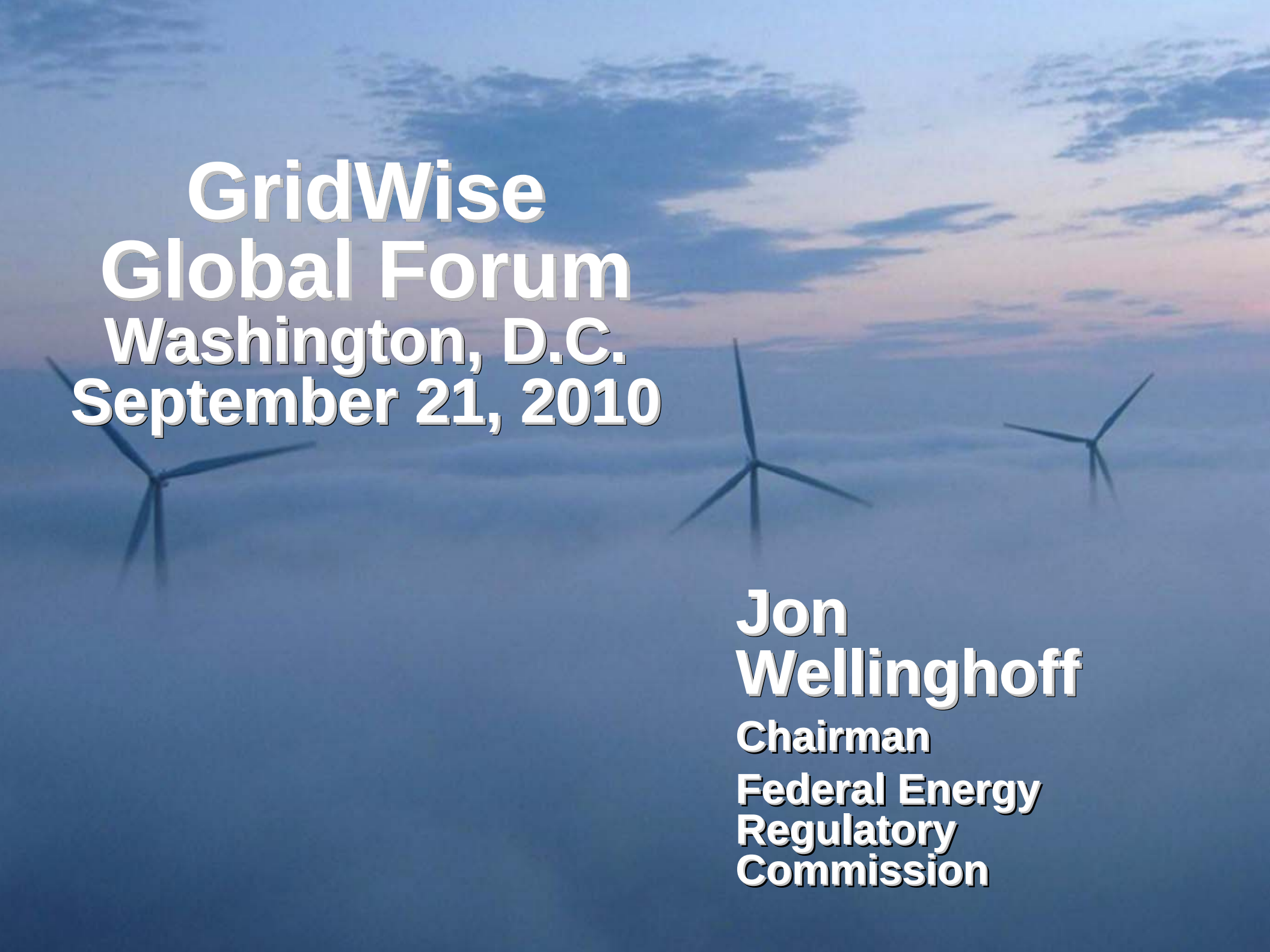


GridWise Global Forum

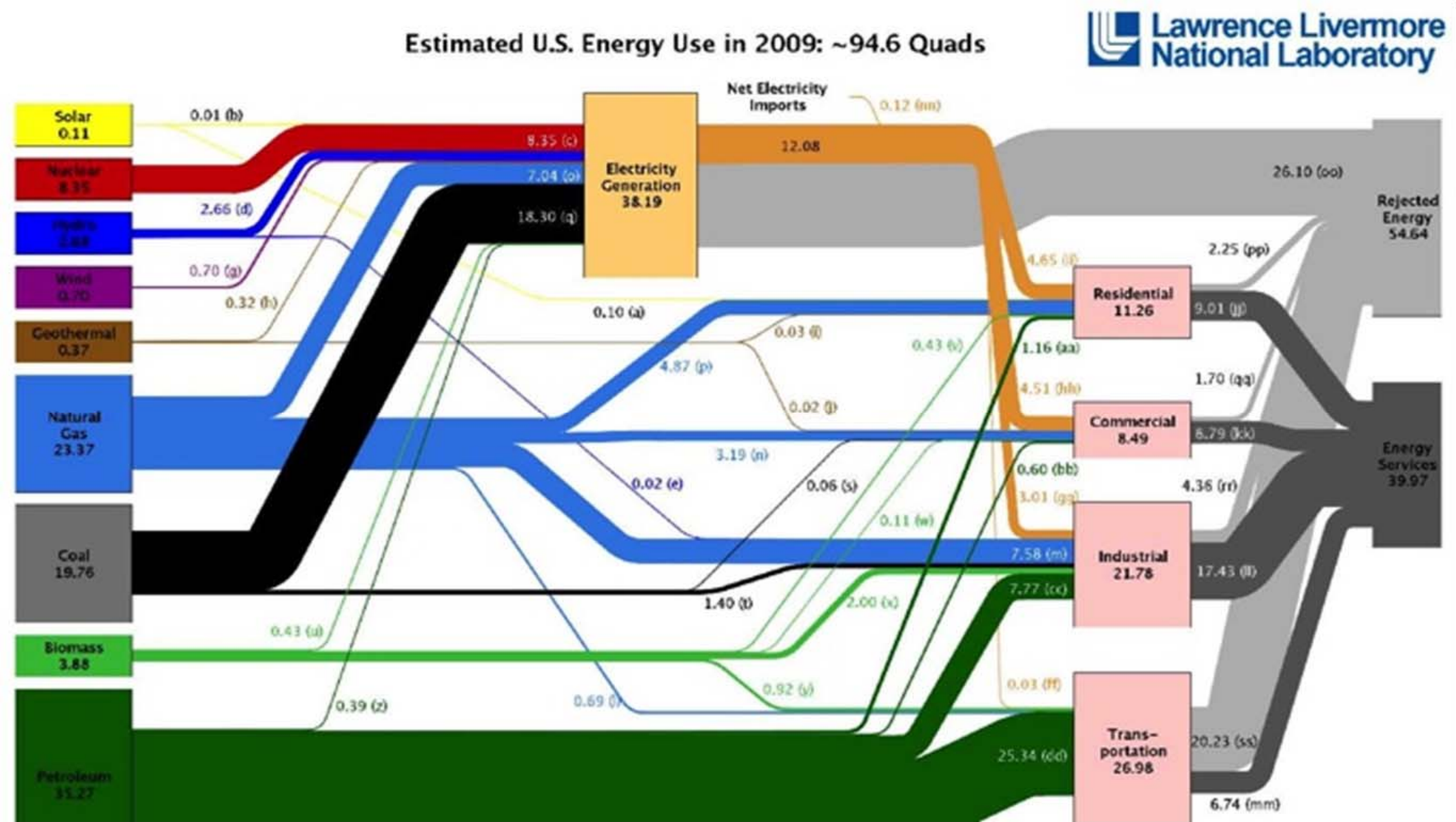
Washington, D.C.
September 21, 2010

