

# KEYTEX ENERGY

*Procurement • Asset Management • Consulting • Wholesale • Retail*

## *Proven Industry Experience*



Call 724-468-6500 or visit us online at [www.KeyTexEnergy.com](http://www.KeyTexEnergy.com)

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## About Us

KeyTex Energy is a leading, full service energy and consulting company, helping businesses implement both wholesale and retail strategies to control and optimize energy costs as well as manage the risks and complexities associated with the energy markets.

KeyTex Energy has strong regional ties, headquartered in Greensburg, Pennsylvania, about 30 miles east of Pittsburgh. Our facility houses our state-of-the-art energy trading floor as well as our team of energy professionals. We are well positioned to offer customers a wide range of energy related services spanning both the wholesale and retail energy markets, giving you the confidence that no matter what your energy needs,

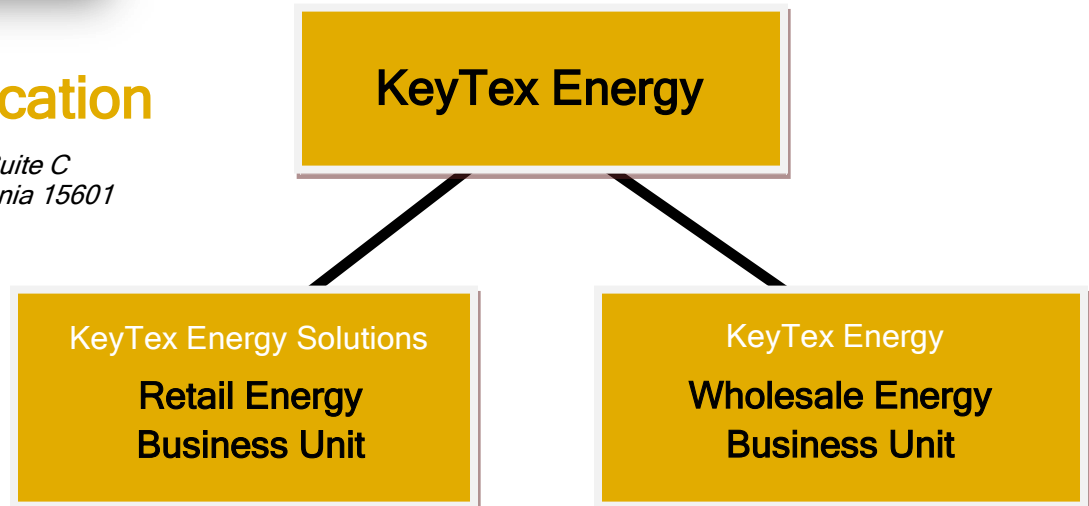
...we have the in-house expertise to help you.

## Business sectors

## Physical Location

200 Brush Run Road, Suite C  
Greensburg, Pennsylvania 15601

724-468-6500 Main  
724-468-6504 Fax



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## Experience you can trust

Over 100+ years of combined energy industry experience

KeyTex Energy brings an experience level that is unmatched in the industry. Our key personnel have a combined experience level of over 100 years in the energy industry as executives, engineers, energy traders, quantitative analysts, dispatchers and schedulers. Our experience includes wholesale and retail energy sales and pricing, utility tariff design, electric generator development and operation, fuel purchasing, environmental compliance strategies, municipal utility energy supply, both long and short term energy trading, and RTO system operations and dispatch.



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### Charles A. Lanager - Principal

In addition to his experience at KeyTex, Mr. Lanager has over **21 years** experience with West Penn Power/Allegheny Energy, serving in various positions on both the regulated and unregulated side of the company, including executive positions in marketing, customer services and accounting/meter reading/collections. From 1998 - 2002, he was responsible for various aspects of marketing and delivering unregulated retail electric generation services to a market area that eventually included Pennsylvania, Maryland, New Jersey and Ohio. This included experience with various state and EDC rules, EDI transactions and energy pricing. In 2002, Mr. Lanager was placed in charge of the group responsible for all of Allegheny's long term wholesale electricity and natural gas transactions throughout the country. Transactions falling under his responsibility included Provider of Last Resort contracts in PJM territory, as well as generator off take agreements, wholesale municipal load contracts and long term wholesale energy transactions and Financial Transmission Rights.

