

# BUSINESS

BP marks fifth anniversary of deadly blast at refinery. **Page 2C**

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COURTESY PHOTO

Dr. Robert "Tito" Norris says the electric bill at his orthodontics business in Stone Oak has been cut about 30 percent since he had an 80-panel, 16-kilowatt solar system installed last year.

## Lower costs spur solar

**Better incentives, installation pricing get buyers off fence.**

BY VICKI VAUGHAN

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Many homeowners and business owners have dreamed about adding rooftop solar panels to help cut the cost of electricity, but solar's high cost has stopped them cold.

Now, though, buying solar has become more attractive — especially in San Antonio. A generous rebate offered by CPS Energy, a federal tax credit and more competition among installers is helping drive down prices.

In 2010, CPS expects about 75 solar installations to have been added in its service area, up from 38 in 2009.

"We've seen a dramatic increase, and we've gotten a lot of new contractors in town," said Bruce Evans, director of customer solutions and delivery at CPS.

Today, a residential installation averages about 2 to 3 kilowatts in size and costs from \$5.80 to \$6 a watt, or \$11,600 to \$18,000. That's down from about \$8 a watt two years ago, Evans said.

CPS offers a rebate for the in-



JERRY LARA/glara@express-news.net

Norris works on patient Andrew Mitchell, 16. Norris said his solar system initially cost \$100,000, but the utility rebate and federal tax credit cut the final bill to about \$25,000.

stallation of photovoltaic panels of \$3 a watt, capped at \$30,000 for residential customers and \$100,000 for commercial customers, Evans said.

To get the CPS rebate, a customer must use a company certified by CPS. Installers that have been vetted are listed on the utility's Web site.

"The cost of the panels has come down because of better manufacturing techniques," Evans said. "And there seems to be more supply than demand,

and that's helping drive down the cost."

Also, a buyer of rooftop solar is eligible for a federal tax credit of 30 percent of the total cost of the system.

Solar panels lose about 23 percent of their rated output because they produce direct current that must be converted to alternating current. CPS' rebate is based on output, Evans said. So CPS' rebate would be about

See SOLAR/2C

## PepsiCo eyeing healthier food

**Company wants to triple sales of brands such as Dole, Quaker.**

BY EMILY FREDRIX

Associated Press

NEW YORK — PepsiCo, largely known for junk-food brands such as Doritos and Pepsi, is setting out to triple its sales of healthier fare in the next decade.

PepsiCo Inc. unveiled the new goal for brands such as Tropicana, Dole, Quaker and Tazo teas at an investors expo



Indra Nooyi: CEO calls potential for market's growth "enormous."

Monday. The company also backed its forecast for long-term earnings growth.

Governments around the world are exerting pressure on food makers to improve nutrition. But Pepsi also is making the case that it's just as much consumer demand that's driving the changes.

"Consumers are heading toward 'good-for-you,'" PepsiCo

CEO Indra Nooyi said during the expo.

PepsiCo expects more shoppers to buy based on nutrition as baby boomers age and people in developing countries get wealthier. Eighteen percent of PepsiCo's revenue comes from the lines it considers healthier, including Tropicana, Dole, Quaker and Tazo. Nooyi wants to triple revenue from such brands to \$30 billion by 2020.

Though that's a huge boost, the nutrition business is still

See PEPSICO/4C

## HEALTH CARE REFORM

# Wins higher than losses for lobbyists

## Many more insured better in long run

BY MATTHEW PERRONE

Associated Press

WASHINGTON — When historians write the book on how President Barack Obama's health care overhaul became law, they'll need to leave space for some unlikely advocates: lobbyists for the drug, insurance and hospital industries.

Last summer, executives from those groups visited the White House and pledged to do their part to help pay for the health bill. By signing on to the effort early and agreeing to absorb some of the costs, they were able to help shape its final form.

Only time will tell how smart that trade-off was for the industries, but a quick look at the bill

passed by the House late Sunday shows it was far from their worst-case scenario:

■ A government-run health care plan that would compete against private insurers? Never made it out of the Senate.

■ Price controls on Medicare's prescription-drug program that would squeeze drug industry profits? Quietly dropped.

