



PROPOSED AGENDA ITEM

MEETING DATE: May 24, 2012

SUBJECT: On Demand Response- electric use curtailment

SUBMITTED BY: Steve Sceiford, Facilities Manager
Paul Fritz, Business Manager

DESCRIPTION:

- On rare occasions the electric grid experiences a high degree of stress (usually in summer). In order to reduce the strain on the grid, demand response programs have been developed by the utilities and grid operators.
- When this grid instability occurs, thousands of facilities reduce their electric use & help to prevent blackouts or brownouts. The events are rare & typically last from 1 to 6 hrs.(12:00 pm to 7:00 pm)
- In exchange for this commitment to reduce electricity, the participating customers receive significant payouts.
- Advance notification of the need to reduce, allowing time to implement a reduction plan.
- There is NO COST at any time.
- There are NO PENALTIES if you fail to reduce when you are called upon.
- Reducing electricity during these times makes sense even without the payouts since the voltage fluctuations that occur can easily damage facility's equipment.
- Potential total payments at the maximum 75 MWh level would be \$13,125
- ECTS Administration will develop a curtailment action plan
- ECS is recommended by our energy consultant, Premiere Power Solutions, LLC, Grove City, PA.

RECOMMENDATION:

Motion to approve the presented contract with ECS (Energy Curtailment Specialists, Inc) to participate in their PowerPlay Flex–Response Program with PENELEC



PA ACT 129 BONUS UTILITY PROGRAM

FLEX RESPONSE FOR PENELEC ENERGY USERS

Company Name: _____ Utility Acct #: _____

Address: _____ City: _____ Zip: _____

Contact Person: _____ Tel # _____

Fax # _____ Email: _____

We want to participate in Energy Curtailment Specialists (ECS)' "PowerPay!" Flex-Response Program designed for the PENELEC service territory. By signing this form we understand the following:

- (1.) We authorize ECS to register us with PJM as an Economic and Emergency (DR) resource and with PENELEC and complete any forms as necessary in order to qualify for this program;
- (2.) PENELEC is in need of demand reductions from customers during projected peak demand hours from June through September each year. The PENELEC program is available for the 2012-13 delivery year and MAY be available in subsequent delivery years. ECS will register us in all available delivery years. The event calls will occur on weekdays only, most likely between the hours of 12:00 pm and 7:00 pm. We will receive a day-ahead warning, with an approximate 3 hour in-day advance notice confirming or modifying the event hours.
- (3.) We will be notified by ECS of up to 75 potential reduction hours. We have the flexibility to reduce in any number of those hours (i.e. all 75, 50, 30, etc) and can reduce as much or as little electricity in any given reduction hour throughout the reduction period, up to our total expected reduction over the summer period. We will receive a day-ahead warning, with an approximate 3 hour in-day advance notice confirming or modifying the PENELEC event hours. Our participation is governed by the rules of the PENELEC program.
- (4.) **Payments and Bonus for 2012: We will receive \$350 per MWh (per MW per hour) for all energy reduced during called events, up to our total expected reduction over the summer period. ECS will determine our expected reduction in their discretion based upon their assessment of our ability to perform. We will also receive a signing bonus of \$1,000 per MW within 30 days of our successful registration.**
- (5.) **Payments for Subsequent Years:** Payments will be established if and when PENELEC establishes the program for subsequent years (ECS will notify us of the payment rate once the program is established). Payment will be based on the performed kWh/MWh up to our expected kW/MW reduction.
- (6.) **We will not be subject to out-of-pocket financial penalties by participating in this program, even if we fail to reduce electricity when called upon.**
- (7.) **If necessary, ECS will install an interval meter at no cost to us.** In fact, we will never be responsible for any cost as a result of our participation in the program.
- (8.) We agree to participate for the next five (5) complete obligation periods. Our participation will be governed by the rules of the PENELEC and PJM programs.

