

Connected Energy Corporation Media Release

For Immediate Release– 7/26/06

Real-Time Control Innovation Creates Spinning Reserve Capacity in Groundbreaking California Electricity Sector Project

(Rochester, NY). Connected Energy Corp announced today that it has been selected to participate in a project funded by the California Energy Commission in cooperation with the Consortium for Electric Reliability Technologies (CERTS), based at Berkeley National Laboratory, Southern California Edison (SCE), and the California Independent System Operator (CAISO).

The project, called the Demand Response Spinning Reserve Demonstration, will provide new and powerful capability in California to match demand to available power. *Spinning Reserve* is an industry term for generation that can be immediately brought on line to meet rapid increases in power demand due to a variety of circumstances including severe weather or supply system constraint.

In this project, rather than adding new electricity production to the grid to meet spiking demand for electricity, a real-time remote management system connecting a number of non-essential electricity loads will enable the grid operator to remotely turn them off in response to system signals. This will result in new capacity at times when high demand for electricity jeopardizes grid stability, creating rolling blackouts or other interruptions in service. The project intends to assert that the ability to react in real-time to system conditions and turn off loads is just as effective a mechanism, with the added benefit of reducing stress on transmission and distribution assets and avoiding the environmental impact of producing more electricity.

The technology solution that will enable this project comes from Connected Energy Corp of Rochester, NY, a company that has been pioneering real-time Internet command and control of distributed energy assets for over 10 years.

“Our solution does for a system operator what a cockpit does for a car driver”, stated Connected Energy Corp President and CEO, Christopher Campbell. “We present the operator with three critical components; a real-time dashboard of operating parameters; windows to see what’s going on externally; and the controls to take action. In the context of this initiative, we provide the aggregated real-time monitoring of electricity flow and the secure sharing of feeder data to support control decisions. The system capabilities allow an ISO or other operator to supervise grid resources individually or as a group, from anywhere, in real-time, as simply as if the operator was sitting at the controls of one large piece of equipment”.

Campbell went on to say that the electricity industry has a vision for the future of energy production firmly rooted in the distributed generation model and the company’s fully managed solution provides the platform for this new supply side paradigm to be implemented on a large scale. The system also provides instantaneous feedback, verifying exactly how much load has been taken off line and the impact on the grid for the corresponding action. Utilities have been implementing conventional demand response programs for several years but have struggled with verification and

measurement as a result of their dependency on historical information and analysis after-the-fact to determine the impact. Electricity, unlike other resources is produced and consumed in real-time. This project will demonstrate how important real-time information can be for managing the grid.

The project will solicit larger energy users to make available certain loads to be controlled for the program and in return, will receive a variety of incentives. The results of the program will provide insights about how this type of solution can improve grid reliability/stability. Additional program information is available at the CERTS website (<http://certs.lbl.gov/>)

About Connected Energy Corp

Connected Energy Corp (www.connectedenergy.com) has been pioneering the real time data collection, command and control of distributed energy assets for over 10 years. Its solution leverages the Internet, creating secure, low-cost networks to consolidate and manage the distributed enterprise (operations spread over multiple locations and/or geographic territories). The Company serves its solutions from a state-of the-art data center and its customers and partners include utilities, ISOs large portfolio-based energy users and energy services companies. Connected Energy Corp is privately held and located in Rochester New York.

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