Jon Wellinghoff

Chairman

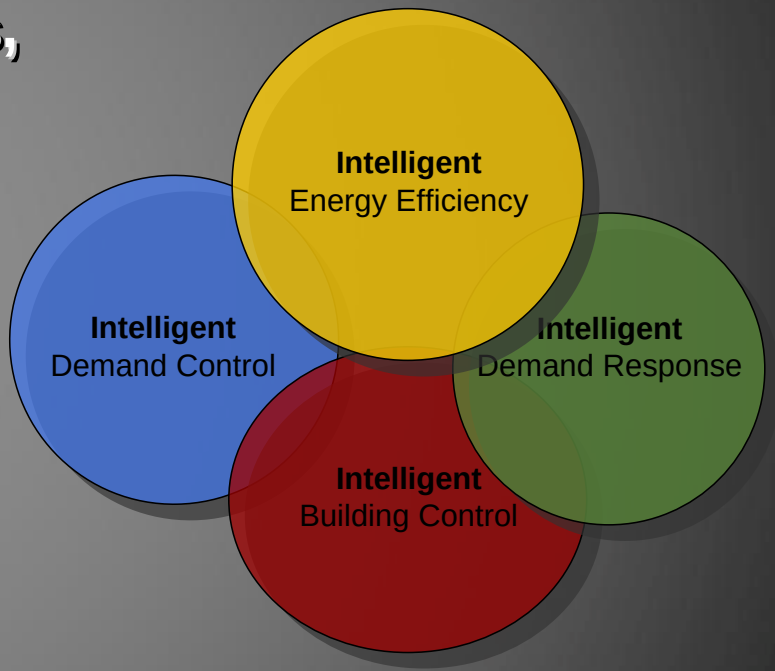
Federal Energy Regulatory Commission

Current U.S. Energy Flows Is This Sustainable?



