

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**In Re:**

**PETITION OF KINGSPORT POWER COMPANY  
FOR APPROVAL OF DEMAND RESPONSE  
PROGRAMS AND ASSOCIATED DEMAND  
RESPONSE TARIFFS**

**DOCKET No. 12-00012**

**In Re:**

**PETITION OF ENERNOC, INC. AND AIR  
PRODUCTS AND CHEMICALS, INC., FOR  
EXPEDITED REVIEW TO ALLOW CERTAIN  
END USE CUSTOMERS OF KINGSPORT  
POWER COMPANY TO PARTICIPATE IN PJM  
INTERCONNECTION DEMAND RESPONSE  
PROGRAMS**

**DOCKET No. 12-00026**

**Responses of EnerNOC, Inc. to Kingsport Power Company d/b/a AEP Appalachian  
Power's Document Request (First Set)**

EnerNOC, Inc. ("EnerNOC") provides the following responses to the first set of document requests presented by Kingsport Power Company d/b/a AEP Appalachian Power ("KgPCo"). These answers and objections are provided pursuant to the Tennessee Rules of Civil Procedure 26 and 33.

**General Objections**

1. EnerNOC objects to any request as improper, overbroad, and unduly burdensome to the extent that the request purports to impose upon EnerNOC any obligations broader than those set forth in the TRA's rules or otherwise permitted by law. The rules of discovery require, among other matters, that matters inquired into must be relevant to the subject matter of the proceeding and must appear to be "reasonably calculated to lead to the discovery of admissible evidence."<sup>1</sup>
2. EnerNOC objects to these discovery requests as overbroad, and unduly burdensome to the extent that they improperly seek or purport to require the disclosure of information protected by the attorney-client privilege, attorney work-product doctrine or any other applicable privilege or doctrine. Such responses as may hereafter be given shall not

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<sup>1</sup> Tenn. R. Civ. Proc. § 26.02, incorporated into the Rules of the Tennessee Regulatory Authority at 1220-1-2-.11 (1).

include any information protected by such privileges or doctrines, and the inadvertent disclosure of such information shall not be deemed as a waiver of any such privilege or doctrine.

3. The objections and responses contained herein and documents produced in response hereto are not intended nor should they be construed to waive EnerNOC's right to object to these requests, responses or documents produced in response hereto, or the subject matter of such requests, responses, or documents, as to their competency, relevancy, materiality, privilege and admissibility as evidence for any purpose, in or at any hearing of this or any other proceeding.
4. EnerNOC objects to these discovery requests to the extent they improperly seek or purport to require the production of documents or information which is neither relevant nor material to the subject matter of the proceeding nor reasonably calculated to lead to the discovery of admissible evidence.
5. EnerNOC objects to these discovery requests insofar as they request the production of documents of information that are publicly available or already in KgPCo's possession, custody or control.
6. EnerNOC objects to each and every data request that seeks to obtain "all," "each" or "any" document to the extent that such requests are overbroad and unduly burdensome and seek information that is neither relevant nor material to the subject matter of this proceeding nor reasonably calculated to lead to the discovery of admissible evidence.
7. EnerNOC objects to these discovery requests to the extent that such requests are not limited to any stated time period or identify a stated period of time that is longer than is relevant for purposes of this docket, as such discovery is unduly broad and overly burdensome.
8. EnerNOC objects to these discovery requests to the extent they are vague, ambiguous, use terms that are subject to multiple interpretations but are not properly defined for purposes of these discovery requests, or otherwise provide no basis from which EnerNOC can determine what information is sought.
9. EnerNOC objects to these discovery requests to the extent that they improperly seek or purport to require EnerNOC to provide documents and information not in EnerNOC's possession, custody or control.

Subject to the general objections identified above, EnerNOC supplies the following responses and specific objections:

**KgPCo document request 1-1:** Produce copies of all current contracts between EnerNOC, Inc. and any EnerNOC, Inc. customer within the service territory of KgPCo.

**EnerNOC response to 1-1:**

The response to this request includes confidential proprietary information that is COMPETITIVELY SENSITIVE CONFIDENTIAL information. We will make this information available in accordance with the terms of those agreements and to those we have a mutually agreeable protective agreement with that protects the competitively sensitive nature of the documents.

