

# Business

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palm desert

## Experts eye power line capacity

### Renewable energy growth requires expanded system

**BY K KAUFMANN**  
 The Desert Sun

There were two things almost everyone agreed on at the Coachella Valley Economic Partnership's Thursday workshop on transmission lines and renewable energy development in the region.

More lines will be needed to take the region's solar, wind and geothermal power to coastal markets, but getting them will be a long, complex process.

The typical line now takes five to eight years to get approved and built, said Gary Holdsworth, Southern California Edison's project manager for transmission policy.

"Everyone realizes it's a problem,"

Holdsworth said, speaking to more than 100 people at UC Riverside's Palm Desert campus. "They have federal regulations, state regulations that need to be there to be sure we can develop the facilities and don't wreck the environment."

Not good enough, said Alan Beattie, an area consultant and solar advocate.

"You're talking an eight-year process, which is twice as long as (U.S. involvement in) World War II," he said. "There has to be a way to streamline."

Transmission is seen as a linchpin for future development of renewable energy in the valley — and the jobs and economic diversification the sector could generate.

With abundant wind, solar and geothermal on tap, the valley and its surrounding areas could generate 25-50 gigawatts of electricity in coming

### Desert power lines

The main power lines running or planned for the Interstate 10 corridor from Blythe to Palm Springs:

■ **Devers-Palo Verde 1:** 500 kilovolts, enhanced to carry up to 1,700 megawatts and running at full capacity. Runs from Blythe to the Devers Substation at the Highway 62 junction on the I-10.

■ **Devers-Palo Verde 2:** Also 500 kilovolts, but its carrying capacity is projected at 1,200 megawatts. DPV2 is in the planning stages, with final approval by the Bureau of Land Management expected in the coming months. Same location as DPV1.

■ **West of Devers:** An old 220-kilovolt line that runs from Devers through Cabazon, it is inadequate to handle future renewable energy development. Edison expects to upgrade it by 2017 or 2018.

■ **Desert Southwest Power:** A 500-kilovolt line, 118 miles long from Blythe to Devers, developed by an independent transmission company. Permitted and approved in 2006 and 2007, the project has been stalled since then in federal and state agencies.

decades, said Bob Hargreaves, a leader of CVEP's Renewable Energy Roundtable, which sponsored the workshop.

"We can't do it without adequate

transmission," he said.

A recent study by the Solar Energy Industries Association estimated the U.S. now has about one gigawatt of solar-generated electricity, which is

enough to power 200,000 homes.

Workshop speakers differed sharply on the causes and possible solutions of the problem.

While Holdsworth pointed to a maze of federal and state regulations, Ziad Alaywan, president of ZGlobal, an energy consulting firm, said the utilities have effectively kept independent transmission developers out of the market.

About 95 percent of California's grid is owned by three private utilities — Edison, Pacific Gas & Electric and San Diego Gas & Electric. Only 5 percent is provided by independent developers, he said.

Wesley Ahlgren, CVEP's chief operating officer, said public-private partnerships and more competition are needed.

"Don't shut the door on merchant and independent transmission," he said. "Let's work together."

## Inflation threat intensifying

**BY DON LEE**

Tribune Washington Bureau

WASHINGTON — Forget deflation. U.S. consumer prices jumped in January for the second month in a row — and it wasn't just soaring costs for gas and food. Americans are beginning to pay more for clothes, rents and travel, new data released Thursday show.

And if rising prices are not welcomed by consumers, it may be good news to Washington policymakers, up to a point anyway. That's because higher inflation lowers the government's real cost of paying the huge interest charges on the national debt. And, since higher inflation usually translates into a cheaper dollar, U.S. exports should become more affordable — and more competitive — in overseas markets.

What's more, an uptick in inflation — and the latest rise was relatively modest — may actually help bring down unemployment. Wage growth tends to track inflation, and with consumer prices barely climbing last year, that made it all the harder for employers to give pay raises or add new workers.

If inflation were to rise to, say, 5 percent, employers could give a 2 percent bump up in wages and still capture a good 3 percent gain to add to the bottom line.

"This confirms my view that policymakers want to see higher inflation in this country," said Jack Ablin, chief investment officer of Harris Private Bank in Chicago.

Throughout last year, Federal Reserve Chairman Ben S. Bernanke expressed worries about deflation, that the U.S. could be sliding into a



DANNY JOHNSTON THE ASSOCIATED PRESS

Wholesale cotton prices have increased rapidly, forcing clothing makers to increase prices for the consumer.

period of broadly falling prices that can choke economic growth and business investments, as it did to Japan's economy especially during the 1990s.

But Bernanke may soon be facing pressure from the other end: Inflation hawks may see the latest data as more reason for the Fed to curtail its bond purchases and easy money policies, fearful that pumping more money into the system will be like adding yeast to the economic dough.

For now, there's little indication that inflation is about to spiral anytime soon. Thursday's report from the Bureau of Labor Statistics showed

the U.S. inflation index jumping 0.4 percent in January from the prior month, but consumer prices overall were still up just 1.6 percent from a year earlier.

The latest pickup in inflation, as in December, was driven largely by higher fuel prices. Commodity prices, including grains, also have been soaring because of stronger global growth and a series of events that have constrained supplies.

The spike in food prices has contributed to the political unrest in Egypt and the Middle East, and has also stirred inflation worries in China and other primarily emerging

economies.

Food accounts for a much smaller share of consumer spending in the U.S. and other developed nations. And many experts, including Fed policymakers, tend to put more weight on the core inflation rate — which excludes volatile food and energy items. By that measure, inflation still looks tame.

