

Thursday, October 7, 2010

Petite a force to be reckoned with in key patent cases

Sensus settles lawsuit for undisclosed sum

Inventor T David Petite just won another battle in his lengthy war against firms he said infringed on his many wireless-networking patents -- patents that appear essential to the creation of the smart grid. A settlement signed two weeks ago with metering firm Sensus resolves only one of at least seven patent-infringement suits Petite has filed against utilities and smart grid firms in the last two years.

Petite is no "patent troll" -- someone who makes an opportunistic living off nuisance patent suits that are cheaper to settle than to fight, he said. "You know the old saying, 'It's who gets there first'?" In this case, we did," he told us yesterday. "The laws of physics say you can only do so many things in a network. We spent a lot of money through private investment discovering the essential elements for devices to network together. Then we filed patents to protect our ideas. Any company does that."

There is good money in licensing

technology, whether the licenses result from negotiation or litigation. Petite's 10-person, Atlanta-based firm, Sipco, has granted licenses worth more than \$50 million to date, his attorney, John Herman, told us yesterday. Petite owns more than 40 patents, he said.

Through Sipco, Petite has a long history of suing other firms, according to Sipco's website.

The firm sued FP&L in July 2009

over the utility's plans to deploy more than 1 million smart meters in Miami-Dade County.

That suit alleged technology used in FP&L's planned AMI rollout would infringe on Sipco's patents, according to local press [coverage](#). Sipco has also sued CenterPoint, Petite told us.

In September 2009 Sipco filed suit against Eaton Corp over wireless-

[Continued on page two](#)

BREAKING NEWS

Wellinghoff tells us NIST sending first standards to FERC

NIST has finalized the first five interoperability standards for smart grid, FERC Chairman Jon Wellinghoff told us this morning in an exclusive interview. George Arnold, NIST national coordinator for smart grid interoperability, told him late yesterday that the first batch of standards were ready and would be posted in the Federal Register according to legal requirement.

FERC will act immediately to start the rulemaking process on the standards, most of which involve communications issues, Wellinghoff said. One relates to cyber security. "I hope we can do it in 30 to 60 days," Wellinghoff said, speaking of the timeframe for FERC staff to act on a NOPR.

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Study examines China-US partnerships, jobs; Rogers addresses 'misconception'

China-US partnerships in the power sector will not push US jobs overseas, according to a Garten Rothkopf study publicized this week. By working together, the two nations will speed smart grid and other power-related development, it added.

"The common misconception is that US-China partnerships can result in US jobs going overseas," Duke Energy CEO Jim Rogers said in prepared remarks. "This study demonstrates that for the power sector, new and high-paying jobs will be created in both countries -- wherever new infrastructure is built, no matter where the technology is developed."

Rogers, US Commerce Secretary Gary Locke and China-based ENN USA President Sun Yunquan this week took part in a panel discussion

in Washington, DC, about US-China private sector cooperation in the power sector. It was part of the China Environment Forum's "Cooperative competitors" series.

Garten Rothkopf studied solar PV manufacturing and installation, smart grid development, coal integrated gasification combined cycle and with carbon capture and clean coal technology.

The study found shared benefits across all four power technologies, with thousands of potential jobs in R&D for manufacturing, construction and installation and operations and maintenance.

About 73% of direct jobs created as a result of power sector development will stay at home. This is true even

[Continued on page three](#)

Speakers at EV event sing praises of competitive markets

Competitive power markets will be the stimulus for widespread use of EVs and their integration into smart grids, people taking part in the Compete Coalition's conference on EVs and smart grid declared this week. The benefits of EVs go far beyond transportation, and when in use EVs will open DR to a broad market, forum speakers stressed.

"Electric vehicles provide energy storage capacity, the ability to mitigate demand peaks and valleys across the grid, and realize the full potential of renewables," said Kenneth Skyler, who works on renewable energy initiatives at PJM Interconnection.

By plugging EVs into the grid, excess clean energy capacity can be stored at multiple points across the grid for access

at periods of peak demand, he told the audience.

Dynamic pricing, a hallmark of organized competitive markets, is the key to engaging customers. "We can't look at electric vehicles as static devices," Bill Reinert, national manager of advanced technology for Toyota, noted. "We must get price signals to consumers and aggregate them with the grid."