**KgPCo document request 1-2:** Produce copies of all current contracts between EnerNOC, Inc. and any EnerNOC, Inc. customers located within the KgPCo service territories which were effective at any time for the six (6) year period prior to the current contracts requested in Request No. 1.

**EnerNOC response to 1-2:**

The response to this request includes confidential proprietary information that is COMPETITIVELY SENSITIVE CONFIDENTIAL information. We will make this information available in accordance with the terms of those agreements and to those we have a mutually agreeable protective agreement with that protects the competitively sensitive nature of the documents. See COMPETITIVELY SENSITIVE CONFIDENTIAL documents provided as part of 1-1.

**KgPCo document request 1-3:** Produce records of all demand response service curtailments experienced by each EnerNOC, Inc. customer within the KgPCo service territory for the period 2006-to date.

**EnerNOC response to 1-3:**

The response to this request includes confidential proprietary information that is COMPETITIVELY SENSITIVE CONFIDENTIAL information. We will make this information available in accordance with the terms of those agreements and to those we have a mutually agreeable protective agreement with that protects the competitively sensitive nature of the documents.

**KgPCo document request 1-4:** Produce all financial records which disclose the financial cost/benefit received by EnerNOC, Inc. as a result of participation of its customers, located in the KgPCo service territory, in any PJM Demand-Response program for the period 2006-to

date.

**EnerNOC response to 1-4:**

Objection. The information requested by this interrogatory would not be reasonably calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objection or any general objection the following response is provided:

EnerNOC is paid on a resource basis by PJM based on the MW size of the resource and the zonal payment rate, not for specific customers.

**KgPCo document request 1-5:** Produce copies of all correspondence between EnerNOC, Inc. and all of its customers located in the KgPCo service territory for the period 2006-present, concerning, in any manner, the FERC rules and the Open Access Transmission Tariff of PJM Interconnection, LLC, requirement that an end-user customer which receives service from an electric distribution company which delivers 4 million MWh or less per fiscal year, must receive approval from the "Relevant Electrical Retail Regulatory Authority" in order to participate in any demand-response program.

**EnerNOC response to 1-5:**

Objection. The information requested by this interrogatory would not be reasonably calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objection or any general objection the following response is provided:

The response to this request includes confidential proprietary information that is COMPETITIVELY SENSITIVE CONFIDENTIAL information. We will make this information available in accordance with the terms of those agreements and to those we have a mutually agreeable protective agreement with that protects the competitively sensitive nature of the documents.

**KgPCo document request 1-6:** Provide all rules, regulations, and contract provisions currently used by your Company which detail the respective duties and responsibilities of you as a demand-response provider and those of your customers receiving such services.

**EnerNOC response to 1-6:**

Objection. The request for "all" rules, regulations, and contract provisions is vague and beyond the scope of this proceeding. In addition, the rules and regulations which detail the respective duties and responsibilities of EnerNOC as a demand-response provider are outlined in the PJM tariff. Discovery should not be used for a party to seek public information it can determine

independently.

Without waiving the foregoing objections or any general objection the following response is provided:

Responsibilities that EnerNOC has toward KgPCo customers and vice-versa are captured in the the contracts that are provided in response to 1-1, but include confidential proprietary information that is COMPETITIVELY SENSITIVE CONFIDENTIAL information. We will make this information available in accordance with the terms of those agreements and to those we have a mutually agreeable protective agreement with that protects the competitively sensitive nature of the documents.

**KgPCo document request 1-7:** Produce your Company's financial statements for 2009-to date.

**EnerNOC response to KgPCo document request 1-7:**

Objection. The information requested by this interrogatory would not be reasonably calculated to lead to the discovery of admissible evidence. In addition, discovery should not be used for a party to seek public information it can determine independently. Without waiving the foregoing objections or any general objection the following response is provided:

EnerNOC is a publicly traded company and the requested financial statements can be found on our website at: <http://investor.enernoc.com/annual-proxy.cfm>

**KgPCo document request 1-8:** Produce a copy of the contract with TVA referenced at page 4 of the Schisler testimony.

**EnerNOC response to KgPCo document request 1-8:**

Objection. The information requested by this document request would not be reasonably calculated to lead to the discovery of admissible evidence.

**KgPCo document request 1-9:** With respect to said contract with TVA, produce all analyses, evaluations, and formal reports provided to TVA.

