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Heavy Hitters Home In On HomePlug

Intel, **Cisco's Linksys** division and **Motorola** have joined the **HomePlug Alliance**, instantly adding major new stature to both the trade group and the technology it represents: in-home broadband over powerline (BPL), using the standard electrical wiring already in every building in the world that has electricity. Intel, suddenly exploding onto the scene, also grabbed the presidency of the Alliance; it also has taken a minority stake, along with Motorola, in HomePlug silicon marketshare leader **Intellon** as part of a \$24.5 million financing round.

The sudden interest in HomePlug follows the recent action by the HomePlug Alliance board approving the new HomePlug AV specification as an Alliance standard (see this week's *Broadband Business Forecast* for full details. For a trial subscription, please go to <http://www.telecomweb.com/cgi/catalog/trial?BNN>). The new AV specification defines the technology to deliver broadband at theoretical speeds as fast as 200 Mb/s over the electrical wiring in a home. Expectations are that the technology will actually deliver between 100 Mb/s and 120 Mb/s when it hits market. That's enough to challenge every hardwired technology now in use for in-house networking, without the expensive need to string Cat 5 cable, coaxial cable or fiber – making the reason for the increased interest in the technology obvious.

“The changes and addition of new members comes at an exciting time for the Alliance. Millions of products based on the Alliance's initial powerline communications standard, HomePlug 1.0, have been sold worldwide. The Alliance recently announced the completion of its HomePlug AV multimedia connectivity specification, enabling products based on this standard to reach consumers in 2006,” says Matt Theall, Intel's director of powerline initiatives who has been appointed president of the Alliance, replacing **Arkados** President and CEO Oleg Logvinov. Theall takes office at the Alliance's annual meeting and inaugural Technology Conference Sept. 27-28 in Burlingame, Calif.

The change in leadership itself tells a story, given the contrast between the mighty Intel and Arkados, which has been living off of a string of relatively small capital infusions to fund R&D while it struggles to get its HomePlug-compatible products to market.

The “changes” to which Theall refers include the creation of an “Implementers' Forum” board of directors, charged with driving the implementation and use of products based on HomePlug standards. The new Implementers' Forum board consists of a cast of industry heavyweights: **Comcast** (which also holds a stake in Intellon); **EarthLink**; Intel; Cisco/Linksys; Motorola; **RadioShack**; **Sharp**; and **Sony**. “The shift of the Alliance's emphasis towards global implementation and the addition of these industry-leading companies as sponsor members signals to the industry that major changes are coming in

the world of the digitally connected home,” says Pete Griffin, chairman of The HomePlug Powerline Alliance and RadioShack's director of corporate technology.

The changes also include the creation of a trio of “Promoters’ Groups” to focus on specific standards initiatives. Those groups include one responsible for the basic HomePlug 1.0 and new HomePlug AV standards; a second working on HomePlug BPL, a standard to link HomePlug and broadband brought to the home over power-distribution networks; and HomePlug Home Automation, a standard for running home command and control applications over HomePlug infrastructure. The automation standard project is about to enter the stage of competitive lab and field tests.

Meanwhile, the Intellon financing round gives the company a war chest it says is earmarked, in part, to accelerate the deployment of a new family of HomePlug AV silicon it now has in development. Intellon was at Intel’s Developer Forum this week talking up that new silicon.

In addition to the investments by Intel and Motorola’s venture arms (**Intel Capital** and **Motorola Ventures**), **Bell Canada’s BCE Capital** venture arm, which led the round, is also a new investor in Intellon along with **Goldman, Sachs & Co.** Also participating were a slew of existing Intellon investors, including **Comcast Interactive Capital, Duchossois TECnology Partners, EnerTech Capital, Fidelity Ventures, Hydro-Québec CapiTech, Liberty Associated Partners LP, Philips Venture Capital Fund, TL Ventures** and **UMC Capital Corporation.**