■ Cuts in payments to hospitals serving Medicare patients? Trimmed to modest levels and delayed until 2014.

To be sure, the shift in the nation's health care landscape will challenge companies. But most experts believe the short-term profit squeeze ultimately will be

See REFORM/4C



PABLO MARTINEZ MONSIVAIS/ASSOCIATED PRESS

House Speaker Nancy Pelosi, D-Calif., looks over her notes during a news conference on health care on Capitol Hill last Thursday.

## Good planning helps offsite employees work

In the midst of what some people called a "snow-pocalypse" in Washington, D.C., many government employees called for their agencies to permit them to set up a virtual office that allowed them to work remotely from their homes.

Management might want to rethink the business case for allowing employees to work from their homes or other remote locations when coming in to work is not practical due to weather disruptions, health scares or other unplanned emergencies.

Executives should always carefully evaluate these factors before allowing their workers to set up remote locations:



Mike Forsyth: He is president of MJKD and Associates.

### GUEST VOICES

**MATURITY:** Management must have confidence that an employee can work independently. It's best to test this principle with a 30-day trial period first. After this trial period, management should review the work completed as well as the issues associated with the change resulting from the new location.

### ESTABLISH A WORK PROCESS:

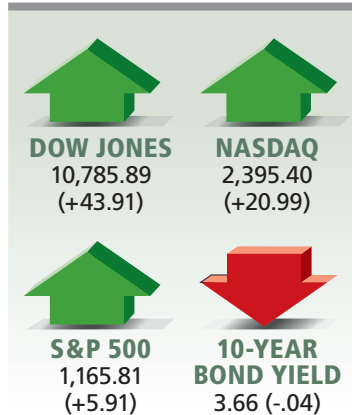
See GUEST/2C

## THE SHORT VIEW

### N.Y. police: Driver erred in Prius crash

A housekeeper who reported that her boss' Toyota Prius accelerated on its own and wouldn't brake as she hurtled toward a stone wall apparently had her foot on the gas pedal the entire time, according to a police investigation that concluded the driver, not the car, caused the accident. Harrison, N.Y., police Capt. Anthony Marraccini said: "The vehicle accelerator in this case was depressed 100 percent at the time of collision, and there was absolutely no indication of any brake application." He said the 56-year-old driver, Gloria Rosel, did not try to deceive police, he said, and she faces no charges.

### MARKET CLOSINGS



The average price for a gallon of regular gas in San Antonio was \$2.621 Monday, unchanged. The average U.S. price was \$2.820, AAA says.

### Biz Bits

**PAY REVIEW:** The Obama administration's pay czar is launching a review of compensation for 25 top executives at all financial firms that received federal bailout money, according to three people familiar with the plan.

**WORKER SHORTAGE PREDICTED:** A worker shortage could develop within 10 years as baby boomers reach traditional retirement age and there are too few replacement workers, according to the report published by the MetLife Foundation and San Francisco-based Civic Ventures.

**STEWART-HOME DEPOT:** Home Depot has teamed up with Martha Stewart in a bid to

bring more women into stores.

**IMF HELP FOR GREECE?:** German reluctance over bailing out Greece has raised the chances that the debt-laden country will be forced to turn to the IMF for assistance.

**TIFFANY PROFIT:** Rising sales helped quadruple Tiffany & Co.'s fourth-quarter profit to more than more \$140.4 million, the company said.

**BUFFETT BETTER RISK THAN U.S.?:** Two-year notes sold by the billionaire's Berkshire Hathaway Inc. in February yield 3.5 basis points less than Treasuries of similar maturity, according to data compiled by Bloomberg. Procter & Gamble Co., Johnson & Johnson and Lowe's Cos. debt also traded at lower yields in recent weeks.

## MYSA.COM



### Nest Fest: Bueller? Bueller?

Hit up Nest Fest to read about how much bank you will have to pull together to buy Cameron's house from "Ferris Bueller's Day Off."

### Clocking In: Spy Vs. Spy

Google and China are in a cage match to see who will win the opportunity to control the world. Hit us for Jack Burton's insight on the fight.