Transparent pricing, consumer education and wise regulatory and policy frameworks are all key to making EVs work in a smart grid, FERC Commissioner Philip Moeller said this week (SGT, [Oct-06](#)).

Once consumers understand how their vehicles can fully interact with the grid, they can see significant economic benefits. A University of Delaware EV project using an EV for energy storage in concert with the PJM Interconnection was on display at the conference site.

"This vehicle is providing energy storage and regulation services right now on the grid," said Scott Baker, policy analyst, vehicle-to-grid research, for the University of Delaware's Center for Carbon-Free Power Integration. "Each vehicle is earning \$120-\$200/month on the PJM market as a regulation and energy storage unit."

The PJM market allows the EV to become a moneymaker for its owner, which is not possible in all regions of the US.

"We couldn't do this in regions of the country without competitive markets because they don't value regulation services or establish an accurate price to

Survey shows co-ops, munis in US need smart grid business case help

Fewer than 10% of US co-ops and munis have launched smart grid initiatives beyond remote meter reading and service switches, Jerry Jackson, an energy economist at Texas A&M University, told us yesterday, quoting a report set to be publicized next month. The telephone survey of 87 utilities, with a 5-10% margin of error, also showed 90% of co-ops and munis have no business model for assessing smart grid investments.

Few of them have consumer end-use hourly load information to evaluate the potential of DR programs,

the report said. And, it added, fully functional smart grid systems -- with two-way communications, in-home devices and TOU pricing -- are six to seven years away.

The survey confirms the need for ways to help utilities assess the business case for smart grid, Jackson said, noting that public utilities provide power to more than 25% of all US electric customers.

The full results will be publicized at a Texas A&M conference in Austin Nov 8-9.

[\[Comments\]](#)

let consumers know how much it's worth," Baker said. "Establishing competitive markets 10 years ago and a price for regulation services resulted in our pilot program vehicles."

PJM sees even more room to expand dynamic pricing and consumer engagement.

"PJM has proposed to go from hour-ahead price and capacity forecasts to five-minute ahead markets to empower greater storage and more accurate compensation [to PV owners]," said Stu Bresler, VP market operations for PJM.

Illinois has also expanded dynamic pricing for its utility customers with about 20,000 taking part, said Chris Thomas,

policy director for the Illinois Citizens Utility Board.

Another leading market is Texas where EVs are expected to take advantage of cheap nighttime charging prices from abundant wind resources.

"We predict 80-90% of all electric vehicle charging will be done at home at night, which will balance with the state's wind assets and demand patterns," said John O'Brien, senior VP of NRG Energy. "Technological advances in electric vehicles can combine with competitive markets to usher in transformation to smart grid integration."

[\[Comments\]](#)

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From page one

technology patents. It sued Johnson Controls and Sensus in November 2009, describing Johnson Controls and Sensus as "early partners, now rivals."

And it sued Silver Spring Networks in January.

Some of the suits were resolved after defendants agreed to license Sipco's technology. Between May and September 2009, Sipco resolved patent litigation with Intermatic, Cooper Power, HomeSeer Technologies and Hawking Technologies, Sipco said, after the firms licensed

technology covered by three Sipco patents.

Sipco recently settled for an undisclosed sum with Sensus, Herman said. About three-fourths of metering and communications firms are now Sipco licensees, including Elster, Landis & Gyr, Sensus and Silver Spring Networks, he said.

Sensus and Silver Spring did not return calls seeking comment yesterday.

So many firms bump up against his patents, Petite said, because "I made a list early on of what works and what doesn't work. I developed the things that work. Now awareness is growing that wireless-

mesh technology gives you high reliability and redundancy. A lot of companies moving into that space encounter our patents."

Some firms try to "design around" Sipco's patents in an attempt to avoid licensing fees. But the patents so thoroughly blanket wireless-networking technology that those efforts fail, Petite said. GE, for example, approached Sipco, acknowledged it could not design around Sipco's patents and signed a licensing deal, he said.

Petite, a Native American who greets visitors to Sipco's web site in the Ojibwa language, has no formal training in engineering. "I taught myself computer programming. I'm a self-taught engineer," he said. He started college but did not finish because, he added, "I was too busy creating things." Petite founded and runs the Native American Inventors Assn.

