

THE LEADING PROVIDER OF DEMAND RESPONSE RESOURCES IN THE UNITED STATES

Customer Highlight: Orange County Water District

11 MW of Demand Response Capacity

North America Power Partners (NAPP), signed a contract with Orange County Water District that will provide up to 11 megawatts of new demand response capability through 2012 to help reduce electricity demand maintain system reliability.

As a Southern California Edison (SCE) approved demand response aggregator, NAPP was selected to provide OCWD with their A-4 Smart Response™ Program – an annual participation program available to SCE customers. NAPP is also a member of the Association of California Water Agencies (ACWA) and is pleased to be working with one of California's largest water districts.

Orange County Water District (OCWD) manages the large groundwater basin that provides reliable, high quality groundwater to 20 cities and water agencies and their 2.3 million customers in northern and central Orange County, CA. The basin, which is larger than the largest reservoir in Southern California, has helped Orange County weather multi-year droughts in the region. It also provides an emergency backup supply of water for citizens living in South Orange County. Most notably, OCWD has one of the largest reverse osmosis process in the world and is known for having the most technically advanced, state-of-the-art water filtration process. OCWD is already acclaiming their participation in NAPP's DR program:

As part of our groundwater management duties, the Orange County Water District (OCWD) recycles wastewater at the rate of 70 million gallons per day. The electric power consumed in the process is one of our largest process expenditures. In order to offset some of those electrical costs, OCWD entered into a demand response agreement with North American Power Partners. OCWD has found NAPP to be competitive in their business dealings and a well managed company. They have been a pleasure to work with.

- Bill Hunt, Executive Director, Operations, OCWD

OCWD received its first quarterly check on February 8, 2010 for \$100,000.00. OCWD's annual revenues for participation in NAPP's Demand Response program are estimated at \$1.1 million based on a program that commits up to 11 megawatts in electricity usage reduction during peak hours for no more than 4 times per month. Each curtailment event can last between one and four hours. In addition to earning monthly revenues, OCWD plays an important and substantial role in its community by increasing the reliability of the electric grid and offsetting Green House Gas emissions. Additional benefits of NAPP's Demand Response programs include advanced metering technology, software, and electric usage reports that helps OCWD monitor energy use for improved Demand Response performance and energy cost management.



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



How NAPP's Smart Response™ Program Works

By signing up with NAPP, your enrolled facilities become a new DR resource for the utility system operator to call on when needed. The utility company relies on these resources in addition to their traditional supply resources to maintain the reliability of their grid. NAPP is an approved DR aggregator with Southern California Edison and Pacific Gas & Electric. Benefits of NAPP Smart Response™ program are:

Revenue

NAPP creates a significant recurring new revenue stream for your organization

Grid Reliability

DR reduces the likelihood of a blackout in your community

Environmental

DR offsets the need for new generation plants; reduce GHG emissions

Metering & Usage Reports

NAPP provides advanced metering solutions and valuable electric usage reports to monitor energy use for improved DR performance and energy cost management

NAPP works with you to identify the portion of electric load reduction at each facility while minimizing impact on operations. Ways to reduce your energy usage include idling equipment, shutting down processes, raising thermostats, or reducing lighting. With DR enrollment, additional utility funding is available for detailed facility audits, and automation and controls equipment.

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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