



Greywale
Management

Communiqué
Industry News



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Video Set-Top Box Energy Efficiency Standard Goes Into Effect

Validates Greywale Management Business Driven Energy Strategy Tenants

Greywale Management

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INDUSTRY NEWS:

Video Set-Top Box Energy Efficiency Standard Goes Into Effect

Validates Greywale Management Business Driven Energy Strategy Tenants

On January 1, 2014 the previously announced set-top box energy efficiency industry agreement goes into effect. The agreement covers set-top boxes, used in the delivery of television services deployed in the United States.

The signees claim that the agreement will:

1. Cut energy use for 90 Million US Households
2. Improve Set-top Box energy efficiency by 10-45%
3. Save consumers over \$1 billion annually in electricity cost.
4. Avoid 5 M tons of CO₂ emissions

Quick Resources

1. U.S. Department of Energy Announcement: <http://energy.gov/articles/us-energy-department-pay-television-industry-and-energy-efficiency-groups-announce-set-top>
2. NCTA Announcement: <http://www.ncta.com/sites/prod/files/Set-Top%20Box%20Energy%20Efficiency.pdf>
3. NCTA Agreement: <https://www.ncta.com/sites/prod/files/VOLUNTARY-AGREEMENT-ENERGY-EFFICIENCY-OF-SET-TOP-BOXES.pdf>
4. Greywale Management Service Provider Energy Taxonomy <http://greywale.com/wp-content/uploads/2013/09/Greywale-SP-Energy-Taxonomy.pdf>

KEY POINTS

1. It was a voluntary agreement.

- a. Agreement was made between the US Department of Energy (DOE), Natural Resources Defense Council, the American Council for an Energy-Efficient Economy, the Appliance Standards Awareness Project, the Consumer Electronics Association and the National Cable and Telecommunications Association (NCTA)

2. It is a “Non-regulatory” standard

- a. The non-regulatory agreement provides a framework for the DOE and pay-TV industry to work together on efficient, high-performing set-top boxes that leverage technological improvements. It achieves what would otherwise be done through regulatory standards.

3. It sets numerical targets

- a. The target improvement in STB efficiency is **10 to 45** percent, depending on the class of the STB device, by 2017.

4. It requires reporting and auditing

- a. The agreement requires the industry **publicly report specific set-top box energy use** and requires an **annual audit** of service providers by an independent auditor to ensure boxes are performing at the efficiency levels specified in the agreement.

5. Originated from non-traditional telecom agencies.

- a. The impetus for this came from the U.S. Department of Energy not the F.C.C.

6. It has wide industry support

- a. From the U.S. Department of Energy
 - i. “Agreement signatories include pay-TV providers (listed according to number of customers) Comcast, DIRECTV, DISH Network, Time Warner Cable, AT&T, Verizon, Cox Communications, Charter Communications, Cablevision Systems Corp., Bright House Networks and CenturyLink; and manufacturers Cisco, ARRIS (including Motorola), and EchoStar Technologies. Energy efficiency advocates Natural Resources Defense Council (NRDC), the American Council for an Energy-Efficient Economy (ACEEE), and the Appliance Standards Awareness Project (ASAP) are also signatories to the agreement.”

INDUSTRY RECOMMENDATIONS

1. For Video Service Providers

- a. Develop a comprehensive energy strategy.
- b. Leverage the model of this agreement when creating an overall Energy Strategy to ensure you are ahead of, or at least even with, regulators of all types.
- c. Expand lobbying efforts beyond traditional telecom and communication regulatory bodies.
- d. Recognize the STB as a service delivery platform and not just CAPEX.
- e. Develop a realistic price-performance model for STBs and stop demanding more and more functionality for a set price. The margin pressure on STB vendors is making it a lousy industry to participate in.

2. For STB Manufactures

- a. Work with your customers to develop a long term roadmap based on realistic price-performance-functionality metrics. Don't expect great margins but demand reasonable ones to ensure continued R&D investments and future innovations that will benefit both the SP and consumers.
- b. Work with Video Providers to create end-to-end system architectures that include energy consumption as a parameter.

3. For Semiconductor Manufacturers

- a. Work with STB Manufacturers and Video Service Providers to create end-to-end system architectures that include energy consumption as a parameter.

4. For Consumers

- a. If you are an eco-driven consumer and have a choice in video service provider select the one with the strongest "green" brand and make sure there's a real strategy behind it and not just a marketing-driven green brush stroke.
- b. If the cost of powering your STB is a concern then turn them off when not in use.

GREYWALE VALIDATION

One of the primary tenants of the Greywale Telco Energy Strategy is **Regulatory Preparedness**. As an example of this was noted in the whitepaper The Greywale Service Provider Energy Strategy Taxonomy ² (November 2013) which stated:

“Global regulators will only add new regulations. Energy consumption is an easy target as it’s identifiable and measurable. We’ve seen this starting in the U.S. The Department of Energy (Not the F.C.C.) targeted set top boxes from an energy perspective.”



Greywale Service Provider Energy Strategy Business Drivers

CLOSING REMARKS

This voluntary agreement is a clear indication that service providers need to, at a minimum, become cognizant of energy issues affecting themselves and their customers. It’s imperative that they begin to address energy issues now to avoid potential pitfalls later. As illustrated herein, energy consumption is an **easy target** for regulators since it’s identifiable, measurable and is easily understood by the masses. Additionally, service providers are an **easy target** since they are already heavily regulated, affect consumers in “the pocketbook” and have “deep pockets” themselves.

To begin discussions on addressing energy issues and start the process of creating a long term energy strategy please contact me at gwhelan@greywale.com or +978 992 2203.

ABOUT THE AUTHOR



Greg Whelan, Principal, Greywale Management is a leader in service provider energy strategies. He takes a pragmatic business-driven approach to energy issues affecting the global communication services provider market. He has over 20 years of international high technology marketing experience. He has worked in technical marketing roles for large technology firms including Cisco Systems (San Jose, CA) where he lead award winning global marketing campaigns in telecommunications and internet markets and Analog Devices

(Norwood, MA) where he created and lead their entrance into the broadband telecommunication market. He's also spearheaded marketing for a number of early stage venture-backed start-ups in the Boston area, three of which were acquired by larger tech companies.

He's a pioneer in the broadband telecommunications area and drove the first international DSL standards and was a co-founder, and Vice President of the International Broadband Forum. He has over two-dozen published papers and articles and has spoken at numerous conferences and forums in the US and in Europe. Today, he focuses on service provider energy strategy technologies, issues and trends. He a contributor to the SCTE Adaptive Power System Interface Specification and advises both corporations and entrepreneurial start-ups in strategic marketing, messaging, value chain participation and marketing material development.

He has a BS Electrical Engineering from Cornell University and a High Technology MBA, with honors from Northeastern University. He has also studied Digital Video Networking at the MIT MediaLab.

ABOUT GREYWALE MANAGEMENT

Greywale Management is an international consulting firm focusing on service provider energy strategy. It provides strategic marketing, market research and business development services for service providers, equipment vendors, energy solution providers and semiconductor vendors.

It focuses on managing innovations in both large organizations and startup companies.
www.greywale.com

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Greywale Communiqués give you timely analysis of industry news and issues related to energy issues affecting network operators across the globe. They provide terse salient summaries, key points to consider and tangible recommendations for participants across the ecosystem.

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