



BY JOHNSON CONTROLS

Introduction and Overview

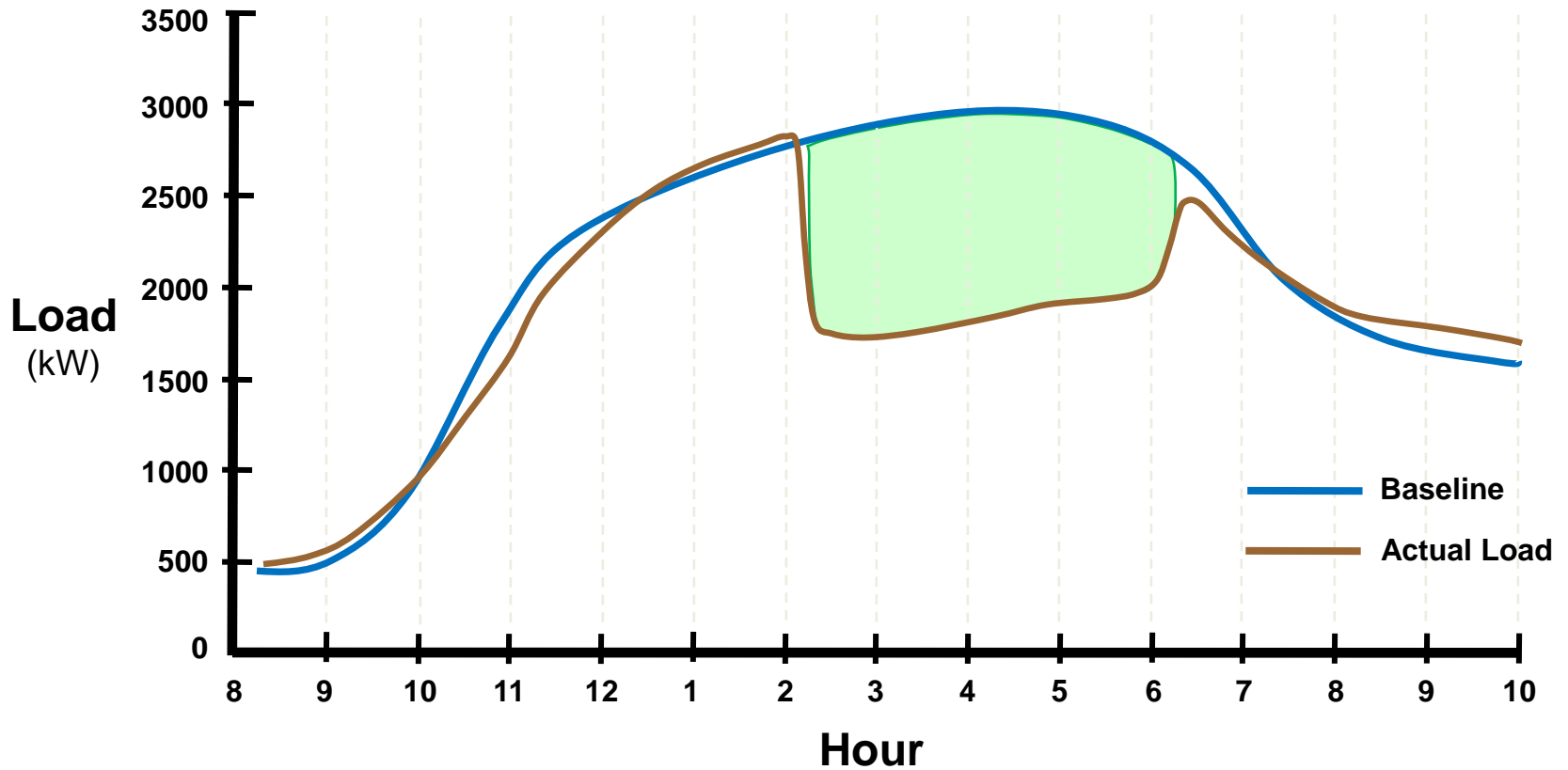
George Barnes
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804 – 221 – 2800



Agenda

- Demand Response 101
- Selection Process
- New State Contract E194-112-1
- Key Program Changes
- 2012 Projections
- Metering
- Order 745