StatSignal predated Sipco

The serial entrepreneur in 1982 founded StatSignal Systems, which Landis & Gyr bought in 2006. The

Web conference recording now available!

Smart Grid Today's web conference titled "**Cost Recovery and the Smart Grid: How the Maryland PSC's Decision Could Change the Way Utilities Recoup Investments**" held on September 17, 2010 is now available for

[immediate download](#). The download is in WMV format with audio and real-time slide presentation viewable on a computer. An audio CD is shipped to you via US Priority mail within two business days (FREE S&H). [Order today!](#)

eight-figure purchase won Landis about six patents covering AMR and ways to measure and monitor power consumption, plus supporting technology.

“Our offerings today do incorporate some technology we acquired from StatSignal,” Stan March, a Landis & Gyr spokesperson, told us yesterday.

The patents remaining, and those developed since then, deal more with AMI and RF -- “basically they concern integrating AMI into the smart grid,” said Petite, who formed Sipro after selling StatSignal.

Is Sipro so different?

The emergence of non-practicing patentees -- patent holders who do not actually produce goods using their patents -- signals industry maturation, a Duke Law & Technology Review [article](#) noted last month.

Some patent litigation involving non-practicing patentees “could adversely affect implemented clean technologies,” Eric Lane, a San Diego patent lawyer,

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From page one

in cases where capital equipment was imported, the study said.

China’s emerging role in clean energy has become a priority issue for many in the smart grid sector.

The country’s energy program has been cited by top business leaders as something the US should note, as Washington struggles to enact legislation on climate change, renewables and a host of energy-related issues.

GE CEO Jeffrey Immelt last month blasted the US government for leaving the country vulnerable to falling behind China and other nations in smart grid and clean energy (SGT, [Sep-24](#)).

A report on clean tech jobs this week also cited China’s strong moves to enact energy policy mandates (SGT, [Oct-06](#)).

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3 stories in 1 minute

Sequentric signs distribution pact with HD Supply:

Sequentric Energy Systems signed a distribution agreement with HD Supply Utilities, a distributor to utilities, the firms told the press yesterday. Sequentric’s products and software let utilities manage demand data. The deal will expose its offerings to a wider range of potential customers, it said.

Helix Wind improves

monitoring system: Helix Wind is selling a next generation Wind Turbine Monitoring System (WTMS), the firm told the press yesterday. The smart grid technology monitors performance and uptime of Helix Wind Savonius turbines

and connected power electronics. New WTMS hardware has a smaller footprint and features a refined Web-interface. Helix added smart grid technology to its line of small vertical-axis wind turbines to manage performance and uptime about 16 months ago (SGT, [Jul-10](#)).

Elster wins business

from Ohio muni: Cleveland Utilities chose Elster to provide 29,000 smart meters and their communications network from among a group of four contending vendors, that firm told the press yesterday. The muni will install the residential and C&I meters over the next three years, Elster said.

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cautioned in the law review article.

Sipro is “no different than Qualcomm or Motorola -- any company that develops intellectual property and then protects it,” Petite told us yesterday, asserting that

Sipro has been lenient in dealing with possible infringers. “There could be more licensees out there that we have not positioned an arrangement with yet.”

[\[Comments\]](#)

Hawaiian Electric gives EV drivers reason to charge off peak

Hawaiian Electric on Monday put into effect special EV rates, Peter Rosegg, a utility spokesperson, told us this week. The rates will be available for three years to 1,000 customers on Oahu, 300 in Maui county and 300 on Hawaii Island for charging highway-capable, four-wheeled EVs.

No PUC approval was needed, but the PUC did issue a notice giving permission for the special rates, Peter Rosegg, a utility spokesperson, told us yesterday.

One commissioner dissented, saying EV drivers already get federal and state rebates to get EVs and do not need reduced rates. But without the special rate, there is no incentive for EV drivers to charge off peak and thus reduce stress on generation resources, Rosegg said. The rates allow using wind power generated during the night that at this juncture would otherwise go to waste. Smart meters will be installed at every home using the special rates.

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Abbreviations: To see a glossary of *Smart Grid Today*’s abbreviations, go to www.smartgridtoday.com/glossary.

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support@smartgridtoday.com

www.smartgridtoday.com