

FUNDAMENTAL CHANGE COMPANY NOTICE AND OFFER TO REPURCHASE

ENERNOC, INC.

OFFER TO REPURCHASE FOR CASH

ANY AND ALL OUTSTANDING

2.25% CONVERTIBLE SENIOR NOTES DUE 2019 (CUSIP No. 292764 AB3)

THE OFFER WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON SEPTEMBER 21, 2017 UNLESS EXTENDED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, REFERRED HEREIN TO AS THE "EXPIRATION TIME"). HOLDERS OF THE NOTES MUST TENDER THEIR NOTES IN THE MANNER DESCRIBED BELOW ON OR PRIOR TO THE EXPIRATION TIME TO RECEIVE THE FUNDAMENTAL CHANGE REPURCHASE PRICE (AS DEFINED BELOW). NOTES TENDERED IN THE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION TIME. IF THE NOTES ARE ACCEPTED FOR PAYMENT PURSUANT TO THE OFFER, ONLY HOLDERS OF NOTES WHO HAVE VALIDLY TENDERED AND NOT VALIDLY WITHDRAWN THEIR NOTES WILL RECEIVE THE FUNDAMENTAL CHANGE REPURCHASE PRICE.

NOTICE IS HEREBY GIVEN, pursuant to the terms and conditions of the Indenture, dated as of August 18, 2014 (the "Original Indenture"), between EnerNOC, Inc., a Delaware corporation (the "Company") and Wells Fargo Bank, National Association, as trustee, conversion agent and paying agent (referred to herein as the "trustee," "conversion agent" or "paying agent"), as supplemented by the First Supplemental Indenture, dated as of August 7, 2017, between the Company and the trustee (the "First Supplemental Indenture" and, the Original Indenture as supplemented by the First Supplemental Indenture and as may be further amended or supplemented from time to time, the "Indenture"), and the 2.25% Convertible Senior Notes due 2019 issued pursuant to the Indenture (referred to herein as the "notes"), that, at the option of each holder of the notes, the Company will repurchase the notes, subject to the terms and conditions of this Fundamental Change Company Notice and Offer to Repurchase, as amended and supplemented from time to time (referred to herein as the "offer to repurchase"), the Indenture and the notes (referred to herein as the "offer"). In accordance with the Indenture, the Company is offering to repurchase the notes for a price in cash equal to 100% of the principal amount of the notes, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date (referred to herein as the "fundamental change repurchase price"). In accordance with Section 15.02(a) of the Indenture, the Company hereby designates September 22, 2017 as the fundamental change repurchase date unless extended in accordance with the Indenture (such date, as the same may be extended, referred to herein as the "fundamental change repurchase date"). If the notes are accepted for payment, the Company shall pay the fundamental change repurchase price to holders of notes who have validly tendered and not validly withdrawn their notes promptly following the later of the fundamental change repurchase date and the time of surrender of the notes, by book-entry transfer or delivery, in accordance with the offer to repurchase (referred to herein as the "payment date").

The offer to repurchase constitutes the "fundamental change company notice" required by Section 15.02(c) of the Indenture. Following a "fundamental change," as defined in the Indenture, each holder of the notes has the right to have its notes repurchased in accordance with the terms of the Indenture. A fundamental change occurred on August 7, 2017 (referred to herein as the "effective date of the merger"), when the Company merged (referred to herein as the "merger") with and into Pine Merger Sub, Inc., a wholly-owned subsidiary of Enel Green Power North America, Inc. ("EGPNA"), with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of EGPNA. On the effective date of the merger, each outstanding share of the Company's common stock, par value \$0.001 per share ("common stock") was converted into the right to receive \$7.67 in cash.

The trustee has informed the Company that, as of the date of the offer to repurchase, all custodians and beneficial holders of the notes hold the notes through accounts established with the Depository Trust Company (referred to as "DTC") and that there are no certificated notes in non-global form. Accordingly, all notes outstanding as of the date of the offer to repurchase that are tendered hereunder must be delivered through the transmittal procedures of DTC.

Holders may surrender, and the Company will accept, notes for repurchase until the expiration time. The Company will deposit with D.F. King & Co., Inc. (the "information agent and tender agent"), on or prior to 11:00 a.m., Eastern Time, on the fundamental change repurchase date, an amount of money sufficient to repurchase all of the notes to be repurchased at the fundamental change repurchase price.

AS A RESULT OF THE OCCURRENCE OF THE FUNDAMENTAL CHANGE, YOU MAY CONVERT YOUR NOTES AT ANY TIME UNTIL AND INCLUDING THE FUNDAMENTAL CHANGE REPURCHASE DATE. AS A RESULT, FOR EACH \$1,000 PRINCIPAL AMOUNT OF THE NOTES THAT YOU CONVERT, YOU WILL RECEIVE, IN ACCORDANCE WITH SECTIONS 14.01, 14.02 AND 14.07 OF THE INDENTURE AND SECTION 2.01 OF THE FIRST SUPPLEMENTAL INDENTURE, \$276.84 IN CASH. IN CONTRAST, FOR NOTES THAT YOU TENDER PURSUANT TO THE OFFER, THE COMPANY ESTIMATES THAT THE AMOUNT YOU WILL RECEIVE, INCLUDING ACCRUED AND UNPAID INTEREST TO, BUT EXCLUDING, THE FUNDAMENTAL CHANGE REPURCHASE DATE WILL BE APPROXIMATELY \$1,002.375 PER \$1,000 PRINCIPAL AMOUNT OF THE NOTES.

The information agent and tender agent is D.F. King & Co., Inc.

By Hand or Overnight Delivery:
D.F. King & Co., Inc.
Attention: Andrew Beck
48 Wall Street, 22nd Floor
New York, New York 10005

For Information as to Tender Procedures:
Toll Free: (800) 431-9643
Banks & Brokers Call: (212) 269-5550
Attention: Andrew Beck

By Facsimile:
(212) 709-3328
Attention: Andrew Beck

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory authority has approved or disapproved of these transactions or determined if this statement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of the offer to repurchase is August 24, 2017

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY TERM SHEET	1
AVAILABLE INFORMATION.....	6
DOCUMENTS INCORPORATED BY REFERENCE.....	6
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION.....	7
Section 1. Introduction.....	8
Section 2. Terms of the Offer.....	8
Section 3. Purpose of the Offer.....	9
Section 4. Certain Information Concerning the Offeror	9
Section 5. Price Range of Notes and Common Stock.....	9
Section 6. Conversion Rights With Respect to the Notes.....	10
Section 7. Acceptance of Notes for Payment.....	11
Section 8. Expiration, Extension, Amendment, Withdrawal or Termination of the Offer	12
Section 9. Procedures for Tendering Notes	12
Section 10. Withdrawal of Tenders.....	15
Section 11. Source and Amount of Funds.....	16
Section 12. Conditions of the Offer	16
Section 13. U.S. Federal Income Tax Consequences.....	16
Section 14. Fees and Expenses; Solicitations	20
Section 15. Miscellaneous	20

