



First Quarter 2010 Investor Update

Kevin Evans, President & CEO

Andrew Warner, CFO

May 11th, 2010

Forward Looking Statements

This joint conference call and presentation may contain certain forward looking statements. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform act of 1995. Forward looking statements inherently involve risks and uncertainties that could cause or contribute to differences in actual results. Risks of forward looking statements include but are not limited to competitive factors, the success of new products in the marketplace, changes in the regulatory environment, dependence on third party vendors on the ability to obtain financing. By making these forward looking statements, the company undertakes no obligation to update these statements with revisions or changes.

Non-GAAP Financial Measures

The company has provided detailed guidance in this presentation. Before the company reviews the financials, I will review the definition for some metrics, which are not in accordance with generally accepted accounting principles, commonly known as GAAP.

The company believes Adjusted EBITDA is used by investors and analysts as an alternative to GAAP measures when evaluating performance in comparison to other companies. In order to fully assess the company's financial operating results, management believes Adjusted EBITDA will be an appropriate measure of evaluating the company's operating performance, because it eliminates the effects of financing and accounting decisions. This measure is also significant to institutional lenders and is considered an important internal benchmark of the company's performance. Management intends to use Adjusted EBITDA to measure its performance against internal performance targets, which are based on Adjusted EBITDA. In addition, management intends to further exclude stock-based compensation and other non-cash charges in calculating Adjusted EBITDA. The company believes excluding stock-based compensation and other non-cash charges, allows for greater transparency in the review of its financial and operational performance.

Agenda

- First Quarter 2010 Operational Overview
- Financial Review
- 2010 Outlook
- Questions & Answer Session



First Quarter Accomplishments

Kevin Evans

Chief Executive Officer

First Quarter 2010 Review

- **First Quarter 2010**
 - Revenue \$7.0 million vs. \$1.2 million a year ago
 - Net income \$2.1 million vs. net loss of \$2.1 million a year ago
- **FERC Notice of Proposed Rulemaking (NOPR)**
 - Issued NOPR to develop requirements for Economic Demand Response compensation in all RTO/ISOs. (3/18/10)
 - Demonstrated FlexConnect for FERC Chairman, Commissioners and Staff
 - Industry coalition to provide comments on NOPR (5/13/10)
 - EnergyConnect, PJM Industrials, Wal-mart, Comverge, EnerNoc and Viridity
 - Expect decision within 6 to 9 months

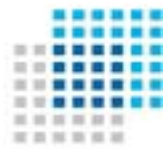


Capacity Market Update

- **2010 Capacity business exceeds 400MWs up 33%**
 - Market share up vs. PJM market up 17% to 8,525MWs
 - 100MWs capacity transaction completed in Q1 2010
 - 300+MWs booked for the Summer Season 2010 (Q2-Q3)
 - Built an additional 90MWs of backlog on multiyear deals
 - Observed aggressive competition late in the selling season
 - Continue to build our California portfolio
- **2013-14 PJM RPM Auction results due out May 14th**

Enabling Our Customers Through Technology

Commercial



Industrial

THE BOSTON BEER COMPANY, INC.