Smart Response Solutions

- **Consumers have many cost effective opportunities to reduce total energy costs: Reduce peak demand charges, improve power factor, provide VAR support, consume less kWh, supply ancillary services, shift peak-time usage, harvest demand response programs, substitute traditional base load, etc...**
- **Smart Response, with end use loads at the user site enabled with two way communication, will allow these strategies to be implemented with little effort, risk, or discomfort. Wide scale adoption can be achieved.**



Smart Response Challenges

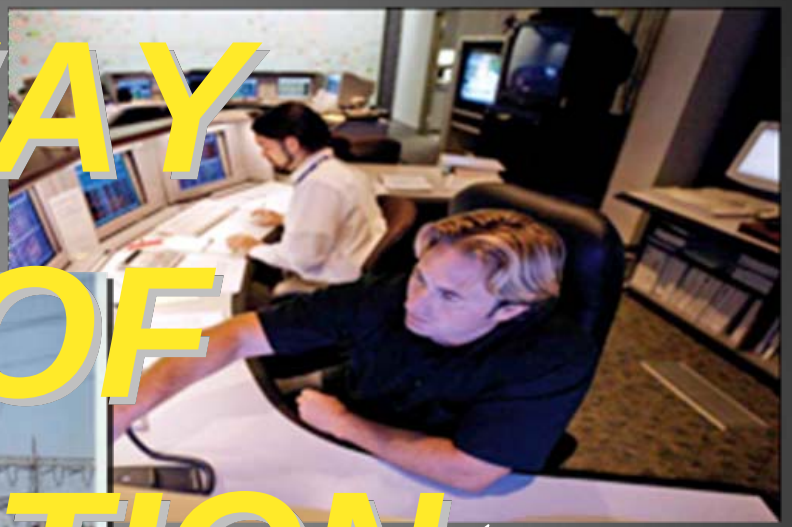
- Full Economic Compensation to Customers for Adoption of Smart Response Implementation at the Customer's site is the Biggest Hurdle to Full Scale Participation

- Smart Response Must Also Improve Risk Management and Be Integral Rather Than Disruptive to Customer Business/Lifestyle

- Provision of Implementation Tools and Demonstration of Benefits Will Bring Customers and Capital to the Table

