

## Lafayette company's software charges up utilities worldwide

East Bay Business Times - by [Mavis Scanlon](#) Staff reporter

A small Lafayette company is making big deals with utilities and major players in the power industry for its business integration and power management software.

Driven by higher fuel prices, growing concern over climate change and an increasing burden on the power grid, utilities are spending billions of dollars to give customers more control over their energy use.

Utilities are upgrading their delivery, pricing and customer care and billing systems so customers can benefit from new programs that take advantage of smart meters – programs such as tiered or dynamic pricing and demand response, which allows customers to cut back energy use during peak demand times at a utility's request.

The tools developed by Ali Vojdani, co-founder and CEO of **Utility Integration Systems Inc.**, help utilities manage their workflow and business processes to enable them to react and respond to a shifting market.

So far, Vojdani's strategies seem to be working. Utility Integration posted revenue of \$8.3 million last year, up 300 percent from 2006, when revenue rose 273 percent, according to Vojdani. Although he declined to discuss profits for the private employee-owned firm, he said the firm's margins were "envious." The six-year-old firm has grown to 40 associates.

"We are very fiscally conservative," Vojdani said. That fiscal conservatism is something he learned earlier in his career as a senior manager at **Perot Systems**, the Texas IT firm started by Dallas billionaire and one-time presidential candidate Ross Perot. Perot's philosophy was to keep his sales and marketing budget to zero, focus on the products and let the company's customers do its marketing, Vojdani said.

For several years, that is exactly what Utility Integration did. Today, its largest customers are the Electric Reliability Council of Texas, which operates the electric grid and manages the deregulated electricity market for 75 percent of the state, and the Western Area Power Administration, the Folsom-based arm of the **Department of Energy** that markets and manages electricity from hydropower sources in 15 central and western states.

Vojdani, who has a doctorate in electrical engineering, has published several papers, including one highlighting the changes taking place in the utility industry.

In that paper, Vojdani argues that in the new utility environment, "people, systems, solutions and business processes must be dynamic and flexible, able to bend, shrink or stretch in response to change in the technology, customer needs, prices standards, policies or other requirements."

Not surprisingly, Vojdani has thought a lot about the challenges and changes facing the industry, and he has parlayed his observations into a product the industry now seems to want.

Unless utilities integrate all of their business processes in a way that will make adding new applications easy and cost-effective, they will be burdened with inflexible systems, project cost overruns and obsolete technology that cannot respond to a changing market, he said.

Vojdani likens the impact of distributed energy generation and the move to smart meters to the impact of personal computers on mainframe computing. Distributed energy is electricity generated from many small energy sources, like rooftop solar panels. Smart meters give real-time information about energy usage and pricing, allowing utilities to tie prices to demand.

Utility Integration's recent deal with **PJM Interconnection**, which oversees the electricity grid for 51 million customers across 13 mid-Atlantic states and the District of Columbia, underscores the growing influence of Vojdani and his company. Under that contract, announced Aug. 14, PJM will implement a new system for its expanding demand response program based on the company's Demand Response Business Network software.

"The software update will improve our ability to record and track and verify," said Ray Dotter, manager of media relations at PJM. "We want a greater number of participants."

PJM already had built an in-house application for its demand response program, which allows customers, when asked, to cut energy use during peak periods, but it wasn't flexible enough for a business that is changing very quickly, Vojdani said.

The need for utilities to update their systems in a very flexible way is crucial, Vojdani said, because it is more difficult – and more expensive – to retrofit an already-updated system or application.



Vojdani

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Vojdani, an Iranian native who left that country in 1977, wants to make sure the industry gets his message. To that end, the company in September is sponsoring its fifth annual Utility Integration Conference. At this year's event, leading utilities and industry organizations including Duke Energy, **Long Island Power Authority** and the **California ISO** will present case studies showcasing how they are addressing issues from integration of smart metering to managing distributed resources.

In 2007, United Integration released its first software product and allows anyone to download it for free. The catch is that they must sign a license agreement and share their experience with the company, Vojdani said. The software has been downloaded by firms in 12 countries.

**Utility Integration Solutions Inc.**

**Business:** Information technology consulting and software for utility industry

**Headquarters:** Lafayette

**Founded:** 2002

**Co-founder and CEO:** Ali Vojdani

**Employees:** 40

**2007 Revenue:** \$8.3 million

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