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Minnesota Startup Seeks Niche in Co-op Market

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White River Valley Electric in Missouri caused a bit of a stir among cooperative insiders recently when decision-makers initiated a partnership with Google PowerMeter. However, with Microsoft and Cisco also entering the web-based fray, Google isn't the only giant competing to offer utility customers instant access to their power usage.

But not all co-ops are gaga over behemoths such as Google, Microsoft, or Cisco.

For instance, Wright-Hennepin Cooperative Electric Association in Rockford, MN, opted to hire a home-grown vendor called Accelerated Innovations to meet its home energy information needs. Dubbed "MyMeter," the program allows customers to regularly monitor their energy ups and downs, access energy-saving tips and compare their power consumption to that of neighbors.

"I read about Google PowerMeter at about the same time we were launching MyMeter," says Sonja Bogart, Wright-Hennepin's vice president of customer service, sales and marketing. "But we were so far along in our own process we figured there was no point in looking at it. It makes you feel like you're on the right track if you're beating Google out the door."

Wright-Hennepin serves two rural and suburban counties near the Twin Cities. The co-op first learned about the concept of MyMeter several years ago from colleagues at Crow Wing Power, a small co-op in Brainerd, MN. Crow Wing had hired local entrepreneur and programmer Josh Headlee to design software that could help customers track their energy use.

"I've worked with a lot of programmers, and Josh is really amazing," Bogart says about Headlee, who has completed projects for organizations such as Landis + Gyr, Microsoft, and the University of Minnesota. "Once we learned of his capabilities, we figured there was no reason to shop around."

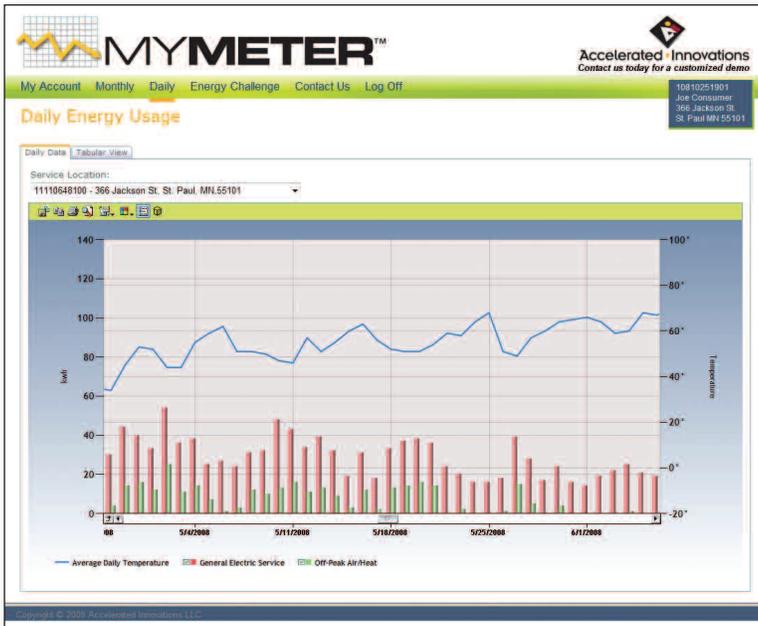
About three years ago, Wright-Hennepin made MyMeter available to customers on a very small scale. It reintroduced the concept on a larger front in October 2008 when it finished installing the last round of 45,000 smart meters equipped with advanced metering infrastructure (AMI).

Headlee's St. Paul, MN-based startup has a trademark on the MyMeter name. He has no qualms about testing his emerging company's mettle against Google in the utility market. Both are diligently pursuing co-ops as customers.

"We like that," John Wodele, marketing and communications director for Accelerated Innovations, says about being David-like competition for several Goliaths. "We're aware of the competition out there and we feel our product is ahead of the rest."

"We'll be looking at all utilities," continues Wodele. "But we are going to put a lot of our effort into the co-op market right away because of our relationship with them."

Unlike Google, which is offering its PowerMeter for free, utilities pay an upfront cost and then a customer rate for ongoing service with Accelerated Innovations.



But Wodele says that instead of a one-size-fits-all approach, his company offers a flexible product that can be customized to an individual co-op. Plus, he says, customers log on to their utility website to access information—not iGoogle—which enhances the utility-customer relationship.

“Co-ops are all about relationships and personal attachment,” Wodele says, adding that MyMeter also could help co-ops market not only energy conservation but also generators and other products that they sell. “This is a customer service tool that really makes the customer service relationship much more efficient.”

Wright-Hennepin has found that to be the case.

“Initially, we installed MyMeter as a customer service tool,” Bogart says. “We wanted to keep it simple. What we’ve found is that it’s also a great tool for handling complaints and questions about high bills. Our customer service representatives love this.”

MyMeter has actually turned those representatives into front-line, intelligent grid educators via telephone and e-mail conversations with curious consumers. Those exchanges become more sophisticated as members become well-versed about co-op techniques to manage peak demand.

Thus far, 4,000 of Wright-Hennepin’s 40,000

customers have signed up for MyMeter. The co-op plans to market it more heavily if it qualifies as a conservation measure under a new state energy mandate. Beginning in 2010, that law requires all utilities to lower energy use among customers by 1.5%. My Meter could play a significant role in attaining that goal, Bogart says.

Soon, Wright-Hennepin will roll out a pilot program to test smart thermostats and in-home displays, says Lance Hovland, vice president of energy distribution. These devices will put even more information and control in customers’ hands.

“I think we’re ahead of the whole smart grid game,” Hovland says. “We don’t have people asking for these changes but we’ve gotten positive feedback. We’re trying to find that right balance between economics and doing the right thing for the environment.”

The advantage of being a small and agile utility, Bogart says, is the ability to initiate sensible programs without organizing focus groups. Front-line employees can ably handle one-on-one member “lessons.”

“My Meter helps people realize the impact of their energy use,” she concludes. “It educates them. They can make sense of what used to be a mystery lump sum at the end of the month.”