Smart Response Electric Grid

Dynamic Systems Control



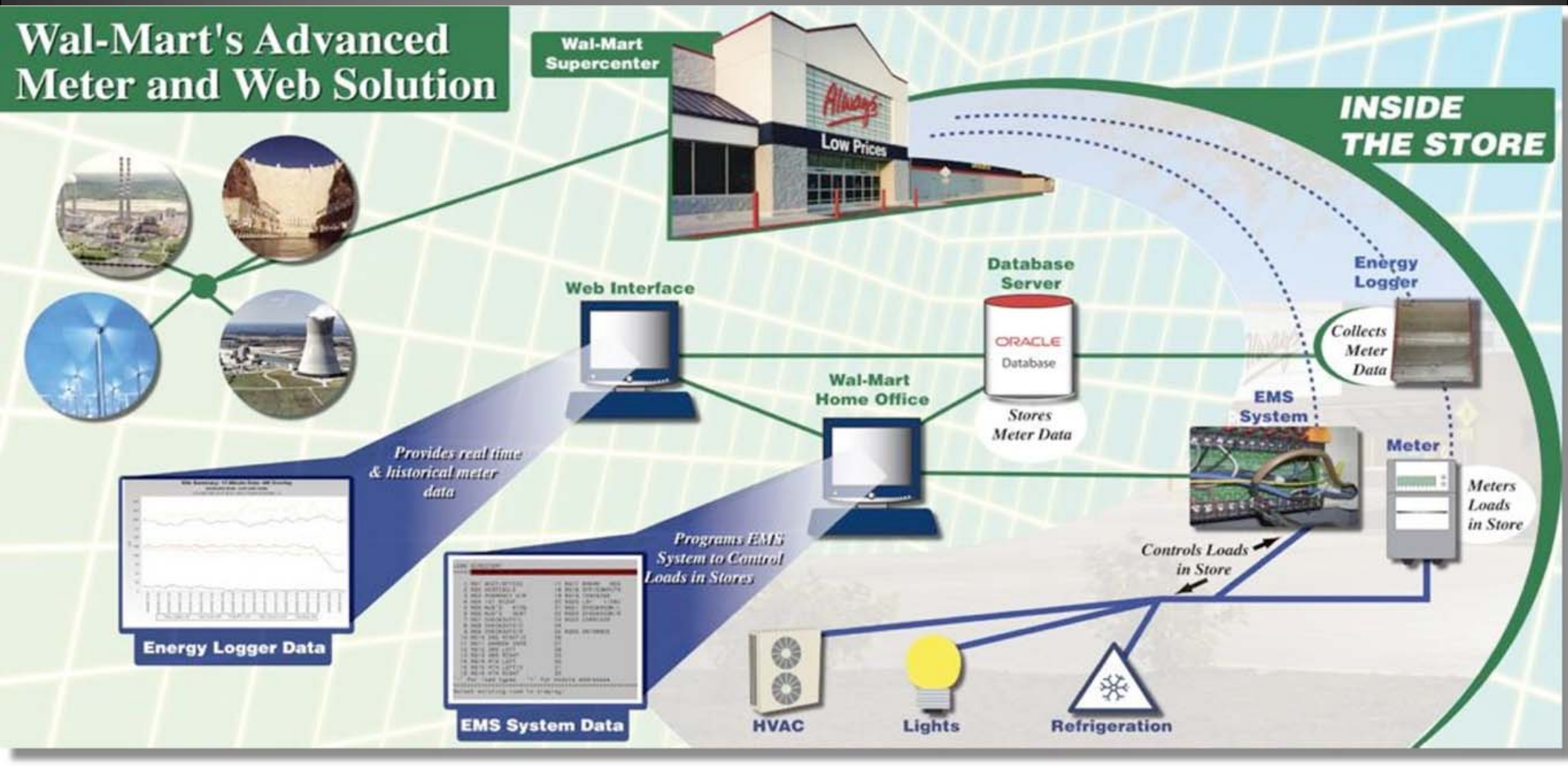
TWO-WAY

FLOW OF

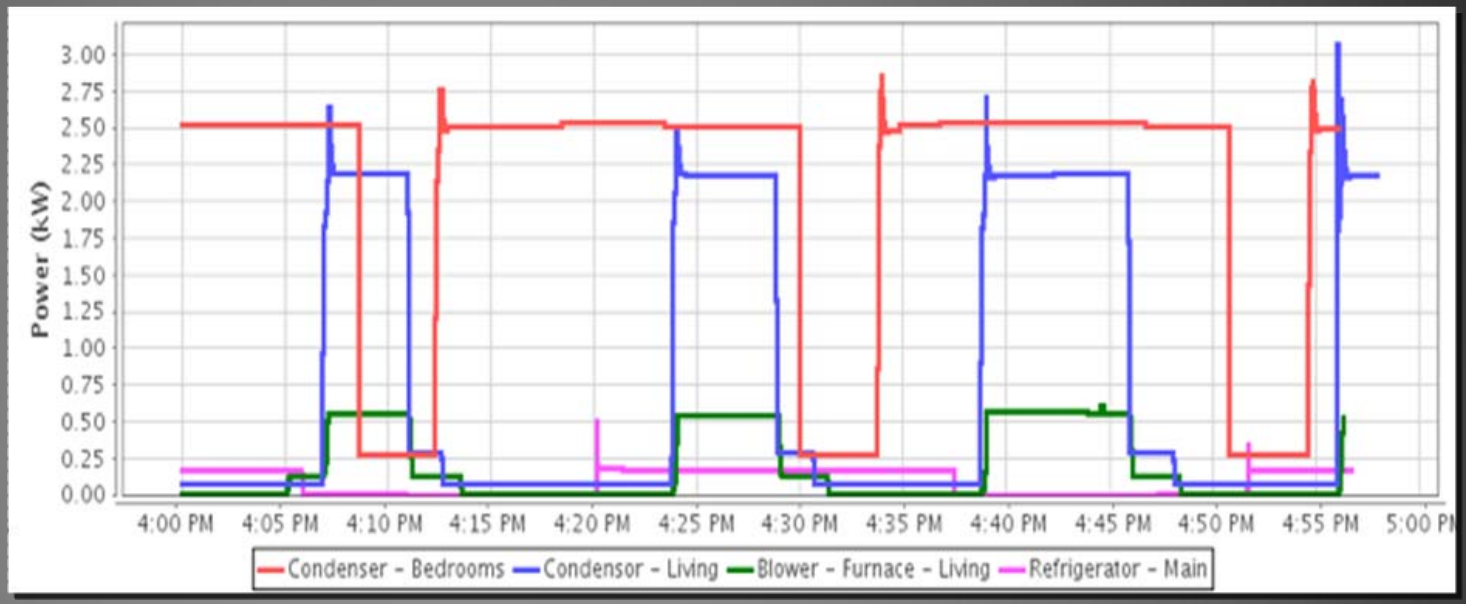
INFORMATION

