



## PNM partners with EnerNOC to cut peak demand and avoid expensive capacity additions.

PNM Peak Saver, an innovative demand response program, automatically reduces use by commercial and industrial customers.

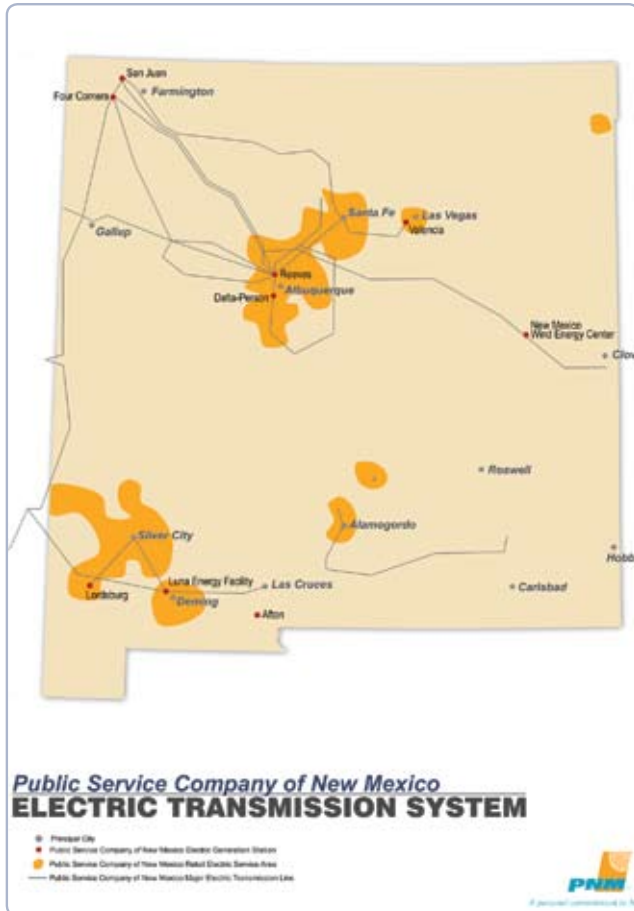
### PNM PEAK SAVER PROGRAM DETAILS

Under the PNM Peak Saver program, which runs from June to September, PNM can ask participants to curtail electricity consumption for up to 100 hours total. "These figures represent a worst-case scenario, such as a really hot summer," says Carlos Lucero, senior energy efficiency engineer at PNM. "The actual number of events will depend on many factors, such as weather conditions, generation plant availability, and transmission congestion." Participants receive notification ten minutes in advance of a DR event. In most cases, the actual adjustment of thermostat set-points, turning off of unnecessary lights, and other energy-reducing activities are controlled automatically by EnerNOC's Network Operations Center (NOC) in downtown San Francisco. Participants are also allowed to use back-up generators (BUGs) to reduce energy use, depending on permits.

### THE BIG PICTURE

PNM is New Mexico's largest electricity and natural gas provider, serving more than 487,000 electricity customers and 490,000 natural gas customers in 100 communities throughout the state. Like any electric utility in a hot climate, PNM experiences high demand in the summer months due to air-conditioning loads, and must develop a resource plan to address its system peaks—effectively and reliably.

With its transmission and generation assets at full capacity, PNM is exploring better alternatives to purchasing power on the spot market or building expensive new peaking plants. In 2007, PNM partnered with EnerNOC to create PNM Peak Saver—an innovative demand response (DR) program designed to reduce energy use from hundreds of commercial and industrial (C&I) customers in PNM's service territory. This innovative program will reduce peak demand by up to 30 MW by helping businesses and institutions devise workable energy-reduction strategies and by offering financial incentives for their participation.



### PARTNERING TO CREATE AN EFFECTIVE DEMAND RESPONSE PROGRAM

PNM Peak Saver is targeted toward PNM’s larger commercial electric customers—those with peak electricity demands greater than 150 kW. These customers include more than 1,500 businesses, schools, manufacturing facilities, and government agencies. EnerNOC helped PNM design a DR solution to reduce the electric consumption of enrolled customers during peak periods, especially on hot summer afternoons. In July 2007, PNM hit a record peak demand of almost 1,900 MW—stressing the grid and posing financial and operational challenges.

With PNM Peak Saver, PNM can use a cost-effective, zero-emissions solution to address challenging peak load periods—quickly and reliably. “During peak times, instead of building another generating unit to meet demand, we determined that we’d be better off reducing load via demand response and energy-efficiency programs,” says Carlos Lucero, senior energy efficiency engineer. “If you can reduce rather than produce, you’re better off. And DR helps us reduce. We’re in the same

position as a lot of utilities—we’re at capacity, gas prices are high, and the price of energy on the wholesale market is also high. So we have to look at cost-effective alternatives.”

