

Distributed Generation Can Be the Key To Keeping Key Accounts

By Susan Ryba

When notified in 2008 that a major big-box retailer would be moving out of its store in Lincolnton, N.C., and building a larger superstore nearby, city officials jumped into action. In this town of 10,000 residents and no local industrial customers, commercial accounts such as this large store represent a crucial revenue source for the city. Ultimately, the utility partnered with its joint action agency and PowerSecure to develop a distributed generation package. Together, the three organizations offered a solution with sufficient economic value to entice the store to stay in Lincolnton.

To provide standby power generation for use during outages and/or to manage peak demand costs, PowerSecure partners with public power utilities to offer interactive distributed generation, solar power, and lighting products and services to commercial, industrial and government accounts.

Through a marketing alliance with Hometown Connections, APPA member utilities receive a discount on all PowerSecure services and solutions.

As reported by Steve Peeler, Lincolnton's public works and utilities director, ElectriCities of North Carolina introduced PowerSecure as a potential partner with the city in a distributed generation program with the retail super store location. ElectriCities has endorsed PowerSecure as a trusted provider of distributed generation and other products since 2001, with its members completing hundreds

of distributed generation projects. In 2009, contending with state customer choice requirements, Lincolnton secured this important account by creating a distributed generation program with ElectriCities and PowerSecure. For the superstore in Lincolnton, PowerSecure covered the costs for installing 1,200 kW of generation with PowerSecure owning and maintaining the units. ElectriCities runs the units remotely during peak demand, selling the power and sharing the savings with Power-

“Because we are a small utility with a small staff, we needed a partner that was able to provide distributed generation products and services on a true turnkey basis,” Peeler said. “PowerSecure met that requirement.”

Distributed Generation Central to Key Accounts

When a superstore for a major retail discount chain came to Wake Forest, N.C., in 2001, Wake Forest Power worked with ElectriCities and PowerSecure to launch its first of many distributed generation projects for key

cial retail customer to contract with a different supplier, Wake Forest offered to install a generator onsite and guarantee the same commercial rate offered by the local investor-owned utility. As a result, Wake Forest Power provides full backup power in case of an outage, which is metered and sold to the facility at the kWh charge denoted in the rate structure.

“We offered a great deal to this important commercial account,” O'Donnell said. “For this project, we own and operate the generator. Because our utility could recover our investment by selling power generated by the unit, we could offer our customer emergency backup power and a good rate for its ongoing commercial electric service.”

Since 2004, Wake Forest Power has developed about 20 additional distributed generation projects for its key accounts. The town expects to host a new large warehouse soon. “With only 6,100 residential and commercial customers, Wake Forest Power uses innovative solutions to manage our resources and keep pricing very stable,” O'Donnell said. “In fact, our utility has instituted a rate increase only one time in the last 21 years. Managing costs and maintaining revenue streams from commercial accounts that utilize distributed generation is a large component of our plan for long-term success.” ■

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Secure. The superstore enjoys free backup power, with access to uninterrupted electric service.

“It's clearly a win-win-win situation for all of the parties involved,” Peeler said. “Because the PowerSecure generators automatically kick on when needed, the superstore is guaranteed not to lose any sales revenue when a rare extreme weather event or equipment failure causes an outage on the local electric distribution system. Lincolnton retains this major retailer as a valued commercial account and PowerSecure recoups its investment through revenue from power sales.”

accounts. The client purchased a 900-kW distributed generation unit for its 100,000-square-foot facility, with a plan to recover the investment in 3.5 to 4 years. As described by Deputy Town Manager Roe O'Donnell, the superstore's unit provides backup power generation and saves electricity costs by running during peak demand hours.

For its next distributed generation project, Wake Forest Power and PowerSecure designed a program for a second major discount department store in 2004. Concerned that the since-expired customer choice requirements might tempt this large commer-