



Investor Presentation
SRA 6th Annual Fall Growth Stock Conference
October 26, 2010

Kevin Evans, President & CEO
Andrew Warner, CFO

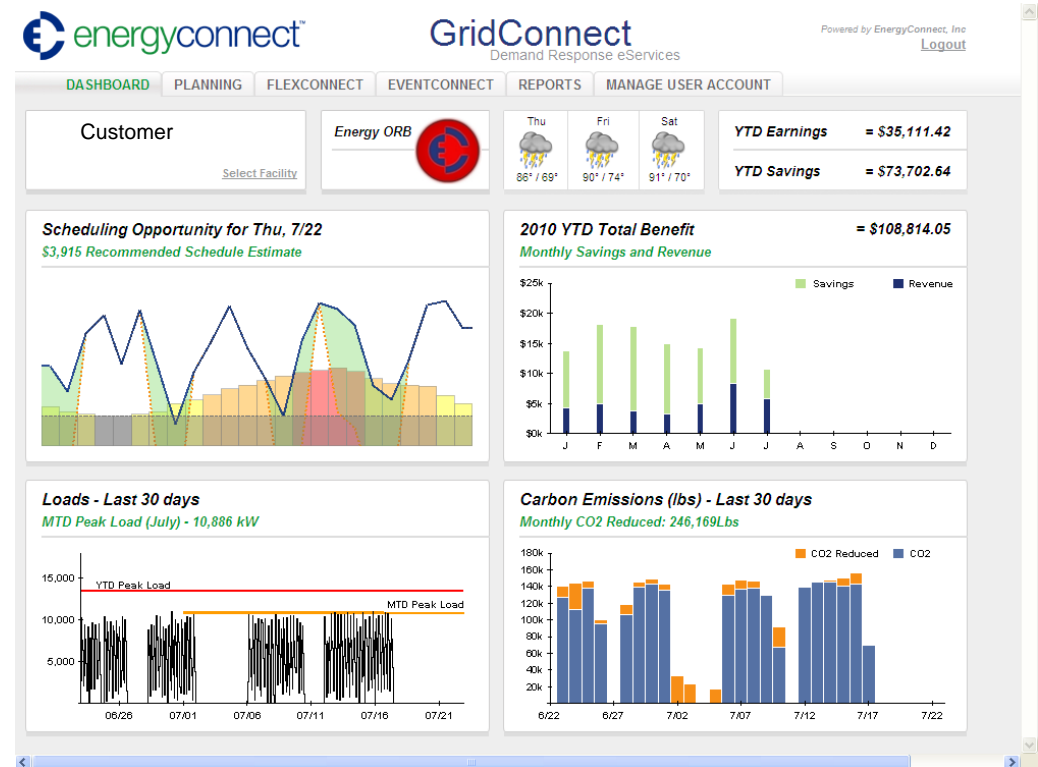


Forward Looking Statements

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.

EnergyConnect Group Inc (OTCBB: ECNG)

- The leading provider of solutions that allow customers to engage with energy markets
- Delivering full suite of smart grid demand response (DR) services
 - Event-driven (Capacity)
 - Price-driven (Economic)
 - Dispatchable (Synch Res)
- Leveraging scalable software-as-a-service (SaaS) solution
- Enabling over 300 commercial, institutional & industrial customers

