

BPL fits core IBM service:

Transform Businesses

IBM sees BPL as an opportunity to help electric utilities run better by enabling “smart grid” technology, the firm’s Bernie Hoecker, vice president of IBM Energy & Utilities Industry told us in an interview Friday.

CenterPoint Energy a week ago had announced IBM is the BPL integrator for the utility’s pilot. IBM is running a new BPL demonstration center the firm opened “business performance transformation services.

The firm’s been working directly with utilities for quite a while and Hoecker has been involved in that branch of the business for several years.

He cited a recent 10-year, \$1.6 billion deal with NiSource as a great example of what IBM does for utilities.

Broadband market still ‘up for grabs’

IBM sees BPL as a way to possibly deliver triple play services — data, voice and video — using three levels of bandwidth — 200 mbps on the MV lines, 25 mbps on the LV lines into the home and then 100 mbps networking throughout the power lines in the home.

That scenario is one of many possible approaches the firm has looked at and was shown on one of several PowerPoint slides IBM sent to BPL Today to help explain the firm’s interest and vision for the technology.

The broadband access market is still up for grabs, said another slide, and the US has 160 million homes.

Internet use breaks down to 50 million broadband users, 70 million dial-up users and 40 million without any internet, the firm reported.

A single broadband provider has yet to deliver high take rates, said the slide, and while the broadband mix is moving from DSL to cable, telecom thins are responding with optical fiber roll-outs.

Satellite service will be squeezed out of the competition unless it finds a way to deliver a triple play. IBM predicted.

We’ve been told inherent lag makes VOIP poor at best over satellite and while downstream video content is the service’s primary strength — upload in general is too slow to compete.

Some studies show a “strong likelihood” of customer defections from incumbent providers if they’re offered an alternative, said IBM. Compelling content and applications will drive the next wave of broadband adoption, the firm quoted management consultancy Adventis.

Cinergy found BPL’s symmetrical bandwidth supports growing upstream demand, IBM quoted, and the utility listed that plus the ubiquitous network footprint connected to all homes and business as “competitive differentiators in their successful pilot.”

The firm listed gear needed for each arm of the triple play:

- Internet — ISP back office authentication, email systems, web systems plus billing and credit
- Voice — voice gateway, soft switch, feature server (we guess that means a server to handle call waiting, voicemail and the like), 911,411 services and long distance carrier; and
- Video aka video on demand (VOD) - VOD server, video encoder, application server and digital rights management.