

# KEEPING THE LIGHTS ON



## Business is bright for companies that deal in standby generators

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**S**uperstorm Sandy's devastating blow to the Long Island electric system had a key business impact: Thousands of residents and businesses have since installed their own standby electrical generators.

Generator installers say a one-time small industry grew at a frenzied pace in the weeks and months after the Oct. 29, 2012, storm knocked out power to almost 1 million of LIPA's 1.1 million customers. Today, sales and service of generators have become full-time steady businesses for a half-dozen dedicated Long Island companies.

"We took 9,000 calls in five days," said Frank Navetta, president of PowerPro Generators in Bohemia. It wasn't just customers looking for a new generator, but others who had a generator installed years ago by other companies and were looking to have them serviced.

Joshua Lerner, co-owner of Island Generator Co. in Great Neck and Wantagh, expanded his electrical business to specialize in generators in the days leading up to and following the storm. He now installs 50 to 100 systems a year, compared with 10 to 20 before the storm.

Generator installers such as Island Generator, PowerPro and Mayfair Power Systems in Freeport say business grew two- or threefold since the storm and is only now begin-

ning to settle to pre-storm levels. Official figures aren't available, but Navetta estimates that Sandy alone led to the installation of 10,000 generators across Long Island.

### Cost: \$10G to \$100G

It's not a small decision. Generators capable of delivering 7 kilowatts to 3 megawatts can cost from about \$10,000 to more than \$100,000. These are not the pull-start, gasoline-powered variety that only generate enough energy to power a handful of devices. A 7-kilowatt system is enough to power basic home needs such as refrigerator, furnace, lights, phone and limited air-conditioner use. A 3-megawatt system is enough to provide emergency power to a small industrial factory. Home systems make up the vast majority sold, installers say.

These generators are almost always powered by propane or natural gas. Bigger industrial units use diesel fuel. Whatever the fuel, the generators are linked directly to a home or business via the electrical panel. When utility power cuts out, the system's transfer switch cuts the utility link and the combustion-engine generators turn on, often so quietly they can't be heard. They generally stay on when needed for the duration of the outage.

Jeffrey Hulse, a lawyer with an office in Sound Beach, said the decision to install a 20-kilowatt automatic standby generator in his home was a "no



Frank Navetta, president of PowerPro Generators Inc. in Bohemia, stands with one of the Generac residential generator units that his company installs.

brainer" given his experience during Sandy. His Miller Place home was without power for a week. "There was nothing working," he said. "We literally were spending every night in front of the fireplace, which is nice and romantic, but after a

while you miss the creature comforts."

He and his wife made the decision to install the generator. The Hulses' \$15,000 system, installed in February 2013, uses two 100-gallon propane tanks that can provide enough

fuel to keep the system going for 10 days without grid power. It automatically prioritizes which appliances in the home get juice based on a preset list, and cycles any remaining power to secondary needs. In the Hulses' case, the generator powers the kitchen, the furnace, three air-conditioning zones, the den and the bathrooms, but not the bedrooms.

Once a week, the generator runs a brief test to make sure all its systems are working. Hulse said it performed without a hitch during the four or five outages that occurred since he had it installed. He said the cost included the propane tanks.

PSEG Long Island spokesman Jeff Weir said customers can expect power will be available nearly all the time. "However, we are aware that there are times when there are catastrophic storms that can cause longer-term outages," he said. "And for those customers that have the means to have a whole-home generator and to have that built-in contingency we will do all that we can to support that."

Some install the systems for medical reasons. About 10 percent of Navetta's nonresidential sales are for health care applications, including facilities where power is critical to medical equipment.

It can take up to two months to get the building permits to install a generator, and customers like the Hulses without access to natural gas must



Jeffrey Hulse, in his Miller Place home, with the power boxes for his emergency generator system, installed after superstorm Sandy.