**EnerNOC response to KgPCo document request 1-9:**

Objection. The information requested by this document request would not be reasonably

calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objections or any general objection the following response is provided:

EnerNOC has provided the attached publically available documents in response to this request.

**KgPCo document request 1-10:** Provide a copy of the application submitted by your Company to become a member of PJM. The response should include all attachments and appendices as well as a copy of the financial security (i.e. parental guarantee, letter of credit, etc.) provided to PJM by your Company.

**EnerNOC response to KgPCo document request 1-10:**

Objection. The information requested by this document request is beyond the scope of this proceeding and would not be reasonably calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objections or any general objection the following response is provided:

PJM has identified EnerNOC on its website as a CSP that customers can use, see <http://www.pjm.com/markets-and-operations/demand-response/csps.aspx>.

**KgPCo document request 1-11:** Provide a copy of all documents received by your Company in 2011 and 2012 from PJM detailing conditions upon your Company which allow you to continue to be a member in good standing, particularly with regard to financial and technical resources.

**EnerNOC response to KgPCo document request 1-11:**

Objection. The information requested by this document request is beyond the scope of this proceeding and would not be reasonably calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objection or any general objection the following response is provided:

We are aware of no documents that are responsive to this request. However, as stated in response above, PJM has identified EnerNOC on its website as a CSP that customers can use, see <http://www.pjm.com/markets-and-operations/demand-response/csps.aspx>.

**KgPCo document request 1-12:** Produce a copy of the contract with the Memphis City School System referenced at page 4 of the Schisler testimony.

**EnerNOC response to KgPCo document request 1-12:**

Objection. The information requested by this document request is beyond the scope of this proceeding and would not be reasonably calculated to lead to the discovery of admissible evidence.


**KgPCo document request 1-13:** With respect to said contract with the Memphis City School System referenced in Request No. 12 above, produce all analyses, evaluations, and formal reports provided to the Memphis City School System.

**EnerNOC response to KgPCo document request 1-13:**

Objection. The information requested by this document request would not be reasonably calculated to lead to the discovery of admissible evidence. Without waiving the foregoing objections or any general objection the following response is provided:

EnerNOC has provided the attached publically available documents in response to this request.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Greg Geller", is written over a horizontal line.

Greg Geller  
EnerNOC, Inc.  
101 Federal Street, Suite 1100  
Boston, MA 02110  
(607) 692-2527 (Telephone)

*Representative for EnerNOC, Inc.*

CERTIFICATE OF SERVICE

I certify that the foregoing responses of EnerNOC, Inc. to Kingsport Power Company d/b/a AEP Appalachian Power's Document Requests (First Set) has been e-mailed to:

<p>Mr. David Foster Chief, Utilities Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505 Email: <a href="mailto:david.foster@tn.gov">david.foster@tn.gov</a></p>	<p>Mr. William A. Bosta Director, Regulatory Services VA/TN Appalachian Power Company Three James Center Suite 1100, 1051 E. Cary Street Richmond, VA 23219-4029 Email: <a href="mailto:wabosta@aep.com">wabosta@aep.com</a></p>
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This 25th day of July, 2012.

  
\_\_\_\_\_  
Greg Geller





# Manufacturer earns payments, cuts costs, and saves jobs with EnerNOC DR

MGM Industries turns minor adjustments to its manufacturing operation into major benefits for its business

## Fast Facts:

**Industry:**  
Manufacturing

**Location:**  
Hendersonville, TN

 **DemandSMART**

**Program:**  
TVA-EnerNOC Demand Response

**DR Strategy:**  
Curtailment only

**Primary Curtailment Strategy:**  
Shutting down one manufacturing area

**Annual Payments:**  
Approximately \$12,000

## THE BIG PICTURE

MGM Industries manufactures new construction and replacement vinyl windows for the residential and light commercial sectors. This traditional manufacturer is located in the heart of Tennessee, where it's been part of the local community for forty years. In 2008, the economic downturn forced MGM to lay off employees for the first time in the history of the company. It also encouraged the company to take a hard look at all of its expenses, including electricity, which is one of its largest line items for the extrusion department.

MGM enrolled in EnerNOC demand response (DR) in 2009, attracted by the approximately \$12,000 a year in payments that it receives for reducing 300 kilowatts (kW) of electricity during

demand response events. Shutting down non-essential manufacturing equipment temporarily makes no difference to MGM's operations.