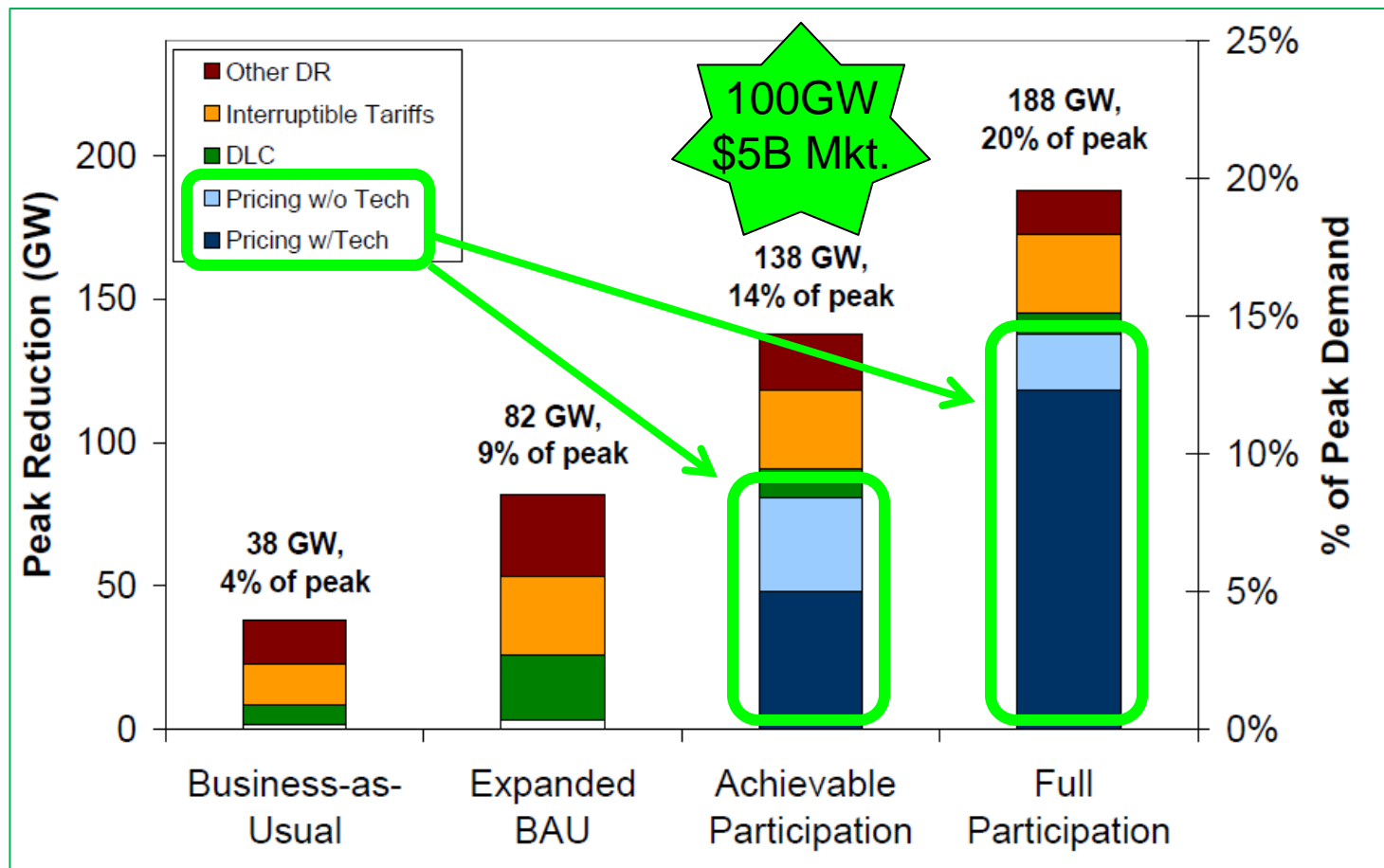


Year-to-Date 2010 Highlights

- **Improving Market Opportunity**
 - Energy prices appear to be firming
 - NOPR moves to next stage
- **Enhanced integrated software platform**
 - GridConnect launch well received by PJM & customers
- **Improving Financials**
 - Capacity portfolio performing well
 - Q210 Revenue of \$6.4M with a 27% margin
 - 1H10 Revenue \$13.5M up 54% vs. 1H09
 - 1H10 EBITDA \$2.0M vs. (\$0.5M) 1H09
 - Completed debt to equity conversion (Sept. 13, 2010)

Demand Response (DR) Market Opportunity

Economic and Capacity demand response will deliver meaningful capacity to the grid and represent a significant market opportunity