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE OFFER TO REPURCHASE AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE OFFER TO REPURCHASE DOES NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY CIRCUMSTANCES OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. THE DELIVERY OF THE OFFER TO REPURCHASE SHALL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CURRENT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE OFFER TO REPURCHASE, OR THE DATE OF ANY DOCUMENTS INCORPORATED BY REFERENCE, AS APPLICABLE. NONE OF THE COMPANY, EGPNA, THEIR RESPECTIVE BOARDS OF DIRECTORS OR EMPLOYEES OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION OR RECOMMENDATION TO ANY HOLDER AS TO WHETHER OR NOT TO TENDER NOTES. YOU SHOULD CONSULT YOUR OWN FINANCIAL AND TAX ADVISORS AND MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR NOTES AND, IF SO, THE AMOUNT OF NOTES TO TENDER.

**TO HOLDERS OF
2.25% CONVERTIBLE SENIOR NOTES DUE 2019 (CUSIP NO. 292764 AB3)
OF ENERNOC, INC.**

SUMMARY TERM SHEET

The following are answers to some of the questions that you, as a holder of the Company's notes, may have. The Company urges you to read the remainder of the offer to repurchase carefully because the information in this summary term sheet is not complete. Additional important information is contained in the remainder of the offer to repurchase.

Who is offering to buy my notes?

The Company, EnerNOC, Inc., is offering to repurchase any and all of your notes, at your option, on the terms and conditions set forth in the offer to repurchase. The address and telephone number of the Company's principal executive offices is One Marina Park Drive, Suite 400, Boston, Massachusetts 02210, (617) 224-9900. See "Section 4. Certain Information Concerning the Offeror."

What notes is the Company seeking to repurchase in the offer?

The Company is offering to repurchase any and all of its outstanding 2.25% Convertible Senior Notes Due 2019 (CUSIP No. 292764 AB3). As of August 24, 2017, there was \$126,800,000 aggregate principal amount of the notes outstanding. The Company issued the notes under the Indenture, dated as of August 18, 2014, between the Company and Wells Fargo Bank, National Association, as trustee. See "Section 1. Introduction."

Why is the Company offering to repurchase my notes?

The Company is offering to repurchase the notes to satisfy its contractual obligation to do so under Section 15.02(a) of the Indenture. The Indenture requires the Company to offer to repurchase your notes following a "fundamental change" with respect to the Company. A fundamental change occurred on August 7, 2017, the date of the consummation of the merger. For more information about the Company, see "Section 1. Introduction."

How much is the Company offering to pay and what is the form of payment?

Pursuant to the Indenture and the notes, the Company is offering to repurchase your notes at a price in cash of 100% of the principal amount of the notes surrendered, plus accrued and unpaid interest to, but excluding, September 22, 2017, the fundamental change repurchase date, unless extended. The Company estimates that on the currently scheduled fundamental change repurchase date, the fundamental change repurchase price, including all accrued and unpaid interest to, but excluding, the fundamental change repurchase date will be approximately \$1,002.375 per \$1,000 principal amount of the notes. You may be required to pay commissions to your broker in connection with your tender of notes. See "Section 2. Terms of the Offer."

Are my notes currently convertible?

Yes, as a result of the consummation of the merger the notes are currently convertible (referred to herein as the "conversion right") until the fundamental change repurchase date. Holders may convert any outstanding notes into cash and will be entitled to receive \$276.84 of cash for each \$1,000 principal

amount of notes based on the conversion rate of 36.0933 that was in effect on the effective date of the merger and the \$7.67 price per share payable in the merger. While the merger is a “make-whole fundamental change” under the Indenture, the conversion rate will not be increased by any “additional shares” under Section 14.03(d) of the Indenture as the “stock price” for purposes thereof is below \$19.79.

In contrast, for the notes that you tender pursuant to the offer, the Company estimates that the amount you will be entitled to receive, including accrued and unpaid interest to, but excluding, the currently scheduled fundamental change repurchase date will be approximately \$1,002.375 per \$1,000 principal amount. See “Section 2. Terms of the Offer” and “Section 6. Conversion Rights With Respect to the Notes.”

What is the relationship between the offer and the convertibility of the notes?

The right to participate in the offer is a separate right from the right to convert the notes. If you tender your notes in the offer, you will not be able to convert your notes unless you withdraw your applicable repurchase notice in accordance with Section 15.03 of the Indenture prior to 5:00 p.m., Eastern Time, on September 21, 2017, the expiration time (unless such time is extended). If you do not tender your notes under the offer, your conversion rights will not be affected. If you have exercised your conversion right and converted your notes, you may not tender your converted notes in the offer. See “Section 6. Conversion Rights With Respect to the Notes.”

Does the Company have the financial resources to make payment?

Yes. The Company estimates that it will need approximately \$127,000,000 to repurchase all of the notes outstanding as of the date of the offer to repurchase pursuant to the offer and to pay all related fees and expenses. EGPNA will provide the Company with funds sufficient for the repurchase of the notes pursuant to the offer. The offer is not conditioned on any financing arrangement or subject to any financing condition. See “Section 11. Source and Amount of Funds.”

What is the market value of the notes?

The notes are not listed on any national or regional securities exchange. Accordingly, there is no practical way to determine the full trading history of the notes. See “Section 5. Price Range of Notes and Common Stock.”

How long do I have to tender in the offer?

You have until 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless we extend or earlier terminate the offer, to tender your notes in the offer. See “Section 2. Terms of the Offer” and “Section 8. Expiration, Extension, Amendment, Withdrawal or Termination of the Offer.”

Are there any conditions to the offer?

The Company is offering to repurchase all outstanding notes. The offer is not conditioned upon the tender of a minimum amount of notes or subject to any financing condition. The only conditions to the offer are (i) the timely and proper delivery and tender of your notes in accordance with the terms of the offer and (ii) that the offer must comply with applicable law. See “Section 12. Conditions of the Offer.”

How do I tender my notes?

To tender your notes for repurchase pursuant to the offer, you must surrender your notes to the information agent and tender agent through the transmittal procedures of DTC on or after the date of the offer, but no later than 5:00 p.m., Eastern time, on September 21, 2017, the expiration time (unless such time is extended). All of the notes are held in book-entry form through the facilities of DTC. If a holder desires to tender notes, the holder must transfer such notes through DTC's Automated Tender Offer Program ("ATOP"), subject to the terms and procedures of that system on or before the expiration time.

