Power TakeOff Inc.
1750 30th St., Suite 420
Boulder, CO 80301

September 1, 2016

Illinois Power Agency
160 N. LaSalle St., suite C-504
Chicago, IL 60601

Dear Mr. Mario Bohorquez, Planning & Procurement Bureau Chief:

This comment is submitted to the Illinois Power Agency (IPA) by Kevin Martin, Chief Operating Office for Power TakeOff along with our program partner GDS Associates, Inc. We ask that the IPA and Commonwealth Edison Company (ComEd) re-consider two revised PY10-12 program proposals, Small Business MBCx Program and DCEO MBCx Program that were initially submitted to ComEd on April 14, 2016. This request is based on significant IT requirements by Exelon's (parent company to ComEd) Cloud Steering Committing that were first introduced to Power TakeOff during implementation of its PY9 Small Business MBCx Program but after submission of the PY10-12 proposals. Not only have these new IT requirements led Power TakeOff to significantly revise the customer engagement process of its current PY9 Small Business MBCx Program (while still adhering to the program design, goals, and uniqueness outlined in the approved PY9 program), at a great one-time expense to the company, but also its future program design of the same Small Business MBCx program proposed in PY10-12 and the DCEO MBCx PY10-12 proposal. Given this significant discovery which Power TakeOff was only made aware of after the PY10-12 proposal submission deadline, we believe it is fair for ComEd and the IPA to re-consider the two revised proposals which significantly differ in program cost based on a new customer engagement process in order to adhere to Exelon Cloud Steering Committee requirements.

While several ancillary participant benefits can no longer be offered as a result of the revised engagement and reporting process, Power TakeOff was able to skillfully reengineer this new delivery design in a way that has enabled the company to lower the overall program cost significantly in future PY10-12 proposal years (after already incurring the one-time cost this year to re-structure the program delivery). Furthermore, with the lower program cost from the necessary revised program design, Power TakeOff is still able to deliver the same projected kWh savings goals initially proposed.

Cost Category	Small Business MBCx Program: Cost Reduction	DCEO MBCx Program: Cost Reduction
Program Administration - Labor	$1,500,000	$1,125,000
Program Marketing - Labor	$600,000	$450,000

Program Delivery - Other Services	$1,757,964	$1,207,128
Measure Incremental Costs - Activities	Eliminated	Eliminated

To support our request, we have documented the communication process during implementation with ComEd and Exelon below (beginning January 29th through May 13th) which validates our statement that the IT requirements which led to program revisions came after PY10-12 proposal submission. Additionally, included in the email sent to Mr. Mario Bohorquez with this comment are two red-line proposals and an Appendix A and Appendix C spreadsheet for each proposal.

Program Implementation Timeline Details

January 29, 2016 – Received VSQ Security Questionnaire and Cloud SRM Security Matrix
We received copies of Exelon's VSQ Vendor Security Questionnaire and Cloud SRM Security Matrix documents from our ComEd program manager, Richard (Rick) Tonielli, on January 29th.

February 11, 2016 – Power TakeOff submitted filled in VSQ and Cloud SRM Security Documents
Power TakeOff reviewed and completed the requested vendor security information in the questionnaire documents and submitted them back to Rick Tonielli on February 11, 2016.

March 15, 2016 and March 24, 2016 – Review VSQ Security Questionnaire
We received written responses to our first Exelon Security Questionnaire on March 15th, which was reviewed by Jagruti (Jags) Mahante, an Exelon IT Analyst. The Security Questionnaire had numerous questions we did not initially have responses to because the IT security requirements needed for this particular program were not outlined in this document as it was a broad questionnaire of the current status and proposed plans of the company's security measures. On March 24th, Power TakeOff was able to have a phone conversation with Jags Mahante to review the VSQ Security Questionnaire together. During this meeting, Power TakeOff committed to a series of security improvements that would be required by Exelon for receiving and handling the energy and basic customer information of Exelon customers (including improvements around logins, password management, tracking updates, logging interactions, hosting security reviews, software security reviews, additional encryption and a new dedicated server/system).