Still, even core inflation in the U.S. went up 0.2 percent in January from December, the highest monthly gain since October 2009. That included a 1 percent jump in apparel prices, reflecting increases in producers' costs and import prices.

## Table tech: I hunger, iPad, I eat

**BY BRUCE HOROVITZ**  
 USA TODAY

The first time most folks visit this restaurant, it won't likely be for the food, wine or beer.

It'll be for the iPads.

When the new chain Stacked: Food Well Built opens its first of three Southern California units in May — this one in Torrance — sitting atop each of the fast-casual chain's 60 tables will be an iPad that folks will use to design and order their meals.

The two co-founders — who founded the BJ's Restaurant chain — plan to place 100 iPads in each restaurant. Diners will use them to look at meal options; design their own burgers, pizzas and salads and, if they want, use the iPads to pay for the meals.

But, says co-founder Paul Motenko, "We're not going to market it as an iPad restaurant." When Stacked founders first considered a concept with guests creating and ordering meals on tabletop devices, the iPad didn't yet exist. iPads were the breakthrough, Motenko says.

The future of restaurant ordering and design may be digital. "The printing of menus will fade as iPads — and other devices — replace them," says consultant Dennis Lombardi.

Young people, in particular, want to see more technology in restaurants, says Hudson Riehle, research chief at the National Restaurant Association. In a recent survey, two of three 18- to 34-year-olds said they'd favor restaurants with high-tech gear.

That also explains why the chain's upcoming locations — Torrance, San Diego and Cerritos — are situated near movie complexes in very active malls.

## SMALL BUSINESS SNAPSHOT

**Business name:** Aleman Electric.

**Addresses:** 68401 Walker St., Cathedral City, 2857 #114 Los Felices, Palm Springs.

**Days and hours:** Five days a week, eight hours a day.

**Owners:** Carmelo Aleman and Daniel Ferrera.

**Description of business:** A residential and commercial electric company that now specializes in green technologies that enhance residential and commercial buildings to meet new state and federal energy efficient guidelines. With these guidelines, customers will be eligible for federal, state, city, and Southern California Edison tax incentives, rebates, grants, and loans.

**Number of employees:** 5.

**Projected revenues:** \$1 million.

**Cost of startup:** Not disclosed.

### Small Business Snapshot

The Desert Sun is taking snapshots of small businesses in the Coachella Valley. If you'd like to nominate a business, please e-mail John Hussar at BizSnaps@gmail.com or call (760) 567-8073.



SUBMITTED PHOTO

Aleman Electric of Cathedral City and Palm Springs has five employees.

**Source of startup financing:** Personal funds.

**Did you write a business plan:** "We are in the process of writing a business plan."

**Marketing budget:** \$300 a month.

**Recipe for success:** "Safety, workmanship, knowledge and a good night's sleep is a good day's work."

**Personal motto or mantra:** "Go Green, Charge On."

**Where do you seek advice:** Family and friends.

**Information:** (760) 407 9443; (760) 835-4521, danielferrera58@gmail.com

— JOHN HUSSAR

## BUSINESS BRIEFS

new york

### Oil companies developing spill cutoff system

A group of oil companies led by Exxon said Thursday it has built a system that can stop an undersea oil spill within weeks, a critical step toward resuming drilling in the deepest parts of the Gulf of Mexico.

The group said its combination of equipment and support vessels can contain a spill similar to BP's massive gusher, which took almost three months to plug. Some of the equipment was used by BP in containing its well blowout last year.

Regulators have demanded that oil companies demonstrate the capability to contain the blowout of an underwater well before granting permits to drill again in Gulf waters deeper than 500 feet.

new york

### Fewer homeowners behind on payments

Fewer Americans fell behind on their mortgage payments in the final three months of last year, but foreclosures are still rising.

The Mortgage Bankers Association said Thursday 8.2 percent of homeowners missed at least one mortgage payment in the October-December quarter. The figure, which is adjusted for seasonal factors, improved from 9.1 percent in the previous quarter.

washington

### Former Chrysler car dealers suing government

A group of car dealers who lost their businesses in Chrysler's 2009 bankruptcy have sued the government, claiming their dealerships were shuttered without adequate compensation.

Sixty-four former Chrysler dealers say in the lawsuit filed Thursday that the Treasury Department failed to compensate them for the dealer closings that were approved by a bankruptcy judge.

— THE ASSOCIATED PRESS

coming sunday

In Sunday's Business Plus section, learn more about:

■ The midcentury modern businesses that have popped up in downtown Palm Springs as a result of Modernism Week's popularity.

■ Palm Springs International Airport's success over the past year in growing its passenger load back to 1.5 million annually.

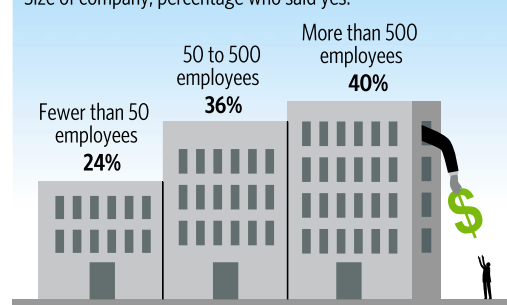
■ A Cathedral City resident who designs websites and has advice for what small businesses can do better in that regard.

■ A Palm Springs resident who is building a second steel-framed, energy-efficient house in the high desert.

## BUSINESSFACT

**Is your firm planning to increase cost-sharing arrangements with employees in the wake of health care reform?**

Size of company, percentage who said yes:


 SOURCE: METLIFE SURVEY OF 1,412 BENEFITS DECISION-MAKERS  
 GANNETT NEWS SERVICE