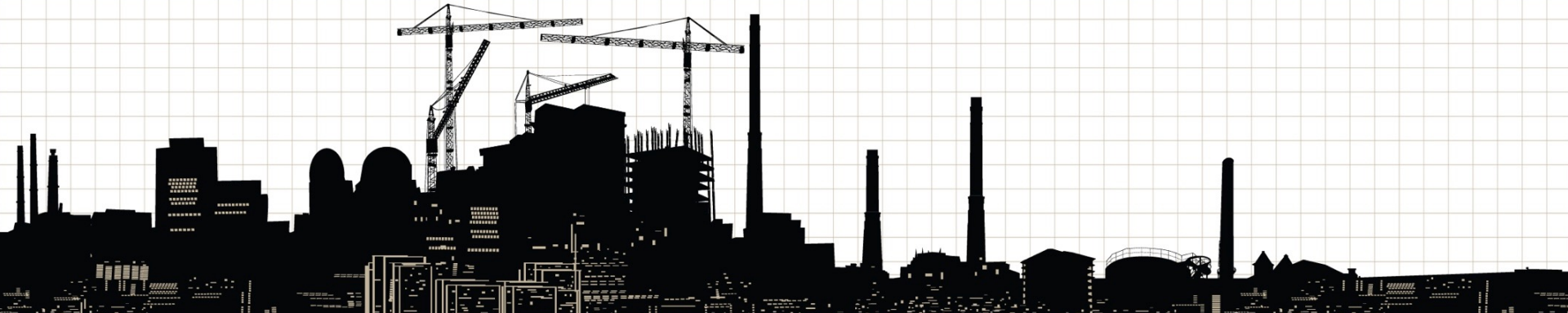


DEMAND RESPONSE IN CALIFORNIA THE DEMAND RESPONSE AUCTION MECHANISM





When it comes to evolving the way we produce and consume energy to preserve our environment for future generations, California is a beacon of light.

For decades, the United States has looked to us to lead the way by exploring ideas to help provide energy for those who live here today in a way that ensures those who live here tomorrow will enjoy our environment the way we do.

It's an exciting time to be an energy-consuming organization in California. That's because we're on the cusp of a new era in clean energy. Our drive toward generating 100% of our state's energy by way of renewable sources by the middle of this century is one no other state can match.

Getting there won't be easy, but the road of a pioneer seldom is.

That's why CPower wants to help your organization lead California toward a more sustainable future with demand response.

OFFSET RISING ENERGY COSTS WITH CPOWER AND THE DEMAND RESPONSE AUCTION MECHANISM (DRAM)

The Demand Response Auction Mechanism (DRAM) program was created in 2014 under the guidance of the California Public Utility Commission (CPUC) in an effort to harmonize utility-based reliability demand response with CAISO, the state's grid operator.

The program seeks to allow CAISO to add reliable demand response resources to areas of California where electric reliability may be at risk.

Launched in 2015 and now in its third year, the DRAM is a pay-as-bid pilot in which California's investor-owned utilities (IOUs) seek monthly demand response system capacity, local capacity, and flexible capacity for January to December.



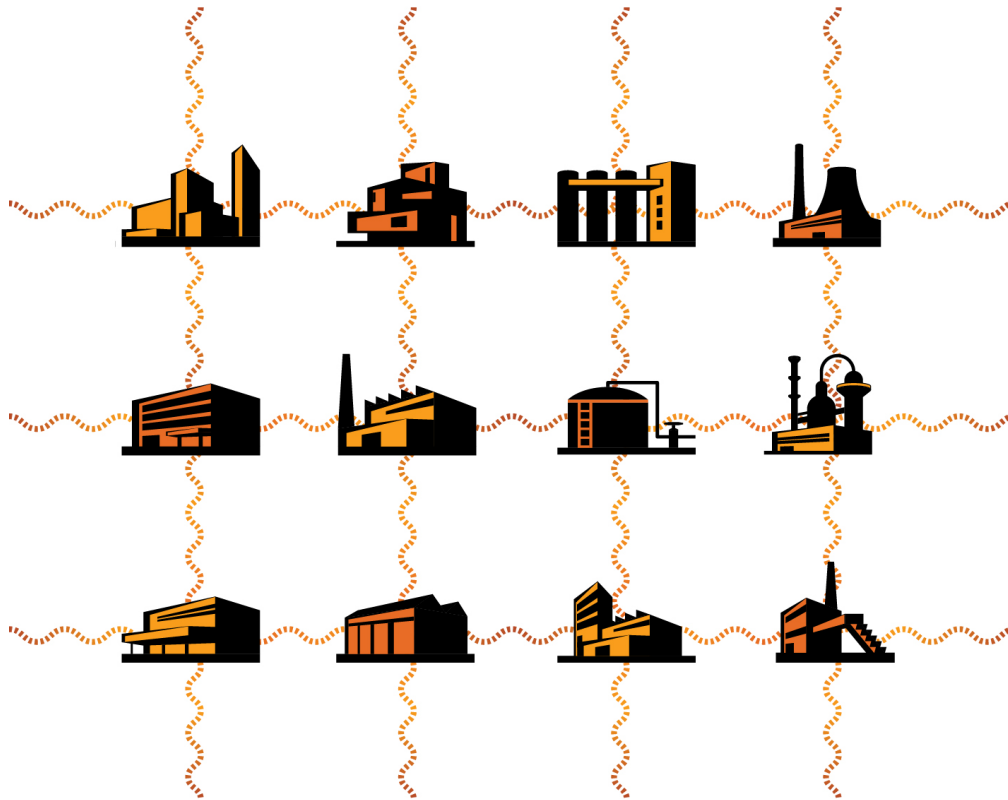
WHAT IS DEMAND RESPONSE?