At this point we were still waiting back for responses to a CloudSRM form Power TakeOff had submitted. During the March 24th call, Jags Mahante also informed the Power TakeOff team and Rick Tonielli that an IT Security Architect would need to be assigned to the project to move the project through the Exelon IT security process.

April 19, 2016 – Meeting with first IT Security Architect
After identifying the need for an Exelon IT Security Architect during the March 24th call, Jags Mahante and Rick Tonielli took steps to have an IT Security Architect assigned and have a meeting with them

and the Power TakeOff team. On April 19th, the Power TakeOff team and Rick Tonielli had its first discussion with Kevin Pazdro. Kevin Pazdro introduced Power TakeOff to the existence of the Cloud Steering Committee (CSC) and the outstanding need to have an IT Security Architect still review the other submitted CloudSRM security document. He additionally informed us of the need for an Architectural Engagement Form (AEF). At this time, it was still unclear if our program would need to go through the CSC monthly review, or what, if any, security requirements there were for the proposed program implementation above those already agreed to in the review with Jags Mahante.

April 20, 2016 – Meeting with second IT Security Architect
On April 20th we met with Tom Bakota, an Exelon IT Security Architect. He explained how remediation plans or security exceptions would have to be filed, and how long we would have to rectify issues raised. He also explained that if clients or ComEd staff could log in to the system, then it had to go through the Cloud Steering Committee. It also became clear that additional changes to our software would be required. This included items such as access management, change logging, long term software roadmaps, single sign-on (SSO), log reviews, and intrusion detection among other extensive requirements. This was our first indication it would likely make more sense to not have clients log in, and avoid additional project slow-down and increased development and running costs, but additional information was still needed.

April 25, 2016 – Email from Power TakeOff that Customers Would Not Sign Into Application
Based on the information learned from the April 20th call and additional internal discussions, Power TakeOff Project Manager, Geoff Vanderkooy, sent Rick Tonielli an email on April 25th confirming that Power TakeOff would not have customers sign into the software as part of the program at that time. As the project implementation was already behind schedule at that time, Power TakeOff's goal was to not pose additional obstacles that would delay the move through security and legal requirements.

May 13, 2016 – Meeting with Cloud Steering Committee Member
On May 13th, we met with Paul Rosenthal, Senior Category Manager, IT/Telecom Supply, and also part of the CSC team. In that conversation, he informed Power TakeOff of some of the additional legal implications of having users be able to log into the system. By having customers log into the software, then it would be considered a service that clients have access to, and that service offering would reflect on Exelon and ComEd. Thus, there were numerous additional service and support requirements that would have to be met. For instance, as a service, it would have to be guaranteed to be consistently (or nearly constantly) available, thus disaster recovery plans and methods must be put in place and meet certain levels. As well, there would have to be Service Level Agreements (SLAs) that our service would have to meet (including maintenance windows, uptime commitments, service down alerts, update notifications, etc.). Paul also pointed out Exelon perceived inherently higher risks with systems that are accessed by clients or outside personnel. Thus, there would need to be a security and support structures in place to support clients above Power TakeOff's current levels.

As a result of this meeting from Paul and prior requirements outlined by Tom Bakota, Power TakeOff changed its program plan to remove customers' ability to access PowerTakeOff's online software and

instead began to pursue alternative customer engagement plans. The decision was made as the Exelon IT & legal requirements were not only cost prohibitive and placed additional contractual risks upon Power TakeOff, but the infrastructure and other changes that would need to be made were significantly beyond the scope of the program and we would not be able to launch the program in PY9 as the estimated time to complete the requirements is greater than 12 months. Therefore, the program was redesigned to remove participant's access to the EMIS software, as well as all the related EMIS administrative, marketing, and ongoing support activities.

If you have additional comments on the above, please don't hesitate to contact me further regarding this matter.

Sincerely,

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