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#### Examples of How We Help Clients

**Long Island Power Authority (LIPA).** Since 1998, our staff has assisted LIPA in its Clean Energy Initiative public benefits and environmental programs. We helped LIPA develop and manage its \$34 million Clean Energy portfolio of DSM programs, and a 75-megawatt competitive solicitation for energy efficiency proposals.

**California Leep –Community Energy Efficiency Strategies.** Navigant Consulting launched the California Local Energy Efficiency Program (California Leep) to help California's local governments design and implement highly effective energy efficiency strategies for their communities – maximizing the use of existing energy efficiency resources.

**U.S. Department of Energy Federal Energy Management Program (FEMP) Super-ESPC Program.** Navigant Consulting staff assisted FEMP in designing and planning the rollout of its Super-ESPC (Energy Savings Performance Contracts) Program, which now serves as the primary financial mechanism for achieving the federal government's long-range energy reduction goals.

**California Energy Commission (CEC).** Navigant Consulting has assisted CEC's Public Interest Energy Research (PIER) Buildings Program in understanding emerging building energy usage trends in California, and then revisiting the Buildings Program strategy and R&D portfolio to address changing needs.

**Ontario Independent Electricity Market Operator (IMO).** Navigant Consulting was retained by the IMO to develop a blueprint for demand response to cover the entire Ontario electricity market and all market players. The IMO has developed an Action Plan on Demand Response Initiatives based on the blueprint and is proceeding to implement the action plan with our support.

#### Selected Clients – Utilities, Public Agencies, and End Users

- » Algoma Steel
- » Anadarko Petroleum
- » Astra Pharmaceutical
- » Avista Corporation
- » Bass Brothers
- » Boston Edison
- » Brookfield Properties
- » California Department of Water Resources
- » California Energy Commission
- » California Power Authority
- » Central Hudson Gas and Electric
- » CIGNA
- » Commonwealth Electric
- » Dayton Power and Light
- » Duke Power Company
- » Electric Power Research Institute
- » Electricity Council of Rhode Island
- » Enbridge Gas Distribution, Inc.
- » First Union Bank
- » Florida Energy Office
- » General Electric
- » Georgia Power Company
- » Hydro-Québec
- » IBM
- » International Energy Agency
- » J P Morgan
- » Jacksonville Energy Authority
- » Kodak
- » Lockheed Martin
- » Long Island Power Authority
- » LSG/Sky Chefs
- » Marathon Oil Company
- » Massachusetts Distributed Generation Collaborative
- » Massachusetts Health and Education Facilities Administration
- » NASA – Ames
- » National Association of Regulatory Utility Commissioners
- » Natural Resources Canada
- » New York State Electric and Gas
- » New York State Energy Research and Development Authority
- » Northeast Utilities
- » O&R Utilities
- » Ontario Independent Electricity Market Operator
- » Ontario Power Generation
- » Polaroid
- » Public Service Colorado
- » Puget Sound Energy
- » Rochester Gas and Electric
- » Salt River Project
- » Shell Oil Company
- » Southern California Edison
- » Southern Minnesota Municipal Power Agency
- » Texas A&M
- » Texas Department of Transportation
- » U.S. Department of Energy
- » U.S. Department of the Navy
- » U.S. EPA
- » U.S. Tennis Association
- » We Energies
- » Wisconsin Public Service Commission

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# Energy Efficiency and Demand Response

#### Helping Clients Grow the Benefits of Energy Efficiency and Demand Response

As energy prices continue to rise, the spotlight on energy efficiency grows brighter and brighter. This valuable energy resource provides an unparalleled stream of benefits to energy users, public and private organizations, and society as a whole. Energy efficiency saves money, protects the environment, enhances industry productivity and competitiveness, and contributes to energy reliability and security.

By empowering energy users, demand-response approaches deliver added benefits. Market-driven load management improves the functioning of energy markets, which allows for lower and less volatile prices.

Today's power industry is characterized by congested transmission and distribution systems at national, regional and local levels. In this setting, demand response often provides a lower cost, reduced risk, and more environmentally sound solution to capacity additions.

Executives and policy makers turn to Navigant Consulting to help them grow the benefits of energy efficiency and demand response. Our industry knowledge, technology expertise and understanding of innovation contribute to growth beyond the confines of conventional frames of reference.

#### The Navigant Consulting Advantage

- » **Industry knowledge and perspective**  
Navigant Consulting's understanding of markets and business models uncovers opportunities and barriers to energy efficiency and provides the basis for workable strategies.
- » **World-class technology expertise**  
Our multidisciplinary consulting teams include scientists and engineers who are technical experts in key demand management technologies. Navigant Consulting's experts translate market needs into technology solutions.
- » **Thought leadership and innovation**  
Navigant Consulting's approach stimulates forward-thinking ideas and innovative solutions. We are always on the lookout for ways to create value through technology and business model innovation.