## The ABCs of standby generators

- Home generator systems of 7-20 kilowatts can cost from **\$10,000-\$20,000**
- Commercial systems of up to 3 megawatts can cost more than **\$100,000**
- Systems are powered by natural gas, propane or diesel fuel
- They automatically detect when grid power is out, and switch to generator power
- Owners can prioritize which appliances and home functions get priority in an outage
- Building permits are required for systems, and can take months for approval
- Service plans can cost about **\$500 a year** to keep engines in tune, fluids checked and generators ready to start at a moment's notice

Source: Newsday research

### ON THE COVER

Jeffrey Hulse outside his Miller Place home, with his 20-kilowatt standby generator.

make arrangements for new propane tanks.

Bigger industrial generators have larger tractorlike engines powered by diesel fuel. All require trained electricians to install them, and most are now elevated to avoid being flooded.

For years, generators were the province of the wealthy, who could afford the tens of thousands of dollars it cost for a system, installers say. Sandy changed all that. People who were without power for as much as two weeks lost hundreds of dollars worth of food, often went without heat, and struggled to wash clothes, charge cellphones and stay warm.

"We are way past the luxury level and into the necessity level," Navetta said. He noted most inquiries to his sales line are from women. "How would you handle your house for 14 days without power, especially with kids?" he said.

New system installations appear to be heavily centered on the South Shore, where flooding from Sandy knocked out power to large swaths of

communities, from Breezy Point to Mastic.

"The South Shore homes were never prone to the power outages that the North Shore was, but now that fear is well-founded," said Hugh Gahn, general manager of Mayfair Power Systems in Freeport, whose business has also increased dramatically since the storm.

Before Sandy, big homes on the Gold Coast of Nassau County and in the Hamptons were customers, he said, but now "we're seeing smaller homes that traditionally were not part of our regular market. Smaller homes, South Shore homes — now it's a big market."

Making sure standby generators are functioning when needed is critical, so many companies that install them also offer service. The combustion engines at the heart of the generators require oil changes, system checks, even occasional

sparkplug changes. Navetta's firm offers a package of two home service calls a year for \$495, including a tuneup, a check of fluid and fuel levels, an oil and fuel filter and a complete test of the system.

Some customers opt for a new service that allows standby generators to be remotely monitored. Navetta's firm offers the service to about 150 customers and can tell them if fuel levels are low, whether the system is working properly, even if it operated when power went out overnight and the customer didn't know it.

Generator technology continues to advance. The high-end 20-kilowatt system the Hulses own now comes in a higher-powered 22-kilowatt version. And so-called cogeneration units can provide not only power to a building but heat as well. Some systems are designed to operate off the grid entirely.

But installers say they are

not at the point where the systems can run long, and cheaply enough, that average customers can cut the cord to their utility completely. Because the combustion engines used in the generators are like those used in lawn mowers, cars and tractors, and need servicing after hundreds of hours of use, continual power from them isn't yet practical. It's also more expensive to run a propane-powered generator than to buy electricity from the grid — as much as double, according to one estimate.

### Solar backup someday?

Other power sources, such as solar, could eventually be used as backup power for homes during outages, but not yet. Current solar-power systems don't provide energy to homes during outages because of a safety provision that blocks the solar power from returning to the grid in an outage, when utility workers are conducting repairs.

And they won't be practical as backup until long-life batteries are developed to store power for days when the sun might not shine, said Mike Bailis, vice president of SUNation Solar Systems, in Oakdale. Bailis said the day when those batteries are available is not far

off — three to five years at most, he said.

By then, Bailis said, customers will begin thinking seriously about grid independence — cutting the line to the utility entirely. Such a system would use solar as the primary energy source, batteries to store power for days at a time, and perhaps a backup generator.

"Investments in batteries will provide the foundation for this system" of grid independence, Bailis said. "When that's available I will be one of the first guys on the block to offer it."

### TO OUR READERS

The Sunday LI Business section is moving. Beginning next Sunday, Jan. 18, it will appear in the main news section. Readers will continue to find the same comprehensive coverage of the Island's economy and businesses that they now enjoy, including columns on technology and personal finance, and extensive financial tables. Readers can always find our business articles at [Newsday.com/business](http://Newsday.com/business).