The company also uses DemandSMART™, EnerNOC's comprehensive demand response application, to identify other areas where reducing consumption or rescheduling start-up of machinery can make a big impact on its electricity demand, and its bills. "EnerNOC gave us the power to manage our power," quips John MacKorell, process improvement engineer. Thanks to DemandSMART, MGM is reducing its electricity bill by more than \$2,500 a month—additional savings that let it keep employees' jobs secure and ensure the ongoing success of the company.



## Case Study | MGM Industries



Payments from EnerNOC help MGM Industries offset costs associated with its most energy-intensive manufacturing processes.

### CUTTING COSTS TO SURVIVE A DOWNTURN

When business was good, MGM Industries didn't spend a lot of time on the finer details of its expenses. Like any company faced with heavy demand, MGM focused on meeting the need for its products—a wide range of vinyl windows required for the then-booming housing market. "During the busy times, power optimization was not on our radar screen," recalls John MacKorell, process improvement engineer. "Now every dollar saved helps us save jobs. We don't run any equipment we don't have to run. And we've become very conservative, taking a hard look at every expense."

Cutting energy costs was on the top of the company's list. "The company owner and I were looking at ways to cut our electricity bill, which is about \$20,000 a month," says MacKorell. "When we found out about EnerNOC DR through our energy provider, Nashville Electric Service, we knew we had found what we were looking for. Those payments make a big difference to our bottom line, and help reduce our costs."

An initial assessment by EnerNOC uncovered specific areas of the facility where energy consumption could be temporarily reduced,

without affecting production. Two of MGM's buildings house its main manufacturing operation, where work needs to proceed ahead uninterrupted. But a third building contains its extrusion facility and other related equipment. This 100,000-square-foot facility is the focus of MGM's DR efforts.

To control more of its supply chain, MGM decided to extrude its own vinyl, the raw material for its windows. While this capability helps it control costs and keep more of its manufacturing on site, it also requires energy-intensive processes. "One of our main buildings, Building C, has a lot of machinery that uses a lot of power," says MacKorell. "We have extruders, downstream tables, pullers, saws, a centralized chilling system to cool the vinyl and the machines, and a regrind department for reclaiming processed materials made up of shredders, granulators, vacuum conveying systems, and a pulverizer," says MacKorell. "In short, there are a lot of motors in that building." Overall, Building C accounts for more than half of MGM's monthly electricity bill.

Fortunately, the company can choose when it manufactures and reprocesses vinyl. With

lower demand comes more flexibility. "During an event, we can shut down or reduce our energy-intensive operations in Building C," says MacKorell. "That facility is not imperative to production, so it doesn't make any difference to our production schedule or our customers."

When MacKorell and his team receive notification of an impending DR event, they reduce lighting, shut down two extrusion production lines, adjust its chillers by twenty tons, and halt all regrinding processes. The team implements these changes manually in about ten minutes.

### THE RESULTS

These production changes enable MGM to lower its electrical consumption by 300 kW during DR events—without affecting overall production. By being available to reduce when necessary, MGM earns annual payments of more than \$12,000 from EnerNOC. While these payments were what initially attracted the company to enroll in EnerNOC DR, a secondary result proved to be just as beneficial.

"Total annual cost savings thanks to DemandSMART total more than \$30,000," says MacKorell. "So with DemandSMART, we ended up saving about three times the amount of our DR payments. These additional funds are really helpful to our business."

At first, MGM used DemandSMART energy management software—which it received free from EnerNOC as part of its DR implementation—to monitor reductions during DR events. But then the company widened its use of DemandSMART to take a more careful look at its energy use. "Now we use DemandSMART to know a lot more about how we use energy, such as how many amps each piece of equipment draws," says MacKorell. "This knowledge helps us time our production schedule better and use the right

equipment at the right time. Ultimately, we save more by trimming off peaks of demand and rescheduling some production for non-peak periods."

As part of its efforts, MGM now has a weekly meeting with its production managers to manage and maximize its energy use. These meetings provide an opportunity to translate its energy management down to actual day-to-day operations. "DemandSMART helps us get all the throughput we can from our equipment when it's turned on and drawing electricity," says MacKorell. "We work with users to make sure equipment isn't just sitting there. In the past, it might not have mattered. But now we need to make smarter, more informed energy decisions at all levels."