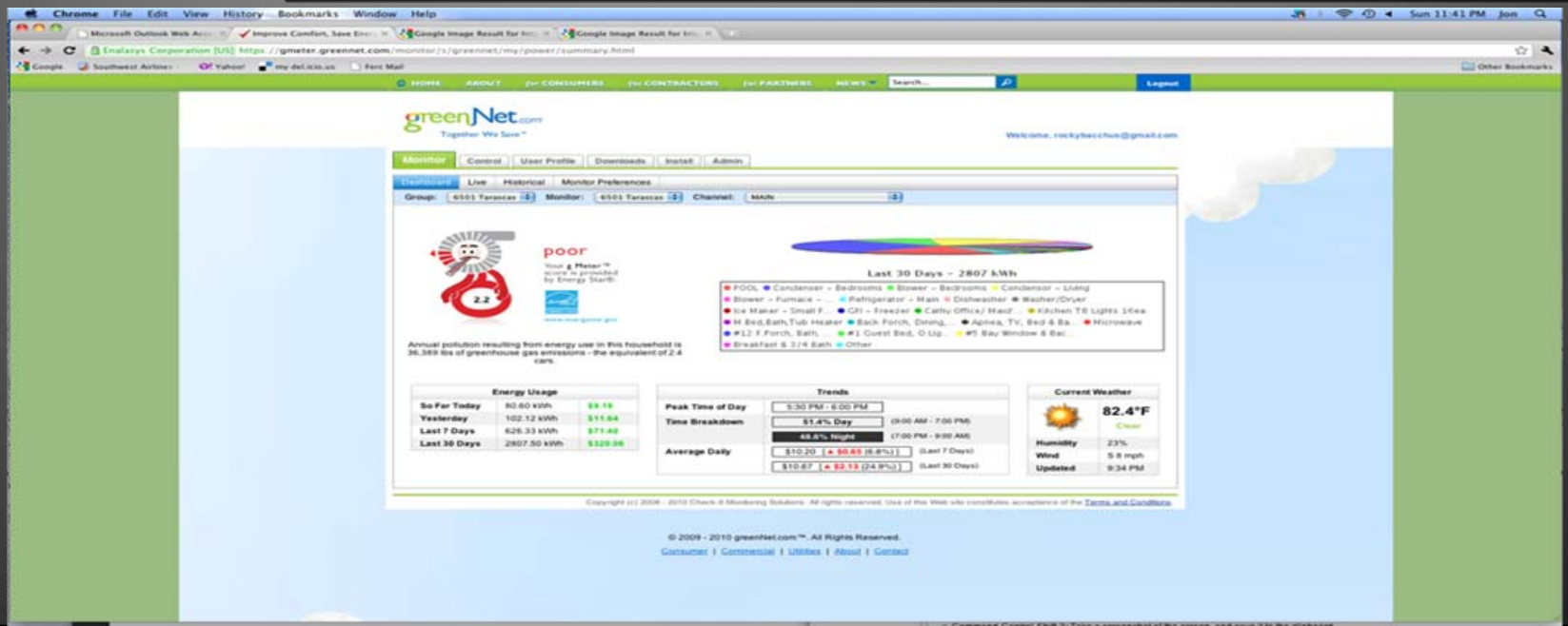
AND POWER

The Smart Response for the Smart Store



Home Management Systems





Smart Consumer Appliances

Grid Benefits of Demand Response

Reduce Prices