SCHWEITZER-MAUDUIT



ELECTROMOTIVE

Government & Institutional



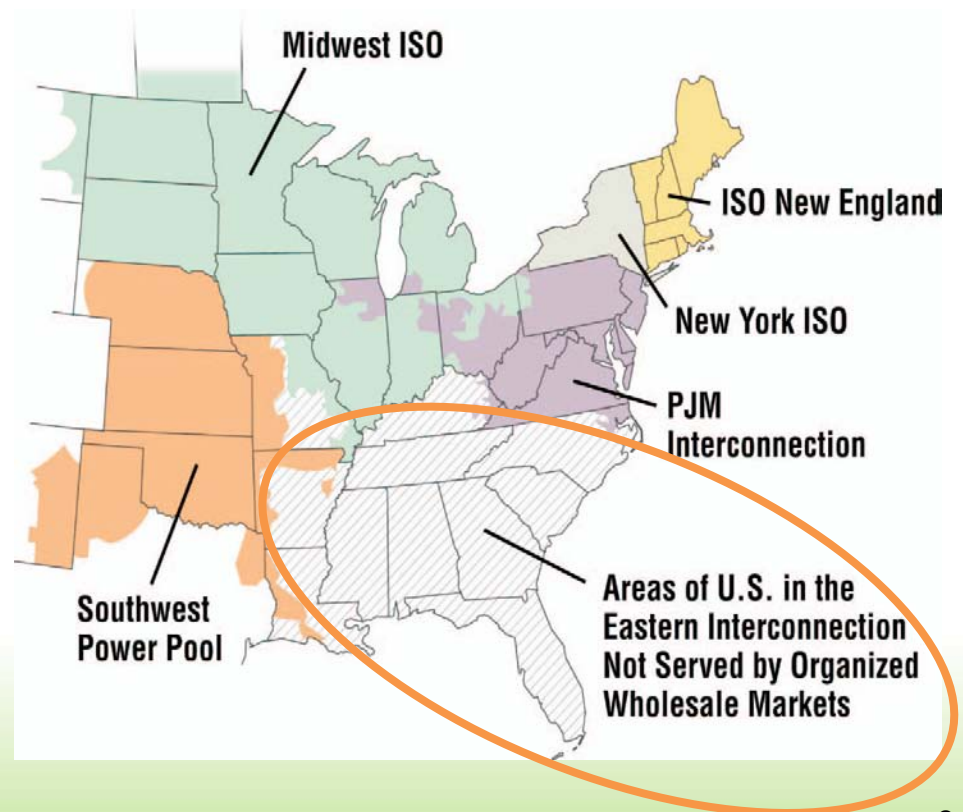
pennsylvania
DEPARTMENT OF GENERAL SERVICES

ISO / RTO / Utility Partners



FERC Notice of Proposed Rulemaking (NOPR)

- Standard of compensation all RTO/ISOs
- NASEB standards, Published 5-2011
- Providers to receive full market price (LMP) of curtailment
- Removes barrier in organized markets
- Greater opportunity than anticipated
- CAISO, MISO, NEISO, NYISO, PJM, and SPP = ~60% U.S. market





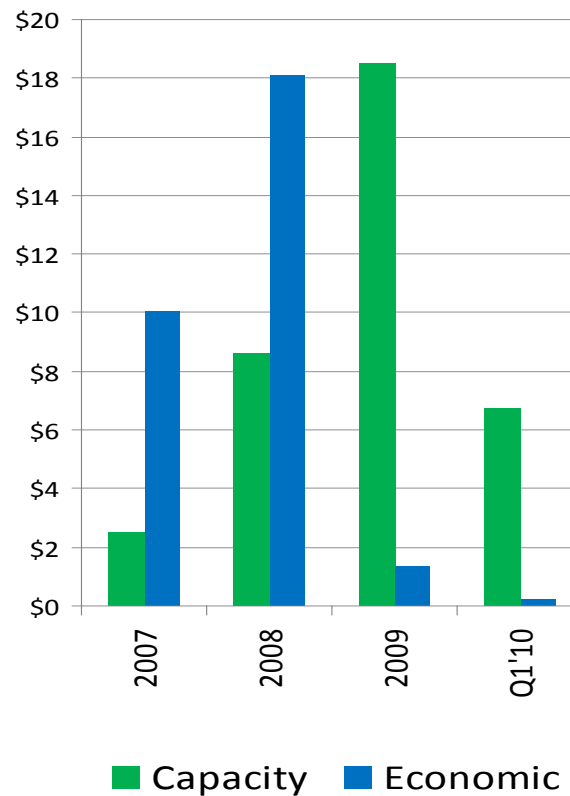
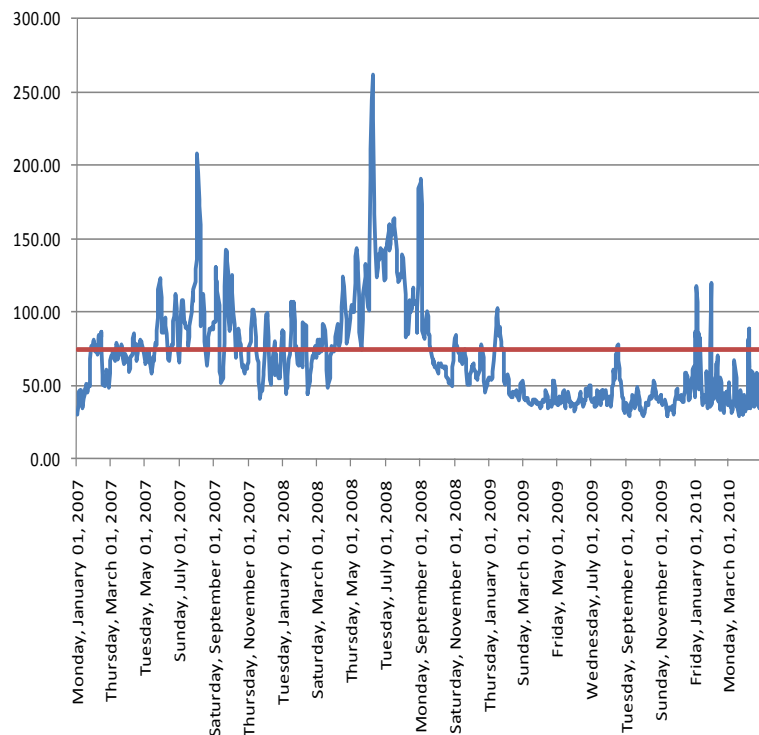
Financial Review

