

E-LECTRIC Ave.

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NEW YORK, NY, January 2, 2005 – To log on, New Yorkers may soon plug in.

This month, Con Edison will expand a test program for broadband over power lines, or BPL, a new competitor for traditional high-speed DSL and cable modem connections.

The BPL trial is being run in conjunction with Internet service provider EarthLink and Ambient, which allows for electronics' digital signals to connect through power lines within a building.

With the networking equipment in place, some 200 Upper West Side residents will be receiving letters asking them to participate in the trial.

Since power lines run everywhere, BPL has the potential to reach more customers, while eventually helping to drive down the cost of broadband Internet access.

"There's room for an additional player," said David Shpigler, President of The Shpigler Group, a technology and telecom consulting firm that is currently working on a number of BPL trials.

"Twenty-five percent of the residential market currently has broadband. In 10 years, that number is expected to hit 65 percent", he added. "That means most people out there do not have a provider right now and are looking to do so. If BPL providers can capture part of that market, they are looking at major profits in the long-term."

The cost of providing BPL service is also less than current broadband offerings, largely because much of the infrastructure is already in place, Shpigler pointed out.

However, power companies still have to invest some capital in putting special equipment into place to make sure the service works. Broadband price wars aren't expected for at least another year or two.

BPL technology has been around since the 1990's, but recent chip advances have made the technology more readily deployable over a larger power-grid area.

Users plug a small modem into any wall outlet and connect it to their computer; since electricity travels at a lower frequency than Internet signals, both can co-exist on the same line.

Data moves over the power grid with special equipment in place, which has been developed by companies such as Ambient, Amperion and Current, to maintain the signal and prevent interference from the electric grid.

Internet access over power lines is pretty much the same as DSL or cable, though the service may allow users to check their own power output over the Internet – perhaps even turning on or off appliances from a remote location.

BPL providers need to develop good business models that include other types of communications services over power lines, said Karen George, a principal at Primen, an energy market intelligence company affiliated with The Electric Power Research Institute.

She noted that additional services, such as voice-over-Internet protocol (VoIP), would allow BPL companies to gain significant market share as demand for faster, cheaper Internet access and home networking services grow – as expected – over the next couple of years.