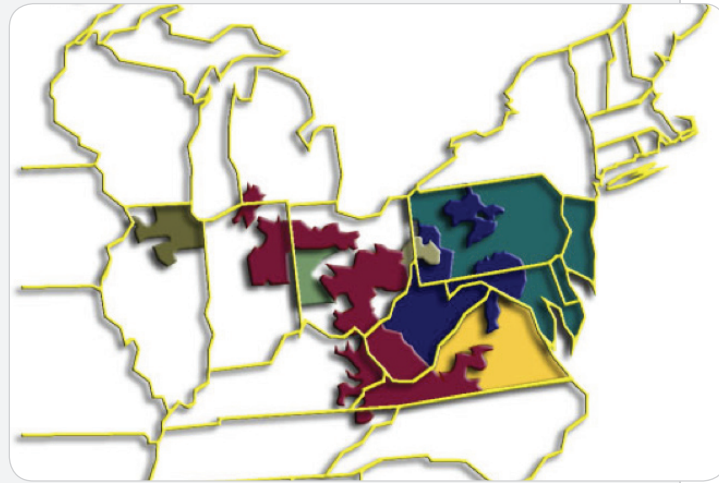
A LEADING PROVIDER OF DEMAND RESPONSE RESOURCES IN THE UNITED STATES

NAPP'S Demand Response Programs – PJM ISO

About PJM Interconnection

- PJM Interconnection is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states including the District of Columbia. PJM interconnection operates the world's largest wholesale electricity market insuring the reliability of the world's largest centrally dispatched grid.

PJM ISO operates the largest US electric grid

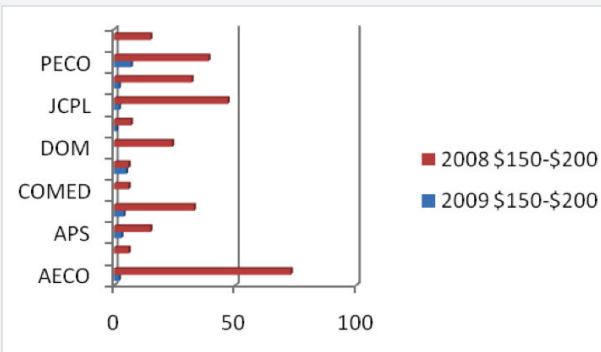


Short Notice On Call - Reserves Program

- Interruptible for up to 12 times during calendar year (NAPP limits # of call events – market has 40-55)
- Interruptible for up to 30 minutes (typically less than 15 minutes)
- Able to be implemented within 10 minutes of notice
- Hourly bids established with customer on weekly basis
- Can opt out or in with day ahead notice
- Prices vary regionally, seasonally, and hourly

An example of pricing at \$150-200MW/hr

Real-Time Price Comparison
2009 vs. 2008 – Fewer High-Price Days



Peak Days On Call – Capacity Program

- Interruptible for up to 10 times during planning period (mandatory performance from June 1 through Sept 30)
- Interruptible for up to 6 consecutive hours from 12:00 to 20:00 on non-holiday weekdays
- Able to be implemented within 2 hours
- Prices vary by zone and are revised annually in ILR process
- Annual registration deadlines in March for June 1 start
- \$15K-\$75K/MWyr

Self Schedule – Energy Program

- Self scheduled by customer
- Minimum 3 hour notice to schedule bid into PJM
- Use NAPP online bid form or call control room
- Baseline calculations – 10 day period – 5 day average
- Planned outages do not qualify
- Prices vary hourly and payment is difference between LMP & customer's G&T rates
- NAPP provides high price alerts



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Generating New Revenue with Demand Response

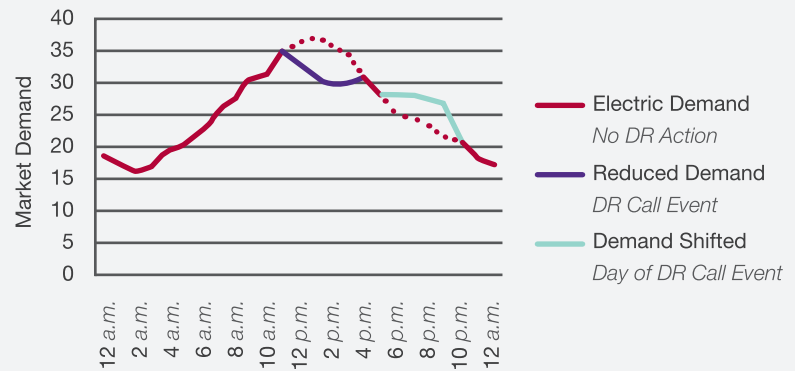
Demand Response Overview

Demand Response is the temporary reduction of electrical usage by a customer for an economic or emergency response. DR programs are designed to contribute to energy load reduction during times of high prices, critical peak demand, or supply shortfalls on the electric grid.

Customers participating in a DR program earn recurring monthly revenues for their availability to reduce their demand – essentially offering their unused capacity as a new and reliable resource to the grid.

Customers' DR capacity revenues are paid quarterly whether or not they are called upon to reduce energy consumption.

DR Reduces Critical Peak Demand



About NAPP

North America Power Partners is a leading provider of Demand Response resources across the United States. We enable our customers to participate in a range of programs including Capacity, Reserves, and Self-Scheduled Energy. Our DR solutions include advanced metering with web-based reporting tools for all our customers. NAPP provides engineering audits, automation, and controls for customers who want to automate their demand response.

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California

400 Continental Blvd, Suite 600, El Segundo, CA 90245
(310) 426-2966

Benefits of NAPP's Demand Response Programs

- Revenue** *Create a significant recurring new revenue stream for your organization*
- Grid Reliability** *Reduce the likelihood of a blackout in your community*
- Environmental** *Offset the need for new generation plants; reduce GHG emissions*
- Usage Reports** *Access valuable electric usage reports every hour to monitor energy use and manage utility costs*

NAPP works with its customers to identify the portion of electric load at each facility that will be reduced – aligning customers' objectives to generate revenues while limiting impact on facility operations. Ways that facilities reduce their energy usage include idling equipment, shutting down processes, raising thermostats, utilizing building automation and energy management systems, or reducing lighting. NAPP will provide the metering technology and transaction systems required to participate in our DR programs.

