

Ancillary Services



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# CONSUMER POWERLINE

Are DR Programs Creating New  
Market Funding Sources for Energy  
Efficiency Programs?

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# Background: Ancillary Services Coalition (ASC)

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- **ASC is a pioneer in the California DRP program**
- **8 Year track record of delivering cash flows to clients**
- **Helping California reduce the chance of blackouts**
- **May 1, 2006 became a wholly owned subsidiary of ConsumerPowerline (CPLN)**
- **CPLN is the leading non-Utility DR player nationally**
  - **750+ MWs under management**
  - **More than 75 million sq. ft. of buildings in portfolio**
  - **More than 110,000 apartment units**
- **Additional services to help clients generate cost savings and market revenues from deregulated electricity markets**
  - **TATI's**
  - **Tax Savings**
  - **Energy Incentive Management**

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# Demand Response = Smart Energy Management

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- **Cost/expense challenges faced by large energy end-user**
  - Energy is often the largest operating expense for a typical facility
  - Not enough to view energy as a cost center
- **Deregulation of energy markets increases opportunities**
  - Improving a facilities operating results increases asset value and provides funds to invest in Energy Efficiency Programs
- **Participating in Demand Response (DRP) markets can be a logical first step**
  - Simple, rapid, cost-free first step to better control energy costs
  - Ability to get near real time consumption data
  - Risk-free opportunity to earn cash and help stabilize the grid
  - Limited hours of curtailment per year; but generates substantial revenues
  - Insight generated often leads to both funds to pay for and ideas for quick payback energy efficiency projects
  - Generating market revenues increases credibility of clients within their firms

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# CA Demand Reserve Partnership (DRP)

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## Day Ahead Options

1 hour – 3 hour

1 hour – 5 hour

1 hour – 8 hour

## Client Revenue per/mW per month

\$6,375

\$6,500

\$7,500

### Additional Program Details

- DRP program operates with 3 hour notification
- Energy payments are between \$60-\$80/MWh
- Additional programs available thru Utilities



These revenues can be used to directly fund other Energy Efficiency Programs

# An “Energy Efficiency” Bank via TA/TI’s

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- **Opportunity to get investment grade TA/TI provided at no charge**
  - Preliminary Assessment (Up to \$1K available for simple walk-thru)
  - Up to **\$50** per kW of identified DR resources as part of TA
  - Up to **\$100** per kW for installation of DR enabling technology
    - **\$50** per kW when install complete
    - **\$50** per kW when participating in DRP programs
- **TA/TI process will unlock significant additional revenue opportunities**
  - Revenues often available for actions you are already taking
  - Opportunities to generate revenues from new energy efficiency programs
  - These new revenues can improve project paybacks
- **ConsumerPowerline/ASC an approved vendor for all 3 Major Utilities**
  - SCE – Authorized Contractor
  - PG&E – Authorized Provider
  - SDG&E – Authorized Provider

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# CPLN: Company Overview

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## Firm Highlights

- Our mission is to help the customer **pay the least for energy, get the most for what they buy, and earn the most for what they can reduce.**
- Largest provider of non-Utility Demand Response (DR) services nationally. Paid out more than \$18 million to our clients.
- Client base represents 750MW+ of purchasing power in NY, California and New England.
- Our portfolio includes more than 75 million sq. ft. of commercial real estate and 110,000 residential units.

## Top tier clients

- CB Richard Ellis, Cushman & Wakefield, Morgan Stanley, Macy's, Starwood Hotels, Forest City Ratner Corporation, RFR Realty, NY Presbyterian Hospital, NYU Hospital and dozens of other substantial end-users of energy.

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## A Recognized Leader

**The New York Times**

**THE WALL STREET JOURNAL**

**CRAIN'S**

**DOW JONES**

**REUTERS**



**CBS NEWS**