

THE LEADING PROVIDER OF DEMAND RESPONSE RESOURCES IN THE UNITED STATES

NAPP'S Reliable Demand Response Products

Capacity Program

Under a Demand Response Capacity program, customers register to be available to curtail load (energy use) to a pre-determined level in response to system emergencies or greater than expected demand on the electric grid. Customers receive notice of events, and are required to curtail energy use during specified time periods. Customers participating in this program have the ability to earn revenue on a monthly or quarterly basis regardless of whether the customer is called upon to curtail usage.

Peak Days On Call - for demand side resources (DSR) that are available "on call" within 2 to 24 hour notice during June – Sept in Mid Atlantic; Year round in NY, NE and in CA; limits on total calls per year and max hours per year
Mandatory performance and reduced payments for non-performance

Self Scheduled/Economic Program

Under a Self Scheduled/Economic Program, customers offer bids in the wholesale electric market to curtail energy use based on market opportunities such as high wholesale electric market prices. If the Customer's bids are below the market clearing price and the customer curtails energy usage, the customer receives payment for their energy reduction.

Pays market rate for DSR bid into the real time or day ahead electric markets
In most regions, planned shut downs are no longer eligible
Regional rules apply –
PJM – no real time price customers; real time energy market pays real time price MINUS customer's rate for generation and transmission (G&T)
NY – only paid if dispatched (i.e. a hybrid self directed "on call" program)



Ancillary Services – Reserves Program

In order to assure the reliability of the electric grid, System Operators must have resources or reserves readily available to respond immediately if a generator or transmission line fails. Without reserves to replace lost generation, demand for electricity would exceed supply, placing the electric grid in jeopardy.

Reserves (Generation or Demand Response) is a contingency resource that must be able to respond immediately to a system emergency, and must be fully responsive within 10 minutes.

Short Notice On Call – for demand side resources (DSR) that are available "on call" with short notice (within as little as ten minutes in some regions)

For a maximum curtailment of 30 minutes to 2 hours

Customer may choose the number of call events per month (NAPP)

Mandatory performance and reduced payments for non-performance



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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.

New Jersey

308 Harper Drive, Suite 320, Moorestown, NJ 08057
(856) 439-0800 or 1-(888) 476-7764

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.