Source: FERC

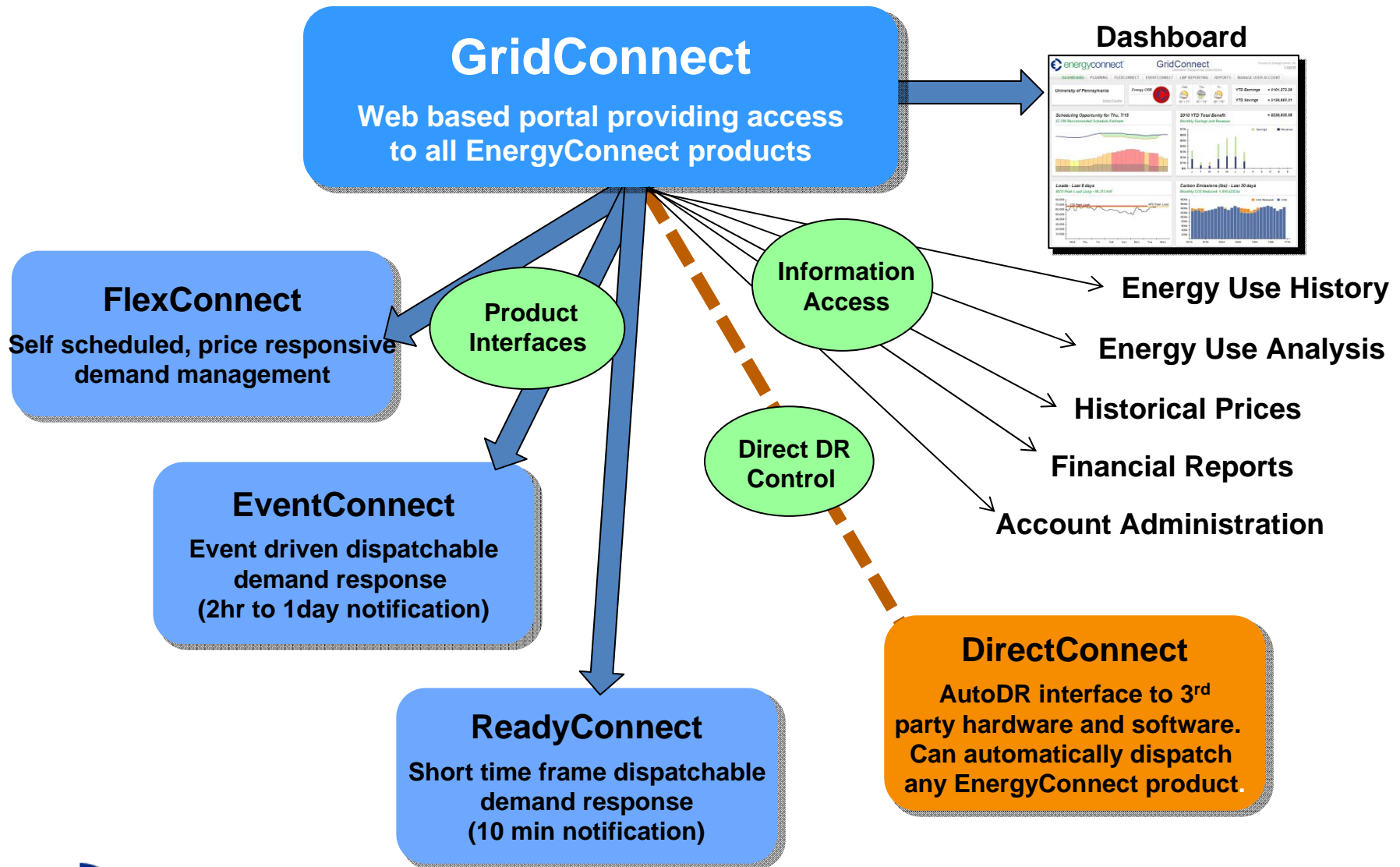
EnergyConnect Addresses Market

Markets	Type	Description	Solution
PJM, CA	Capacity/Standby (dispatchable)	Receive <u>standby payments</u> for being ready to reduce when power grid or utility initiates a <u>mandatory reduction</u> event	EventConnect
PJM (NOPR wholesale markets)	Economic (self scheduled)	<u>You decide</u> when to participate in demand response based on real time price forecasts	FlexConnect
PJM (CA market developing)	Synchronous Reserves (dispatchable)	Receive standby payments for being ready to reduce power on <u>very short notice</u> for very <u>short durations</u> (10 minute notification)	ReadyConnect

Complete product suite allows more opportunities to earn



Integrated Technology Transforms DR



Unified "Inform & Motivate" DR Approach



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Customer

[Select Facility](#)

