

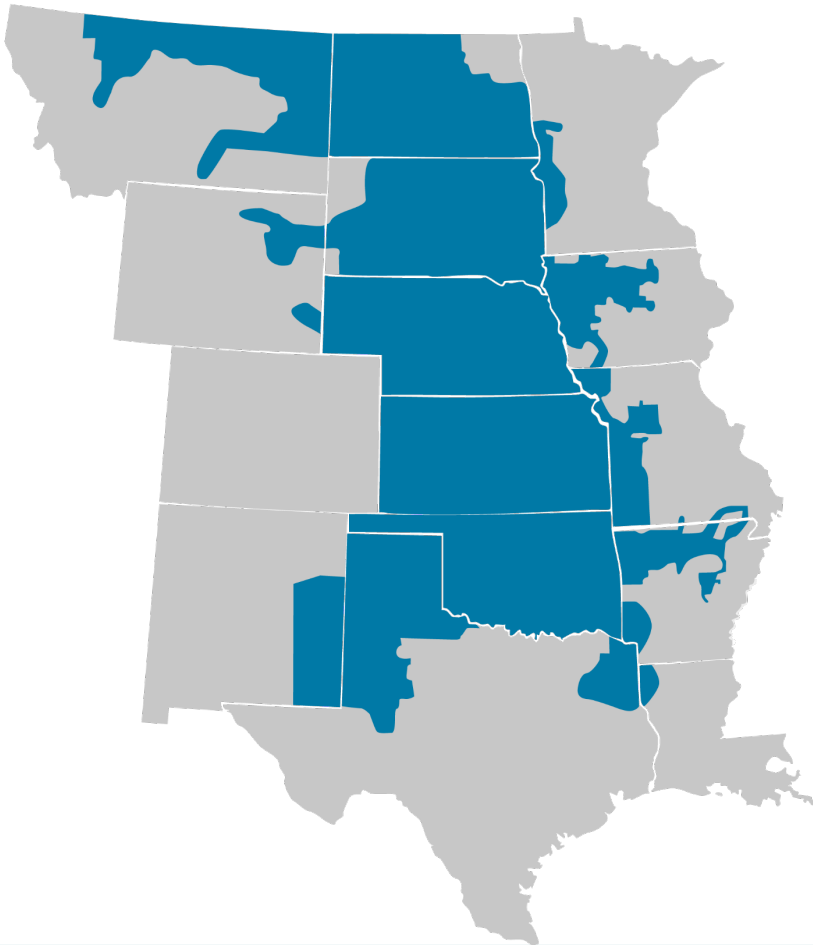


Demand Response and Flexible Energy Programs.

Southwest Power Pool (SPP)

Energy and Operating Reserves

SPP - Benefits of Demand Response



- With Demand Response participation, large energy users can earn additional revenue, lower electricity costs and help maintain grid stability in the midst of shrinking supply and rising demand.
- As a flexible resource in this wind power-heavy market, demand response helps to alleviate grid stress with its ability to respond quickly to grid conditions.
- CPower works with customers to maximize the overall value of these programs alongside any other customer constraints and commitments.

SPP Demand Response Programs – Energy

CPower facilitates customer participation in the **SPP Day-Ahead and Real-Time Energy markets** by enabling customers to offer energy reductions at prices that make sense for their business.

- **Participation:** The program is highly flexible to allow participation at the prices and times that work for the customer.
- **Events:** Customers deliver load reductions only during the periods where they were awarded.
- **Revenue:** Generate based on customer load reduction i.e. performance x energy price (DA LMP or RT LMP).

SPP Demand Response Programs – Operating Reserves

Operating Reserves are designed largely to pay customers to ensure they are prepared for potential events. The grid leverages reserve resources more as insurance and only exercises them in the event they are needed.

- **Participation:** customers can offer into Operating Reserves at prices and hours of the day that make sense for their business
- **Events:** Roughly ~1-1.5% of the hours awarded result in load reduction events of 30 to 60 minute durations
- **Event Notifications:** ~10-minute lead time

SPP Demand Response Program Value

Customer Value Optimization for participation in OR and Energy

- 2025 (est): **\$50K** to **\$110K** / MW per year

Factors for Optimal Success

- **Customer's energy provider tariff and rate structure.** CPower works with customers to help ensure the best overall value is achieved and aligns program commitments to compliment the tariff, riders, rates, other programs, etc.
- **Optimizing participation.** CPower works with customers to identify their load flexibility to maximize the value of continuously changing prices in Energy and Operating Reserves

Delivering Value Through Demand Response

SPP	HOW YOU GET PAID	REVENUE POTENTIAL	EVENT LEAD TIME	PERFORMANCE WINDOW	OUTCOMES FOR YOUR SITE(S)
Operating Reserves	Hourly Payments for Awarded Hours	\$\$	~10 minutes	~30 to 60 minutes	✓ Great source of revenue for relatively short duration events ✓ ~1 to 1.5% of hours awarded result in events ✓ Advanced customers with automated controls can earn even more!
Energy (Economic)	Hourly Payments for Awarded Hours	\$-\$\$\$	Day Ahead, Hour Before	Awarded Hours Dispatched	✓ Capture market opportunities where the customer sets their price threshold and choose the hours of availability ✓ Automatically participate in energy markets without needing to track price signals manually