# **The Network Effect**

Advance Energy 2010

November 09, 2010 New York, NY

GLOBAL CAPABILITY. PERSONAL ACCOUNTABILITY.



© 2008 Verizon. All Rights Reserved. PTEXXXXX XX/08

#### **PROPRIETARY STATEMENT**

This document and any attached materials are the sole property of Verizon and are not to be used by you other than to evaluate Verizon's service.

This document and any attached materials are not to be disseminated, distributed, or otherwise conveyed throughout your organization to employees without a need for this information or to any third parties without the express written permission of Verizon.

The Verizon and Verizon Business names and logos and all other names, logos, and slogans identifying Verizon's products and services are trademarks and service marks or registered trademarks and service marks of Verizon Trademark Services LLC or its affiliates in the United States and/or other countries. All other trademarks and service marks are the property of their respective owners.

#### "SAFE HARBOR" STATEMENT:

This presentation contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: materially adverse changes in economic and industry conditions and labor matters, including workforce levels and labor negotiations, and any resulting financial and/or operational impact, in the markets served by us or by companies in which we have substantial investments; material changes in available technology, including disruption of our suppliers' provisioning of critical products or services; the impact of natural or man-made disasters or litigation and any resulting financial impact not covered by insurance; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations; the final results of federal and state regulatory proceedings concerning our provision of retail and wholesale services and judicial review of those results; the effects of competition in our markets; the timing, scope and financial impacts of our deployment of fiber-to-the-premises broadband technology; the ability of Verizon Wireless to continue to obtain sufficient spectrum resources; changes in our accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and the ability to complete acquisitions and dispositions.



#### **Key Drivers for Smart Buildings**

- Improve operational efficiency
- Differentiate product, services and branding
- Comply with regulatory mandates
- Green" and "Sustainability" initiatives <u>remain</u> top of mind for companies – It just is the right thing to do!
- Available government grants e.g., ARRA funding is available in the US to increase energy efficiency



## Why Smart Building Now?

The concepts of "smart" buildings, sensors, and telecommunication are <u>NOT</u> new!

What's "new" is the ability to seamlessly integrate and manage sensors and their data through more sophisticated yet simpler and secure telecommunication networks and services!

- Quality of sensors and their deployments have greatly improved
- Telecommunication infrastructures and services are broadly and readily available and mature
- Interoperability standards are improving and being adopted
- > Quality and quantity of data gathering and mining continues to improve
- Ability to aggregate and integrate data sources
- Ability to scale!



#### **The Network Effect!**

The ability to deploy secure, robust and cost effective telecommunication networks and overlaying services allow the following to make an extraordinary impact on the environment:

- Bringing the collective power of customers, employees and technology together
- Encouraging the adoption of new behaviors that effect <u>millions</u> of people – for example, switching to paperless billing, working from home instead of driving to work, videoconferencing instead of flying, etc...
- Sensing and monitoring near real time changes of environmental conditions – such as weather, energy consumption, use of certain equipment, etc...
- Correlating and forecasting energy requirements across various entities such as buildings, plants, warehouse, etc... and suggesting/taking corrective actions!



## **Closing Thoughts!**

It appears to be almost a "perfect" storm for Smart Building opportunities!

- Existing and upcoming (near future) telecommunication networks and services can significantly contribute to the way buildings will be managed to improve energy usage... among other things!
- In this space, innovative solutions are highly encouraged... and included in the development.
- Demonstrations to date have been helping in building stronger cases for smart building solutions; particularly in the telecommunication network space.
- Awareness of smart building solutions and their benefits is increasing and shaping human behavior!

