

San Francisco Businesses Help Avoid Summer Blackouts

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For the past two months George Nasrah, owner of Geary Wholesale Cash n' Carry in the Bayview, has been getting paid to shut-off the lights in his warehouse during peak hours of energy use. "Our skylights give us enough light to keep us in business and safe," he says.

Nasrah is participating in a "demand response" program developed by Potrero-based non-profit San Francisco Community Power. The program, which is the first of its kind available to small- and medium-sized businesses, is designed to reduce power use when demand for energy is particularly high, and electricity costs are spiking. In previous years California has had to purchase high-cost energy from out of state power providers to prevent blackouts. SF Power advocated for the program, and the California Public Utility Commission adopted it, as a more cost-effective way of meeting peak energy needs. "It's cheaper and better for California to pay businesses to conserve, rather than to build new power plants or to buy energy from out of state," says Paul Liotsakis, SF Power's Associate Director.

Nasrah is just one node on a regional telephone chain. When the state calls for power, SF Power and other "aggregators" contact businesses which have agreed to temporarily reduce their electrical load. "They'll be getting a phone call the day before and a reminder call the day of," explains Liotsakis. The program frees up energy resources to be used for other high-priority uses. In exchange for their

efforts participants receive a monthly payment of \$8 for every kilowatt their willing to reduce during the week between 11 am and 7 pm.

SF Power launched the initiative as a limited pilot in 2005, and is now recruiting businesses throughout the City and elsewhere. "The pitch is that being green is good for your bottom line," says Liotsakis. SF Power is also offering enrollment incentives, including up to \$250 worth of lighting upgrades that will further reduce participating businesses' energy use and costs. Nasrah installed energy efficient lighting at no cost, and has seen his energy bill drop by thousands of dollars a month.

The program is available to businesses located in San Francisco, San Mateo and Alameda counties. Participants range from Mario's, a small Bayview deli, to the San Francisco Wholesale Market Association's multi-story office building. "We work out an agreement with each business on a number of kilowatts they are comfortable with saving over certain peak periods during the day," explains Liotsakis. SF Power is recruiting businesses of all sizes, as well as non-profit organizations and schools, he says, "but larger businesses with skylights and flexible power uses are the ideal candidates."

SF Power has a goal of securing one megawatt of curtailable load by the end of the year, enough power for more than 1,000 San Francisco households. To reach this goal the non-profit is offering incentives for businesses which provide referrals to the program. "The more the merrier," according to Liotsakis.