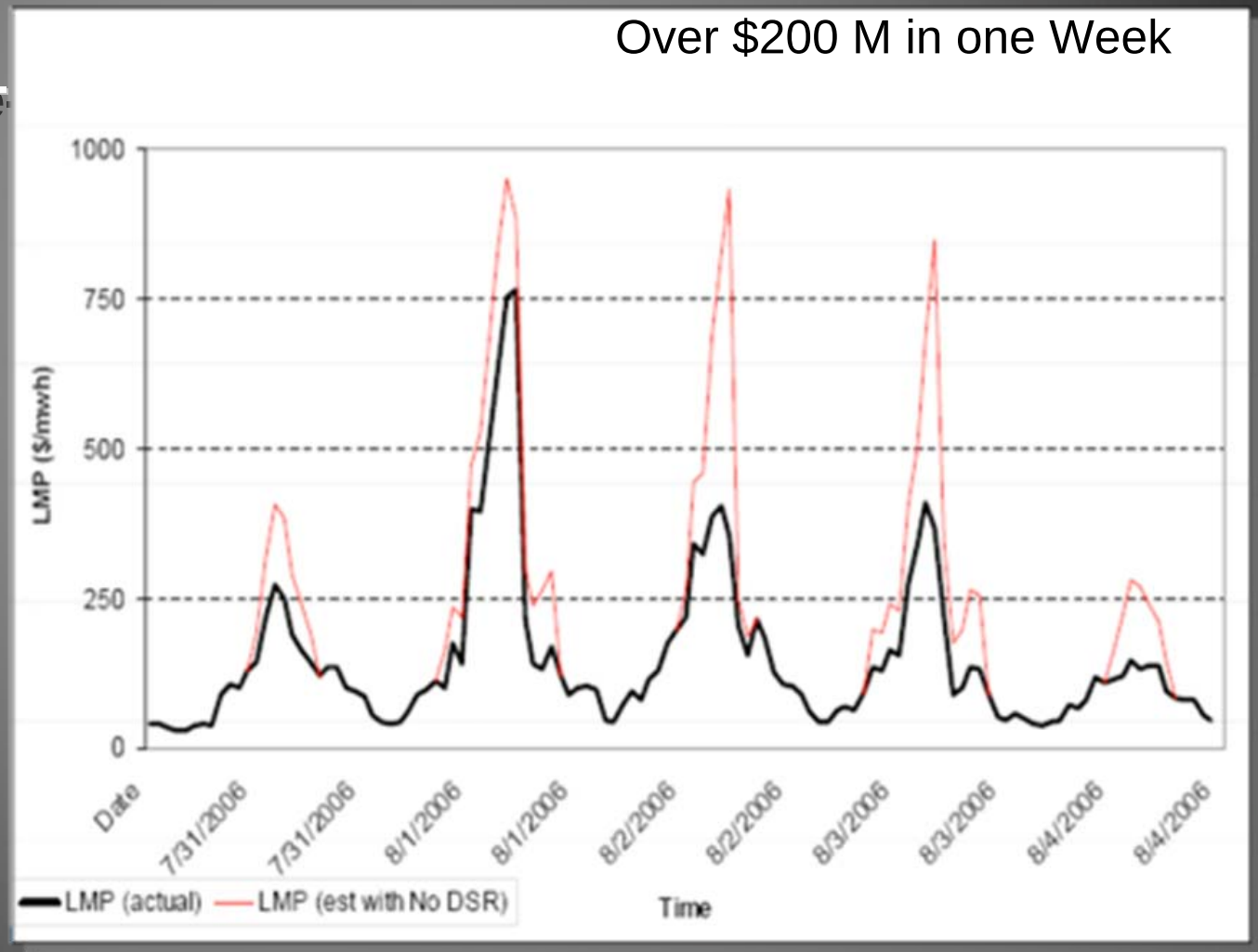
- Lower Demand/Lower Price
- Flatten Load Profile Reducing Costly Generation
- Reduces Generator Market Power
- Distributed Renewables

