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Site Controls grows as it enhances clients' energy use monitoring

BY CHRISTOPHER CALNAN / ABJ STAFF

Technology being developed by an Austin company to enable customers to lower energy costs is catching on as both a smart-grid and environmental product.

Site Controls LLC, an energy management company founded in 2003, developed its Site-Command device for energy management to enable clients to remotely control utilities for chain stores and chain restaurants. In addition to reducing operating costs, the product enables clients to work with utility companies to reduce power loads when it's most critical to do so.

Site Controls LLC is capitalizing on the increased demand for energy management tools by tripling its marketing budget this year and focusing largely on full-service restaurants and non-U.S. customers, CEO Dan Sharplin said. He said revenue is projected to double this year, but he declined to talk specifics.

"We're going to keep doing what we've been doing and build brand awareness," he said.

Site Controls said it monitors more than 300,000 of its clients' end-use devices. The company, which employs about 80 workers, doesn't disclose its annual revenue.

Site-Command is a hardware device equipped with Site Controls' proprietary



Sharplin

software. The product is installed at each site to monitor sensors that measure energy usage on dozens of different end points, such as lighting, heating and air conditioning units, signs, solar panels and trash compactors. The data aggregated via the Internet at Site Controls' headquarters, which enables the company to make adjustments according to load demand.

For example, during a power emergency, Site Controls workers can reduce the load on a power grid by cutting back on air conditioning or lighting at dozens of locations when such actions wouldn't be noticed by workers or customers.

Industry experts said the energy management market has tremendous potential but it's fragmented and no companies have grown to dominate it. Such products are developed by dozens of companies, including New York-based Carrier Corp.; Maryland-based Telkonet Inc. (OTCBB: TKOI); Ohio-based Novar, a division of Honeywell International Inc. (Nasdaq: HON); and Germany-based Siemens AG (NYSE: SI).

In 2006, Irving-based arts and crafts retailer Michaels Stores Inc. installed Site-Command at more than 900 stores. Last year, the company reported a more than 25 percent reduction in energy use at stores with Site-Command.

In addition to lowering energy costs, Site Controls has helped significantly reduce Michaels' carbon emissions. By lowering electricity use by 137 million kilowatt-hours annually, Michaels reduced carbon dioxide emissions by 192 million pounds, said Rob McClay, vice president of store development and construction for Michaels.

Site Controls' "enterprise tools help ensure we maintain and increase our savings over time," he said.

In 2008, Site Controls bought Tulsa, Okla.-based Excel Energy Technologies Ltd. for an undisclosed amount. At the time, company officials said the deal would add other high-profile retailers to its customer base, including Amarillo-based Hastings Entertainment Inc. (Nasdaq: HAST), which operates 153 retail stores, and Colorado-based The Sports Authority, which operates 450 stores.

Energy management tools are growing in popularity as utilities become pressured to reduce peak loads. Such tools are especially useful with governments that operate dozens of buildings, said Beth Machen, senior vice president of the Institute of Real Estate Management and president of the Charlotte, N.C.-based Machen Advisory Group Inc.

"The main driving force will always be money," Machen said. "It's a growing trend that you're going to see more and more of."