



From the Silicon Valley Business Journal:

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The List

## List Content: Electrical contractors tool up for a strong year with some challenges

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Jan 15, 2016, 3:00am PST

When one says “electrical contractor,” an image of a worker donning a hard hat, rubber gloves and pair of pliers may arise. But the electrical services industry differs substantially across different sectors — commercial, industrial and residential — and faces a complex array of challenges and opportunities. Making the most of each new technological, economic or regulatory development, electrical contractors build solutions using a varied institutional toolbox.

One such institution is the United States government. Last month, Congress passed an extension of tax credits for wind and solar power. According to Bloomberg New Energy Finance, the credits are expected to spur the creation of 37 additional gigawatts of renewable energy, enough for 8 million homes.

The investment is expected to drive further solar panel construction in Silicon Valley. Cupertino Electric Inc. has performed engineering and installation work for solar projects large and small (but mostly large), including the photovoltaic system atop the Googleplex in Mountain View.

John Curcio, CEI’s chief commercial officer, said the passage of the tax credits is a “huge deal.” He said he expects the demand for solar projects to dip slightly now that the rush to complete them is no longer necessary.

Aside from solar, Curcio said procuring workers for projects can be tough during economic boom times. "Right now, the big issue related to construction in the Bay Area is that we're at full employment," he said. "There is high demand for a skilled labor force at the moment."

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Much of that labor force is drawn from the ranks of the International Brotherhood of Electrical Workers, a union that represents and trains several classes of electrical workers and apprentices.

Sal Ventura, assistant business manager of IBEW Local 332, said Silicon Valley's demand for electrical workers may become problematic in spring, "when the work really busts open." As the economy improves around the country, more work will be available in more geographic areas, and the 1,200-strong traveling worker pool that Silicon Valley contractors depend on could thin out.

There are also new technological developments that make things easier for consumers and harder for electrical workers trying to stay current.

"We're now having to deal with a new generation of low-voltage controls as the standard, and that takes some special training, because a lot of the products that come out are proprietary and require programming," Ventura said.

For example, an office employee can swipe her workplace ID card to signal the lighting above her work area to turn on and her devices to begin charging.

"The power for your cubicle will be made available and the equipment that

you use may be powered up by the time you get to your desk,” Ventura said. “These controls aren’t exactly new, but the new generation of products makes them more versatile and able to integrate across different systems.”

He said advances in technology must be matched with upgrades to the energy system — especially regarding wind and solar. “What needs to be addressed in renewable energy are the issues related to upgrading the physical grid of electric distribution and (changing) the rules that govern the grid in a way that best serve the ratepayers.” Ventura said he sees progress in renewable energy storage, and the ability to use wind or solar power during a time other than when the energy is generated, as a major game-changer.

Renewable energy storage still has a way to go. Palo Alto-based Clausen Electric is a residential electrical contractor serving what one would call “the one percent.” Owner Mark Clausen said he’s steered clear of solar installations due to the prices being driven dirt-low by a flurry of competitors.

“You can’t compete in solar,” Clausen said. The low prices, combined with the cost of workers’ injuries during rooftop installations, make work in solar unprofitable for traditional electrical contractors.

However, Clausen Electric is helping further the renewable effort in its own way. According to Clausen, the residential electrical contractor is conducting the second installation of Tesla’s Powerwall, a solar-powered home battery system that has been touted as being able to serve as a backup to a home’s traditional electrical system. Clausen said he thinks Tesla’s promotion of the product may have been premature.

“They kind of jumped the gun announcing it,” Clausen said. “The idea is it would actually back up the house in a power outage... (Tesla) backtracked, and said it’s only powering the grid at night.”

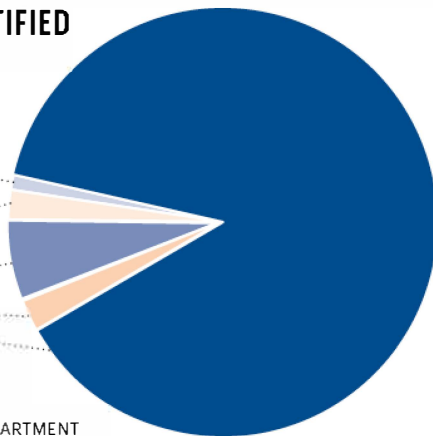
Despite the technology’s newness, Clausen said many of his customers have requested the Powerwall for their own homes. “I honestly think it needs a little more work,” he said.

## CALIFORNIA-CERTIFIED ELECTRICIANS

Current counts  
as of Jan. 7.

- ▶ Non-Residential Lighting: 325
- ▶ Voice, Data, Video: 711
- ▶ Fire/Life Safety: 2,015
- ▶ Residential: 810
- ▶ General: 28,987
- TOTAL: 32,848**

SOURCE: CALIFORNIA DEPARTMENT  
OF INDUSTRIAL RELATIONS — DIVISION  
OF LABOR STANDARDS ENFORCEMENT



## IBEW LOCAL 332 ELECTRICIANS

Current counts  
as of Jan. 7.

**Members:** Local commercial/industrial electricians and apprentices

**Travelers:** Workers who travel from around the country to work on commercial or industrial projects in Santa Clara County

SOURCE: SAL VENTURA,  
ASSISTANT BUSINESS  
MANAGER OF IBEW LOCAL 332

