

## Microsoft Brings Consumer Energy Efficiency Into Hohm

Zarko Sumic

Microsoft's move confirms our prediction that end-user energy efficiency will be a consumer technology vendor play. With Hohm, Microsoft departs from its model by owning the application rather than supporting partners.

## NEWS ANALYSIS

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### Event

On 24 June 2009, Microsoft unveiled Hohm, a collection of Internet-based services intended to help residential consumers track, understand and manage their personal energy usage.

### Analysis

Driven by energy sustainability concerns, policymakers are making energy efficiency an integral part of national energy strategy. However, that has not been universally accepted by energy utilities due to conflicting implications on existing business models. With Hohm, Microsoft intends to help solve that dilemma by offering a solution directly to end users while partnering with utilities to provide data feeds that can enrich customer experience and create a “greener” image for utilities with a low entry cost.

Hohm is not the first energy efficiency consumer technology launched by a megavendor; Google moved first by announcing Google PowerMeter in February 2009. Hohm is more elaborate, however, and offers a richer set of functionality — including embedded analytics licensed from Lawrence Berkeley National Laboratory. While Google PowerMeter is an initiative driven by Google.org with an unclear business model, Hohm — in addition to being Microsoft's contribution to consumer “green” initiatives — is supposed to make some “green” dollars for Microsoft through Internet advertising.

Hohm also represents a departure from Microsoft's traditional approach to utility markets. So far, its focus has been on supporting partners' leverage of Microsoft platforms (such as .NET, SQL Server and SharePoint) or enterprise applications (such as Dynamics AX). Hohm is built on Microsoft technology (Windows Azure, Bing search and Microsoft Advertising platform) and is developed, owned, marketed and operated by Microsoft.

Gartner maintains that energy efficiency is a consumer technology play. That's where Microsoft's understanding of and experience in consumer technology will play a role in promoting adoption of information exchanges needed to integrate consumers in energy markets.

## RECOMMENDATIONS

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- **All utilities:** As more consumer technology vendors enter this space, ensure your technology strategy involves enabling technology that will integrate with a host of energy efficiency and consumer energy management solutions.
- **Utilities embarking on intelligent grid or advanced metering infrastructure (AMI) initiatives:** Reconsider your technology strategy and investment in consumer technology such as home area networks and in home energy display. Consider partnering with Microsoft and offer data feeds to enable your consumers to make more efficient use of the Hohm portal.
- **Utilities in jurisdictions with energy efficiency mandates:** Explore how collaboration with Microsoft's (and potentially other consumer technology vendors') energy efficiency initiatives meets your mandatory requirements.

## RECOMMENDED READING

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- “Utility Consumer Survey: Energy Efficiency, Do They Care and Why?” — This survey gauges consumers' perceptions about energy consumption information and energy efficiency programs provided by utilities. **By Zarko Sumic**
- “Predicts 2009: IT Organizations in the Energy and Utility Sector Must Respond to Market Dynamics” — Knowing where to deliver value will be critical for IT organizations in the energy and utility sector. **By Zarko Sumic, Kristian Steenstrup, Bradley Williams and Keith Harrison**

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

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