

Background

RESIDENT POWER: ENERGY SUPPLY CHOICE FOR NEW HAMPSHIRE RESIDENTS & SMALL BUSINESSES

Resident Power (RP) a member of the Freedom Energy Logistics family of companies offers residential consumers and small businesses a choice in electricity supply, a choice that can lead to reductions in the charges associated with the supply portion of their electricity bills. Resident Power is the first energy aggregator in New Hampshire to focus exclusively on serving the residential and small business market. Through aggregation, NH's residential and small commercial consumers can pool their collective buying power and purchase power for less than the comparable utility rate.

Initially, Resident Power is offering choice to PSNH customers; predicting potential savings under its program of up to 20% on the supply portion of their electricity bills. Services are expected to be expanded to customers of other utilities in the coming months.

While this offer is newly available to households and small businesses, the concept has been in place for some time in the commercial, industrial, and government sectors; indeed, over 70% of these large end users have made the switch to alternative energy suppliers. RP was created to take the discounted electric energy product to the underserved residential and small commercial market where statistics show that nearly 99% are still buying energy from their host utility.

Since its introduction to the marketplace during the summer of 2011, Resident Power has enrolled over 2,000 customers. Over half have been placed with suppliers in the past two weeks, the majority in PSNH's franchise. For RP's sign-ups, the rate to compare is PSNH's current \$.0889 per kWh - which is scheduled to increase to 9.57 cents per kWh starting in January of 2012. Customers now being placed with a supplier through Resident Power will see an average savings of more than a penny per kWh when the new PSNH rate takes effect.

Resident Power's parent company, Freedom Energy Logistics of Manchester, NH, has been a vendor of high value energy portfolio management to large end users throughout New England since 2004. Freedom's customers include Rhode Island's Westerly Hospital, BJ's Wholesale Clubs, Saint Anselm College, Fairchild Semiconductor

How the Resident Power Offering Works

Each customer that enrolls with Resident Power is, in effect, appointing the company as its procurement agent for their home or small business. As the customer enrollments grow, they enhance and expand Resident Power's buying power on their behalf. With Resident Power empowered to act as a single contracting point for its accumulation of consumers, it can negotiate competitive rates with suppliers similar to how a large commercial or industrial customer conducts business. The result --- lower costs and more affordable energy for residential and small commercial consumers.

The RP model will attract suppliers because it creates scale from an unappealing (to suppliers) market of small standalone customers that are combined into large consumption pools. Resident Power will take these large pools of customer accounts (1000 or more) to the market, where it will use its experience to shop for the best electricity rates available from energy wholesalers. Resident Power expects that customers could see cost savings of up to 20% on the supply portion of their electric bill and guarantee that it will be lower than their utility's offering at the time of enrollment.

Enrollment is free, fast and easy. Interested customers can go to residentpower.com and provide their account number, service address and key code (all found on their most recent utility invoice) and they are ready to go. The customer does not even need to change their bill paying habits, as the new Resident Power rate is easily visible on their customary host utility invoice. The customer pays the utility (as usual) and the utility transfers that payment to the supplier, making the change in supplier virtually invisible to the customer. The most noticeable change is the customer's electricity rate.

All maintenance issues are still handled by the host utility company because each enrollee remains a customer of the utility for transmission and distribution. Thus the customer can freely make the switch to a different supplier without concerns that the quality of their service will suffer. This is because with the advent of deregulation came

assurances that electricity will always be available to all, no matter the source of supply. Receiving electricity from Resident Power does not require any change to existing electrical wires or installation of additional technology. And, if a consumer is already signed up for Energy Efficiency Programs with the present utility, there will be no change to their participation.

A Short History of Deregulation

Just prior to the turn of the millennium in 1999, federal government agencies with the backing of Congress enacted changes in law and regulations that required local electric utilities to allow third party suppliers to transmit power over their lines. Utilities held on to the delivery functions; generation and supply of energy became unregulated merchant functions. This dismantling of the electric utilities' exclusive monopolies opened the door to competitive energy providers and a more open and competitive marketplace. There are presently 17 states that have deregulated electricity.

While the energy supply and generation activity is now largely unregulated, federal and many state governments directed that responsibility for electricity delivery be retained by local utilities; thus no consumer is in danger of losing connectivity with electricity as a consequence of deregulation.

To ensure uninterrupted provision of energy in deregulated markets and regions, regulations require local utilities to be the default provider for consumers: to maintain and repair transmission lines, and to take the lead responsibility for billing functions, whether the consumer buys all their energy products from the utility or participates in "unbundling" and buys energy from a vendor and delivery from the host utility.

Deregulation not only offers consumers more choice, but it also has led to enhancement of green energy sources in the Granite State, as the NH Public Utilities Commission requires that entities selling electricity to the retail market ramp up the portion coming from renewable sources.

The Freedom Energy Logistics Family of Companies

The Freedom Energy Logistics family of companies is committed to obtaining power at the lowest possible price for New England consumers. FEL Power (felpower.com) provides high-end energy management services in electricity and natural gas. Its unique Direct to Grid (or Self-Supply) model guides large-scale users into New England's wholesale electricity market, guaranteeing them access to electricity at the lowest available cost. By cutting out retail supplier margins, the model saves customers an average of 10-15%. FEL Bulk Power converts wholesale and bulk power products into shapes and durations suitable for industrial, commercial, institutional and governmental end users. Resident Power (residentpower.com) offers energy supply options to residents and small businesses.

The Freedom Energy Logistics management team has nearly 100 years of energy market experience and is widely recognized for its market intelligence and informational transparency.

To speak to a manager directly, please contact Barbara Wilson, Barbara.wilson@skaworks.com or call 603.986.4191.