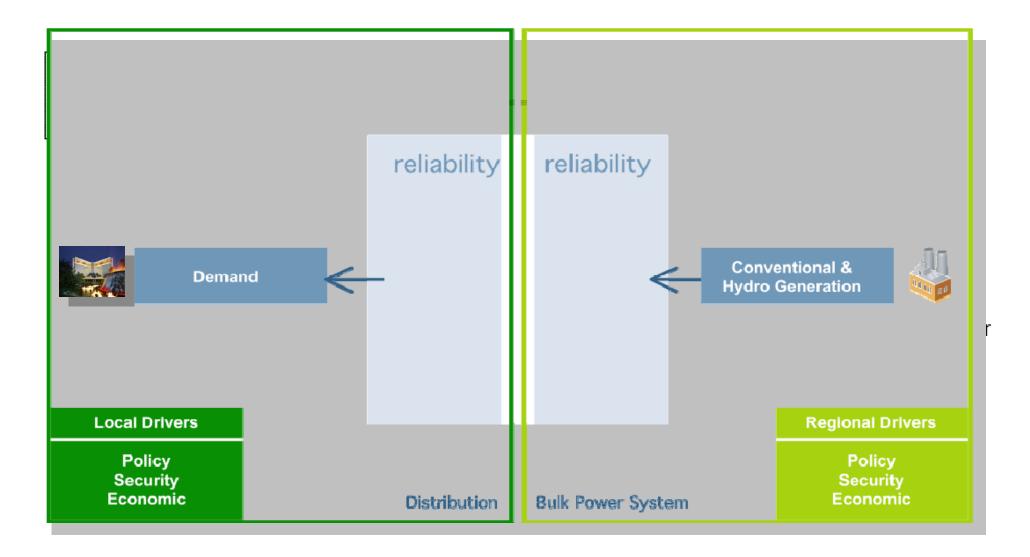
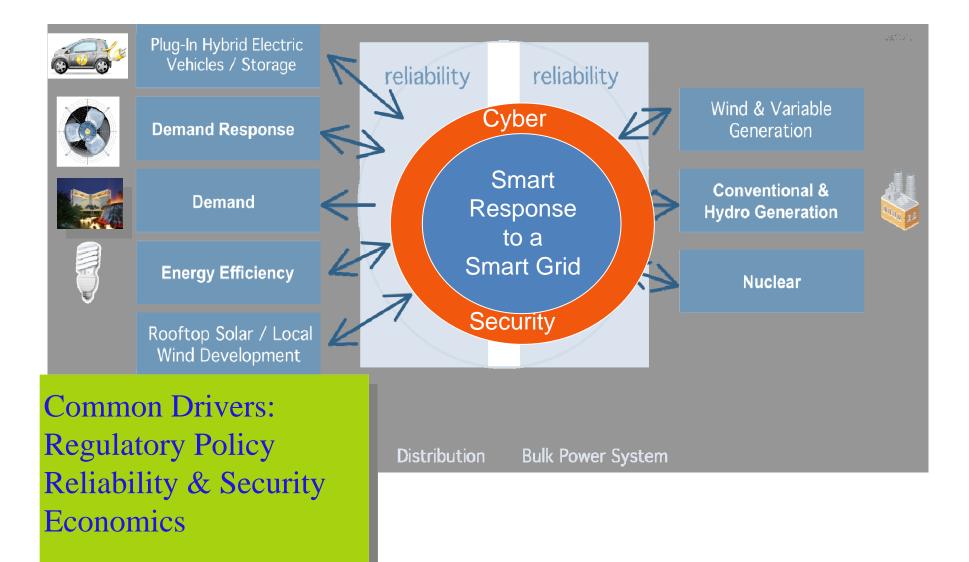
UNLV Clean Energy Forum A Game Changing Agenda for a Sustainable Energy Future

