



## What is the Negawatt Network™?

The Negawatt Network is a unique demand response program designed by EnerNOC, Inc., the leading provider of clean and intelligent energy solutions in California. The program offers high incentive payments, a simple enrollment process and a wide array of notification options. It is also penalty-free, making it one of the most compelling offerings in California. Enrollment in the Negawatt Network is limited to EnerNOC customers.

## How does it work?

Demand response is the voluntary reduction of electric demand in response to grid emergencies or high energy prices. During demand response events, customers agree to reduce certain non-essential loads in exchange for financial compensation. In California, EnerNOC has partnered with PG&E, SCE, and SDG&E to offer the Negawatt Network, an innovative program that compensates customers for agreeing to participate, regardless of whether an event is called. If an event is actually called, customers can receive even higher payments. *There is absolutely no cost to participate in the Negawatt Network.*

## How can I participate?

The participation process consists of four simple steps:

- 1** An EnerNOC energy professional conducts a **free on-site assessment** to identify your organization's immediate demand response opportunity.
- 2** If EnerNOC can unlock additional demand response potential through **any software, hardware or infrastructure enhancements**, we secure utility funds to cover their cost. We then work with you to implement those enhancements at no cost to you.
- 3** EnerNOC then **measures and verifies** your full curtailable load, and ensures that your operational performance is satisfactory under constrained conditions.
- 4** EnerNOC **enrolls your capacity** in the Negawatt Network, in accordance with its agreements with PG&E, SCE, and SDG&E.

## How is curtailment managed?

The curtailment process depends on the energy management infrastructure in place at your facilities. EnerNOC can integrate with existing energy management systems to curtail load automatically. Alternatively, EnerNOC can notify specified personnel via email, phone, pager, or fax to initiate the curtailment process.

## What types of load are curtailable?

All non-essential loads are curtailable. Specific examples include lighting, HVAC equipment, pumps, industrial freezers, battery chargers and certain manufacturing processes.

## What happens during an event?

**Notification:** EnerNOC will typically provide advance warning the day before an event. Final notification, including the specific timing of an event, is typically delivered 30 minutes prior to the start of the event. Longer notification windows are also available.

**Event Duration:** Events may only occur between 11:00 am and 7:00 pm, and only on business days. Events can last from two to eight hours, depending on your level of commitment. Longer event commitments offer higher payments.

**Customer Support:** Before, during and after an event, EnerNOC's Network Operations Center (NOC) remains in close contact with your facility. The NOC is on 24/7/365 to monitor and support all EnerNOC customers, ensuring the highest level of performance and payments.

### Increased Grid Reliability

The California Energy Commission (CEC) projects that capacity will not satisfy operating reserve margins under hot weather conditions or adverse events, such as unplanned power plant outages.<sup>1</sup> Participating in the Negawatt Network will help ensure that your business keeps operating and the lights stay on in your community.

### Advanced Notice of Blackouts

If blackouts do occur, the Negawatt Network will very likely have been activated. Thus, your business should receive advanced notice of blackouts, which can minimize company-wide disruption from these events.

### Enhanced Community Goodwill

Power shortages are highly visible events that command the attention of California residents and the state government. The community will be aware of the energy crisis, and businesses supporting grid reliability will enhance their reputations as good corporate citizens.

### Enhanced Energy Usage Information

EnerNOC provides a web-based portal with easy-to-use information on energy consumption by site and in aggregate. Through the portal, EnerNOC collaborates with its customers to identify additional savings opportunities and increase equipment reliability.

### Environmental Benefits

Reducing demand reduces air pollution.

### What are the economic benefits of participation?

The Negawatt Network provides free cash flow with no capital expenditure, regardless of whether an event is called. Payments depend on your reduction level, your notification window, your committed event duration, and your curtailment method (automatic versus manual).

***With the Negawatt Network, you can easily receive \$30,000 to \$60,000 per MW per year for your enrollment.***

### How often will events be called?

No more than one event may be called per day. No more than 24 hours of curtailment can occur in any given month. Other limits vary across utilities.

### Are there penalties for non-performance?

The Negawatt Network does not penalize. EnerNOC manages all the risks associated with enrollment and nominated curtailment levels.

<sup>1</sup> "Revised California and Western Electricity Supply Outlook Report," California Energy Commission, July 2005.

## About EnerNOC

Founded in 2001, EnerNOC, Inc. is a leading developer and provider of clean and intelligent energy solutions to commercial, institutional, and industrial markets. EnerNOC has over 886MW of demand response under contract, including more than 756MW of dedicated demand response resources. EnerNOC serves multiple industries: light industrial, heavy industrial, telecommunications and data, commercial real estate, government, education, healthcare, food sales and storage, and more. EnerNOC's management team combines over 150 years of entrepreneurial and corporate experience with expertise in demand response, distributed generation, energy management, engineering, embedded systems, and information technology.



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