Holders whose notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact the nominee and instruct the nominee to tender the notes on the holder's behalf through the transmittal procedures of DTC on or before the expiration time.

By tendering your notes through the transmittal procedures of DTC, you agree to be bound by the terms of the offer. See "Section 9. Procedures for Tendering Notes" for further information regarding tendering notes through the transmittal procedures of DTC and through other means for any certificated notes.

Can the offer be extended, and under what circumstances?

Yes. The Company has the right to extend the offer at any time by giving written notice to the information agent and tender agent. The Company will publicly announce any extension no later than 9:00 a.m., Eastern time, on the next business day after the previously scheduled expiration of the offer. Without limiting the manner in which the Company may choose to make any public announcement, the Company shall be under no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release. See "Section 8. Expiration, Extension, Amendment, Withdrawal or Termination of the Offer."

Until what time can I withdraw previously tendered notes?

You can withdraw previously tendered notes at any time prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless we extend the offer, in which case you may withdraw your notes at any time prior to the new expiration time. See "Section 10. Withdrawal of Tenders."

How do I withdraw previously tendered notes?

To withdraw all or a portion of notes validly tendered in the offer, you (or your broker, dealer, commercial bank, trust company or other nominee) must comply with the withdrawal procedures of DTC in sufficient time to allow DTC to withdraw your notes prior to the expiration time. You may not rescind a withdrawal of tendered notes. However, you may retender your notes by following the proper tender procedures. See "Section 9. Procedures for Tendering Notes" and "Section 10. Withdrawal of Tenders."

If I tender, when will I receive payment for the notes?

The Company will accept for payment all notes that have been validly tendered and not validly withdrawn subject to the conditions of the offer (including the terms and conditions of any extension or amendment hereto). The Company will deposit with the information agent and tender agent, prior to 11:00 a.m., Eastern Time, on the fundamental change repurchase date, an amount of cash sufficient to pay the fundamental change repurchase price for the tendered notes. The information agent and tender agent will, no later than the later of (i) the business day immediately following the fundamental change repurchase date and (ii) the book-entry transfer of the applicable notes; distribute the cash to DTC, as the

sole record holder of the notes. DTC will thereafter distribute the cash to its participants in accordance with its procedures. See “Section 2. Terms of the Offer.”

If my notes are repurchased in the offer, when will interest cease to accrue on them?

Unless the Company defaults in making payment of the fundamental change repurchase price, interest on any notes tendered in the offer shall cease to accrue on and after the fundamental change repurchase date, which is September 22, 2017, unless extended.

What will happen to notes not tendered in the offer?

Any notes that remain outstanding after consummation of the offer will continue to be the Company’s obligation and will remain subject to the terms of the Indenture governing the notes, including the accrual of interest. The notes will be convertible only under the circumstances described in Section 14.01 of the Indenture. Following the fundamental change repurchase date, whenever the notes are convertible under Section 14.01, holders may convert any outstanding notes into cash and will be entitled to receive \$276.84 of cash for each \$1,000 principal amount of notes based on the conversion rate of 36.0933 that was in effect on the effective date of the merger and the \$7.67 price per share payable in the merger.

To the extent that notes are repurchased pursuant to the offer or converted in connection with the conversion rights thereto, any trading markets for the notes that remain outstanding may be more limited than the trading markets that may have existed if all notes remained outstanding. As a result, the market price for the remaining notes may decrease or become more volatile.

Do I have to pay a commission if I tender my notes?

You will not be required to pay any commission to the Company, DTC or the information agent and tender agent in connection with tendering your notes, except you may be required to pay commissions to your broker in connection with your tender of notes. See “Section 2. Terms of the Offer.”

What are the U.S. federal income tax consequences to me if I tender?

The sale of notes pursuant to the offer will be a taxable event for U.S. federal income tax purposes. See “Section 13. U.S. Federal Income Tax Consequences.”

Who is the conversion agent?

Wells Fargo Bank, National Association, the trustee under the Indenture, is also serving as conversion agent in connection with the offer, and may be contacted at Wells Fargo Bank, National Association, Corporate Trust Services, MAC N9300-060, 600 South Fourth Street, 6th Floor, Minneapolis, MN 55415, and its telephone number is (612) 667-8485, and its email address is cmesconversions@wellsfargo.com.

Who is the information agent and tender agent?

D.F. King & Co., Inc. is serving as information agent and tender agent in connection with the transactions completed by the offer.

Who can I talk to if I have questions about the offer?

You may contact the information agent and tender agent at the address and telephone and facsimile numbers set forth on the cover of the offer to repurchase if you have any questions about how to tender your notes or to request assistance with tendering your notes.

Are you making any recommendation about the offer?

No. Neither the Company, EGPNA, the information agent and tender agent, the trustee, the conversion agent, the paying agent, nor any of their respective officers, directors or affiliates make any recommendation as to whether holders should tender their notes pursuant to the offer. Holders should determine whether or not to accept the offer based upon their own assessment of current market value, liquidity needs and investment objectives. See “Section 2. Terms of the Offer.”

AVAILABLE INFORMATION

As a result of the merger, the Company is no longer required to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”). You may read and copy the reports, proxy statements and other information that we have filed with the SEC at the SEC’s public reference rooms at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1 (800) SEC-0330 for more information about the operation of the public reference rooms. The Company’s SEC filings are also available on the SEC’s website at <http://www.sec.gov>.

DOCUMENTS INCORPORATED BY REFERENCE

The Company incorporates by reference in the offer to repurchase the information that it files with the SEC, which means that it can disclose important information to you by referring you to another document. The information incorporated by reference is an important part of the offer to repurchase. Any statement that is contained in a document incorporated by reference in the offer to repurchase shall be modified or superseded for the purposes of the offer to repurchase to the extent that a statement contained in the offer to repurchase or in any other subsequently filed document that is also incorporated by reference in the offer to repurchase modifies or supersedes such statement. Any such statements so modified or superseded shall not be considered, except as so modified or superseded, to constitute a part of the offer to repurchase.