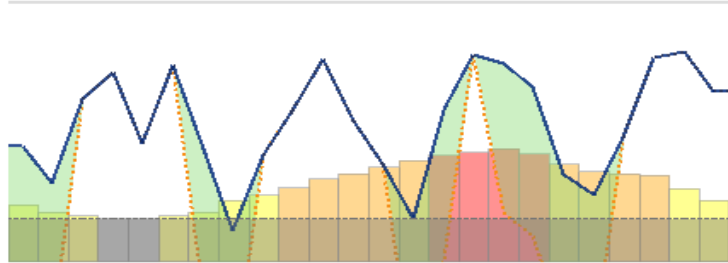
Energy ORB



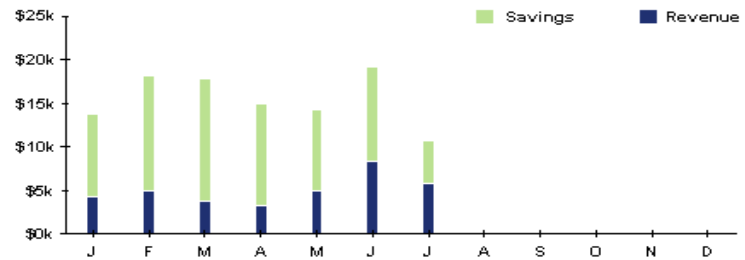
YTD Earnings = \$35,111.42

YTD Savings = \$73,702.64

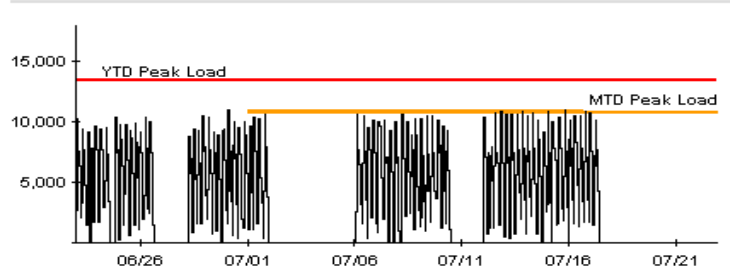
Scheduling Opportunity for Thu, 7/22
 \$3,915 Recommended Schedule Estimate



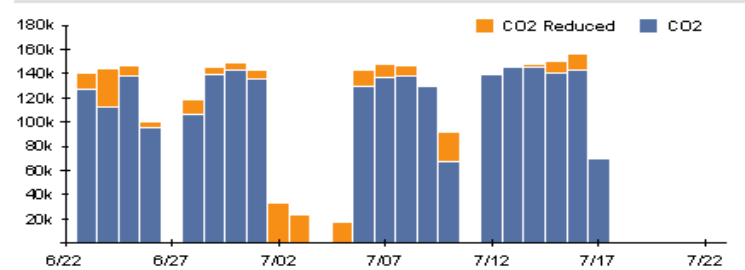
2010 YTD Total Benefit = \$108,814.05
 Monthly Savings and Revenue



Loads - Last 30 days
 MTD Peak Load (July) - 10,886 kW



Carbon Emissions (lbs) - Last 30 days
 Monthly CO2 Reduced: 246,169Lbs



Earn Money for Standby Energy Reductions



GridConnect
Demand Response eServices

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- DASHBOARD
- PLANNING
- FLEXCONNECT
- EVENTCONNECT**
- REPORTS
- MANAGE USER ACCOUNT

Event Connect - ILR

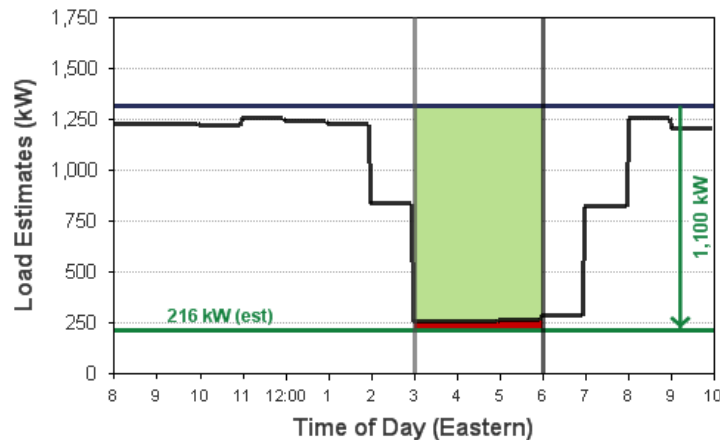
Facility
Event Date

Primary Filter by: Event Date Facility

Event Start Time: July 7, 2010 3:00 PM (Eastern)
 Event Status: RELEASED
 Curtailment:

EventConnect EMERGENCY EVENT

EventConnect Performance



Legend



2010 REVENUE OPPORTUNITY
\$49,500

COMMITMENT
Guaranteed Load Drop
GLD = 1,100 kW
Reduce Load Below GLD Target
216 kW (est)

SHOW METER DATA FOR Event Day 7/7/2010 Meter Data Avail To: 7/22/2010



Applauded for Responsiveness to Reduce Load



June 30, 2010

Mr. Kevin R. Evans, Chief Executive Officer and President
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Andrew L. Ott
Senior Vice President, Markets
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Dear Members:

PJM has already initiated 2 Emergency Load Management events this year in the District of Columbia

portion of the PEPCO zone. The emergency request helped PJM manage conditions caused by transmission outages. The ability to utilize Demand Resources is an important tool in PJM market.