Demand Response 101



Two Primary DR offerings on GridConnect

Economic or Price Driven

High Wholesale Prices

- Voluntary and Flexible
- 24/7/365 Opportunities
- No minimum duration
- No preset curtailment
- Earnings are a function of
 - high prices
 - frequency of participation
 - depth of curtailment

Capacity or Standby Emergency

Grid declared Emergency

- Mandatory
- Max 6 hours per event
- Max of 10 events
- 12 noon through 8 pm EST
- June 1 - September 30
- Perform 1 hour test (June)
- 2011: Earn \$30,000+/MW

DMME Selection Process

VIII. EVALUATION CRITERIA: Proposals shall be evaluated using the following criteria:

CRITERIA:

WEIGHT

- | | |
|---------------------------------------|-----------|
| 1. Experience and Qualifications | 30 points |
| 2. Specific plan or methodology | 30 points |
| 3. Price | 30 points |
| 4. Small Business Subcontracting Plan | 20 points |

TOTAL POINTS ASSIGNED SUMMARY:

<u>NUENERGEN</u>	<u>ENERGYCONNECT</u>	<u>ENERGY CURTAILMENT</u>	<u>CONSTELLATION</u>	<u>VIRIDITY</u>
70	100	67	74	56

Additional information for the interviews will be sent to the top 3 vendors. Rational statements will be available after we post the intent to award. We appreciate your patience as we go through the procurement process. We would like to say thank you all for your participation.

Thanking you in advance.

Sandra D. White, VCO
Statewide Services Contract Officer

Division of Purchases & Supply
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Email: sandra.white@dgs.virginia.gov

Highest Score!

State Contract E194-112-1

Term

February 1st 2012 through January 31st 2015 with 3 one year extensions

Contract/Enrollment Process

As before, the official agreement was signed on your behalf

Each Participant will review Appendix 3 of GridConnect agreement and DMME official will sign GridConnect Document

DMME has no official requirement to participate, send a simple email identifying the new contract number E194-112-1 and your desire to participate

Walid.Daniel@dmme.virginia.gov

Key Program Changes

1. Credit

- Curtailment Service Providers are required to secure a forward position in the capacity markets
- CSPs are also required to financially guarantee their capacity position by posting credit

2. Interim Drop in Capacity Value

- Before Capacity prices were over \$40k, but for 2012 prices fell to \$6008 and for 2013 to \$10,121

3. Advance Metering

- All participants must have advanced metering to support participation

State Contract E194-112-1: Pricing

- Step 1: Blended pricing of \$20.65/kWyr for 3 year commitment
(\$6.008...\$10.121...\$45.797)
 - Step 2: 85% of blended pricing or \$17.55/kW
- Step 3: Flat fixed participant support fee of \$200/month

Step 4: Resulting net payment per kW of load reduction is \$15.15

2012 – 2014 Capacity Program Projections

Customer/Facility Name	Business Segment	2012 Actual PLC	2012 TARGET FSL	2012 REGISTERED CURTAILMENT	NET PAYMENT TO CUSTOMER
Facility 2	college campus	32025.00	24000.00	6606.84	\$113,550.04
Facility 5	laboratory	6196.00	0.00	6196.00	\$106,339.80
Facility 4	waste/water treatment	804.00	0.00	804.00	\$11,710.20
Facility 3	prison	1443.00	300.00	1125.27	\$17,348.54
Facility 1	office building	897.00	0.00	897.00	\$13,342.35

Peak Load Contribution for 2012

Reduction in Capacity Program Payments

“Renewed focus and Commitment to Economic Demand Response”

State Contract E194-112-1: Metering



Analysis \ Solutions \ Savings

Metering

SWAM vendor Net Metering Inc.

all metering cost from unpaid revenues

\$1,800.00 – one time device hookup and installation

\$90 per month for data transfer to eServices, upkeep, and maintenance

Value Add

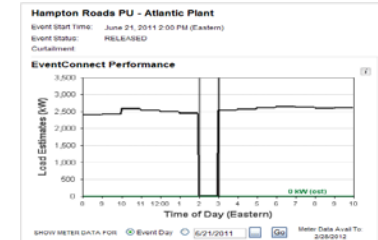
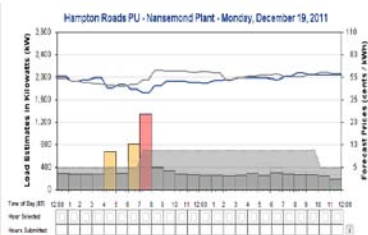
Now a requirement from the grid to enroll

