



**Constellation Energy**



# **Making Sustainability Affordable with Demand Response**

October 28, 2008

# Reducing Carbon Footprint

- Energy Efficiency Projects
- On-site Solar / other Renewable Power
- Green Power for Scope 2 Emissions
- Carbon Offsets for Scope 1 Emissions
  
- There are costs for all of these.

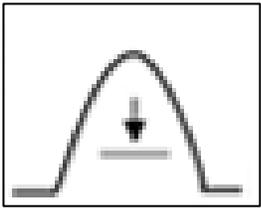


# What is Load Response?

- The reduction of electrical consumption by customers in response to:
  - high wholesale electricity prices
  - system resource capacity needs
  - system reliability events

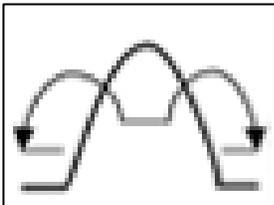


# How can load response be implemented?



## Load Curtailment

Shut-off or reduce non-essential equipment (lighting, elevators), cycle HVAC equipment, or raise temperature set points, etc.



## Load Shifting

Shift planned schedules of operation to off-peak times (typically industrials).



## On-site Generation

Switch building electric loads to backup generators.

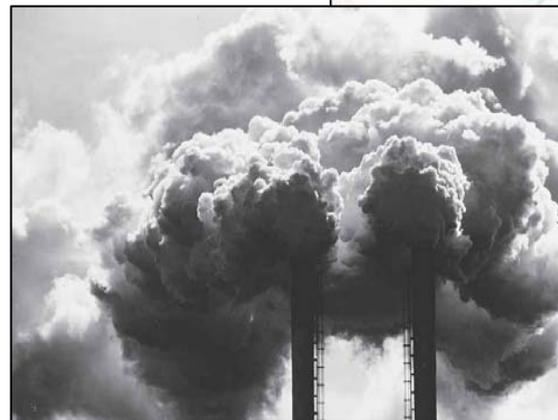
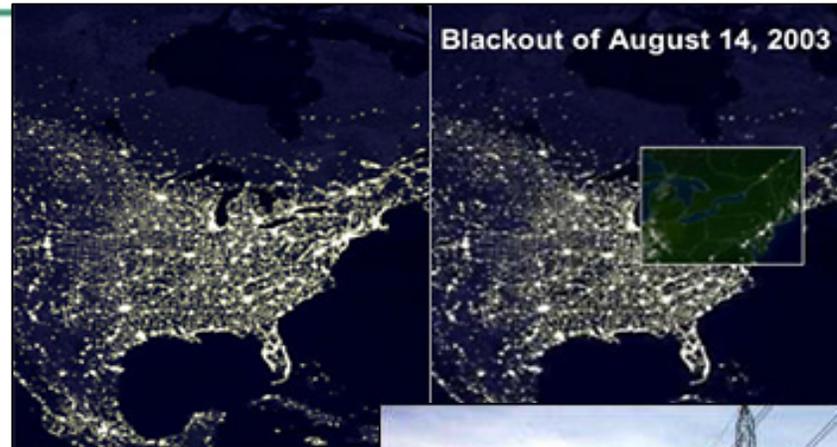
# NewResponse Value Proposition