I understand the May 26 event was held and outside the official load management. My staff has informed me that PJM

company, with demand resources in this area were very responsive to the system needs during this event **and I would like to thank you for your commitment to the reliability of the grid.**

“...PJM members operating as Curtailment Service Providers, including your company, with demand resources in this area were very responsive to the system needs during this event and I would like to thank you for your commitment to the reliability of the grid.” said SVP Andy Ott

The ability to target demand resources and their load reductions where needed based on system conditions highlights the value these resources bring to the PJM market. I appreciate your company's contribution to help manage through this situation.

Sincerely,

Andrew L. Ott

Andrew L. Ott
Senior Vice President
Markets
ott@pjm.com



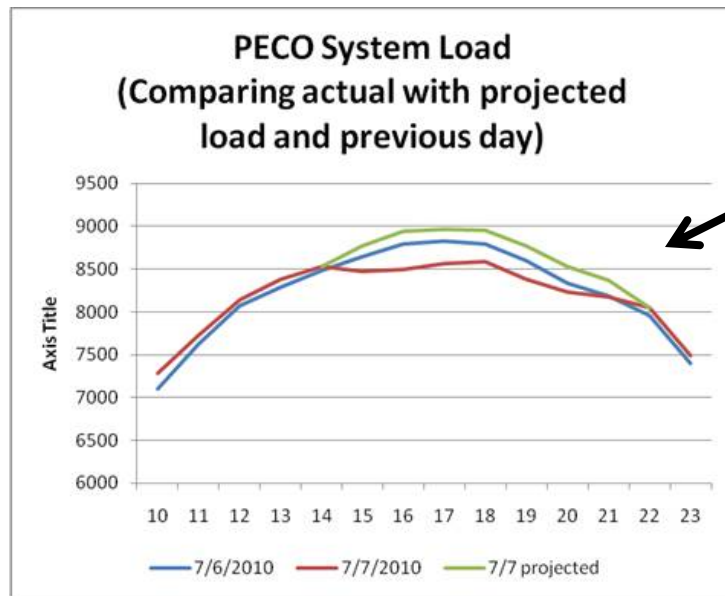
Capacity Portfolio Performance

Testing

- ✓ ILR in PJM throughout June
- ✓ July 16th – California Test Event PG&E
- ✓ July 28th – Southern California Test Event

Curtailment

- ✓ May 26th - PEPCO
- ✓ June 11th – PEPCO
- ✓ July 7th – PJM Mid-Atlantic Region during heat wave (AECO, BGE, DOM, DPL, JCPL, PECO, PEPCO & PSEG)

