

Electric vehicle charging stations for Silicon Valley generates new work for Sprig Electric

BY MARY DUAN

New methods of delivering power are spurring one local electrical contractor to adjust its growth strategy.

San Jose-based Sprig Electric wants to become a leader in green energy installation and capitalize on the alternative fuel marketplace. This strategy could become a new direction for other electrical contractors aiming to grow as the construction industry looks for ways to pull out of the recession.

Sprig, which reported revenue of \$104 million in 2009, has experienced a surge in interest for electric vehicle charging stations in homes and alternative energy through fuel cell power.

Jim Conlow, head of Sprig's energy solutions division, believes that in three to five years, alternative energy installations could become a \$50 million-and-growing business line, or about 50 percent of the company's total revenue.

"We have made a strategic decision to make fuel cells and other renewable energies core to our business, and we are going after this business very aggressively," Conlow said. "As a result, we are doing projects with Bloom (Energy) and other fuel cell manufacturers, as well as solar."

Sprig has installed 15 fuel cells in California, including ones made by Bloom Energy of Sunnyvale and Oregon-based ClearEdge Power, which has offices in Sunnyvale.

In one project, Sprig partnered with San Francisco-based Swinerton Builders to install a 1.5 megawatt cell at San Francisco State University. That project is being funded by Pacific Gas & Electric Co., which also is installing two Bloom Energy servers on the campus.

The total cost of the project is nearly \$30 million, including \$9

AT-A-GLANCE

Sprig Electric
Location: San Jose
CEO: Pepper Snyder
Revenue: \$104 million
Founded: 1970
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million set aside for operations and maintenance costs for the cells' 10-year lifespan. The project was approved by the Public Utilities Commission in April.

When Sprig invited Swinerton to partner on the job, Swinerton jumped at the opportunity.

"I worked with them on a data center project, a fast-track project that was worth between \$8 million and \$10 million to Sprig, and they performed admirably. They were just wonderful to work with," said Dale Beverett, a project executive with Swinerton. "Renewable energy as an industry can do nothing except grow, and Sprig is a big player at the forefront of it. They're well-positioned in the market."

The cost of installing a fuel cell depends on a number of things, including the size, security requirements and proximity to a water source. On average, though, the infrastructure required for an installation runs about \$180,000, Conlow said.

Fuel cell costs vary widely as well. ClearEdge makes a unit for home or small-business use that costs about \$50,000. Bloom makes a unit for large commercial use that costs about \$700,000 for each 100 kilowatt Energy Server. Bloom says it plans on a home version of its server within 10 years, at a cost of about \$3,000.

Charge it at home

In the past month, Sprig also has fielded about 75 requests from homeowners who want to install the AeroVironment



VICKI THOMPSON

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Inc. charging station used to charge the Nissan Leaf. The electric vehicle isn't due to fully roll out in the United States until 2012, although there will be limited availability later this year.

Rick Clinton, vice president of Sprig, said the demand for a quote on installation costs is so high in Santa Clara County that the company is having a hard time keeping up.

"We're seeing a ton of business, although it's trickled down to about four or five requests a day in Santa Clara County," Clinton said. AeroVironment trained 15 Sprig employees to do the assessments, and so far, the company has done 60 installations.

Sprig is working with Coulomb Technologies Inc. on residential and commercial installations, too. Coulomb received a \$15 million U.S. Department of Energy grant in June to deliver 5,000 of its networked charging stations known as ChargePoint. About 1,700 Coulomb installs will happen in California, according to Coulomb CEO Richard

Lowenthal; about half will end up in private garages, and the others will be installed in public parking and parking lots at corporations.

Sprig has already installed Coulomb charging stations at Google Inc. and Netflix Inc.

For now, subsidies make the technology a little more affordable. California's Self-Generation Incentive Program has been extended to 2015 and provides \$83 million in subsidies annually for companies installing clean power technology. Biogas-based fuel cell projects up to 3 megawatts are eligible for subsidies of up to \$4,500 per kilowatt of capacity, while natural gas can receive up to \$2,500 per kilowatt.

"The cost of energy-efficient technology is going to go down the more people buy it," Conlow said. "Energy costs are going up, but there is more technology coming around that reduces the amount of electricity we need to use."

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