

What IBM knows about IBEC puts BPL back into headlines

The number of news organizations around the globe that picked up the Associated Press report on IBM's US\$9.6 million in IBEC last week is not easily countable. Our favorite comment was from a blogger that announced "BPL is dead -- long live BPL," a nod to the British tradition made famous in Shakespeare plays of announcing loyalty to the new king upon the death of the king.

Well BPL has been limping in recent months and even years -- but the industry meanwhile is plugging away at solving its problems as it readies for new life.

When people wonder how the "hype" for BPL can continue long after the business model has been successfully defected by most of the electric utility world, the answer is that this is a technology and a market that's still in its infancy and most people forget how long infancy really lasts. Other technologies have taken as long or even much longer to take shape.

As for the hype, the electric industry is expert at ignoring it. The one time in recent history that the power industry bent to hype -- the fiber boom and subsequent crash of the late 1990s -- served to toughen the resolve of the industry not to deploy expensive technology until it's well tested, or so it seems.

We have reported warnings from some utilities and their partners in the field that

today's BPL has failed to yet deliver on its biggest promises.

Meanwhile IBEC has been working to make the promise of BPL a reality for the top dozen or so co-ops on its reportedly very long list of firms eager to get service.

The second tranche of USDA loans for IBEC deployments finally made it through the several-year approval cycle recently and it seems the timing of IBM's announcement -- and maybe the decision itself -- was influenced by the government's financial backing to the tune of \$50 million.

IBM is not a stranger to BPL -- having sworn by the technology for "smart grid" deployments for years, taking it overseas to utilities in India, we believe, and playing a key role in the UPLC.

The UPLC's chief Bill Moroney was quoted in the AP article, a welcome reminder that the organizations that support the BPL industry are still engaged.

While the BPL world has turned its focus to smart grids, the leading characters of the industry are still dedicated to the development of the networks that will serve countless applications and services to electric delivery firms and their customers -- and even some of their generation suppliers.

We have reported for years that, of all the business models put forth for BPL over the years, IBEC seemed to have it

right from the start. That may be to the firm's credit or it may just be lucky.

The rural electric cooperative market does fit well with the just folks, no bull demeanor IBEC and its CEO, Scott Lee.

But while his style may put rural power firms at ease, Lee's BPL business acumen is attractive to world-class IBM, too. Remember, the Wall Street-funded IOUs don't own the majority of the power lines. Co-ops do.

Relative recent BPL startup Utility.net saw the beauty in IBEC's business model and teamed up with the firm to use its co-op oriented model connect the more rural electric customers at IOUs and municipal power administrations -- those underserved and underserved by incumbent broadband providers.

And it's important to remember that IBEC's secret sauce isn't just taking broadband service to the underserved, it's got a deal with a leading lightning arrester maker called Cooper Power that makes installing BPL easier for line workers and cheaper, we've been told.

"The technology is important but what's really important is this is a seminal moment in the delivery of broadband services to rural customers," the AP quoted Moroney. "Here's a beginning and really a great leap forward."

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