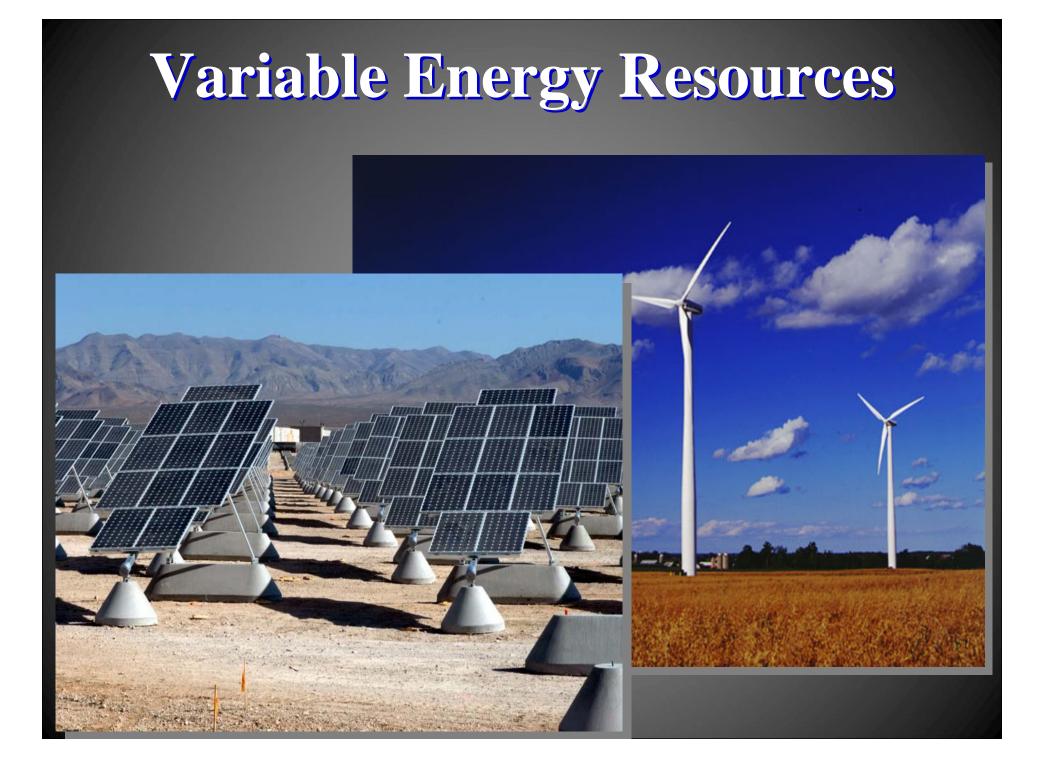
> Jon Wellinghoff Chairman Federal Energy Regulatory Commission September 8, 2010 UNLV Cox Pavilion

Traditional Electric System

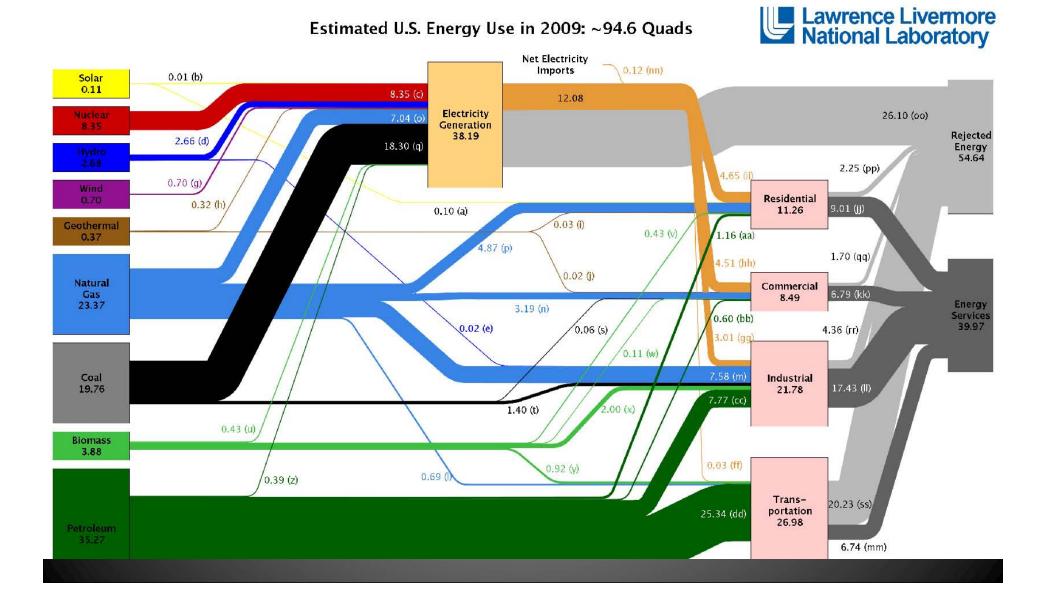


Smart Response Electric System



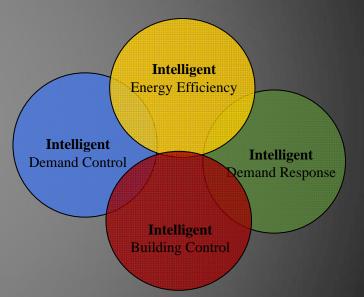


Where Does the Energy Go?



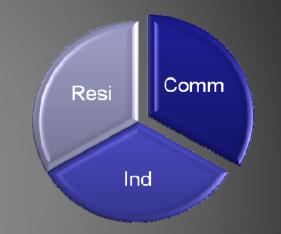
Smart Grid Solutions

- End users have many bottom line improvement opportunities: Reduce peak demand charges, improve power factor, consume less kWh, shift peaktime usage, harvest demand response programs, substitute traditional base load, etc...
- <u>Intelligent Automation</u>, at the user site, will allow these measures to be used without injecting risk, asking for giant leaps of faith or layering their tech investment. Adoption can be achieved.