The Company incorporates by reference the documents listed below:

- The description of the notes and Indenture included in item 1.01 of the Company’s Form 8-K, filed with the SEC on August 18, 2014, and the terms of the Indenture and notes, which are included as Exhibit 4.1 to the same Form 8-K;
- The Company’s annual report on Form 10-K and Form 10-K/A for the year ended December 31, 2016, filed with the SEC on March 16, 2017 and May 1, 2017, respectively;
- The Company’s quarterly reports on Form 10-Q for the quarter ended March 31, 2017 and June 30, 2017, filed with the SEC on May 10, 2017 and August 9, 2017, respectively;
- The Company’s current reports on Form 8-K, filed with the SEC on March 10, 2017, April 18, 2017, June 23, 2017 and August 7, 2017; and
- The description of the Company’s common stock contained in its Registration Statement on Form 8-A, filed with the SEC on May 16, 2007, including any amendment or report filed for the purpose of updating that information.

Upon request, the Company will provide a copy of all documents it incorporates by reference at no cost, to any person that receives the offer to repurchase. To request a copy of any of these documents you should call or write to EnerNOC, Inc., Attention: Investor Relations Department, One Marina Park Drive, Suite 400, Boston, Massachusetts 02210, Telephone: (617) 224-9900 or by internet via the Company’s website at <http://www.enernoc.com> as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

The offer to repurchase and the documents referred to in the offer to repurchase contain forward-looking statements within the meaning of Section 21E of the Exchange Act. Statements other than statements of historical fact, including statements regarding the Company's future expectations, beliefs, goals or prospects are forward-looking statements for the purposes of federal and state securities laws. Forward-looking statements are commonly identified by words such as "may," "will," "should," "would," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "future," "intends," "contemplates" and other terms with similar meanings. These forward-looking statements, including, without limitation, those relating to future actions, future performance and future financial results, in each case relating to the Company, wherever they occur in the offer to repurchase or the other documents incorporated by reference herein, are necessarily estimates reflecting the best judgment of the Company's management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in the offer to repurchase and incorporated by reference into the offer to repurchase. In addition to the risk factors identified elsewhere and incorporated by reference into the offer to repurchase, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- the businesses of the Company and EGPNA may not be combined successfully, or such combination may take longer, be more difficult, time-consuming or costly to accomplish than expected;
- the expected growth opportunities and cost savings from the merger may not be fully realized or may take longer to realize than expected;
- adverse governmental or regulatory policies may be enacted;
- the effects of local, national or international economic, credit and capital market conditions on the economy in general, and on the energy sector in particular;
- changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies;
- the effects of competition, including locations of competitors and operating and market competition; and
- other factors and other risks referred to in the Company's public filings with the SEC, including as described in its Annual Report on Form 10-K and Form 10-K/A for the fiscal year ended December 31, 2016, and subsequent Quarterly Reports on Form 10-Q, which can be found at the SEC's website located at <http://www.sec.gov>, and on the Company's website located at <http://www.enernoc.com>.

The Company does not intend to revise any forward-looking statements to reflect events or circumstances that occur after the date of the offer to repurchase or to reflect the occurrence of unanticipated events, unless the Company is legally obligated to do so.

Section 1. Introduction

The Company is offering, upon the terms and subject to the conditions of the offer, to repurchase any or all of its outstanding notes at a price in cash equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date, which is September 22, 2017, unless extended.

The offer to repurchase is being sent to you pursuant to Section 15.02(a) of the Indenture. Section 15.02(a) of the Indenture provides that following a “fundamental change,” as defined in the Indenture, each holder of the notes will have the right to have all of its notes, or any portion of the principal amount thereof that is an integral multiple of \$1,000, repurchased at the fundamental change repurchase price. A fundamental change, as defined in the Indenture, occurred on August 7, 2017 as a result of the consummation of the merger of the Company with and into Pine Merger Sub, Inc., a wholly-owned subsidiary of EGPNA, with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of EGPNA.

The offer will expire at the expiration time, which is 5:00 p.m., Eastern time, on September 21, 2017, unless extended or earlier terminated. If notes are accepted for payment pursuant to the offer, only holders of notes who validly tender their notes pursuant to the offer at or prior to the expiration time will receive the fundamental change repurchase price. Notes tendered in the offer may be withdrawn at any time prior to the expiration time.

In the event that the Company withdraws or terminates the offer because any or all of the conditions to the offer described in “Section 12. Conditions of the Offer” have not been satisfied, the fundamental change repurchase price will not be paid or become payable to holders of the notes who have tendered their notes. In such event, the information agent and the tender agent will return tendered notes to the tendering holders promptly following the termination or withdrawal of the offer.

Subject to applicable securities laws and the terms set forth in the Indenture and in the offer, the Company reserves the right to extend or otherwise to amend the offer in any respect. Any extension, amendment or termination will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension of the offer to be issued no later than 9:00 a.m., Eastern time, on the next business day after the previously scheduled expiration time. Without limiting the manner in which any public announcement may be made, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release. See “Section 8. Expiration, Extension, Amendment, Withdrawal or Termination of the Offer.”

THE OFFER TO REPURCHASE CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE MAKING A DECISION WITH RESPECT TO THE OFFER.

NEITHER THE COMPANY, EGPNA, THE INFORMATION AGENT AND THE TENDER AGENT, THE TRUSTEE, THE CONVERSION AGENT, THE PAYING AGENT, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS OR AFFILIATES MAKE ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE OFFER.

Section 2. Terms of the Offer

Upon the terms and subject to the conditions of the offer, the Company is offering to repurchase for cash any and all of the outstanding notes at a price in cash equal to 100% of the principal amount of notes, plus accrued and unpaid interest to but excluding the fundamental change repurchase date, which is

September 22, 2017, unless extended. The Company estimates that on the currently scheduled fundamental change repurchase date the fundamental change repurchase price, including all accrued and unpaid interest to, but excluding, the fundamental change repurchase date will be approximately \$1,002.375 per \$1,000 principal amount of the notes. You will not be required to pay any commission in connection with the offer, except for commissions you may need to pay your broker in connection with your tender of notes.

You may tender, and the Company will only accept, notes tendered in denominations of \$1,000 principal amount and integral multiples thereof. The Company will accept for payment, upon the terms and subject to the conditions of the offer, all notes validly tendered in accordance with the procedures set forth in “Section 9. Procedures for Tendering Notes” and not validly withdrawn in accordance with the procedures set forth in “Section 10. Withdrawal of Tenders” at or prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless extended. Each tendering holder of notes whose notes are accepted for payment pursuant to the offer will receive the same consideration therefor, per \$1,000 principal amount thereof, as all other holders of notes whose tenders are accepted.

Section 3. Purpose of the Offer

The Indenture requires the Company to offer to repurchase your notes following a fundamental change with respect to the Company. A fundamental change, as defined in the Indenture, occurred on August 7, 2017 when the Company merged with and into Pine Merger Sub, Inc., a wholly-owned subsidiary of EGPNA, with the Company continuing as the surviving corporation and becoming a wholly-owned subsidiary of EGPNA.