LOCAL/STATE  
BRIEFSHomeowners win  
judgment, face appeals

Attorneys for an elderly Fort Worth-area couple who won a \$58 million judgment against a politically powerful home builder from Houston said mediation efforts have proved unsuccessful.

Attorneys Van Shaw and Dan Hagood said Monday they failed to reach agreement with attorneys for Perry Homes owner Bob Perry. A Fort Worth judge ordered the mediation to avoid appeals after the \$58 million verdict earlier this month.

Robert and Jane Cull of Mansfield sued Perry Homes in 2000 over problems with their home's foundation. They had won an \$800,000 arbitration award, but the Texas Supreme Court overturned that award in 2008. Justices each received political contributions from Perry and his family totaling more than \$260,000.

A Perry spokesman had no immediate comment.

Alternative Board  
opens S.A. franchise

The Alternative Board, a consultancy group organized around groups of business leaders, is opening its second franchise in San Antonio covering the Medical Center, Westover Hills and Helotes areas.

Don Maranca, a certified public accountant and former Austin businessman, will operate the new franchise beginning April 1, a news release said.

John F. Dini, founder of the original Alternative Board franchise in San Antonio, said that operation represents 12 advisory units already, making it the largest Advisory Board chapter in North America.

It lacked the capacity, however, to serve the growing area around Westover Hills and the Medical Center, Dini said.

"I'm excited that we will be joining over 100 existing TAB members in the city who form a powerful network of practical knowledge," Maranca said.

Dell announces first  
U.S. smart phone

Dell Inc., the third-biggest personal-computer maker, will sell its first smart phone, the Aero, in the U.S. through AT&T Inc., adding a new competitor to the market led by Apple Inc. and Research In Motion Ltd.

The phone will run on Google Inc.'s Android operating system, Dallas-based AT&T said Monday.

The carrier, the second-biggest U.S. mobile-service provider, didn't disclose pricing plans or a release date for the Aero, which lets users access the Web and e-mail.

Round Rock-based Dell has lagged behind Apple, maker of the iPhone, and RIM, maker of the BlackBerry, in bringing smart phones to the market.

The percent of U.S. consumer mobile subscribers with smart phones climbed 61 percent last year, according to Forrester Research Inc. in Cambridge, Mass.

Dell spokeswoman Anne Camden referred pricing questions to the carrier. AT&T spokeswoman Jenny Bridges declined to comment, saying the company will provide more details closer to the release.

Report says Texas  
faster out of recession

Texas, the second-most populous U.S. state, is among the first to emerge from the recession that began in December 2007 as job growth returned sooner, Comerica Inc. said in a report.

The Texas economy followed states into the worst economic slump since 1930s, bottomed in September 2009 and began growing five months before job growth hit bottom for the rest of the country, according to the report today by Dana Johnson, the chief economist at the Dallas-based financial services company.

— From staff and wire reports

## New generation of walking rigs

Houston firm unveils  
land drilling rigs with  
'hydraulic shoes.'

BY MONICA HATCHER  
monica.hatcher@chron.com

HOUSTON — In what sounds a little like something in a science fiction movie, a Houston manufacturer has unveiled the next generation of land drilling rigs that walk.

The newly designed rig from Global Energy Services doesn't have feet, exactly, but does wear "hydraulic shoes." It uses a novel four-axis walking system that lifts and incrementally slides the heavy-duty equipment more than 100 feet away from a stationary base.

GES, which designs and man-

ufactures land drilling rigs, recently introduced its Ultra Drilling System to the oil and gas market at its manufacturing facility in northwest Houston, along with a demonstration of its existing QuickSilver rig.

The company, which has 34 rigs in operations around the world, said QuickSilver is used widely in North American shale drilling.

Ultra exists for now only in detailed designs, but GES says it can build the rig in less than a year, at a price close to the \$15 million of a QuickSilver rig.

Michael Stansberry, GES chief operating officer, said the "rig walking" system allows the drilling machinery to move up to 120 feet at 40 feet per hour.

That contrasts with conventional drill rigs that must be dis-

mantled to move even a few dozen feet, a process that can take up to five days and tens of thousands of dollars in lost day rates and additional costs, Stansberry said.

While other rig walking systems exist, they typically use skidding beams for movement in a straight line or "Y" direction. The new four-axis system adds 45-degree movement, the company said, allowing contractors to cover more ground and to drill more wells in less time.