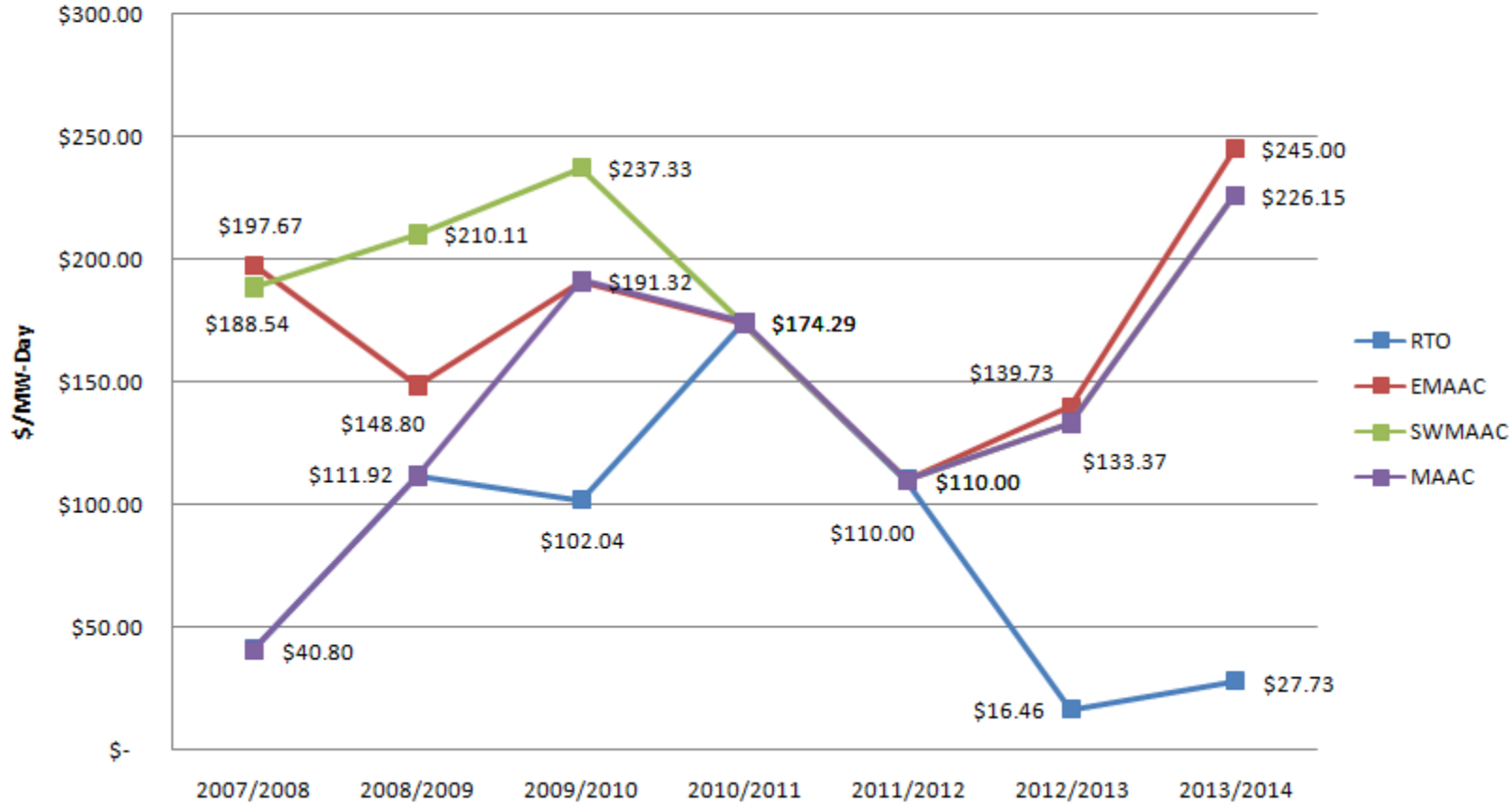


- PJM's DR portfolio delivered 2,700MWs – 118% of commitment

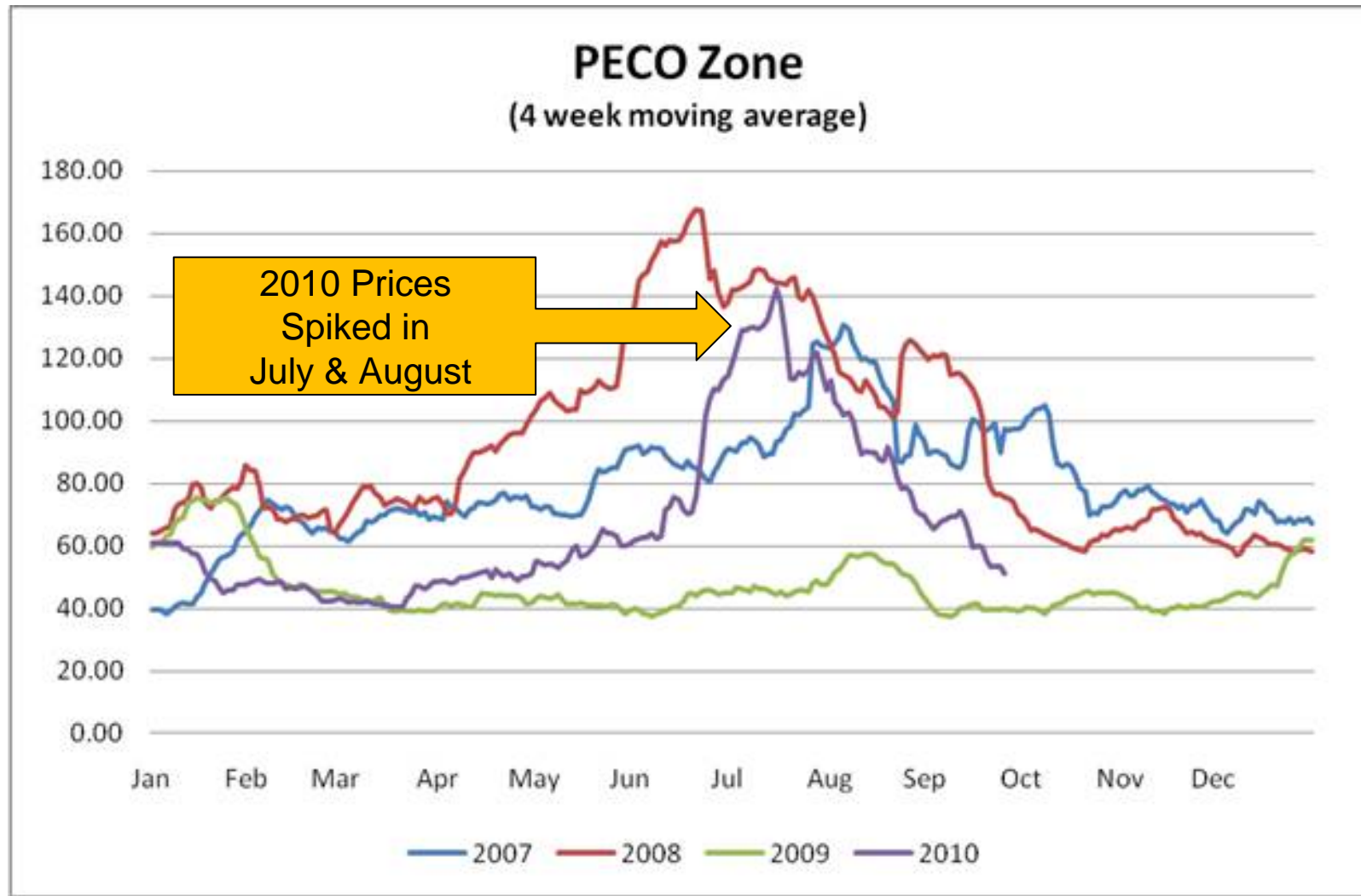
- ✓ August 11th – PEPCO
- ✓ September 23rd – BGE, APS,
- ✓ September 24th – BGE, APS, PEPCO

PJM Capacity Prices

RPM Base Residual Auction
Resource Clearing Prices (RCP)



Open Peak LMPs



FERC Update

- **U.S. Senate reconfirmed Philip Moeller and confirmed Cheryl LaFleur as FERC commissioners**
 - ✓ Fully staffed commission with 5 members
 - ✓ Works to our advantage for a favorable FERC ruling on demand response for all 6 wholesale markets
- **Held September Technical Conference on demand response compensation NOPR**
- **Secured regulatory expert N. Beth Emery as director**



“Demand response is an important participant in PJM Interconnection’s competitive wholesale electricity market. Our market provides real-time price signals about grid congestion and the locational cost and need for power. Demand response providers, such as EnergyConnect, enable end-use customers to readily receive and respond to our price signals, so they can manage their costs effectively and influence wholesale power prices by reducing demand while improving grid reliability.”

- Stu Bresler, PJM’s VP Market Operations & Demand Response

Enabling Our Customers through Technology

The majority of our customers are enabled with our capacity and economic solutions

Commercial



Industrial



Government & Institutional



ISO / RTO / Utility Partners



Delivering Real Economics to Customers

Customer	Curtailment Strategy	Annual Economic Program Savings	% of Electricity Bill Saved
Cement plant	Delay sand/gravel crushing, turn off conveyors, shift kiln and quarry pumping load	\$1,217,000	28%
Steel mill	Rotate furnace and rolling production activities	\$165,000	13%
Hospital	Unoccupied lighting, escalators, leverage ice storage AC and reduce non-essential cooling	\$173,000	30%
Commercial office building	Lighting, pre-cooling HVAC and load balance southern exposure	\$231,000	21%
University campus	Lighting, pre-cooling and adjust chiller water temperature and leverage onsite generation	\$2,436,000	23%