Andrew Warner

Chief Financial Officer

Wholesale Prices and Revenue Mix through Q1 2010 \$M

**RTLMP (PECO zone)
5 day Moving Average (Noon to 6 PM)**



Income Statement by Quarter

(\$ in 000s)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Revenue	\$ 1,210	\$ 7,522	\$ 10,338	\$ 850	\$ 7,024
Gross Margin	568	3,224	3,118	129	4,569
Gross Margin %	47%	43%	30%	15%	65%
Operating Expenses	2,571	2,311	2,243	2,191	2,261
Adjusted EBITDA	(1,738)	1,255	1,154	(1,774)	2,586
Operating Income (Loss)	(2,003)	913	875	(2,062)	2,308
Net Income (Loss)	(2,082)	601	498	(2,270)	2,082
Headcount	37	36	32	35	37

Balance Sheet Highlights

(\$ in 000s)	Q4 2009	Q1 2010
Cash and CDs	\$ 1,163	\$ 251
Accounts Receivable	6,811	9,743
Total Assets	9,775	11,757
Accounts Payable and other liabilities	7,833	6,152
Note Payable (net of discount)	1,913	3,298
Total Liabilities	9,746	9,450
Shareholders Equity	28	2,307

Q1 Cash Flow Movement

(\$ in 000s)	Q4 2009 to Q1 2010
Adjusted Net Income	\$ 2,316
(Increase) in AP and Other assets	(2,932)
(Decrease) in AP and Other Liabilities	(1,681)
Inflow /(Outflow) of Cash	(2,297)
Net Increase in Note Payable (net of discount)	1,385
Net Movement in Cash	\$ (912)

Guidance Fiscal 2010

- We remain on track to achieve full year 2010 revenue growth of 35% to 40%, or revenues of \$27 million to \$28 million
- Plan to continue R&D investment and expense management
- Expect to be Adjusted EBITDA positive for the year

Typically, our revenue recognition model for PJM ILR Capacity translates into a 25% in the second and 75% in the third quarter.

However, in 2010 that revenue split should be applied after our first quarter, as we fulfilled 100 MW of contractual obligations to deliver capacity to PJM and were required to recognize that revenue in the first quarter.



2010 Outlook

Kevin Evans

Chief Executive Officer

Key 2010 Milestones

✓ **Grow our capacity business – MWs up 33%**

✓ Capacity prices up from 2009 to approximately \$63K/MWyr.

➤ **Energize the economic demand response market**

➤ **FERC approval of economic demand response compensation**

+ Demonstrated FlexConnect for FERC Chairman, Commissioners and Staff

+ Industry Coalition's compelling support for full LMP for Organized Markets

➤ **Indirect channel success (private label, partnerships, alliances)**

➤ **Technology roadmap**

➤ Automated load management with technology partners

➤ Private label integration

➤ National Direct Access

➤ Act129 dynamic capacity pricing



Question & Answers

The Leading Solution for Demand Response

Full Suite of Demand Response Solutions

Scalable Software Platform

Commercial & Industrial Market Focus

Large Market Opportunity

Seasoned Executive Team

EBITDA Reconciliation Table

(\$ in 000s)	Q1 2009	Q1 2010
GAAP Net Income (Loss)	\$ (2,082)	\$ 2,082
ADD: Stock-based Compensation	169	185
ADD: Depreciation and Amortization	96	93
ADD: Tax and Interest Expense	79	226
Adjusted EBITDA	\$ (1,738)	\$ 2,586