Signature: _____ Title: _____ Date: _____

Signed by ECS: _____ Date: _____



Revenue
PROJECTION

P: 877.711.5453 / F: 877.711.0506

www.ECSGRID.com



Prepared for: Erie County Technical School

Penelec Utility Zone

PA ACT 129 Program Payment Rates

2012 Season	Capacity \$ per MWh	Bonus \$ per MW
	\$350.00	\$1,000.00



Estimated Energy Savings Based on Total MWh Curtailment

5 MWh	10 MWh	20 MWh	30 MWh	50 MWh	75 MWh
\$500.00	\$1,000.00	\$2,000.00	\$3,000.00	\$5,000.00	\$7,500.00

Estimated Payment Totals Based on kW Reduction Levels and Hours

Hours	kW Reduction Amount				
	100	200	300	400	500
20	\$700.00	\$1,400.00	\$2,100.00	\$2,800.00	\$3,500.00
30	\$1,050.00	\$2,100.00	\$3,150.00	\$4,200.00	\$5,250.00
50	\$1,750.00	\$3,500.00	\$5,250.00	\$7,000.00	\$8,750.00
75	\$2,625.00	\$5,250.00	\$7,875.00	\$10,500.00	\$13,125.00

Notes:

- 1.) Rate is the amount per MWh you are paid for what is termed performance. 1 mWh = 1,000 kWh.
- 2.) **Energy Savings** is a projection of the cost savings you can expect to see for curtailing your electricity usage. It is calculated assuming an average retail cost of \$100.00 MWh (\$0.10/kWh).
- 3.) Pricing for 2013 season and beyond: Payment for subsequent years will be established if and when Penelec establishes the program for subsequent years (ECS will notify us of the payment rate once the program is established).





POWERPAY!
FOR PENELEC ENERGY USERS



NOTABLE MEMBERS



ECS: FOCUS ON DEMAND RESPONSE

Businesses enrolled in the **PowerPay!** Demand Response program can earn thousands of dollars annually while simultaneously benefiting their community and the electric grid.

- ▶ ECS is the largest private DR provider in the world.
- ▶ More than 10,000 facilities participate in PowerPay!
- ▶ ECS provides the very best pricing available on the market to our customers with added incentives for companies having facilities in multiple ECS markets.
- ▶ ECS has paid more than \$100 million to participants over the past 10 years.
- ▶ ECS is a financially strong, \$150M company & holds as the most reputable & financially viable provider in North America.
- ▶ ECS is A+ rated with the BBB (the only DR provider with the highest ratings).
- ▶ Participation is 100% free!

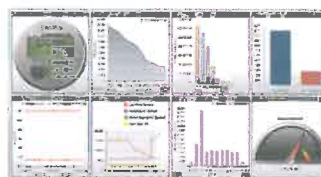
POWERPAY! HIGHLIGHTS

- ▶ On rare occasions the electric grid experiences a high degree of stress (usually in summer). In order to reduce the strain on the grid, demand response programs have been developed by the utilities and grid operators.
- ▶ When this grid instability occurs, thousands of facilities like yours reduce their electric use & help to prevent blackouts or brownouts. The events are rare & typically last from 1 to 6 hrs.
- ▶ In exchange for this commitment to reduce electricity, the participating customers receive significant \$\$\$.
- ▶ You receive advance notification of the need to reduce, allowing you time to implement your reduction plan.
- ▶ There is **NO COST** at any time.
- ▶ There are **NO PENALTIES** if you fail to reduce when you are called upon.
- ▶ Reducing electricity during these times makes sense even without the \$\$\$ since the voltage fluctuations that occur can easily damage your facility's equipment.
- ▶ As part of your participation, you may be entitled to advanced interval metering (if so, this is free). This will help you save even more money on your energy bills and can help you track your company's carbon footprint.

CALL ECS TODAY 877.711.5453

Demandtrak™

Energy Curtailment Specialists (ECS) now offers qualified customers their cutting edge metering system-Demandtrak™. Demandtrak is a powerful web based platform which links to a physical "shadow" meter where customers view an array of energy data, reports, charts, & calculations customized to reflect their facility's needs via the Internet!



**SHERWIN
WILLIAMS.**

"Initially, I was very concerned regarding ECS' demand response program and how that would impact our productivity goals for the month. I am very pleased to report that the power outages were precisely planned and actually allowed my site to focus on much needed value added activities during the downtime. We are pleased to work with such a reliable, professional company."