Now have access to real time up to the minute load data

ability to track and identify *Utility Ratchet*

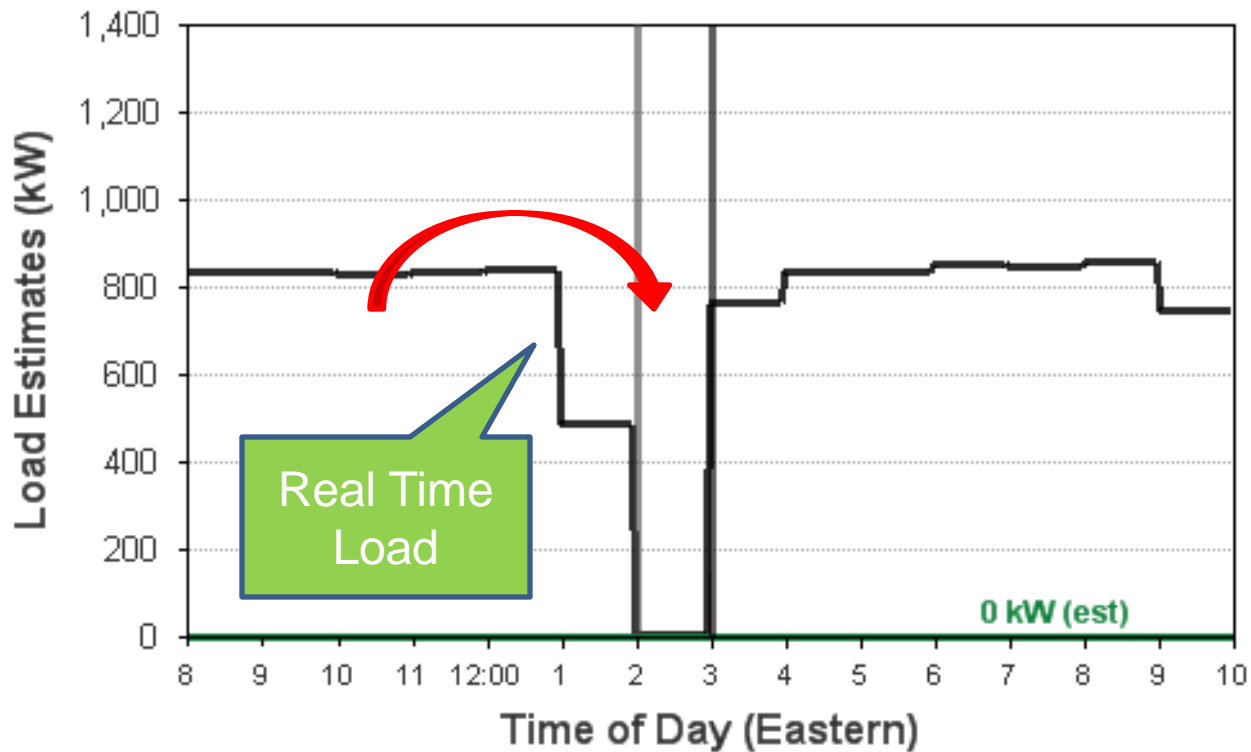
Can benchmark your facility consumption against similar loads