Additional Benefits

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

Grid Benefits of Demand Response

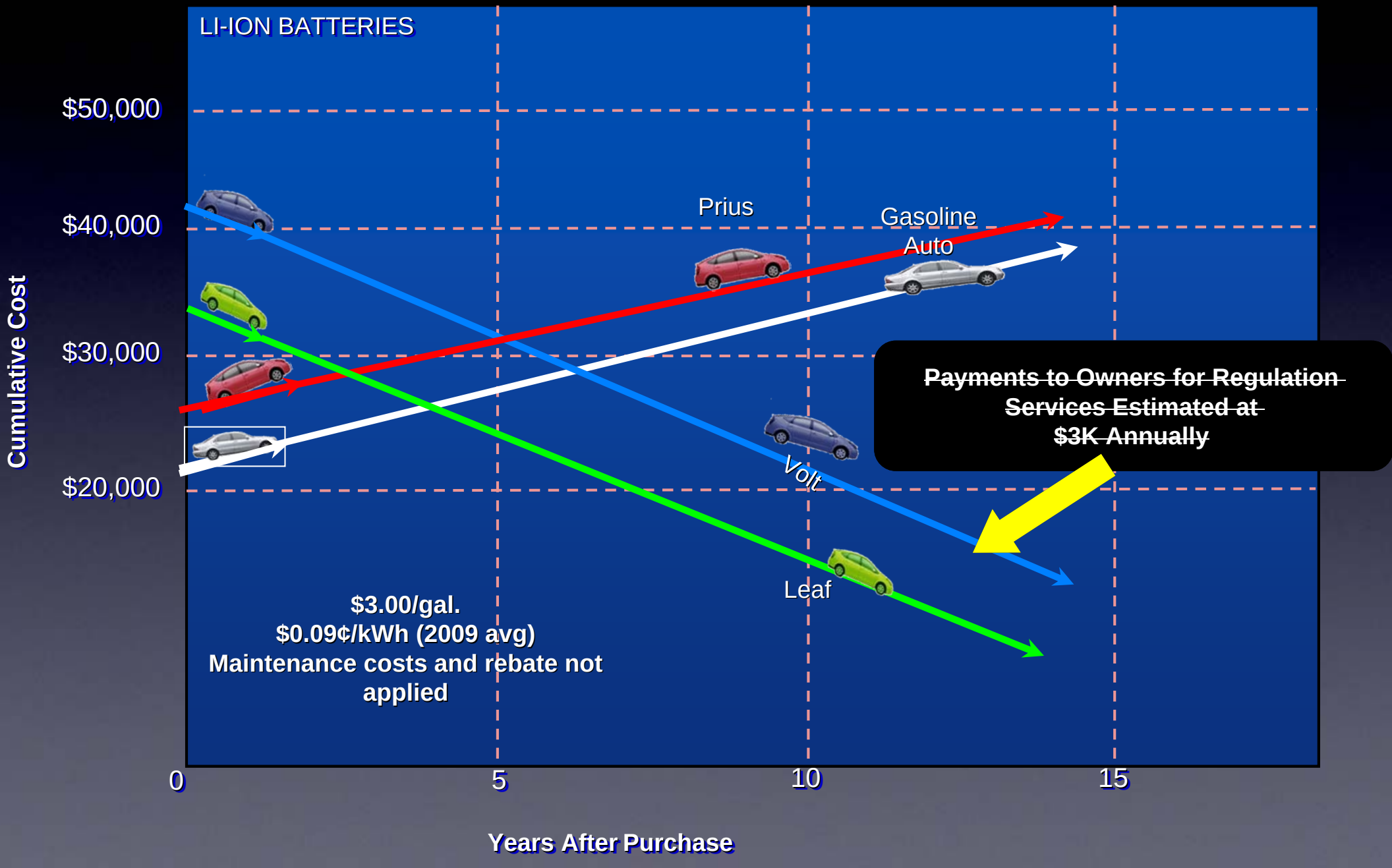
- **PJM Study Shows That a 3% Reduction in Demand of Top 20 Five-hour Blocks in 5 Mid-Atlantic States Could Save $280 Million per Year**
- **The Brattle Group Estimates that a 5% Reduction in Grid Peak Load Can Result in $3 Billion Savings Annually, for PV Over 20 Years of $31 Billion**