Your organization is plugged into the grid along with everyone else in California

Sometimes, the demand for energy outpaces the grid's ability to supply it, causing brownouts or blackouts.

Instead of producing more energy at great expense to consumers and the environment, the CAISO grid can offset the imbalance by reducing the amount of electricity being consumed during times when demand exceeds supply.

That's demand response, and it can be very financially rewarding to organizations like yours.



WHAT IS DEMAND RESPONSE?

Learn how reducing your energy usage can earn revenue for your business.

with CPower

WATCH THE VIDEO

LEARN ABOUT DEMAND RESPONSE FROM A CPOWER EXPERT

DEMAND RESPONSE IN CALIFORNIA

A leading curtailment service provider (CSP) in California, CPower has played a significant role in helping DRAM's capacity volume triple from its first pilot year in 2016 to its third year.

The 2018/19 calendar year of the program comes as the popular Aggregator Managed Portfolio utility-based demand response program ends in October 2017.

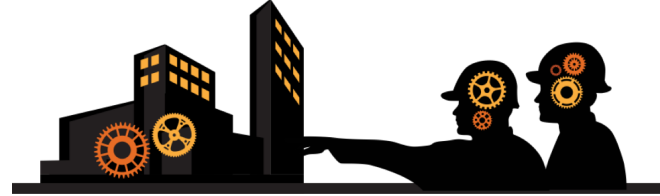
A BRIEF HISTORY OF THE DRAM PROGRAM

In December 2014, the Commission issued D. 14-12-024 which requires the state's IOUs: Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Pacific Gas and Electric Company (PG&E) to design and implement Demand Response Auction Mechanism (DRAM) pilot programs in 2015 for 2016 capacity (DRAM I, or 2015 DRAM) and in 2016 for 2017 capacity (DRAM II, or 2017 DRAM). The three utilities recently completed a solicitation for 2018/2019 capacity (DRAM III) procuring over 200 MW of DR resources across the state.

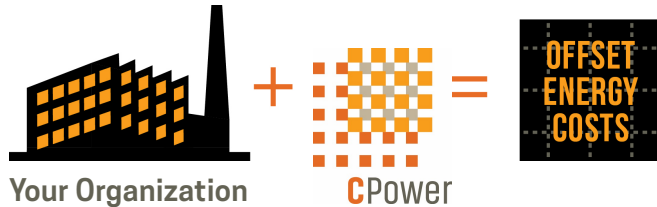
Now in its third year, the program seeks to allow CAISO to add reliable demand response resources to areas of California where electric reliability may be at risk.

WHAT DOES CPOWER DO?

CPower helps help organizations like yours participate in Demand Response programs which pay businesses for using less energy when the grid is stressed. CPower and our team of energy experts work with you to identify where you can curtail your energy usage and still meet your needs to run your business. We develop a customized curtailment strategy designed specifically for you.



When the grid is stressed, which is usually only a few times a year, our dispatch team sends a notification and you comply based on your plan. You reduce your usage for a specified period of time and you get paid for the energy you didn't use.



CPower also works with you on an ongoing basis to find more you can do to reduce your energy usage and improve your Demand Response performance, so you can earn even more money.