EnerNOC worked closely with PNM to create a customized program that meets the utility’s system needs by curtailing 10 MW initially, expanding to as much as 30 MW over the ten-year contract period. PNM Peak Saver is an attractive program for C&I customers because they receive financial incentives for participation, with no upfront costs, and no penalties for not achieving their individual energy-reduction targets during specific events.

EnerNOC administers the entire Peak Saver program as a true turnkey DR program. EnerNOC markets the program to customers in partnership with PNM’s account executives with co-branded materials and joint customer visits. EnerNOC also installs metering and load control equipment, manages DR events, and pays customers for participation. “We have to preserve and enhance our customer relationships,” says Steve Bean, manager of energy efficiency programs. “Allowing EnerNOC to contact and collaborate with our key C&I customers shows a lot of faith in their professionalism and abilities,” says Bean. “And we’ve received nothing but positive comments from our customers.”

### THE RESULTS

PNM Peak Saver has generated significant interest among PNM’s C&I customers, and more than two dozen businesses have already signed up to participate. “When we sit down with our C&I customers and discuss DR, they like what they’re hearing, particularly when we discuss the financial incentives,” says Lucero. “We pull the data on their peak usage, conduct a detailed audit of their facility, and see if there are ways to reduce their peak demand a few times a year. EnerNOC helps them determine whether DR is right for them, then works closely with the customer to devise an effective strategy for reducing energy use.”

While some customers may have sensitive operations that preclude them from DR participation, a broad range of C&I customers are excellent candidates for demand response. By targeting non-essential electric loads and using advanced technology that can control a wide range of equipment and devices, EnerNOC is able to work with many customers who would otherwise be unable to participate in a DR program. And “they know it’s the right thing to do, and they see it as a win-win situation,” says Lucero.



## THE BENEFITS

The core benefit of PNM Peak Saver is new, cost-effective, zero-emissions capacity that relies primarily on curtailment to address the challenges of peak periods—without impacting the environment. PNM customers benefit from a more reliable energy supply, while PNM gains an alternative to peaking power plants. “Our hope is that the program—along with our other curtailment programs—will help delay construction of any new plants,” says Bean.

- **Compliance with state programs.**  
PNM Peak Saver helps PNM comply with state programs designed to encourage utilities to implement new demand-side management initiatives.
- **A low-risk approach.**  
PNM Peak Saver takes the risk out of participation in DR—for both PNM and its customers. EnerNOC guarantees load reduction performance to PNM, and absorbs penalties for

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Other benefits EnerNOC brings to PNM include:

- **Unequalled demand response experience.**  
“We had numerous responses to our demand response RFP,” recalls Bean. “After a formal evaluation, we chose EnerNOC because it had extensive DR experience, its goals seemed reasonable, its technology was proven and reliable, and we had heard favorable comments from their other customers.”
- **Easy implementation.**  
PNM offers a range of programs aimed at improving energy efficiency—from lighting retrofits to targeted rebates. PNM Peak Saver is a low-risk, low-impact way to complement these programs by reducing peak demand within the key C&I customer segment. It requires less time and attention from PNM to implement than typical in-house efforts, since EnerNOC works actively to establish, promote, and administer the program.
- **Comprehensive energy management information.**  
As part of PNM Peak Saver, participating PNM customers also get advanced online monitoring of their facility energy use—for free. This information can help customers optimize their energy consumption and improve overall operational efficiency. And it provides PNM with another compelling benefit to use in promoting the program to its C&I customers.

## WHAT IS DEMAND RESPONSE?

Demand response programs from EnerNOC provide payments directly to businesses that agree to curtail energy use during times of peak demand. EnerNOC works closely with our utility customers to help businesses create customized DR strategies that ensure successful, reliable performance. Our programs help increase energy capacity at critical times, without requiring construction of new power plants—benefiting utilities, their customers, and the environment.

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## THE FUTURE

PNM Peak Saver is an ongoing program for PNM, recognizing the long-term nature of demand response as a resource. Curtailing energy use for one season or one emergency alone fails to address the bigger issue of ever-increasing peak demand. With EnerNOC and PNM Peak Saver, PNM can count on the program to continue to provide cost-effective, zero-emissions peaking capacity for years to come.

PNM is just one of the many utilities across North America working with EnerNOC to implement successful demand response programs that help balance energy supply and demand, improve environmental quality, and ensure reliability. To find out more, call (617) 532-2102 or email [info@enernoc.com](mailto:info@enernoc.com).