Lakeysha D Garrett, Plant Manager



About Energy Curtailment Specialists

Energy Curtailment Specialists, Inc. is the leading authority on demand response, and the largest, private full-service demand response provider in North America.

The creator of the most successful demand side management programs in the industry, ECS designed a variety of demand response programs from the customers perspective, sensitive to your needs and ability to reach your energy reduction objectives.

ECS works with utilities, transmission operators and energy policy makers throughout North America to help manage electricity demand in relation to available supply. As a large user of electricity, you get paid by ECS to complete the energy equation by reducing electricity consumption during periods of extremely high demand.

Better Business Bureau Snapshot

BBB BUSINESS REVIEW

Overview Directions

What is a BBB Business Review?

BBB ACCREDITED BUSINESS SINCE 11/15/2004

Energy Curtailment Specialists, Inc.

Additional Locations:

Phone: (877) 711-5453

Fax: (716) 545-0506
4455 Genesee Street, Building 6, Buffalo, NY 14225
info@ecsgrid.com
http://www.ecsgrid.com

ACCREDITED BUSINESS

On a scale of A+ to F

Reason for Rating
BBB Ratings System Overview

Share Print

Description

This company offers broad-based energy services. Offers ways & products to reduce energy uses in large companies.

Request a Quote

Request a Quote from Energy Curtailment Specialists, Inc.

BBB Accreditation

A BBB Accredited business since 11/15/2004

BBB has determined that Energy Curtailment Specialists, Inc. meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited businesses pay a fee for accreditation review/monitoring and for support of BBB services to the public.

BBB accreditation does not mean that the business' products or services have been evaluated or endorsed by BBB, or that BBB has made a determination as to the business' product quality or competency in performing services.

The Facts

ECS has never been sued

ECS has over 12,000 facilities enrolled

ECS has never received a BBB complaint

ECS has been in the business for 10 years

ECS is a respected leader of its industry

ECS is on your side

ECS is a private company which allows them to focus on their customers as opposed to being public and having to focus on shareholder interest.

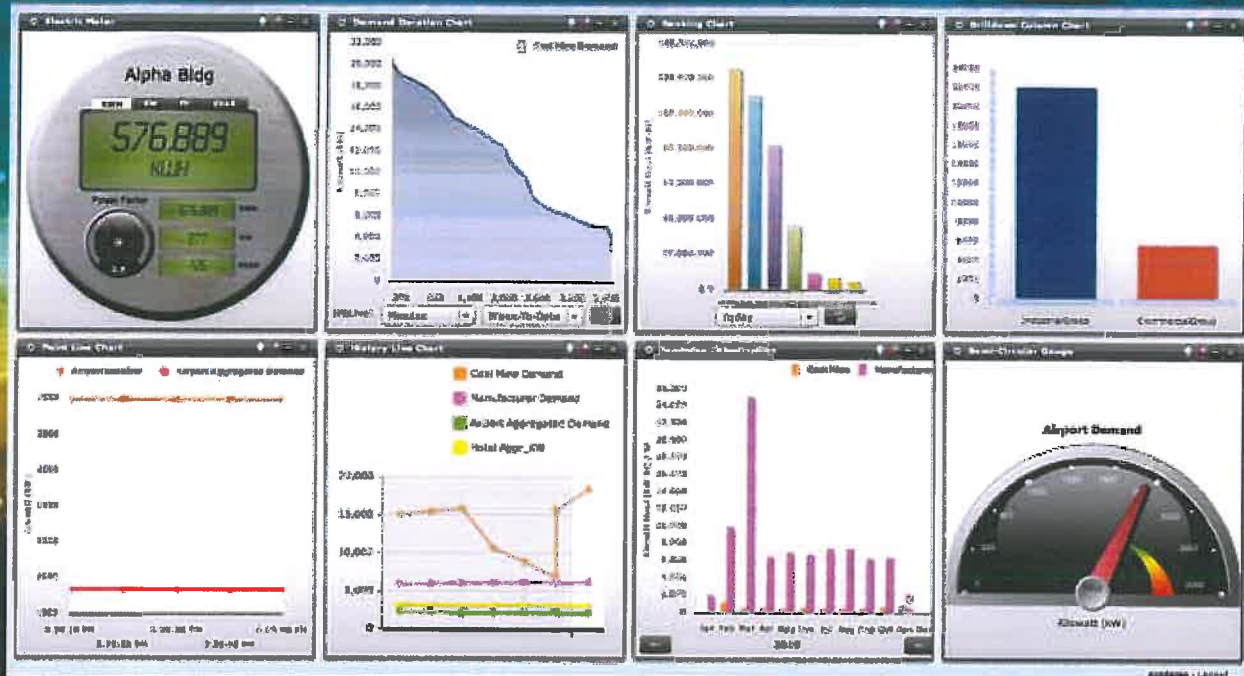
ECS DEMAND RESPONSE MEMBERS
CURRENTLY SHARE
\$10,000,000.00 MONTHLY!