Section 4. Certain Information Concerning the Offeror

The Company is a leading provider of demand response solutions and energy intelligence software. The Company offers access to more demand response programs worldwide than any other provider, providing enterprises a valuable payment stream to further enhance bottom line results and utilities and grid operators a reliable, cost-effective demand-side resource. Also, with capabilities to better address budgets and procurement, utility bill management, facility analysis and optimization, sustainability and reporting, project tracking, and demand management, the Company’s SaaS platform helps enterprises control energy costs, mitigate risk, and streamline compliance and sustainability reporting.

The Company maintains its registered and principal executive offices at One Marina Park Drive, Suite 400, Boston, Massachusetts 02210, and its telephone number is (617) 224-9900. As a result of the consummation of the merger, the Company became a wholly-owned subsidiary of EGPNA.

Section 5. Price Range of Notes and Common Stock

The notes are not listed on any national or regional securities exchange. Accordingly, there is no practical way to determine the full trading history of the notes. Quotations for securities that are not widely traded, such as the notes, may differ from actual trading prices and should be viewed as approximations. To the extent such information is available, holders are urged to contact their brokers with respect to current information regarding the market price of the notes.

A debt security with a small outstanding principal amount available for trading (a small “float”) may command a lower price and trade with greater volatility than would a comparable debt security with a greater float. Consequently, the Company’s repurchase of notes pursuant to the offer will reduce the float and may negatively impact the liquidity, market value and price volatility of the notes that remain outstanding following the offer. The Company cannot assure you that a trading market will exist for the

notes following the offer. The extent of the market for the notes following consummation of the offer will depend upon, among other things, the remaining outstanding principal amount of the notes at such time, the number of holders of notes remaining at such time and the interest in maintaining a market in such notes on the part of securities firms.

As a result of the merger, upon which the Company became a wholly-owned subsidiary of EGPNA, the Company's common stock was delisted from the NASDAQ Global Select Market ("NASDAQ"). As a result, there is no longer any trading in the Company's common stock. Prior to the merger, the Company's common stock traded on NASDAQ. The following table sets forth the high and low closing per share sales prices of its common stock for the periods indicated as reported on published financial sources.

	<u>Common Price</u>	
	<u>High</u>	<u>Low</u>
2015		
Quarter ended March 31, 2015.....	\$18.88	\$10.60
Quarter ended June 30, 2015.....	12.86	9.55
Quarter ended September 30, 2015.....	10.59	7.40
Quarter ended December 31, 2015.....	9.66	3.80
2016		
Quarter ended March 31, 2016.....	\$7.64	\$3.15
Quarter ended June 30, 2016.....	7.72	5.93
Quarter ended September 30, 2016.....	7.48	5.37
Quarter ended December 31, 2016.....	6.30	4.85
2017		
Quarter ended March 31, 2017.....	\$6.25	\$5.10
Quarter ended June 30, 2017.....	7.75	5.30
Quarter ended September 30, 2017 (through August 7, 2017).....	7.75	7.63

On August 7, 2017, the last reported sales price of the Company's common stock on NASDAQ was \$7.65.

THE COMPANY URGES YOU TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE NOTES PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE OFFER.

Section 6. Conversion Rights With Respect to the Notes

As a result of the merger, the notes are now convertible until the fundamental change repurchase date. The Indenture provides that any settlement amount that is due from and after the effective time of the merger will be paid solely in cash, less any applicable withholding taxes, and will not include any shares of common stock of the Company.

Holder may convert any outstanding notes into cash and will be entitled to receive \$276.84 of cash for each \$1,000 principal amount of notes based on the conversion rate of 36.0933 that was in effect on the effective date of the merger and the \$7.67 price per share payable in the merger. Upon conversion of the notes, holders will not receive any additional cash payment representing accrued but unpaid interest.

In contrast, for notes that you tender pursuant to the offer, the Company estimates that the amount you will be entitled to receive, including accrued and unpaid interest to, but excluding, the currently

scheduled fundamental change repurchase date will be approximately \$1,002.375 per \$1,000 principal amount.

In order to convert the notes into cash:

- a holder of notes in book-entry form must complete and deliver appropriate instructions in accordance with the Indenture to the conversion agent; and
- a holder of notes in definitive form must present the notes, a conversion notice and other required documentation to the conversion agent, and otherwise comply with the requirements of the Indenture.

The right to participate in the offer is a separate right from the right to convert the notes. If you have converted your notes you may not tender your converted notes in the offer. If you do not tender your notes into the offer, your conversion rights will not be affected.

Wells Fargo, National Association is acting as trustee, conversion agent and paying agent for the notes. For more information regarding the conversion rights with respect to the notes, or any of the other terms and conditions of the notes, please refer to the Indenture. In order to convert the notes, a holder must satisfy the requirements set forth in the Indenture.

Section 7. Acceptance of Notes for Payment

Upon the terms and subject to the conditions of the offer, the Indenture and applicable law, on the payment date, the Company will accept for payment all notes validly tendered and not validly withdrawn prior to such date. For purposes of the offer, the Company will be deemed to have accepted for payment validly tendered notes (or defectively tendered notes with respect to which the Company has waived such defect) if, as and when the Company gives oral or written notice thereof to the information agent and tender agent. On the payment date, the Company will pay the fundamental change repurchase price for all notes validly tendered and not validly withdrawn under the offer. The payment date will be a date promptly following the later of the fundamental change repurchase date, currently scheduled to be September 22, 2017 unless extended, and the time of surrender of the notes in accordance with the offer to repurchase. The information agent and tender agent will act as agent for tendering holders for the purpose of receiving payment from the Company and transmitting such payment to tendering holders. Unless the Company defaults in making payment of the fundamental change repurchase price, interest on the repurchased notes will cease to accrue on and after the business day following the fundamental change repurchase date. Under no circumstances will there be any further accrual of interest because of any delay in the transmission of funds to the holders of repurchased notes or otherwise.

The Company expressly reserves the right, in its sole discretion, to delay acceptance for payment of notes tendered under the offer or the payment for notes accepted for payment. The Company also expressly reserves the right, in its sole discretion, to withdraw or terminate the offer if any or all of the conditions specified in the section captioned “Section 12. Conditions of the Offer” have not been satisfied. In all cases, payment by the information agent and tender agent for notes accepted for payment pursuant to the offer to holders or beneficial owners will be made only after timely valid tenders of notes pursuant to the procedures set forth under “Section 9. Procedures for Tendering Notes.”