## Navigant Consulting Approach and Decision-Support Tools

### 1. Create a Vision and Strategy

- » Executive visioning
- » Technology roadmapping
- » Portfolio analysis
- » Innovation management
- » Regulatory assessment
- » Integrated resource planning

### 2. Identify Opportunities and Barriers

- » Energy demographics
- » Baseline studies
- » Barrier analysis
- » Cost estimates
- » Market assessments
- » Technology assessments and forecasts
- » Financial analysis and project financing
- » End-use load profiling

### 3. Develop Action Plans

- » Partnership and program delivery strategies
- » Program design
- » Commercialization strategy
- » Budgeting
- » Market transformation program design
- » Business case development

### 4. Implement Plans

- » Process design
- » Program management
- » Contracting
- » Program monitoring

### 5. Monitor and Evaluate

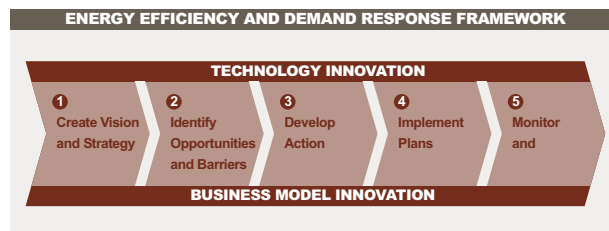
- » Field tests and metering
- » Market effects analysis
- » Billing analysis
- » Peer reviews
- » Benchmarking
- » Benefits analysis
- » Program audits

## Energy Efficiency and Demand Response Framework

At Navigant Consulting our energy management expertise reflects our deep understanding of energy markets and technologies. We understand the complete set of issues from different perspectives and throughout the various stages of program activity.

For over 20 years, we have worked with a wide range of energy management stakeholders including; energy users, electric and gas utilities, product manufacturers, technology developers, investors, and local, state and federal governments. Increasingly, solutions to their challenges rely on non-traditional combinations of energy efficiency, demand response, distributed energy resources and distribution.

We provide consulting services that span all programmatic phases – from initial vision and strategy development to program evaluation. Every step of the way, we integrate business model and technology innovation to create new sources of value for our clients.



### 1. Create a Vision and Strategy

We work with our clients to identify stakeholder needs and develop a responsive vision and strategy. We address such questions as:

- » What is the regulatory framework?
- » What role do energy efficiency and demand response management have in our overall mission?
- » How do we strengthen our reputation as responsible energy stewards and innovators?

### 2. Identify Opportunities and Barriers

We help our clients understand the current and potential state of the market, and the role market stakeholders and technologies can and could play. We address critical questions such as these:

- » What energy saving and demand reductions are technically possible?
- » What are the consumer, utility and societal economics of various program designs?
- » What are the market, economic and institutional barriers to improved efficiency?

- » What are the most promising technologies for the marketplace?
- » What are the most attractive market segments?

### 3. Develop Action Plans

From the set of opportunities identified, we help generate alternative portfolio options. We evaluate each portfolio according to relevant characteristics (e.g., energy savings potential, demand reduction potential, target market segment, delivery strategy, technology, cost, and risk profile) and select the portfolio with the best balance of these characteristics. We translate this portfolio into practical implementation plans.

### 4. Implement Plans

Together with our clients, we design and implement resource plans, organizational structure, processes, and management systems. Our detailed implementation plans include contracts management, cost management, procurement management, program documentation, risk management and schedule definition and control.

Our experienced managers and professional staff have the functional expertise and hands-on experience needed to complete projects on schedule and within budget.

### 5. Monitor and Evaluate Results

By establishing and tracking performance metrics, as well as conducting market-effects studies and program audits, we help our clients attain the desired benefits and manage costs. Our experienced consultants can transfer best practices and "lessons learned" from other engagements to improve your processes.

## How Navigant Consulting Can Help

Gains in energy efficiency occur in an uncertain world in which markets, competitors, regulators and technologies are constantly changing. Whether in the public or private sector, change will alter and increase the competition for funding, visibility, customers and market penetration. Though the implications of change for energy efficiency and demand response initiatives are not always clear, change is almost certain to have a significant impact on desired outcomes.

Navigant Consulting's energy efficiency and demand response consultants have a long and exceptional history of helping clients evaluate technologies, their markets, and the business challenges and opportunities they present. We assist clients in: developing and understanding how energy efficiency can help to meet corporate ambitions; identifying the policy and promotional activities needed to adopt energy efficiency; defining the technologies needed to achieve significant energy savings and demand reduction; and describing future needs in research and development of technology to meet energy saving goal

## Strategic Perspective

Energy efficiency is often managed as an integral part of an organization's broader strategic objectives. Navigant Consulting provides focused expertise and understanding of a wide range of interrelated issues, such as:

- » Distributed resources
- » Environmental technology and management
- » Integrated resource planning
- » Low income initiatives
- » Pricing
- » Renewable energy

## Navigant Consulting

Navigant Consulting (NYSE: NCI) is an independent consulting firm providing specialized services to assist clients in identifying practical solutions to the challenges of uncertainty and risk. We focus on large industry sectors and public entities that are undergoing significant change.