www.ecsgrid.com P: 877.711.5453 F: 877.711.0506

Energy Curtailment Specialists Demandtrak™

Energy Curtailment Specialists now offers qualified customers their cutting edge metering system-Demandtrak™. Demandtrak is a powerful web based platform which links to a physical "shadow" meter where customers view an array of energy data, reports, charts, and calculations customized to reflect their facility's needs via the Internet!



WHAT DOES THE ECS Demandtrak™ MEAN FOR YOU?

Interval Data Tells You When & How You Use Electricity: ECS Demandtrak provides interval data. Interval data tells you when and how you use your electricity allowing for better cost control.
(hour by hour kW and kWh usage)

Detect Anomalies In Your Energy Patterns That Are Currently Costing \$\$\$: ECS Demandtrak helps identify these anomalies so you can correct them and save \$\$\$.

Peak Shaving Saves Big \$\$\$: ECS Demandtrak can be used to predict system peaks and allow you to curtail your electric usage at those times and save BIG \$\$ on your capacity and demand charges.

Avoid Utility Overcharges: ECS Demandtrak provides a cross-check against the kWh and kW demand your utility or supplier is billing you for.

Tracking Carbon Footprint: ECS Demandtrak tracks your carbon footprint.

Energy Cost Tracking: ECS Demandtrak allows you to track energy costs, including a forecast of what your costs will be into the future based on your load profile.

CALL 877.711.5453 TODAY!

PJM Event Activation History

Year	Date	Start Time	End Time	Zones Activated
2005	July 27 (Wednesday)	1:00pm	6:00pm	AE, BGE, DPL, JCPL, MetEd, PECO, PEPCO, Penelec, PPL, PSEG, RECO, DOM
2005	August 4 (Thursday)	2:30pm	5:30pm	AE, BGE, DPL, JCPL, MetEd, PECO, PEPCO, Penelec, PPL, PSEG, RECO
2006	August 2 (Wednesday)	1:00pm	7:00pm	AE, BGE, DPL, JCPL, MetEd, PECO, PEPCO, Penelec, PPL, PSEG, RECO
2006	August 3 (Thursday)	2:00pm	7:00pm	AE, BGE, DPL, JCPL, MetEd, PECO, PEPCO, Penelec, PPL, PSEG, RECO
2007	August 8 (Thursday)	1:00pm	6:00pm	AE, BGE, DPL, JCPL, MetEd, PECO, PEPCO, Penelec, PPL, PSEG, RECO, DOM
2008	No Emergency Event Calls	—	—	None
2009	No Emergency Event Calls	—	—	None
2010	July 7 (Wednesday)	2:00pm	6:00pm	DOM
2010	July 7 (Wednesday)	3:00pm	5:00pm	AEC, BGE, Delmarva, JCPL, PECO, PEPCO, PSEG
2010	August 11(Wednesday)	1:00pm	7:00pm	PEPCO (Only DC)
2010	September 23 (Thursday)	1:00pm	7:00pm	APS (VA, WV and MD Only), BGE
2010	September 24 (Friday)	2:00pm	7:00pm	APS (VA, WV and MD Only), BGE, PEPCO
2011	July 22 (Friday)	12:00pm	6:00pm	BG&E
2011	July 22 (Friday)	1:30pm	7:30pm	DPL, JCPL, MetEd, PEPCO