The Company will only accept tenders of notes pursuant to the offer in principal amounts equal to \$1,000 or integral multiples thereof.

If the Company does not accept tendered notes for payment for any reason pursuant to the terms and conditions of the offer, such notes will be credited to an account maintained at the book-entry transfer

facility designated by the participant therein who so delivered such notes, promptly following the expiration time or the termination of the offer.

The Company reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more of its affiliates, the right to repurchase notes tendered pursuant to the offer, however any such transfer or assignment will not relieve the Company of its obligations under the offer or prejudice the rights of tendering holders to receive payments for notes validly tendered and accepted for payment pursuant to the offer.

Section 8. Expiration, Extension, Amendment, Withdrawal or Termination of the Offer

The offer will expire at the expiration time, which is 5:00 p.m., Eastern time, on September 21, 2017, unless extended or earlier terminated.

The Company expressly reserves the right, at any time or from time to time, subject to applicable law and the provisions of the Indenture, (i) to extend the period of time during which the offer is open and thereby delay acceptance for payment of, and the payment for, the notes, by giving oral or written notice of such extension to the information agent and tender agent, (ii) to amend the offer in any respect by giving oral or written notice of such amendment to the information agent and tender agent and (iii) to withdraw or terminate the offer in the Company's sole discretion if any or all of the conditions specified in the section captioned "Section 12. Conditions of the Offer" have not been satisfied. The Company will follow any extension, amendment or termination as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., Eastern time, on the next business day after the previously scheduled expiration time. Without limiting the manner in which the Company may choose to make any public announcement, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release.

If the Company extends the offer, or if, for any reason, the acceptance for payment of, or the payment for, notes is delayed or if the Company is unable to accept for payment or pay for notes pursuant to the offer, then, without prejudice to the Company's rights under the offer, the information agent and tender agent may retain tendered notes on the Company's behalf, and such notes may not be withdrawn except to the extent tendering holders are entitled to withdrawal rights as described in "Section 10. Withdrawal of Tenders."

Any notes received by the information agent and tender agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the information agent and tender agent to the tendering holders promptly following the earlier to occur of (i) the expiration time or (ii) the termination of the offer.

Section 9. Procedures for Tendering Notes

You will not be entitled to receive the fundamental change repurchase price for your notes unless you validly tender and do not withdraw your notes prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless extended. Only registered holders are authorized to tender their notes for repurchase. You may tender some or all of your notes; however, any notes tendered must be in \$1,000 principal amount or an integral multiple thereof.

Method of Tendering Notes. The trustee under the Indenture has informed the Company that, as of the date of the offer to repurchase, all custodians and beneficial holders of the notes hold the notes through DTC accounts and that there are no certificated notes in non-global form. Accordingly, all such

notes tendered for repurchase hereunder must be delivered through DTC's ATOP. Delivery of notes and all other required documents, including delivery and acceptance through ATOP, is at the election and risk of the person tendering notes. No documents should be sent to the Company or the trustee.

Any certificated notes in non-global form that are issued between the date of the offer to repurchase and the expiration time may be tendered by delivery of a written notice substantially in the form included on the reverse side of the notes entitled "Fundamental Change Repurchase Notice" and may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form to the information agent and tender agent prior to the expiration time. Such written notice shall state (i) the certificate number or numbers of the notes which the holder shall deliver to be repurchased, (ii) the portion of the principal amount of the note which the holder shall deliver to be repurchased, which portion must be \$1,000 or an integral multiple thereof, and (iii) that such note shall be repurchased by the Company pursuant to the terms and conditions specified in the notes and the Indenture.

Agreement to be Bound by the Terms of the Offer. By tendering your notes, you acknowledge and agree as follows:

- pursuant to the offer, such notes shall be repurchased as of the date the notes are accepted for repurchase pursuant to the terms and conditions of the Indenture and the notes, and that under the Indenture notes must be surrendered to the information agent and tender agent to collect payment of the fundamental change repurchase price;
- you agree to all of the terms of the offer;
- you have received the offer to repurchase and acknowledge that it provides the notice required by the Indenture;
- upon the terms and subject to the conditions of the offer, and effective upon the acceptance for payment thereof, you:
 - irrevocably surrender, sell, assign and transfer to the Company, all right, title and interest in and to all the notes tendered and so accepted for payment;
 - waive any and all rights with respect to the notes (including, without limitation, any existing or past defaults and their consequences in respect of the notes and the Indenture);
 - release and discharge the Company and its respective directors, officers, employees and affiliates from any and all claims you may have now, or may have in the future arising out of, or related to, the notes, including, without limitation, any claims that you are entitled to receive additional principal or interest payments with respect to the notes or to participate in any conversion, redemption or defeasance of the notes; and
 - irrevocably constitute and appoint the information agent and tender agent as your true and lawful agent and attorney-in-fact with respect to any such tendered notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to:
 - (a) transfer ownership of such notes, on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Company;
 - (b) present such notes for transfer on the relevant security register; and
 - (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such notes,

(except that the information agent and tender agent will have no rights to, or control over, funds from the Company, except as its agent, for the fundamental change repurchase price of any tendered notes that are repurchased by the Company), all in accordance with the terms set forth in the offer to repurchase;

- you represent and warrant that you (i) own the notes tendered and are entitled to tender such notes and (ii) have full power and authority to tender, surrender, sell, assign and transfer the notes tendered and that when such notes are accepted for payment by the Company, it will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right;
- you agree, upon request from the Company, to execute and deliver any additional documents deemed by the information agent and tender agent or the Company to be necessary or desirable to complete the sale, assignment and transfer of the notes tendered;
- you understand that all notes properly tendered and not validly withdrawn prior to expiration time will be repurchased at the fundamental change repurchase price, in cash, subject to the terms and conditions of the offer;
- payment for notes repurchased pursuant to the offer to repurchase will be made by deposit of the fundamental change repurchase price for notes with the information agent and tender agent, which will act as your agent for the purpose of receiving payments from the Company and transmitting such payments to you;
- tenders for notes may be withdrawn prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless extended, following the procedures “Section 10. Withdrawal of Tenders;”
- all authority conferred or agreed to be conferred pursuant to the terms of the offer hereby shall survive your death or incapacity and every one of your obligations and shall be binding upon your heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives;
- the tender, delivery and surrender of the notes are not effective, and the risk of loss of the notes does not pass to the information agent and tender agent, until receipt by the information agent and tender agent of any and all evidences of authority and any other required documents in form satisfactory to the Company; and
- all questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any notes pursuant to the procedures described in the offer to repurchase and the form and validity (including time of receipt of notices of withdrawal) of all documents will be determined by the Company, in its sole direction, which determination shall be final and binding on all parties.