CPOWER PROVIDES ENERGY SOLUTIONS. DEMAND RESPONSE IS WHAT WE DO BEST.

WE TAILOR EACH DEMAND RESPONSE PROGRAM TO SUIT THE UNIQUE AND COMPLEX NEEDS OF INDIVIDUAL ORGANIZATIONS.

We only do commercial and industrial demand response. Our mission is to help businesses streamline how they use power and see that they get paid well for doing it.

By working closely with your organization on a continual basis, we're able to fine tune your demand response participation over time, which will maximize your energy savings and ensure you receive the money you deserve for your curtailment efforts.

When it comes to improving how your company uses energy, CPower delivers the kind of demand side results that our competitors who focus on both demand and supply side energy management simply can't match.



THE VALUE OF A FULLY INTEGRATED TEAM

WE'RE READY TO MAKE ENERGY WORK...FOR YOU.

When you're a CPower customer, you have a team of experts in your corner. We're with you every step of the way to ensure you get the maximum revenues possible for your curtailment efforts.

Your CPower team works with you in developing a customized energy management strategy that suits your organization's specific needs.

Everything we provide our customers for demand management comes directly from CPower.

We don't contract out core parts of our business like a lot of other Curtailment Service Providers in our industry do.

We are a fully integrated Curtailment Service Provider, which means we do our own assessments, handle our own dispatches through our 24/7 dispatch desk, and efficiently manage enrollments, settlements, and payments accurately and in a timely manner.



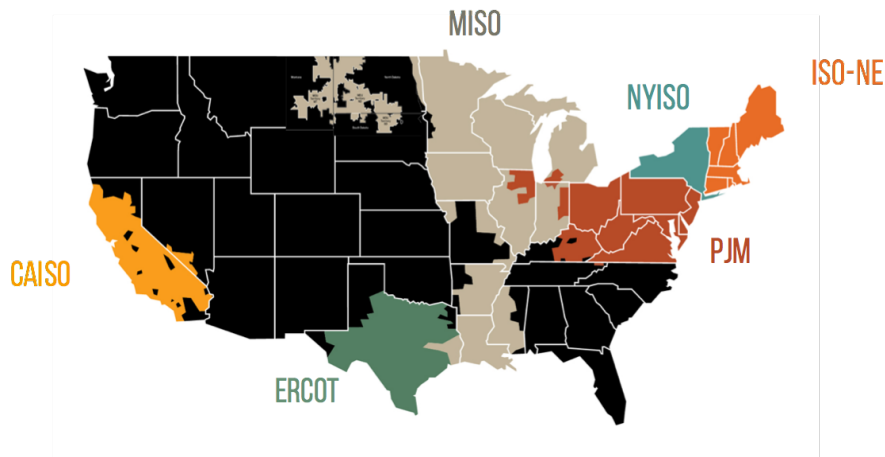
WATCH THE VIDEO
WE'RE THERE FOR YOU. ALWAYS.

NATIONAL EXPERIENCE. LOCAL EXPERTISE.

CPower is a leading energy manager in each of the country's open energy markets. We serve well over 1000 customers at thousands of sites across a broad range of vertical markets: from large retailers with hundreds of locations to industrial entities with multiple sites of various sizes.

We strive to give each one of them the **personal attention** they deserve.

CONSIDER US YOUR
PERSONAL
ENERGY GUIDES.



CPOWER'S CALIFORNIA TEAM

CPower has a dedicated team of seasoned professionals in California to help you maximize your demand response participation and realize your sustainability goals.