Watch participation in programs in real time



EventConnect: Real Time Tracking

EventConnect Performance



SHOW METER DATA FOR

Event Day

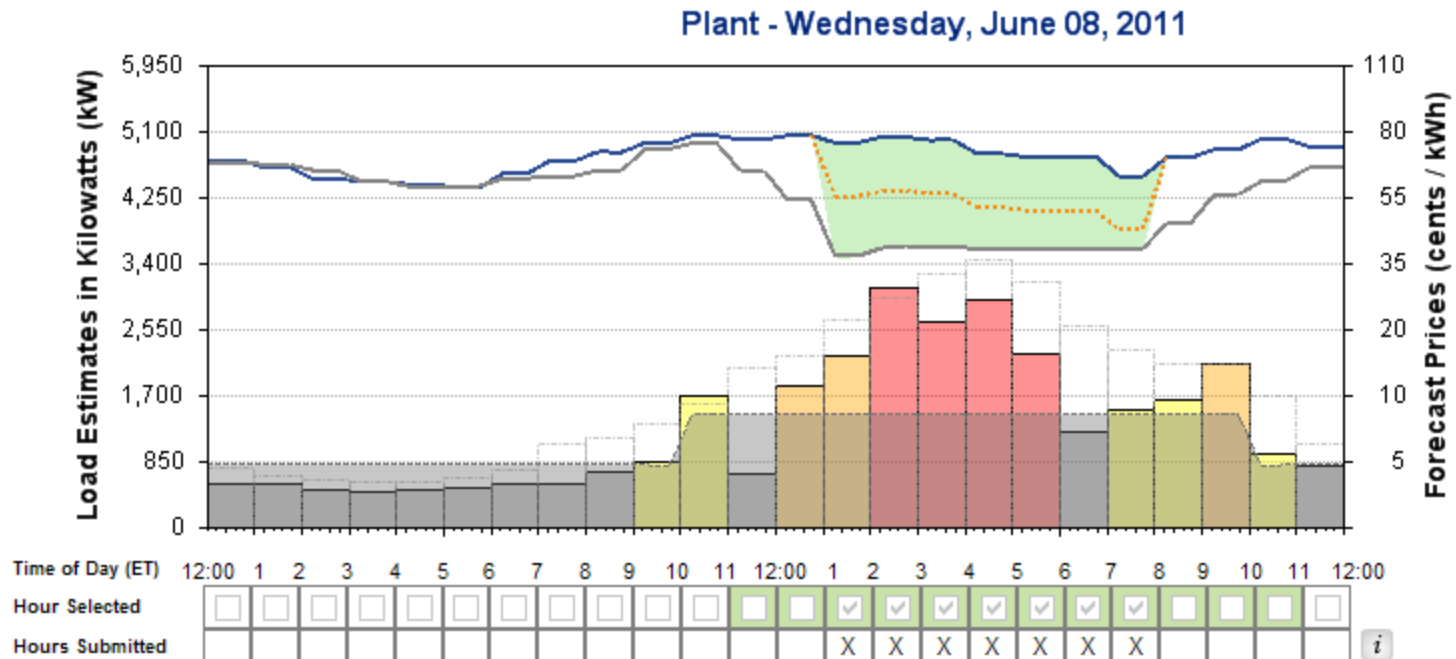
6/21/2011

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Go

Meter Data Avail To:
9/11/2011

Order 745



- Participants will issue a standing order
- Participants will set the start time, duration, amount, and price

Order 745

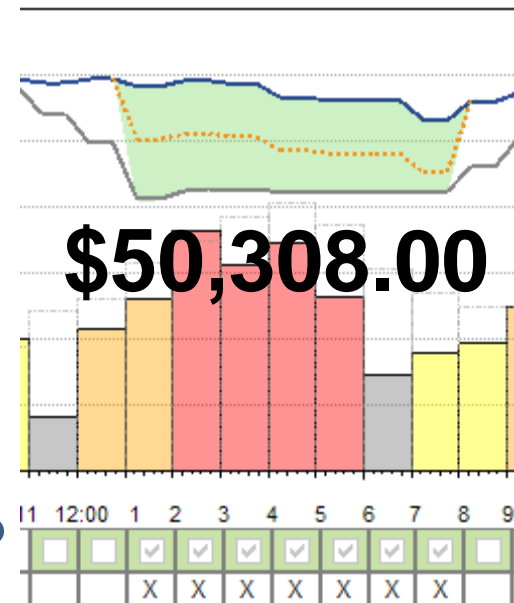
Order 745 – “Participants will be paid the higher of full LMP or offer price”

Example:

Offer Price of \$125.00 mwhr

Actual Price is \$250.00 mwhr

“The participant will be paid at the higher \$250.00 rate.”



“Payments are guaranteed for reductions within a 20% deviation from committed load drop”

Next Steps

- Send Email confirming desire to participate to Walid.Daniel@dmme.virginia.gov or Thomas.Thompson@dmme.virginia.gov
- Complete Referential Document for all 9 sites
- Schedule metering installations
- Set up time to review Order 745 changes
- Create standing offer for Order 745 deployment

End