



## **IBM and VELCO to Build Next Generation Communications Network for Vermont Energy Grid**

### **Agreement Advances eEnergy Vermont Initiative, Backbone for Statewide Smart Grid**

**San Antonio, Texas and Rutland, Vermont –January 24, 2012** – At the 2012 DistribuTECH conference, IBM (NYSE:IBM) and the Vermont Electric Power Company (VELCO) today announced an agreement to build an intelligent fiber optic and Carrier Ethernet communications and control network across the State of Vermont. Spanning more than 1000 miles, this advanced fiber communications network will connect transmission substations to Vermont’s distribution utilities, delivering reliable electric service and the capabilities required for the state's future Smart Grid.

"As the transmission provider for the state of Vermont, VELCO is committed to improving power grid reliability and security," said Chris Dutton, President and CEO of VELCO. "Our collaboration with IBM to construct a network that both strengthens system reliability and enables Vermont utilities to execute our collaborative statewide Smart Grid initiative provides an innovative model for the rest of the country to build a 21st century Smart Grid."

IBM will provide project management and networking services, part of its Intelligent Utility Network solution, to help VELCO improve the state's electric infrastructure. This new system provides the communications capability to relay information back to the utility about usage, voltage, existing or potential outages, and equipment performance. Fiber transport and Carrier Ethernet systems will ensure reliability and security of the transmission network and allow utilities to improve power quality and avoid power outages or resolve them faster.

The communications network is based on Ciena’s 6500 Packet-Optical Transport platform and its extensive family of Carrier Ethernet Service Aggregation and Delivery switches. With its unique peer-to-peer architecture, the new network will meet the demanding reliability and security requirements necessary for Smart Grid, as well as provide additional bandwidth to support the eEnergy Vermont initiatives in progress throughout the state.

“This exciting partnership between our statewide transmission company VELCO, and IBM, a global Smart Grid leader whose Vermont campus is a model in energy efficiency, is an excellent example of how our state innovates,” said Vermont Governor Peter Shumlin. “This network will increase grid reliability, enable Smart Grid communications and help build the economic development platform necessary to create sustainable jobs. It’s another concrete step toward our long-term goal to make Vermont a national model for energy policy – a source of best practices and technical assistance as the smart grid rolls out nationwide.”

“IBM is very pleased to collaborate with VELCO and expand its involvement with the State of Vermont to ensure reliable power delivery to its citizens,” said Guido Bartels, General Manager of IBM's Global Energy and Utilities Industry. “This new high speed network will allow VELCO to enhance and adapt its services as customer and requirements change. This goal is consistent with our Smarter Planet initiative to help utilities around the world transform their systems to improve customer service delivery. We see Vermont utilities and their customers as ideal partners to build the power grid of the future due to the strong commitment by all the stakeholders in the state on a common vision.”

#### IBM and Smart Grid

IBM's Essex Junction, Vermont campus has been a model for advances in Smart Grid technologies for nearly a decade; the site's Smart Grid has helped it effectively reduce electricity usage by 19 percent during a period of increasing production capability.

IBM is involved in more than 150 smart grid engagements around the world, in both mature and emerging markets. IBM is the founding member of the Global Intelligent Utility Network Coalition, a unique collaboration of utilities from around the globe who are working to accelerate the use of smart grid technologies and move the industry forward through its most challenging transformation. More about IBM's vision to bring a new level of intelligence to how the world works—how every person, business, organization, government, natural system, and man-made system interacts, can be found here: <http://www.ibm.com/smarterplanet>.

For more information about Smarter Energy at IBM, please visit: [www.ibm.com/press/smarterenergy](http://www.ibm.com/press/smarterenergy). Follow us on Twitter and LinkedIn.

#### VELCO and Smart Grid

Vermont Electric Power Company (VELCO) was formed in 1956 when local utilities joined together to create the nation's first statewide, "transmission only" company in order to share access to clean hydro power and maintain the state's transmission grid. VELCO and its 19 distribution utility owners are jointly executing “eEnergy Vermont” a statewide, federally supported Smart Grid Investment Grant project.

For more information about VELCO and the eEnergy Vermont Project please visit: <http://smartgrid.velco.com/default.aspx>

## Contact Information

Fabienne Guildhary  
IBM Media Relations  
917-472-3733  
[Fguildhary@us.ibm.com](mailto:Fguildhary@us.ibm.com)

Shana Duval  
VELCO External Affairs  
802-770-6381  
[sduval@velco.com](mailto:sduval@velco.com)