### Gregory T. Cammerata - Principal

In addition to his experience at KeyTex, Mr. Cammerata has **16 years** experience with Allegheny Energy serving in various engineering and analytical capacities which began in 1991 as a Plant Engineer at a supercritical generation facility. In 1993 he was assigned to the Engineering Studies group where he specialized in the economics of Clean Air Act compliance. In 1999, Mr. Cammerata became a Project Development Engineer with the unregulated side of Allegheny Energy, where he managed all aspects of siting and developing new power generation projects and expansions of existing facilities. He also performed economic evaluations of potential purchases of externally developed generation projects and divestitures of existing assets. In 2002 Mr. Cammerata became a Quantitative Analyst specializing in the area of Load and Generation Modeling as well as wholesale and retail pricing. He developed and modeled hedging strategies for Allegheny's wholesale trading group, developed pricing and load forecasting for structured transactions such as Provider of Last Resort agreements, developed wholesale and retail pricing models, modeled generation unit commitment and hedging strategies for Allegheny's generation fleet and modeled Allegheny's SO<sub>2</sub> and NO<sub>x</sub> emission allowance requirements and compliance strategies.



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### **Douglas J. Schaefer - Principal**

Mr. Schaefer has over **17 years** of energy and financial experience. He started his career in the finance industry in client management with Thrivent Financial. Later he moved to CNG Energy Services where he served as a Power Scheduler. In 1998 he relocated to Strategic Energy LLC, where he served in a number of positions. In 2002 he was promoted to Manager, Power Supply Coordination, where he was responsible for the daily purchasing, scheduling and coordination of the power supply to meet SEL's customer load. In 2004 he became Director of Portfolio Management. In this position, he led a 32-person team responsible for customer pricing methodologies, risk management, new business and product development, market development, and energy trading.

### **Michael J. Cammerata - Principal**

Mr. Cammerata has 12 years of experience in the energy industry. He joined Strategic Energy in 1997 as administrator of its web based electricity usage monitoring program. He later joined the energy management group in 1998 scheduling the company's initial energy deliveries as PA's electricity market first deregulated. In 2002 he became portfolio manager for the Texas region. As such, he was responsible for all forward hedging of electricity, ancillaries and renewable for SE's largest book. He has experience in scheduling and trading in NEPOOL, New York, PJM, MISO, ERCOT, and CA.

### **Michael A. Dandrea - Regional Sales Director**

Mr. Dandrea has **28 years** of Engineering, Sales/Marketing, Global Utility/Industrial Business Development, and Operations Management responsibilities with General Electric's Power System Business in Schenectady, NY. Additionally for 10 years he served in various executive positions with Allegheny Energy (AE) until his retirement in 2005. As VP of Retail Energy Sales, Mr. Dandrea had profit and loss responsibility for AE's Retail Business Unit in the Middle Atlantic de-regulated electric energy markets. In this role he led the development of AE's retail energy marketing strategy, costing/pricing methodology, and customer acquisition. As Executive Director of Gas Turbine Operations, Mr. Dandrea was responsible for the operation, management, personnel safety, and availability of AE's gas turbine fleet.

### **David C. Benson - Senior Consultant**

Mr. Benson was employed by Allegheny Power/Allegheny Energy for **26 years**, eventually serving as President of Allegheny Energy Supply, the unregulated energy generation and marketing arm of the company. As such, he was responsible for all aspects of the unregulated business, including the operation and maintenance of the entire fleet of generators and all commodity marketing, trading and hedging activities. Prior to that he held a number of executive positions at both Allegheny Energy and Allegheny Power with responsibilities for energy production, fuel supply and delivery, and transmission system operations and maintenance. In addition to KeyTex Energy, Mr. Benson also serves as Vice President, Operations for CQ Inc., a leader in the development and production of alternative fuels from biomass and industrial by-products.

### **Robert Olinger - Energy Trader/Lead Operator**

Mr. Olinger was previously employed by the PJM Interconnection LLC, in System Operations. He managed the economic operation and dispatch of the PJM bulk power electrical system by directing the control of over 1250 generators, controlling the transmission system facility power flows, and coordinating efforts with other power systems in the NERC eastern interconnected region to ensure reliability of service and to maximize system economy. He holds both NERC and PJM certifications for system operations and dispatch. Prior to joining PJM, he spent six years in the United States Navy where he supervised the safe operation and maintenance of nuclear power systems.



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## Retail Energy Solutions

### *Rising Energy Costs? We have a solution!*

Electricity deregulation has created new opportunities to achieve energy savings as well as creating new challenges for businesses. In the deregulated energy world, it is more important than ever to consider all options for your business so you can make timely, well thought out decisions to minimize the amount your business spends on electricity or natural gas.

Whether retail procurement is the answer or participating in the wholesale energy markets, KeyTex Energy will formulate a comprehensive and customized strategy to help you optimize and manage energy costs for your company. Our procurement strategies are tailored specifically to the individual needs of each client. This includes the development of customized retail pricing alternatives, contract review, bill analysis, and evaluation for potential wholesale market or Demand Response participation.