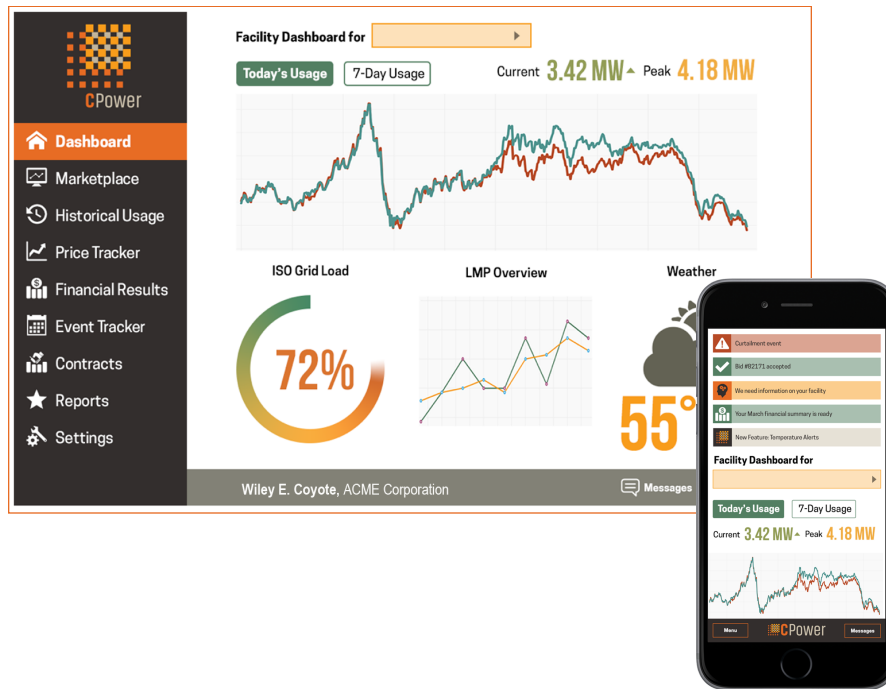
Left to right: Aimee Riley, Account Manager; Jennifer Hammond, Senior Analyst; Diane Wiggins, Account Executive; Bob Depratt, Senior Energy Engineer; Jennifer Chamberlin, General Manager.

ENERGY MANAGEMENT AT YOUR FINGERTIPS.

CPower puts powerful energy management tools at your fingertips with a simple to use, demand response solution on your desktop or mobile device.

With a click of a mouse or a touch of your screen, CPower allows you to access all vital usage and load information quickly and intuitively.

We connect directly to your energy meter to give you real-time usage information to your desktop or mobile device. We also connect you to your independent system operator so you can easily bid loads into synchronized, day-ahead, and real-time energy markets.



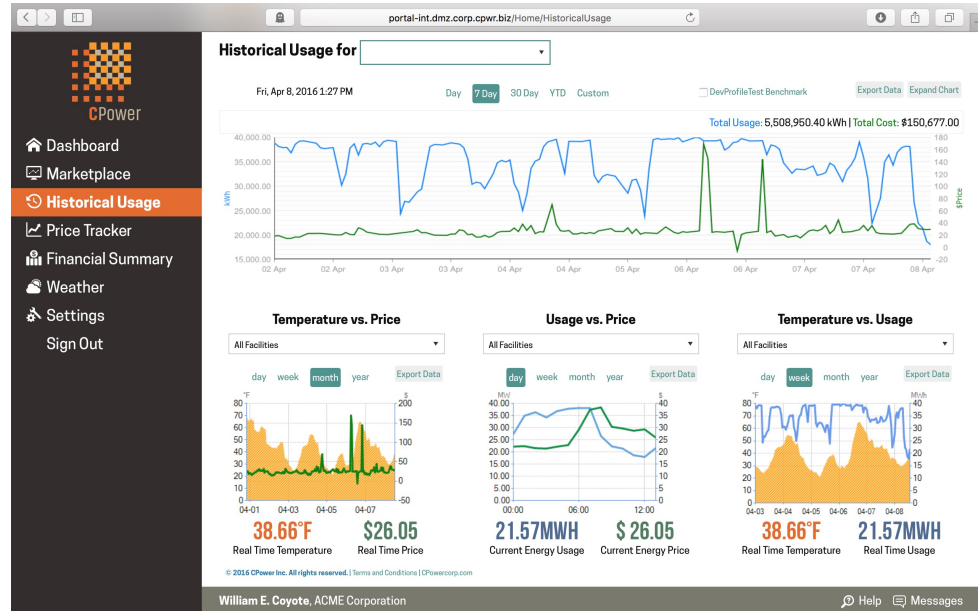
WATCH THE VIDEO

LEARN HOW CPOWER GIVES YOU THE TOOLS TO SUCCEED.

Our user-friendly interface makes it easy to gauge your energy consumption. You can watch energy price trends in your market, so you can make the right decisions to manage your energy costs, and ensure that your business is in compliance with the regulations that govern your market.

Combined with CPower's Link, an application program interface (API) that integrates with your existing building controls and automation, CPower helps you maximize results from demand response through automation, with minimal labor and effort on your part.

Streamlined data management features provide quick and convenient reporting, auditing, and financial reward calculations in simple graphical form.



