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A winning proposition

By MOIRA BAIRD, The Telegram

A St. John's-based company has landed a \$4.5-million contract to make 30,000 household electricity meters in Ontario a little smarter.

Last week, Blue Line Innovations Inc. put the finishing touches on the contract with Ontario's largest utility, Hydro One, to produce and supply devices that monitor electricity consumption to the penny.

The utility plans to install these devices in every Ontario household by 2010.

"It's our first major contract and it's the beginning of more. It just puts us on the map," said Danny Tuff, president and CEO of Blue Line.

"We competed for this ... and for

a company from Newfoundland

that's only been around for three years to win this, it's a big feather in our hat.

"This contract gets us beyond the demonstration stage."

Known as the PowerCost Monitor, Blue Line's wireless device reads electrical meters and translates that information into megawatt hours of electricity.

Homeowners can tell how much electricity they're using and how much it costs.

"It's a speedometer for electricity consumption," said Tuff.

"Our product is a retrofit product, which means it can be installed by the average homeowner. You don't need an electrician, you don't need a technician, you don't need to disrupt your power.'



Danny Tuff, president of Blue Line Innovations Inc., displays a PowerCost Monitor, a wireless device that reads electrical meters and translates that information into megawatt hours of electricity. The device allows homeowners to tell how much electricity they're using and how much it costs. (Photo: By JOE GIBBONS/The Telegram)

Tuff said positive results from a Hydro One pilot project — in which 500 homes were outfitted with Blue Line monitors for 15 months — played a role in landing the contract.

Based on those results, he said, the utility expects power consumption to be reduced by seven to 10 per cent in households using the device.

Tuff figures there's room for improvement because test homeowners received little education on how to conserve energy. Hydro One simply provided the monitors.

Despite this, participants appeared to educate themselves.

"What we found in the study was people went out and invested in compact fluorescent light bulbs to challenge themselves," said Tuff.

"We think — combined with higher electricity prices and some basic educational material — we think the results will be much higher than a 10 per cent reduction."

Blue Line is in the midst of a similar pilot project with Newfoundland Power, which has supplied monitors to 100 local homes. That project is ongoing.

Meanwhile, Hydro One will need its monitors in the next six to 12 months.

"We have the production capacity in place to handle it," said Tuff.

That capacity will come from a manufacturing company in Kanata, Ont.

"It's not unusual for consumer electronics to be produced with contract manufacturers and we don't have happen to have any in Newfoundland that can handle that sort of capacity.

"It's a huge undertaking to set up your own operation like that and it doesn't really make economic sense."

Blue Line employs eight people at its St. John's office.

"All the knowledge-based positions are based here."

Those employees don't have much time to celebrate the Hydro One contract.

"Now's not the time to pause and reflect too much. The opportunity is now — and we're working to put the resources in place to get us to the next stage."

Blue Line is also busy landing other business.

The company has a contract with Whirlpool Corp. in the United States to provide monitors for new homes south of the border that are outfitted with products from the appliance giant.

“Whirlpool is offering our product to their builders,” said Tuff.

In January, Blue Line also landed a contract to supply 500 monitors to Newfoundland and Labrador Housing Corp. — the first batch of the 3,000 monitors the Crown corporation will need.

Another goal is to integrate the PowerCost Monitor with existing meter technology.

Blue Line is working with meter makers to become an original equipment manufacturer — meaning the company’s monitors will be part of new meters in future, rather than just retrofitted.

Long-term goals include producing similar monitors for natural gas meters and water meters.

“You can imagine an in-home display that would give you information on electricity, water and gas combined.”

Tuff says being based in Newfoundland isn’t a barrier to achieving these goals.

“There’s a certain mindset outside of Newfoundland that thinks we’re at a disadvantage. But for our company, our customers have no issue with it.

“It hasn’t hurt us.”

He says it may have helped — the company was given financial boosts from both the provincial government and the Atlantic Canada Opportunities Agency.

“We started from scratch. I didn’t have any money when I started. We were a couple of young guys with an idea.”

The other ‘young guy’ is Tuff’s brother, Maurice, who founded Blue Line and invented the PowerCost Monitor.

While he’s no longer involved in the day-to-day operations, Maurice remains a company director, technical adviser and is busy these days as a “serial inventor,” as his brother describes it.

“This idea of having to move away from Newfoundland to make a business happen — it’s not the case,” said Tuff.

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