

CPower CEO Explains Why DR Firm Won 'green tech' Award

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Sooner or later, the smart grid dollars flowing from Uncle Sam's pockets will run out and business models had better be in place to “support load-responsive technologies,” CPower CEO Gary Fromer told us recently. That could be seen as a self-serving statement from the head of an energy management and DR firm but it is a perspective worth reporting -- in part since a VC and “green tech” conference this month chose CPower and Locust Storage as the winners of its first innovation competition.

The event, called GreenBeat, picked CPower's offering even though the firm's “predominant innovation is a business model,” not a technology, Fromer said. Locust makes a low-power storage unit for data centers, he added.

The innovation award tells the world it should “take what we've learned around DR and deploy it to other markets, specifically energy efficiency,” he added. CPower has in the last year nearly doubled its curtailable mw to about 800, he added. The firm this year signed customers in Ontario, Canada and it is set to start operating in the UK next year.

Fromer sees DR as a subset of energy efficiency -- which is getting a new lease on life via the emergence of the smart grid.

Generation plants historically have offered power reserves exclusively “but now we have hundreds of mw being provided by industrial sites and retailers,” said Fromer. Reserve program contributors need to respond in 10 minutes at most. “That's a very short period of time no matter who you are, so these things have to be automated,” he noted.

DR and energy efficiency are melding in part since “the incentive model used to get DR participation ... is definitely applicable to energy efficiency.” The latter is seen as permanent load reduction, Fromer explained.

CPower is focused on helping firms take part in the creation of power reserves “more and more -- if they are willing to do more and more,” he added.

Curtailement is now used for managing not only reliability but also economics. Big box stores, for example, see large enough rewards to coax them into “being, in effect, electricity suppliers” for the times when backup generation plants are not available to respond to DR events, Fromer said.

Without business models to support load-responsive technologies, taxpayers will a few years from now lament the current deployment of smart meters and two-way communications since taxpayers' money will have been spent for naught, he asserted. “We know there is continuous upward pressure on electricity rates [and that we need to] invest in more infrastructure -- and the only counter to that is to reduce demand. Either people install their own generation or people reduce consumption. These things are tied together now inextricably.”