



Intellon Offers Next-Gen Home Networking Technology

Intellon announced that it has sold over 5 million integrated circuits (ICs) for powerline networking.

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While powerline networking has been slow to take off in the United States, industry executives and analysts say the technology has a future as broadband television and home automation take hold.

One of the members of the Homeplug Powerline Alliance, Intellon, said this week that it has sold over 5 million integrated circuits (ICs) to date, evidence that the technology is succeeding.

"This technology competes against two factions: wired vs. wireless," said In-Stat Residential Connectivity analyst Joyce Putscher. "There are a number of different uses for it and it's very easy for consumers to understand."

Intellon is marketing its technology as a simple and secure alternative to Wi-Fi. The company's powerline technology turns each electrical socket in a user's home into a potential network port, turning the home's existing infrastructure into a networking alternative.

"The average home has 40 electrical outlets, allowing you to create 40 different network points, so you can use [IP] devices wherever there is an electrical outlet," said Philip Poulidis, Director of Marketing for Intellon. "We allow you to network over existing powerlines...instead of wiring your home with Ethernet or using wireless, which doesn't always give you full coverage."

"The selling point is that everybody has power in their house and multiple power jacks in every room," said Sylvester. "There are some geographical differences. Not every country has as many power jacks in every room, but generally speaking, it's pretty universal."

The Homeplug Alliance defines standards for powerline networking. The board is comprised of Intel, Cisco, Linksys, GE Security, Earthlink, Comcast, Motorola, Radio Shack, Samsung, Sharp, and Sony. Its mission is to enable rapid availability, adoption, and implementation of interoperable home networks and products, according to its [Web site](#).

["To date we've sold a total of 5 million Homeplug chips," said Poulidis. "Right now we're working on a run rate of 1 million chips per quarter and we expect to surpass that by the end of the year."](#)

[However, Wi-Fi chips still outnumber powerline adapters by a significant margin. Although powerline proponents claim its technology is secure, wireless PCs can be secured through the use of passwords and encryption. Analysts say that in certain niches, however, powerline has an advantage.](#)

"In some cases wireless has limitations," said Sylvester. "Powerline provides substantially more bandwidth than any Wi-Fi solution available, so if you're trying to pump a lot of data across your network, you need more bandwidth than current shipping Wi-Fi solutions have."

Aside from enabling high-speed Internet access, Intellon technology also allows for various entertainment applications. Intel demonstrated the product during a recent developer forum, where it was used to show streaming video from the Internet to a Viiv set-top box.

"The jury is still out on whether or not the service providers will end up using it for video distribution," said Putscher. "If they do, I would see that happening more outside the US because both in Europe and Asia they don't have as much coax in homes as we do."

"The powerline players realize that a better audience is not consumers directly, but selling to service providers," said IDC analyst IdaRose Sylvester. "Those kinds of companies have the power to push the technology to the consumer, so if they make a deal they'll reach thousands of customers, rather than reaching out to consumers one by one."

40% of Intellon's current business is in Europe and it holds over 95% market share worldwide. The company says it expects big business in the United States soon and is in talks with most major telco service providers in the country.

"It's a relatively slow-growing market," said Sylvester. "I wouldn't say it's doing great in Europe because the technology is in the early stage of adoption. It's reaching critical mass, but nobody has hit the home run and nailed the market entirely."

Network-gear vendors like D-Link use Intellon's ICs to manufacture Ethernet adapters, which plug directly into the wall and bridge Ethernet to powerline.

"Wi-Fi transmits data wirelessly and our technology transmits over the powerline—Netgear has married these two technologies together with a Wireless Extender Kit, which uses two adapters," said Poulidis. "One is a powerline-to-ethernet adapter, which plugs into your wireless router, and the other unit is a powerline-to-wireless access point, which plugs into an outlet in any room in your house where you want to extend your wireless access."

Panasonic is also playing the powerline networking field. The company is demonstrating its HD-PLC (High-Definition Power Line Communication) technology at the Digital Home Conference and Showcase. HD-PLC allows for transmission of digital data, including HDTV video, Internet and VoIP over high-bandwidth home networks, by way of household power lines.

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