"The more time you got weight on the bit, the more efficient you are going to be, the operator is going to like it more and you're going to make more money," Stansberry said.

GES' new system is being launched at a time when drilling in natural gas shale plays is

ramping up across North America and bringing drilling activity closer to urban areas. As a result, contractors increasingly are looking to decrease their footprint on the environment and to operate less conspicuously in smaller areas.

John Morrison, president of Crown Drilling in Washington, Pa., who attended the GES event, said walking technology was a key part of new rig packages.

The mobility of the Ultra system lets a contractor bring in a well completion rig while the Ultra is walking to drill up to 10 other wells, Stansberry said.

All it needs now is a buyer. "It's completely designed and ready to build," Stansberry said. "If we get an order today, we can get the first one out the back door in nine months."



BRETT COOMER/HOUSTON CHRONICLE

BP PLC has spent more than \$1 billion to upgrade its Texas City refinery after a deadly explosion ripped through the plant five years ago today.

Texas City blast forced  
BP to focus on safety

BY BRETT CLANTON  
brett.clanton@chron.com

HOUSTON — A deadly explosion at BP's Texas City refinery five years ago today did more than force the British oil giant to make needed upgrades to the plant, pay millions to settle lawsuits and shift its thinking about safety.

The tragic event "fundamentally changed BP," said Keith Casey, BP's Texas City refinery manager. The changes have been both physical, such as spending more than \$1 billion to upgrade the Texas City plant, as well as systemic, such as addressing the broken culture that contributed to the tragedy in the first place.

In a 2007 report, the Chemical Safety and Hazard Investigation Board found BP fostered bad management at the plant and that cost-cutting moves by BP were factors in the explosion.

Now refining profits have plunged amid higher oil prices and as the weak economy stunts demand for transportation fuels, forcing some refiners to cut output, close plants and slash staff.

BP has no plans to close refineries but has cut 4,500 jobs in its

refining and marketing division in last two years and reduced cash costs last year by 15 percent. It now aims to get the unit's costs below 2004 levels, or another \$1.5 billion, with a focus on its U.S. operations, division CEO Iain Conn said earlier this month in a presentation to investors.

BP officials said corporate turnaround efforts, launched with the arrival of CEO Tony Hayward in 2007, have not come at the expense of safety. Rather, they say, they have elevated the role of safety in operations while at the same time made the company more efficient and profitable.

In Texas City, for instance, the recordable injury rate has declined every year since 2005, and the refinery finished 2009 with a safety performance that placed it among industry leaders, the company said.

At the BP Texas City plant today, workers will be asked to observe a moment of silence at 1:20 p.m. — the time of the explosion — to commemorate the five-year anniversary of the accident.

Houston Chronicle business columnist Loren Steffy contributed to this report.

## SOLAR

CONTINUED FROM 1C

\$6,930 for a 3-kilowatt system costing \$18,000.

The federal tax credit is based on the total cost of the system, so a buyer would be eligible for 30 percent credit on the \$18,000 system, or \$5,400.

Together, the rebate and tax credit would reduce the cost of installing a 3 kilowatt system to about \$5,670.

Those incentives are attracting companies that are scrambling to compete in the San Antonio market.

SunWize Technologies Inc., a global solar distribution and manufacturing company, chose San Antonio and three other Texas cities for a new venture: selling solar installation franchises.

A franchise will cost \$55,000 and SunWize will look for franchisees to have start-up capital of \$150,000 to \$250,000 in the first year, said David Kaltsas, systems group president for SunWize, based in Kingston, N.Y.

"The utility in San Antonio has been very supportive of solar," Kaltsas said.

Another company new to the market is One Block Off the Grid, which says it can offer CPS customers installed solar for \$4.80 a watt — less than the city's average cost for solar.

CPS "has great rebates for solar," One Block CEO David Llorens said, and is a key reason the company added San Antonio as the 10th city for expansion.

One Block can offer below-market rates because it signs up multiple customers and negotiates a group discount from the installer it has selected, he said. The potential customer doesn't need to shop around for the best installer at the best price because the company has done that for them.