Tender of Notes Held Through a Custodian. If your notes are held by a broker, dealer, commercial bank, trust company or other nominee, you must contact such nominee if you desire to tender your notes and instruct such nominee to tender your notes for repurchase on your behalf through the transmittal procedures of DTC as set forth below under the caption “—Tender of Notes in Global Form.”

Tender of Notes in Global Form. If you are a DTC participant, you may elect to tender to the Company your beneficial interest in the notes by:

- delivering to the information agent’s and tender agent’s account at DTC through DTC’s book-entry system your beneficial interest in the notes; and

- electronically transmitting your acceptance of the offer through DTC's ATOP, subject to the terms and procedures of that system.

In tendering through ATOP, the electronic instructions sent to DTC by you or by a broker, dealer, commercial bank, trust company or other nominee on your behalf, and transmitted by DTC to the information agent and tender agent, will acknowledge, on behalf of DTC and you, receipt by you of, and agreement to be bound by, the terms of the offer, including those set forth above under the caption “—Agreement to be Bound by the Terms of the Offer.”

Section 10. Withdrawal of Tenders

You may withdraw your tendered notes at any time prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless extended, but not thereafter, except as set forth below. In addition, you may withdraw tendered notes if the Company terminates the offer without purchasing any notes. If the Company terminates the offer or does not repurchase any notes in the offer, it will instruct the information agent and tender agent to return your tendered notes to you promptly following the earlier of such termination or the expiration time, without cost or expense to you. You may also withdraw tendered notes if the Company has not yet accepted them for payment after the expiration of 40 business days from the date of the offer to repurchase. The Company will not pay any consideration in respect of notes that are withdrawn from the offer.

If, for any reason whatsoever, acceptance for payment of, or payment for, any notes tendered pursuant to the offer is delayed (whether before or after the Company's acceptance for payment of notes) or the Company is unable to accept for payment or pay for the notes tendered pursuant to the offer, it may (without prejudice to its rights set forth herein) instruct the information agent and tender agent to retain tendered notes.

For a withdrawal of a tender of notes to be effective, a written notice must be received by the information agent and tender agent prior to 5:00 p.m., Eastern time, on September 21, 2017, the expiration time, unless extended. DTC participants may electronically transmit a request for withdrawal to DTC. DTC will then edit the request and send a request message to the information agent and tender agent. If the notes to be withdrawn have been delivered or otherwise identified to the information agent and tender agent, a timely request message is effective immediately upon receipt thereof, even if physical release is not yet effected.

Any certificated notes in non-global form that are issued between the date of the offer to repurchase and the expiration time which have been tendered may be withdrawn by means of a written notice of withdrawal delivered by the holder by letter, overnight courier, hand delivery, facsimile transmission or in any other written form to the information agent and tender agent at any time prior to 5:00 p.m., Eastern Standard time, on the expiration time, unless extended, specifying (i) the principal amount of the note or portion thereof (which must be a principal amount of \$1,000 or an integral multiple thereof) with respect to which such notice of withdrawal is being submitted, (ii) the certificate numbers of the withdrawn notes, and (iii) the principal amount, if any, which remains tendered and not withdrawn.

Any notes properly withdrawn will be deemed to be not validly tendered for purposes of the offer. Withdrawn notes may be re-tendered by following one of the procedures described in “Section 9. Procedures for Tendering Notes” at any time at or prior to the expiration time.

Withdrawal of notes can be accomplished only in accordance with the foregoing procedures.

If you tender your notes in the offer, you may convert your notes pursuant to the conversion right only if you withdraw your notes prior to the time at which your right to withdraw has expired. The notes are convertible into cash as described in “Section 6. Conversion Rights With Respect to the Notes.”

All questions as to the form and validity (including time of receipt) of notices of withdrawal, including a request message, will be determined by the Company, in its sole discretion (and its determination shall be final and binding). Neither the Company, the information agent and tender agent, the trustee, the conversion agent, the paying agent, nor any other person will be under any duty to give notification of any defects or irregularities in any request message or incur any liability for failure to give any such notification.

Section 11. Source and Amount of Funds

The total amount of funds the Company needs to repurchase all of the notes outstanding as of the date of the offer to repurchase pursuant to the offer and to pay related fees and expenses is estimated to be approximately \$127,000,000 (assuming 100% of such notes are tendered and accepted for payment). EGPNA will provide the Company with funds sufficient for the repurchase of the notes pursuant to the offer. The offer is not conditioned on any financing arrangement or subject to any financing condition.

Section 12. Conditions of the Offer

There are no conditions to the offer except (i) for the timely and proper delivery and tender of your notes in accordance with the terms of the offer and (ii) that the offer must comply with applicable law. The Company reserves the right to withdraw or terminate the offer in its sole discretion if any or all of such conditions have not been satisfied. The offer is not conditioned on the Company’s ability to obtain sufficient financing to repurchase notes validly tendered and not validly withdrawn pursuant to the offer.

Section 13. U.S. Federal Income Tax Consequences

The following discussion is a summary of the U.S. federal income tax consequences of the sale of notes pursuant to the offer to repurchase. This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable Treasury regulations promulgated thereunder, administrative rulings and judicial decisions in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect, and could affect the tax consequences discussed below. No assurance can be given that the statements and conclusions described herein will be respected by the Internal Revenue Service (the “IRS”) or, if challenged, by a court. This discussion applies only to a note held as a capital asset (generally, property held for investment) for U.S. federal income tax purposes by a beneficial owner. This discussion does not address all aspects of U.S. federal income taxation and does not address U.S. state, local or non-U.S. tax laws, or the U.S. federal estate, gift, Medicare and alternative minimum tax laws or any other non-income tax laws. In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;

- cooperatives;
- S corporations
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons that have a functional currency other than the U.S. dollar;
- persons holding the notes as part of a straddle, hedging, conversion or integrated transaction;
or
- partnerships or other entities treated as partnerships for U.S. federal income tax purposes.

If you are considering the sale of notes pursuant to the offer to repurchase, you should consult your own tax advisors concerning the U.S. federal, state, local and non-U.S. income and other tax consequences to you in light of your own specific situation.

As used herein, the term “U.S. holder” means a beneficial owner of notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (i) is subject to the primary supervision of a court within the U.S. and one or more “United States persons” (as defined in Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect to be treated as a United States person.

A “non-U.S. holder” is a beneficial owner (other than a partnership or any entity treated as a partnership for U.S. federal income tax purposes) of notes that is not a U.S. holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) holds notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership or a partner in a partnership should consult its own tax advisors with respect to the U.S. federal income and other tax consequences of the sale of notes pursuant to the offer to repurchase.

