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Demand Response Leaders Issue an Open Letter to Electricity Consumers

BOSTON, MA, NORCROSS, GA, and BUFFALO, NY - June 1, 2011 – [EnerNOC, Inc.](#) (NASDAQ: ENOC), [Comverge, Inc.](#) (NASDAQ: COMV), and [Energy Curtailment Specialists, Inc.](#) today issued the following letter to electricity consumers:

To All Electricity Consumers:

Disruptive technologies often change the playing field in evolving markets. Because these game-changing innovations disrupt the status quo, they face significant hurdles to adoption. No matter the industry, the battle is the same. As soon as a disruptive technology enters the market, established players dig in their heels and make every effort to maintain the rules that benefit their incumbency and stem the tides of change. Some are successful, but more often technology and innovation prevail, markets evolve, and customers are better off for it.

Just as telephone calls over the Internet challenged traditional telecom firms, evolving energy solutions are threatening incumbent business models that govern our nation's electricity markets. Nowhere is this battle more pronounced than in the mid-Atlantic, where if large power generators have their way, electricity consumers from Atlantic City to Chicago will likely incur hundreds of millions of dollars of increased costs while an innovative technology solution will be stymied.

The "disruptive innovation" at the heart of this particular debate is demand response, a clean energy resource that, unlike generation, is based on conservation. It compensates energy consumers for using less electricity during times of peak system demand when electricity is expensive or traditional resources are scarce. Of course, it's no secret that promoting a solution that encourages participants to use less electricity when it's most expensive will not only benefit the consumer with cost reduction, it will negatively impact the generators' bottom line.

Just a few short years ago, demand response was considered a novelty, an interesting but relatively unproven solution trying to compete in one of the largest and most established markets in the world. Today, demand response has grown to the point where it will soon represent almost 10% of overall resources in the mid-Atlantic power market. Demand response has saved electricity consumers hundreds of millions of dollars, and businesses have used those energy savings to save jobs and create new ones.

Seeing this trend, the incumbents have responded in a familiar tone. Faced with the growing prospect of reduced prices and lower energy consumption, power generators instigated a rule change with PJM Interconnection, the grid operator that coordinates the movement of wholesale electricity in the mid-Atlantic. The proposed rule change would reduce demand response compensation for the "negawatts" it provides by changing the way the resource is measured. What's most egregious is that because demand response passes cost savings on to electricity consumers, it is the electric consumer who has the most to lose if the incumbents prevail in discrediting this resource.

Though demand response providers in aggregate are notably smaller than many incumbent energy suppliers, the value that demand response can provide to consumers of electricity is significant. Demand response compensates organizations that are willing and able to participate – from small, locally-owned businesses and school systems to large manufacturers and municipalities – for taking real, measurable action to reduce energy use when and where it is needed most.

Generators' proposals to change PJM's market rules are clearly attempting to limit the value demand response can provide, and if they have their way, it is you, the consumer, who will

ultimately pick up the bill. If you currently participate in a demand response program, let your power providers know you have concerns about these possible changes and the impact they would have on your bottom line. If you aren't currently enrolled in a program, you should further educate yourself on what a powerful resource this can be.

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