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Growers to Receive Thousands in Peak Power Incentive Dollars

FRESNO, California – Understanding so-called "demand response" electricity incentive programs requires some backwards thinking. Here's an example: Central Valley growers will soon receive thousands in cash for NOT using electricity.

Why? Because electric utilities across the country have launched programs to reduce the stress on the electric grid during times of peak demand, normally hot summer afternoons. Power planners like the California Independent Service Operator broadcast a request for load reductions when usage and weather patterns spike.

In California, PG&E and Southern Cal Edison work with organizations called "energy aggregators" to channel incentive dollars to large power users who agree to reduce their loads during critical peak demand periods. Utility experts advocate demand response programs as the most economical and practical way to make power available, reduce the likelihood of blackouts, and defer the need to construct new power plants and transmission lines. Demand response programs for commercial and industrial buildings have been around for many years. Peak Energy Agriculture Rewards (PEAR) is a program tailored to Ag customers with irrigation pumps, cold storage facilities and processing plants.

In mid December, PEAR customers will receive thousands of dollars of incentive rewards for curtailing electricity usage for two to four hours on seven event days in 2010. Incentive payments are based upon past energy usage and participation in optional demand response events. In addition to the cash incentives, the PEAR program offers free wireless farm monitoring and control equipment.

"Growers can receive incentives of more than \$5,000 per year for shutting down one 250-horsepower pump for a small number of hours each summer," according to Nic Stover, PEAR program manager. "Plus, they can get about \$20,000 in control equipment for each pump at no charge. This web-to-wireless equipment can monitor and control on/off status of the pump plus other key information like water pressure, flow rate, and even soil moisture. Utilities are very interested in automating the demand response process, so they are providing free state-of-the-art equipment that helps the customers participate in events."

The program is a "four-way win with no losers," Stover says. "PEAR benefits our customers, the utility, all energy users and even the environment."

The PEAR program provided its participants a total of \$1.8 million in various incentives for the 2010 season including sign-up bonuses, event participation incentives and equipment value, Stover says. Next year, the program expects to triple this amount to over \$5 million as many more customers enroll, he adds. PEAR also provides the Infinity Farm Information System and control equipment through its parent company, M2M Communications, an industry leader in agriculture energy management technology.

Brad Gleason, a farm manager and owner of West Hills Farms Service, joined the PEAR program last spring. He says the enrollment process was simple, and participation in events was "painless with plenty of notice and an easy way to opt in or out."

"The real added value is in the equipment," Gleason says. "For me, an exciting feature of the PEAR's Infinity System is going on-line to see how a well is running. And the soil moisture probes help us confirm that we've got enough water on the trees to shut down for a few hours. It's also nice to know that we're making incentive dollars while we're not running the pumps."

Many of PEAR's customers are large irrigators. However, the PEAR program is also open to other Ag-based operations such as cold storage facilities and processors if their demand for electricity is over 200 kilowatts (kW). This threshold drops to 75kW for those customers with operable Smart Meters or interval meters, according to Stover.

In cold storage buildings, PEAR equipment monitors and controls the compressors and fans. The owners can monitor the warehouse temperature and humidity – from any Internet access point. They can even set the system to send them alerts if the system detects a problem. For example, if the temperature climbs beyond their pre-set limit, the PEAR system will automatically send them an e-mail, text message, or voice recording.

"Our system is an example of the latest advances in communications," Stover says. "With PEAR, customers can take a step into the future of precision farming while using our system year round at no cost. Then, from June through September, they have an opportunity to actually make money while also monitoring pump efficiency, soil moisture, temperature and more."

An added benefit of the PEAR program is that it shelters PG&E customers from the utility's new Peak Day Pricing (PDP) rates that include stiff surcharges for using energy during peak demand events. PEAR has launched a new website to help Ag customers determine whether they will be impacted by PDP rates. See www.pdpanswers.com for details and a quick PDP Profiler quiz that helps PG&E customers determine whether they will be affected by the new rates.

To learn more about PEAR and incentives available, go to www.pearcalifornia.com.

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