At KeyTex Energy, our goal is to save you money by getting you the **absolute best price** for electricity or natural gas, while becoming your long term partner for all of your energy needs.

*Don't delay while energy prices continue to rise. Contact us today!*



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## *No matter what your business sector is*

*KeyTex Energy has a retail energy solution for YOU*

*Commercial*

*Municipal*

*Schools/Universities*

*Healthcare*

*Churches*

*Retail/shopping*

*Restaurants*

*Hospitality*

*Government &  
Institutions*





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## *Which retail energy product is right for you?*

KeyTex Energy can analyze your usage, evaluate your risk tolerance, and present you with well thought out options that are consistent with the goals of your business.



### Full Requirements, Fixed Price:

Under this option, the electricity price is fixed for the term of the agreement, providing price and budget certainty. This product includes all components of the electricity price such as: energy, basis, capacity, ancillary services, GRT, network transmission and the additional costs incurred to meet the percentage of renewable energy mandated by the state.

### Indexed Price:

This product allows customers to take full advantage of the price movement in the market, but does have the least amount of risk protection as compared to other products. While customers bear no volume risk, they do take on the risk of purchasing electricity at fluctuating market prices. The price is based on the spot market, plus any other applicable PJM charges. The price paid each month will vary based on changes in market price and usage volume.

### Is Wholesale an option?

Maybe your business is a large enough user such that you may want to consider a wholesale solution such as becoming your own retail provider (LSE). In this case, you would take wholesale service (instead of retail) and would purchase and hedge from the wholesale market. You will avoid many typical retail adders and risk factors, but will take the responsibility for your own volume risk and hedging. In this case, KeyTex Energy's wholesale energy services may be what you are looking for.

### Block Price plus Index:

This product allows customers to purchase blocks of energy using a baseload energy usage approach and to purchase the remaining energy in the market. The customer pays a fixed price for the block, which can be purchased in some or all months. Energy usage above or below the baseload amount is then purchased or sold in the market. Some components of the price such as capacity, ancillary services, network transmission and the additional costs incurred to meet the percentage of renewable energy mandated by the state are either pass-through items to the customer or fixed at the volumes equivalent to the block purchase. This product gives the customer some budget certainty, but also offers the potential opportunity to benefit from any downward market

### Aggregation or Buying Pools:

Conducted properly, an aggregation or buyers pool could benefit you. Conducted improperly and it could cost you money. Is your load profile subsidizing the pool or is the pool subsidizing your load profile? It is impossible to know unless you analyze the load profiles of everyone in the aggregation. Do not automatically assume that you are better off in an aggregation.

### Is Demand Response an option?

Many customers are offsetting the cost of rising electricity rates by participating in voluntary Demand Response programs. Do the operational characteristics of your business make this a viable option for you? KeyTex Energy can help you assess the ability of your business to participate.

### Ongoing value-added services/support:

No matter what type of contract you sign, when you partner with **KeyTex Energy**, our work does not stop whenever you sign a retail contract. We provide many ongoing, value-added services to our retail clients. These include such things as monitoring the performance of the supplier during the contract period, billing reviews to ensure accuracy, monitoring of the energy markets for buying opportunities to extend your contract, as well as keeping you up to speed on regulatory issues that may affect your business. **These are just a few of the many things that make us unique at KeyTex Energy.**



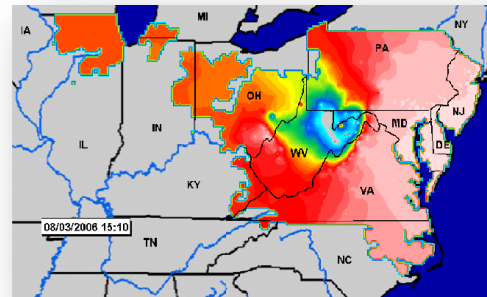
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## Wholesale Energy Solutions



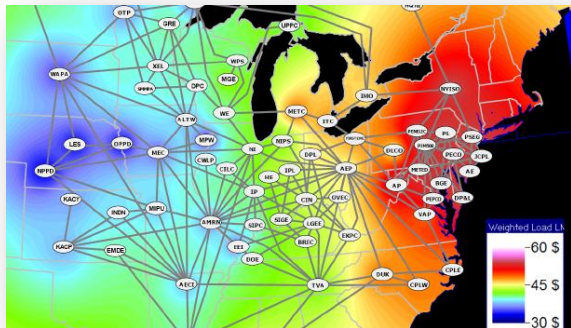
The wholesale energy markets are very complex. Unlike other commodities such as oil, gas, wheat or grain, electricity cannot be stored. At any given moment there is a delicate balance where electricity supply from power plants must exactly meet electrical demand from customers. This fundamental principal makes the electricity markets unique in many ways. Prices can be very volatile and difficult to predict.