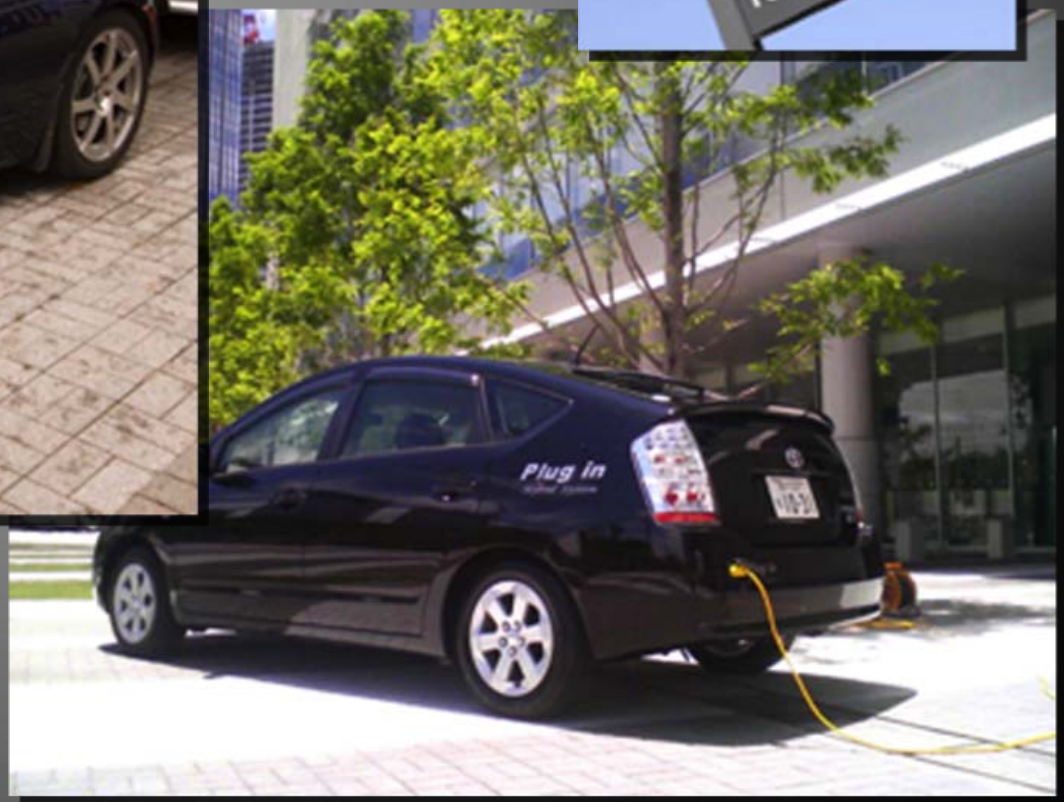
Economic Opportunities

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

Regulation Services and the Cashback Car



Electric Transportation

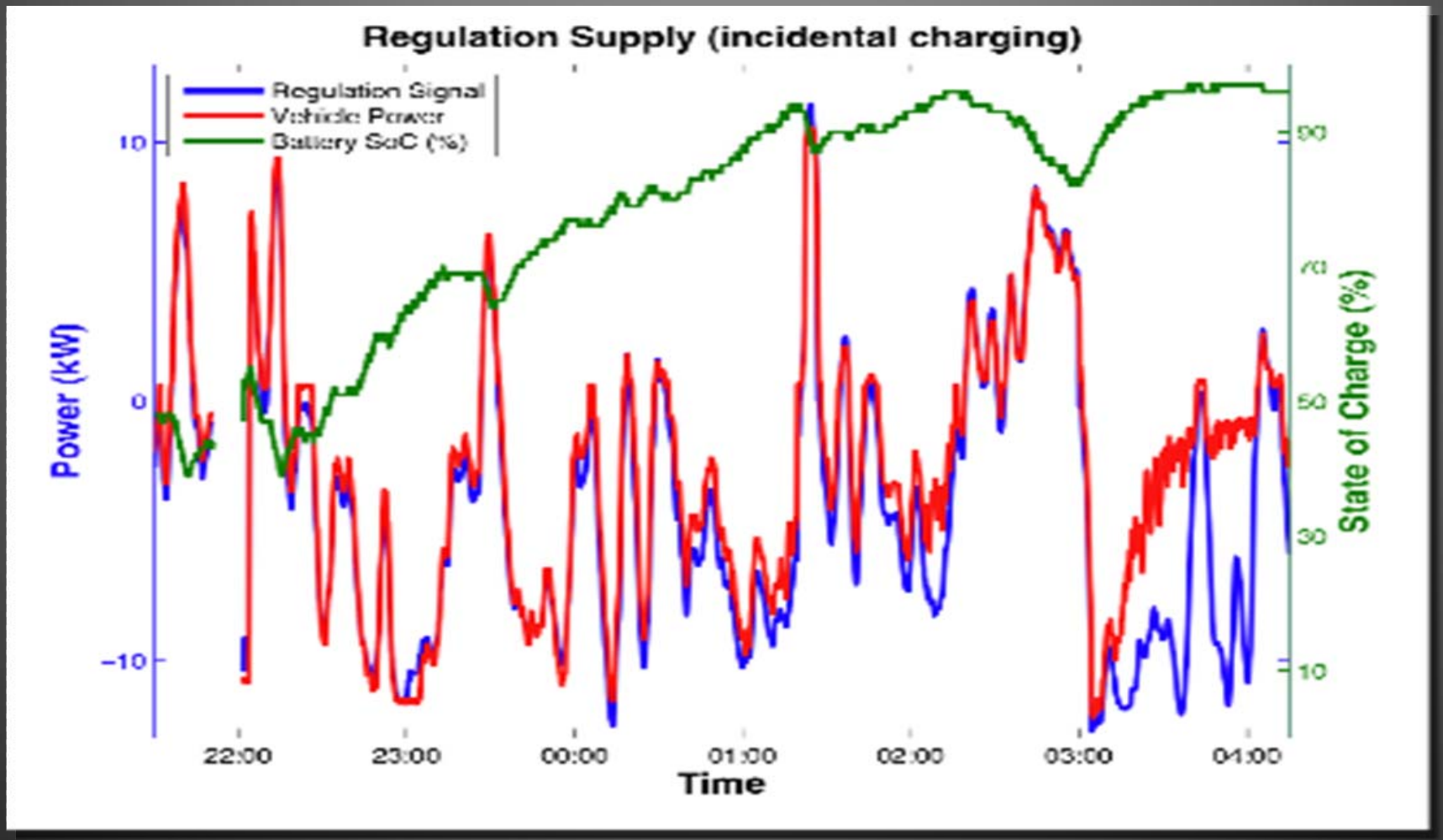


The New Chinese Filling Station

The BYD E6

Demonstration of Regulation Services

Regulation Services While Charging




Thank
You!