Demonstrating YTD Growth

<i>(\$ in thousands)</i>	1H09	1H10
Revenue	\$ 8,732	\$ 13,466
Gross Margin	3,792	6,314
Gross Margin %	43%	47%
Op. Expenses	4,880	4,789
Adjusted EBITDA	(482)	2,029
Op. Income (Loss)	(1,088)	1,525
Net Income (Loss)	(1,481)	992
Ending Headcount	36	40

Balance Sheet Highlights

<i>(\$ in thousands)</i>	Jan. 2 2010	July 3 2010
Cash and CDs	\$ 1,163	\$ 572
Accounts Receivable	6,811	11,636
Total Assets	9,775	13,960
Accounts Payable and other liabilities	7,833	8,405
Note Payable (net of discount)*	1,913	3,643
Total Liabilities	9,746	12,047
Shareholders Equity	28	1,912

*Sept. 13, 2010 - Completed debt to equity conversion, exchanging \$3.3M in debt for 36.5M shares of common stock

Fiscal 2010 Guidance

- **Positive first half 2010 results and positive market conditions**
- **Now expect full year 2010 revenue growth of 40% to 45%, or ~\$28M to ~\$29M, up from 35% to 40%, or \$27M to \$28M, as of March 18, 2010**
- **Plan to continue to invest in the business and manage expense**
- **Expect to be Adjusted EBITDA positive for the year**

In Q1 2010, we recognized \$6.6M in revenue from a capacity transaction.

In Q2 2010, we recognized 25% of our 2010/11 ILR capacity revenue.

In Q3 2010, we will recognize the balance of 2010/11 ILR capacity revenue.

Investor Milestones & Goals 2010

- ✓ **Grow our capacity business – MWs up 33% from 2009**

- ✓ Tested/certified all customers in the month of June

- ✓ 1 zone called 5/26 , 6/11 & 8/11 (PEPCO)

- ✓ 8 zones called 7/7/10 (Mid-Atlantic PJM)

- **Energize the economic demand response market**

- **Launched GridConnect**

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

- **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



The Leading Solution for Demand Response

Integrated Scalable GridConnect Platform

Commercial, Institutional & Industrial Market Focus

Expanding Market Opportunity

Seasoned Leadership



Appendix

Seasoned Executive Team

Kevin Evans	President & CEO	Former SVP, CBO & CFO of Electric Power Research Institute, PlaceWare, Sequel, Madge, Merisel, Wells Fargo; MBA
Andrew Warner	CFO	Former CFO, SmartDisk Corporation, Zio Corporation, SCM Microsystems, Madge; BA, ACMA
John Stremel	CTO	Former VP, Software Development – Automated Power Exchange (APX), Electric Power Software, TVA; MS
Mark Boucher	VP, System Dev.	Former Director of Centerlogic, M Financial, Providence Health, Siebel Certified Consultant; BA
Jay Crookston	VP, WW Sales	Former VP Worldwide Sales – PlaceWare, MCI Teleconferencing, Xerox; MBA
Bill Munger	VP, Human Resources and Chief of Staff	Former Human Resources Director – Intel Corporation, Safety-Kleen Corporation; MBA, PHR
Rich Quattrini	VP, Marketing and Business Development.	Former Sr. Director, Corporate Marketing – KLA-Tencor, Inspex, Prometrix, Digital Equipment Corporation; MSE

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.

Trended Financial Overview

<i>(\$ in thousands)</i>	Q109	Q209	Q309	Q409	Q110	Q210
Revenue	\$ 1,210	\$ 7,522	\$ 10,338	\$ 850	\$ 7,024	\$ 6,442
Gross Margin	568	3,224	3,118	129	4,569	1,744
Gross Margin %	47%	43%	30%	15%	65%	27%
Op. Expenses	2,571	2,311	2,243	2,191	2,261	2,528
Adjusted EBITDA	(1,738)	1,254	1,154	(1,774)	2,586	(559)
Op. Income (Loss)	(2,003)	913	875	(2,062)	2,308	(784)
Net Income (Loss)	(2,082)	601	498	(2,270)	2,082	(1,090)
Headcount	37	36	32	35	37	40

Cash Flow Highlights

<i>(\$ in thousands)</i>	Q1 10 to Q2 10
Adjusted Net Income and movement in Equity	\$ (347)
(Increase) in AR and Other Assets	(1,882)
Increase in AP and Other Liabilities	2,253
Outflow of Cash	(24)
Increase in Note Payable	836
Debt Discount Movement	(491)
Net Increase on Note Payable	345
Net Increase in Cash	\$ 321