THE DEMAND RESPONSE AUCTION MECHANISM (DRAM) PROGRAM PARAMETERS

PARAMETERS	DRAM SCE
DISPATCH	Day Ahead
COMMITMENT PERIOD	Summer (May-Oct)
COMMITMENT HOURS	1-6 pm (Mon-Fri Except Holidays in 2018, may move to later hours for 2019)
MAX # EVENTS/DAY	1
CALLABLE HOURS/EVENT	1-4 hours
LOCAL DISPATCH**	Yes
MINIMUM SIZE	No
On-Site generation requirements	No fossil
Trigger	Economic bid into CAISO
MAX HOURS/MONTH	24 hours
MAX HOURS/YEAR	None
# TESTS/YEAR***	1+

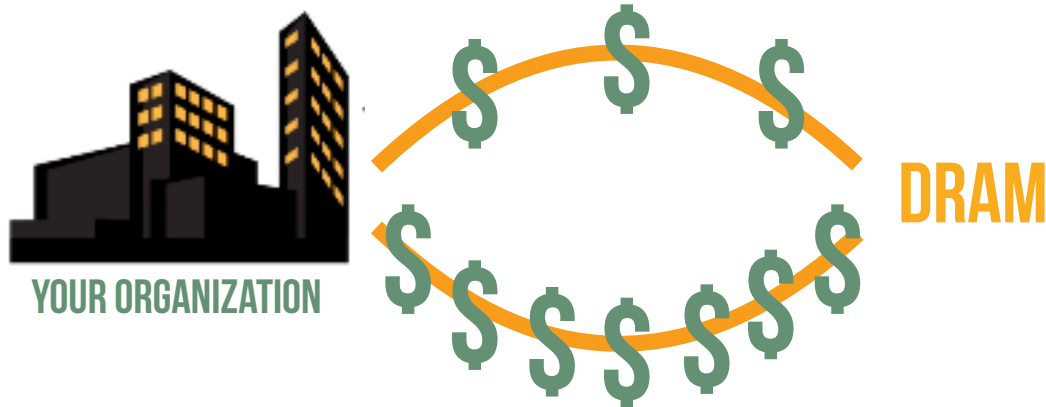
ADDITIONAL PROGRAM PARAMETERS

BASELINE	<ul style="list-style-type: none">Average usage of each hourly interval out of 10 previous eligible weekday with a 20% day of adjustment to the baseline.
COMPENSATION	<ul style="list-style-type: none">Capacity Payment: Monthly payment based on customer's monthly nominated kW or average performance in latest event/test.Energy payments are made based on actual performance when an event is called.
SETTLEMENTS	<ul style="list-style-type: none">Customers receive seasonal payments based on their monthly kW curtailment nomination, adjusted by performance.
COMPLIANCE	<ul style="list-style-type: none">Customers are required to comply with all relevant rules and regulations.
UNDER AND NON-PERFORMANCE	<ul style="list-style-type: none">Underperformance varies by Utility and Program. (Please refer to table below for details)
ENROLLMENT DEADLINE	<ul style="list-style-type: none"><u>Minimum 60 day prior to delivery month to meet CAISO registration timelines.</u>
METERING	<ul style="list-style-type: none">Each account must have an approved 15-minute interval meter or Smart Meter and approved meter communications equipment installed and operating at least 10 days prior to participating in the programs in order to establish a valid baseline.
BACK-UP GENERATION	<ul style="list-style-type: none">No fossil generation for curtailment. All customers will have to provide information on any onsite fossil generation and attest to not using it for curtailment. Verification measures under development by CPUC.
CPOWER APP REQUIREMENTS	<ul style="list-style-type: none">If curtailable load per account is less than 500kW, the CPower App is optional and customer may request to install it at their cost.In addition, CPower can still choose to install the CPower App at our cost. If curtailable load per account is in excess of 500kW, the CPower App is required and CPower shares the cost with customer.

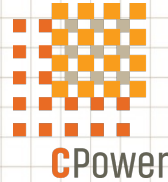
EARN BACK WHAT YOU'VE PAID IN.

Your organization is already paying for demand response programs in California with a portion of your electric bill.

Participating in the DRAM program is great way to earn back what you've already paid in...and then some.



Energy is forever in motion.
At CPower, we never stop moving in our pursuit to help your organization optimize
its demand response participation.



Contact CPower to set up your complimentary energy evaluation
conducted by our team of engineers and consultants.

Call 844-276-9371 or
visit CPowerEnergyManagement.com/dram-california