In 2008, MGM's average demand was 598 kW a month. Its goal is to use DemandSMART to keep this figure below 400 kW. In March 2009, it reduced its demand to 384 kW by using DemandSMART information. This level of reduction saved more than \$2,700 on its electric bill in March alone.

## THE BENEFITS

The overall financial impact of MGM's partnership with EnerNOC includes \$12,000 in annual DR payments and more than \$30,000 in annual energy cost reductions from leveraging DemandSMART data to reduce overall consumption. These bottom-

**"Total annual cost savings thanks to DemandSMART total more than \$30,000. So with DemandSMART, we ended up saving about three times the amount of our DR payments. These additional funds are really helpful to our business."**

**John MacKorell, Process Improvement Engineer**

line benefits are very important to MGM, which is working hard to continue thriving in a challenging economy. More importantly, these payments and savings are possible without affecting its core manufacturing operations. Other benefits that EnerNOC DR brings to MGM include:

## WORKFORCE PROTECTION

MGM sees EnerNOC DR as an opportunity to earn payments and cut costs—funds that directly impact its workforce. "We want to protect our people from layoffs," says MacKorell. "Finding ways to save money has become our priority—to save jobs and ensure the ongoing health of our company." In short, DR is a proven strategy for businesses weathering an economic downturn.

## SIMPLE IMPLEMENTATION

"Enrolling in DR and implementing the program was simple and easy," says MacKorell. "EnerNOC was extremely professional. They're great to work with. And they did all this work for free." DemandSMART, which plays an important ongoing role at MGM, is also provided by EnerNOC at no charge.

## SMARTER EQUIPMENT DECISIONS

DemandSMART helps MGM know more about its energy demand. It also provides detailed insights into key energy-consuming equipment. "For example, we realized that we're wasting a lot of energy in our chillers and pumps," says MacKorell. "So we're considering lower-horsepower solutions that still provide the cooling and flow we need, but that use less energy." From coolers to

## Demand Response with EnerNOC

EnerNOC works closely with its utility partners to deliver reliable, cost-effective capacity through DemandSMART, its comprehensive demand response [DR] application. DR reduces electric demand at critical times, which can help keep rates low by avoiding the need for new infrastructure investments — benefiting utilities, their customers, and the environment. EnerNOC's proven applications enable it to manage and reduce electricity consumption remotely across a diverse network of commercial and industrial sites, making DR capacity available to utilities quickly on demand. DemandSMART easily integrates with utility demand-side portfolios and commercial and industrial facility operations, maximizing customer satisfaction at hundreds of utilities and thousands of commercial and industrial organizations across the globe.

## Want More Information?

**MGM Industries is just one of the many innovative organizations that benefit from EnerNOC's comprehensive energy management applications.**

To find out more, call (866) 366-7820 or visit [www.enernoc.com/get-started](http://www.enernoc.com/get-started).

“Conserving power is critical for our community. We don’t want another power plant in the valley. We don’t want our rates to go up. And we all share the responsibility to do what we can to be efficient and smarter about energy. EnerNOC DR is part of our commitment to sustainability—and to our community.”

John MacKorell, Process Improvement Engineer

grinders, MGM is taking a close look at its equipment and right-sizing it for its needs.

COMMUNITY SUPPORT

“Conserving power is critical for our community,” says MacKorell. “We don’t want another power plant in the valley. We don’t want our rates to go up. And we all share the responsibility to do what we can to be efficient and smarter about energy. EnerNOC DR is part of our commitment to sustainability—and to our community.”

THE FUTURE

MGM Industries is alerting other local manufacturers and businesses about the potential of EnerNOC DR—and serving as a model of efficiency in its community. “We’re telling everyone about EnerNOC DR,” says MacKorell. “DR is one of the easiest ways to help out your bottom line.”



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EnerNOC, Inc. is headquartered in Boston, MA, United States, with wholly-owned subsidiaries in Canada [EnerNOC Ltd.] and the United Kingdom [EnerNOC UK Limited]. EnerNOC UK Limited is a company incorporated in England and Wales with company number 06937931, VAT number GB980145422 and whose registered office is located at Alder Castle, 4th Floor, 10 Noble Street, London EC2V 7JX. A list of directors is available for inspection at our offices.

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