Many potential buyers lose interest early because the process is complicated and

the costs aren't easily understood, Llorens said.

So Llorens said his company takes pains to educate clients, offering an online estimation tool to help potential customers see what the system will cost.

"With us, you can see others who have done it, so you can see upfront what the price will be."

Dr. Robert "Tito" Norris decided last year that the cost of solar had dropped sufficiently for him to invest in an 80-panel, 16-kilowatt system atop his orthodontics office in Stone Oak. Norris first considered solar about five years ago.

"It didn't make financial sense then," he said. But last year, as prices for panels dropped and he could take advantage of the CPS rebate and get a tax credit, he decided to go ahead.

"I'm pleased I did it when I did," he said. He said his business has been recognized for its solar installation, and "as a business owner, it certainly doesn't hurt to be recognized for your efforts."

Norris said the solar panels have cut his business' electric bills by about 30 percent. He spent about \$100,000 on the system, and the rebate and federal tax credit slashed his final bill to about \$25,000.

Some solar installers fear the CPS rebate will be short-lived.

Dustin Aubrey, president of Novastar Energy LLC in New Braunfels, said CPS suspended its solar rebate last year for about six months.

When that happened, "all of our sales in San Antonio stopped immediately," Aubrey said. When City Council reinstated the rebate, Novastar was able to move ahead with customers who had signed up earlier.

Evans of CPS said the utility intends to continue paying the solar rebate "for some time to come," as it's seen as a key to reducing the city's energy consumption and is expected to help bring green jobs to town.

## GUEST

CONTINUED FROM 1C

Establish set work processes and regular work hours that allow co-workers and clients to contact those working offsite. Workers should adhere to hours similar to their co-workers. If an employee who works from a virtual office needs to take two hours off, this unavailability should be documented in a calendar shared with other co-workers. In a remote environment there's no walking down the hall to lo-

cate someone, so all parties have to be diligent about communicating their availability.

**REPORTING ON RESULTS:** When an employee does most of his/her work at a remote location, managers often miss the employee's accomplishments. By setting goals and by having their workers list their accomplishments in a weekly e-mail meeting, managers can evaluate their accomplishments as well as address issues confronting their workers.

**HOTEL WORKSPACE:** From time to time, an offsite employee will need to come to the office for some meetings. Many com-

panies set up "hoteling spaces" where remote workers have an office space for those times they do need to come into the physical office.

**WORK SAFETY:** Just because an employee is working from his home doesn't mean that the organization is not liable for work-related safety. Companies should update their employee handbook with a section dealing with safe virtual work processes and ergonomics.

**OFFICE SETUP:** A good virtual office provides should mirror an actual office with adequate workspace. Businesses should

not overlook the routing of office supplies and mail such as paper, pen and mail envelopes. Just as important is the establishment of collaboration tools like "GoToMeeting" which allow offsite workers to take part in office meetings.

With the right workers and in the right settings, working remotely can help businesses save money, recruit people who are not collocated and increase their workforce productivity.

Mike Forsyth, president of MJKD and Associates, works with customers on realigning their business processes.

## BRIEFCASE



CAPISTRAN

SpawGlass named Rene Capistran president for its South Texas Region.

The San Antonio Economic Development Foundation named Omar Garcia and Liz Miller vice presidents.

Holt Agribusiness, a division of Holt Cat, named Paul



GARCIA



MILLER



WESTBROOK

Westbrook general sales manager.

GVA Cawley named Jay T. McCormack senior director for its San Antonio office.

Adams & Polunsky Ad Valorem Tax Advisors named Jesse Adams CEO, Russ Hayden president and Carly Rodriguez administrative vice presi-



MCCORMACK

dent.

Bromley Communications LLC named Maria Cecilia Pinto account supervisor for its Payless ShoeSource account.

Cleary Zimmermann Engineers named Bill Eichholtz project manager for its building commissioning department and Charlie Johnson con-



ADAMS



HAYDEN

struction administrator.

Morgan Stanley Smith Barney employees John C. Korbell, managing director-wealth management, and Harris Sterling, senior vice president-wealth adviser, were named to Barron's annual list "America's Top 1000 Advisors: 2010 State-by-State."



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