

TESTIMONY OF
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BEFORE

SENATE COMMITTEE ON COMMERCE, SCIENCE, TRANSPORTATION
SUBCOMMITTEE ON TECHNOLOGY, INNOVATION AND COMPETITIVENESS
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Mr. Chairman, Ranking Member and other members of the committee, good morning. Thank you for inviting me today and for giving GridPoint the opportunity to discuss our perspective on emerging clean energy technologies and how they can benefit the American consumer, as well as our country's energy infrastructure and the broader U.S. economy.

My name is Peter L. Corsell and I am President and CEO of GridPoint, an intelligent energy management company headquartered here in Washington, D.C. We are a privately held company and have funded our product development with private equity. Mr. Chairman, with your permission, I would like to insert my written statement in the hearing record, and I will provide a brief summary.

We at GridPoint believe the energy industry can adopt some of the same models used in the personal computer, Internet, and telecommunications markets to empower users with information and communication tools that will reduce energy costs and increase energy efficiency. At GridPoint, our mission is to introduce a transformative technology for the energy industry, one that applies intelligence to energy consumption and empowers the consumer to enjoy cleaner, more reliable and more affordable energy.

GridPoint has developed a suite of intelligent energy management products that integrate renewable energy sources, reduce energy costs, increase reliability, and automatically manage energy consumption. In doing so, we have created an entirely new product category, applying the same logic used by digital video recorders to energy. For this reason, our initial product offering has often been described as the "TiVo of energy management."

GridPoint's flagship energy management product is an elegant, turnkey appliance that serves as an intelligent hub between the customer, the electric power grid, and a renewable energy source. The appliance combines batteries, power electronics, and a computer that makes intelligent decisions in a real-time, data-rich environment to optimize energy usage. The appliance provides four key benefits to the consumer: (1) a simple way to integrate solar panels, wind turbines, and fuel cells; (2) a significant reduction in electricity costs; (3) instant, clean, silent backup power in the event of an outage; and (4) the ability to monitor and automatically control energy consumption.

The GridPoint appliance is about the size of a small refrigerator and is installed in the basement, garage, or storeroom of a home or business. It connects to a renewable energy source, the electric utility meter, the main circuit breaker panel, and GridPoint's network operation center over a broadband or dial-up internet connection. Just like TiVo, each GridPoint appliance is in constant communication with our network operations center, obtaining up-to-the minute information on utility rate schedules, weather forecasts, and more. Users access the system by logging on to a personal account on our website, similar to online banking, which provides clear and detailed information on the user's energy consumption and production, aggregate savings, and environmental impact.

GridPoint's intelligent energy management technology works hand-in-hand with various renewable energy generation technologies, such as those represented on today's panel. Our goal is to empower mainstream consumers to more easily integrate and benefit from these brilliant innovations. For example, in context of a solar photovoltaic installation, the GridPoint appliance serves as an advanced operating system and meets an emerging need in the market for renewable energy integration. Traditionally, solar energy pioneers were hobbyists who built custom systems for specific applications. This approach often resulted in unnecessary costs and complexities, and did little to fuel the mainstream adoption of solar panels. These systems generally took days to assemble and lacked any meaningful safety or performance monitoring. In contrast, GridPoint has integrated the various pieces and parts associated with traditional solar installations into an advanced, turnkey appliance that is easy to install and safe to operate.

GridPoint also allows customers to create a personal energy profile to automatically manage energy consumption based on their individual preferences. For instance, when a home or business is unoccupied, users can select a profile to interrupt high energy consuming devices or, conversely, to operate key appliances during periods when utility rates are low. In short, GridPoint's technology transforms consumers from passive energy users into active energy market participants.

For example, GridPoint products have the capability to automatically leverage time-of-use pricing, purchasing electricity when utility rates are low and using stored energy when utility rates are high. The Energy Policy Act of 2005 passed by Congress mandates that utilities provide such rate schedules to their customers by February 2007. This is an important capability because a utility's prices can change as much as 37 times during a single day. A typical average would be 8 cents at off-peak and 31 cents at peak, but it can rise to more than one dollar per kilowatt hour during critical peak pricing events.

Electric utilities also benefit from our technology because they can draw upon the stored power in each GridPoint appliance, thereby reducing peak demand costs, enhancing grid reliability, and introducing a measure of network elasticity to the electric grid. For example, a group of 5,000 GridPoint appliances can deliver approximately 36 megawatts of power to the electric grid for several hours – the equivalent of a modest power plant operating at peak capacity.

Rather than attempting to address the enormous and costly issues associated with strengthening our aging electrical system at the transmission level, GridPoint is using advanced technology to enhance the grid's reliability at the point of use – in the home and business. Once thousands of GridPoint appliances have been deployed, our company will become an important enabler of the emerging Smart Grid, which uses computing technology to dramatically improve the reliability and efficiency of the electric power grid.

The government can play a key role in the adoption of alternative energy technologies, especially by establishing programs, rebates, and tax incentives to stimulate the adoption of renewable energy systems. For example, the Energy Star program – implemented by the Environmental Protection Agency to help consumers choose energy-efficient appliances, equipment, and homes – is a terrific program with which GridPoint is proud to be associated.

We at GridPoint believe that empowering consumers to take control of their energy consumption is critical to solving our current and future energy supply challenges, as well as reducing our negative impact on the environment. We are pleased to offer our expertise and experience to Congress and the Administration as you address these issues. Thank you again for allowing me to testify. I look forward to answering any questions you might have.