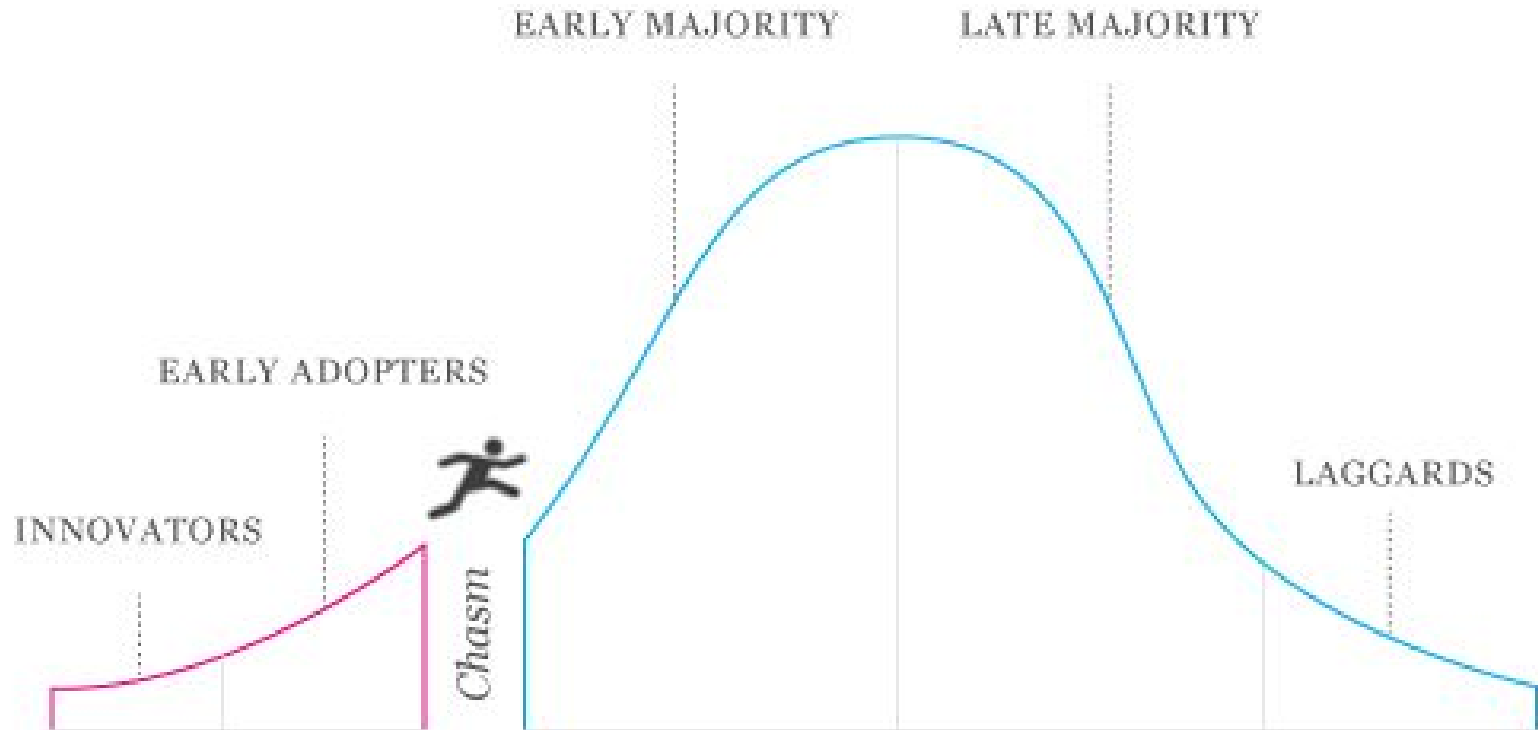


“Over the next 10 years, BYOT will change the way residential load management is done, with mass adoption of connected thermostats and broad use of sophisticated DR program designs.”

Two major drivers . . .

LOWER COST PRODUCTS
+
UTILITY INCENTIVES (BOTH EE AND DR)
+
LOTS OF MARKETING
=
RAPIDLY EXPANDED ADOPTION!

Technology Adoption Life Cycle





Nest Thermostat^E
It's easy to save energy.

nest

TOTAL



ABILITY TO LEVERAGE EXISTING INSTALLED BASE

+

"DIY" CAPABILITY

+

INCREASINGLY PREVALENT DERMS SYSTEMS

=

MORE COST-EFFECTIVE PROGRAM FOR UTILITY