Consequences to U.S. holders

Sale of notes pursuant to the offer to repurchase

The sale of notes by a U.S. holder pursuant to the offer to repurchase will generally be a taxable transaction for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. holder selling notes pursuant to the offer to repurchase will recognize capital gain or loss in an amount equal to the difference between (i) the amount of cash received, other than the portion of such amount attributable to accrued but unpaid interest (which will be taxable as interest income to the extent not previously included in income), and (ii) the U.S. holder's adjusted tax basis in such notes at the time of sale. A U.S. holder's adjusted tax basis in the notes generally will equal the cost of the notes to such U.S. holder, increased by the amount of any market discount previously included in gross income by the U.S. holder, and reduced by (but not below zero) the amount of any amortizable bond premium previously deducted by the U.S. holder with respect to the notes. Except to the extent that gain is characterized as ordinary income pursuant to the market discount rules discussed below, any such gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the notes exceeds one year on the date the offer to repurchase is consummated. Certain non-corporate U.S. holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses may be subject to limitations.

A U.S. holder that does not sell its notes in the offer to repurchase will not recognize any gain or loss as a result of the offer to repurchase.

Accrued and unpaid interest

The gross amount of cash received by a U.S. holder pursuant to the offer to repurchase that is attributable to accrued but unpaid interest will not be included in the amount realized for purposes of determining capital gain or loss, as described above, but will instead be taxable as ordinary income (to the extent it has not yet been included in such U.S. holder's gross income), regardless of whether the U.S. holder otherwise recognizes an overall loss pursuant to the sale.

Market discount

An exception to the capital gain treatment described above may apply to a U.S. holder who purchased notes at a "market discount" for U.S. federal income tax purposes. Subject to a statutory *de minimis* exception, notes have market discount if they were acquired at an amount less than their stated principal amount. In general, unless the U.S. holder has elected to include market discount in gross income currently as it accrues, any gain recognized by a U.S. holder on the sale of notes having market discount will be treated as ordinary income to the extent of the lesser of (i) the gain recognized or (ii) the portion of the market discount that has accrued (on a straight-line basis or, at the election of the U.S. holder, on a constant-yield basis) while such notes were held by the U.S. holder. Gain in excess of such accrued market discount will be subject to the capital gains rules described above.

Consequences to non-U.S. holders

Sale of notes pursuant to the offer to repurchase

Subject to the FATCA discussion below (and as defined below) and except with respect to accrued and unpaid interest, a non-U.S. holder will generally not be subject to U.S. federal income or withholding tax on gain (if any) recognized on a sale of the notes pursuant to the offer to repurchase unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if a tax treaty applies, the non-U.S. holder maintains a U.S. permanent establishment to which the gain is attributable; or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

A non-U.S. holder described in the first bullet point above will be required to pay U.S. federal income tax (but will not be subject to U.S. federal withholding tax) on the net gain derived from the sale in the same manner as if such holder were a U.S. holder, and if such non-U.S. holder is a foreign corporation, it may also be required to pay an additional branch profits tax at a 30 percent rate (or a lower rate if so specified by an applicable income tax treaty). A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a 30 percent rate (or, if applicable, a lower treaty rate) on the gain derived from the sale, which may be offset by U.S.-source capital losses, even though the holder is not considered a resident of the United States.

A non-U.S. holder that does not sell its notes in the offer to repurchase will not recognize any gain or loss as a result of the offer to repurchase.

Accrued and unpaid interest

The gross amount of cash received by a non-U.S. holder pursuant to the offer to repurchase that is attributable to accrued but unpaid interest generally will not be subject to U.S. federal income or withholding tax, provided that such amounts are not effectively connected with the non-U.S. holder's conduct of a trade or business and:

- the non-U.S. holder is not a "10 percent shareholder," within the meaning of the Code and the applicable Treasury regulations promulgated thereunder, with respect to the Company;
- the non-U.S. holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related to the Company within the meaning of Section 864(d)(4) of the Code;
- the non-U.S. holder is not a bank described in Section 881(c)(3)(A) of the Code; and
- the non-U.S. holder provides a properly completed IRS Form W-8BEN or Form W-8BEN-E, as applicable, certifying its non-U.S. status.

If a non-U.S. holder cannot satisfy the foregoing requirements, such accrued and unpaid interest generally will be subject to U.S. federal withholding tax unless (1) such non-U.S. Holder provides a properly completed IRS Form W-8BEN or Form W-8BEN-E, as applicable, claiming an exemption from or reduction in withholding under an applicable tax treaty or (2) such interest is effectively connected with such non-U.S. holder's conduct of a U.S. trade or business and such non-U.S. holder provides properly completed IRS Form W-8ECI.

Accrued and unpaid interest that is not exempt from U.S. federal withholding tax (or subject to reduction under an applicable tax treaty) as described above will be subject to a 30 percent U.S. federal withholding tax.

FATCA

Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or “FATCA”) impose a U.S. federal withholding tax on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities, whether such institutions or entities are beneficial owners or intermediaries. Under the applicable Treasury regulations and IRS guidance, withholding under FATCA generally will apply to payments of interest made on or after July 1, 2014, on debt obligations issued on or after July 1, 2014, and to payments of gross proceeds from the sale or other disposition of such debt obligations on or after January 1, 2019. Certain entities located in jurisdictions that have an intergovernmental agreement with the United States with respect to these rules may be subject to different rules. Under certain circumstances, a beneficial owner of notes might be eligible for refunds or credits of such taxes. Holders of notes are encouraged to consult their own tax advisors as to the application of the rules under FATCA.

Section 14. Fees and Expenses; Solicitations

The Company will not pay any fees or commissions to any broker, dealer or other person for soliciting or making recommendations with respect to tenders of notes pursuant to the offer.

Directors, officers and regular employees of either the Company or its affiliates (who will not be specifically compensated for such services) and the information agent and tender agent may contact holders of notes by mail, telephone, or facsimile regarding the offer and may request brokers, dealers and other nominees to forward the offer to repurchase to beneficial owners of the notes.

Section 15. Miscellaneous

The Company is not aware of any jurisdiction in which the making of the offer is not in compliance with applicable law. If it becomes aware of any jurisdiction in which the making of the offer would not be in compliance with applicable law, the Company will make a good faith effort to comply with any such law. If, after such good faith effort, it cannot comply with any such law, the offer will not be made to (nor will tenders of notes be accepted from or on behalf of) the owners of notes residing in such jurisdiction.

August 24, 2017

ENERNOC, INC.