## Energy cost reduction

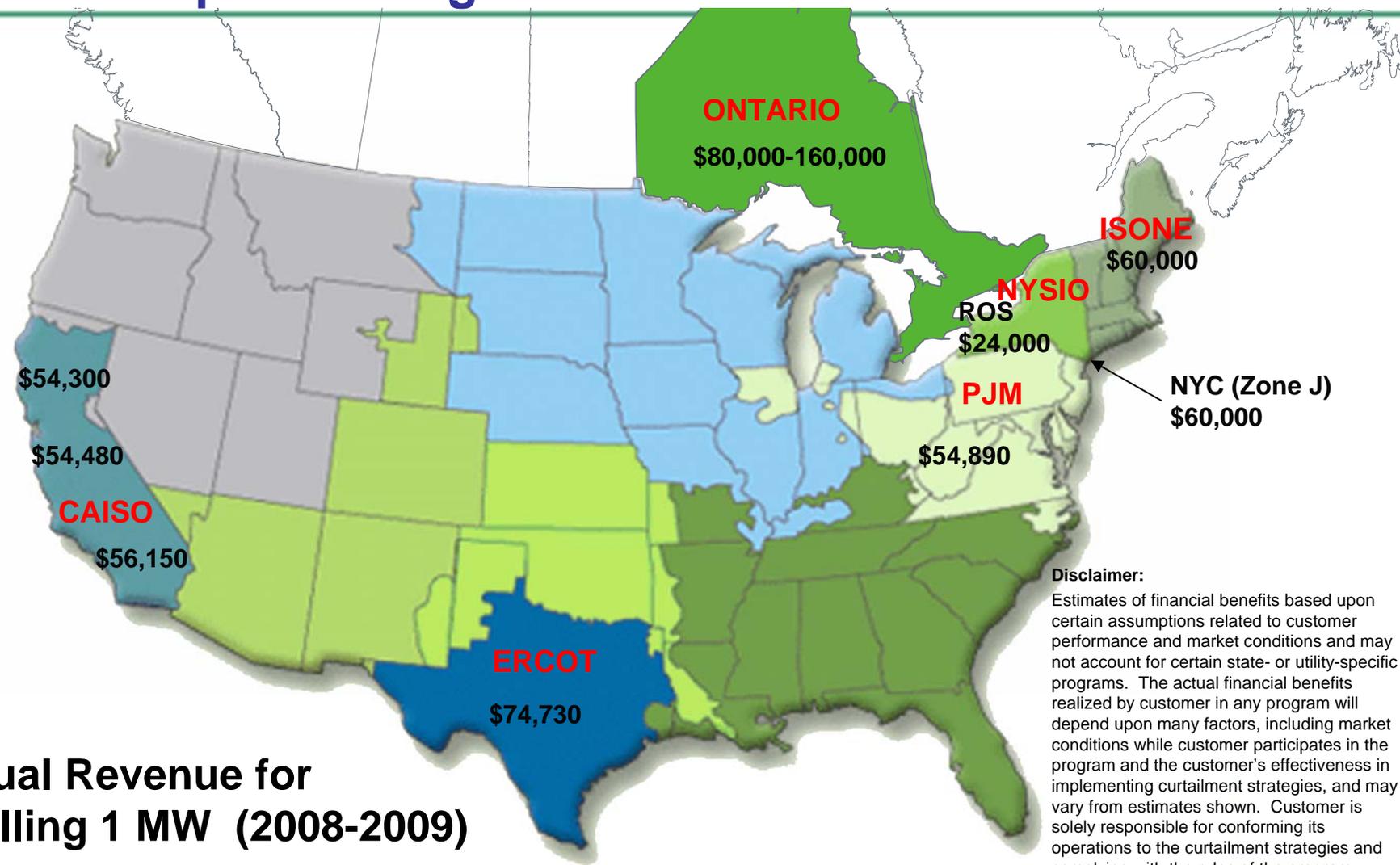
- Customers earn payments for participation
- May reduce future supply prices by controlling usage patterns
- No charges for supply or distribution of energy curtailed

## Compelling social benefits

- Prevent electricity supply and demand imbalances that threaten grid reliability
- Put downward pressure on prices - control aggregate peak demand
- Environmental benefits gained by avoiding use of last-resort generators
- Defers capital-intensive upgrades of aging utility infrastructure



# Potential Capacity & Energy Payments through Demand Response Programs



## Annual Revenue for enrolling 1 MW (2008-2009)

**Disclaimer:**  
 Estimates of financial benefits based upon certain assumptions related to customer performance and market conditions and may not account for certain state- or utility-specific programs. The actual financial benefits realized by customer in any program will depend upon many factors, including market conditions while customer participates in the program and the customer's effectiveness in implementing curtailment strategies, and may vary from estimates shown. Customer is solely responsible for conforming its operations to the curtailment strategies and complying with the rules of the program

# Bottom Line

- By making Load Response part of a business's overall Sustainable Energy Program, you can receive payments to help defer the cost of reducing your carbon footprint through:
  - Energy Efficiency Projects
  - On-site Solar / other Renewable Power
  - Green Power for Scope 2 Emissions
  - Carbon Offsets for Scope 1 Emissions



# Contact Information



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