On the electricity grid, market prices change minute by minute for reasons such as weather, generator outages, power line outages, electrical “congestion”, electrical demand from customers, and behavior of traders transacting in the market. Understanding the impact of these items on the market is key to understanding how and when electricity prices will move.



This is where *KeyTex Energy*  
Separates itself from other Energy Companies, Consultants and Brokers

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At **KeyTex Energy** our knowledge and energy industry experience clearly separate us from our competition. Our energy professionals transact in wholesale energy markets across the country every day from our state-of-the-art energy trading floor. We not only monitor all key drivers of electricity prices minute by minute, but we construct and operate sophisticated analytical models that help our traders take positions in the market.

You can TRUST US to understand the complex wholesale energy markets.  
*...So that you don't have to.*



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## Wholesale Energy *Solutions*

With in-house experience, KeyTex Energy brings wholesale expertise and capabilities in the following areas:



### Load Serving Entity (LSE) related services

- Forecasting of customer load requirements
- Purchasing for customer load in the PJM Day-Ahead (DA) or Real-time (RT) markets
- Securing congestion management products (ARR's / FTR's) and providing required analysis
- Securing renewable energy credits in accordance with state requirements
- Securing PJM capacity
- Review of PJM settlement statements
- PJM settlement point strategies and analysis

### Generation Market Interface related services

- Development of generator dispatch curves
- Forward unit commitment projections
- Dispatch of generating units
  - Provide complete market interface for customer's generating unit(s)
  - Staff certified as NERC Reliability Coordinator and NERC Balancing Authority
  - Qualifications include former staff of PJM System Operations (generation and transmission dispatch)
- Interface with PJM data systems such as eFUEL, eGADS, etc.
- NERC/FERC reporting
- Review of PJM settlement statements

### Financial Hedging related services

- Work with customer to determine risk tolerance
- Analysis to determine appropriate financial hedging point
- Execution of hedging transactions through clearing agents
- Management of collateral
- Reviewing of ICE/NYMEX settlement statements

### Demand Response related services

- Act as customer's Curtailable Service Provider (CSP)
  - Aggregate the demand of retail customers
  - Register the demand with PJM
  - Submit verification of demand reductions for payment by PJM

Provide consultation and analysis as to which of PJM's Demand Response programs (if any) would benefit you based upon the load profile and operational constraints of your business

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## DEMAND RESPONSE



**Demand Response** (also known as load response) involves the end-use customer reducing their demand for electricity in response to power grid needs, economic signals from a competitive wholesale market or special retail rates. Some ways a demand response resource may reduce their electric demand are by dimming or turning off portions of lighting, by turning on back-up generation or by shutting down one or more electrical processes.

### What it Mean\$ to YOU

There are several ways that you can choose to participate in PJM Demand Response programs through **KeyTex Energy** – your CSP. Your participation will allow you to receive **monthly payments** from PJM, through **KeyTex Energy**. Demand Response programs are completely voluntary. Depending on which program you choose, the amount you get paid and your obligations to reduce consumption will vary.



### Your Demand Response Partner

**KeyTex Energy** is headquartered in Greensburg, PA. Our facility houses our state of the art energy trading floor as well our our team of energy professionals. Our qualifications to be your Curtailable Service Provider (CSP) include key personnel which have over 100 years of combined experience in the energy industry as executives, engineers, energy traders and system operators for companies including Allegheny Energy, Strategic Energy and PJM Interconnect.

**No matter what your business, you can trust KeyTex Energy to be your Demand Response partner.**

**KeyTex Energy** is a Qualified PJM market participant who acts as an agent, called a Curtailable Service Provider (CSP). CSP's work with retail customers who wish to participate in demand response. CSP's aggregate the demand of retail customers, register that demand with PJM, submit the verification of demand reductions for payment by PJM and receive the payment from PJM. **KeyTex Energy** will work with you to formulate a personalized strategy for participation in PJM's Demand Response program by analyzing your curtailment ability based upon the load profile and operational constraints of your business.



Program	Frequency	Notification	Duration	Incentive
Economic Load Response	Up to the Customer	At least 1 hour	Up to the Customer	Based upon wholesale prices
Emergency Load Response	up to 10 times from June - Sept	2 hours	6 hours max Avg < 4 hours	Paid whether you are called or not <b>1MW=approx \$20-30K/yr</b>
<b>Other Programs are available for customers that can reduce with shorter notification times</b>				