Smart Grid Challenges

- Roughly, Commercial & Industrial sites account for 2/3 of total energy use in the United States
- *Good news*: These groups are **motivated**; tough times call for action
- *Challenge*: Their situation is tenuous; **mistakes can be fatal**
- Propositions for taking action (DR, EE, DG, M&V) must address the details, the "devil" is in those details





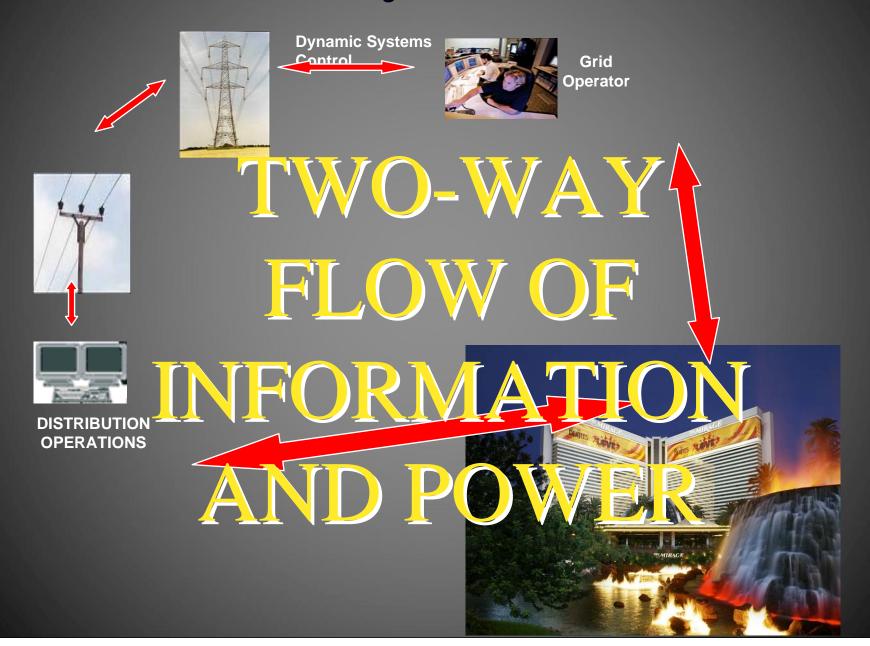
Smart Grid Challenges

- Adoption & Implementation at the end-user sites are the biggest hurdles to creating a <u>movement</u>, and a movement is what is needed to scale
- Smart Grid must be a risk management improvement; only then will it receive the necessary attention at the user site
- This is viewed as a "utility or supplier issue" and the key to successful Smart Grid adoption is to show massive and wildly compelling end user benefit. If this is done, then capital will come





21st Century Electric Grid





Home Management Systems

_	
adCarrier ≑ £35 PM TENDRIL	
DASHBOARD	
Current price per kWh	\$0.10
Estimated bill	\$126.54
Today's cost	\$0.95
Yesterday's cost	\$1.30
Last hour usage	0.36 kWh
	1
Nutline Control	0



Smart Consumer Appliances



Grid Benefits of Demand Response

Reduce Prices

- Lower Demand/Lower Price
- Flatten Load Profile Reducing Costly Generation
- Reduces Generator Market Power
- Distributed Renewables

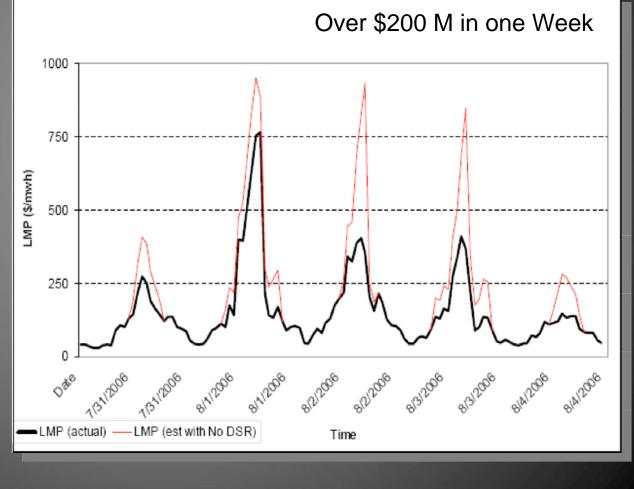
Additional Benefits

Enhances Reliability
Supports Renewable Power
Promotes Distributed Generation and Advanced Meters
Defers G/T/D Investments

Grid Benefits of Demand Response

 PJM Study Shows That a 3% Reduction in Demand of Top 20 Fivehour Blocks in 5 Mid-Atlantic States Could Save \$280 Million per Year

The Brattle Group Estimates that a 5% Reduction in Grid Peak Load (757 GW) Can Result in \$3 Billion Savings Annually, for PV Over 20 Years of \$31 Billion



Economic Opportunities

Demand Response
Energy & Capacity
Peak and Non-Peak
Ancillary Services
Regulation
Spinning Reserve
Var Support/Reactive Power

Electric Transportation









Demonstration of Regulation Services





Regulation Services While Charging

