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## **Local firms tap data center energy-efficiency market**

Boston Business Journal - by [Kyle Alspach](#)

Few companies realize just how much energy their data centers consume.

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Executives at Burlington-based **Viridity Software Inc.** aren't surprised that the market for energy-efficiency upgrades at data centers is expected to see fivefold growth in coming years.

What's more surprising is just how few companies have a grip on how their data centers are using electricity.

"At the tens of thousands of data centers out there, probably 90-plus percent of them don't have a clue of what they're consuming and where," said Steve Keilen, Viridity's vice president of marketing.

Viridity is among the companies locally and globally working on an issue that was long off the radar of the IT and facilities staff who manage company data centers.

That recently started to change, in tandem with company initiatives to cut energy use and consolidate servers through virtualization, said Eric Woods, an analyst with **Pike Research**.

His recent report on "green data centers" puts the current market at \$7.5 billion in global revenue, expanding to \$41 billion by 2015. Internet and high-tech companies, in particular, are currently leading the way in bringing energy efficiency to their data centers, Woods said.

Cambridge-based biotech company **Biogen Idec Inc.** and **Harvard Pilgrim Health Care's** location in Quincy have both seen major data center efficiency upgrades over the past year. The projects, which reduced the energy needs of the centers' cooling systems, were developed by Norwell-based **Bluestone Energy Services Ltd.**

While upgrades to the efficiency of servers and cooling systems have been available for some time, the approach taken by software companies such as Viridity is newer, Woods said. But it's also the fastest-growing sector in the data center efficiency market, he said.

Viridity launched its data center energy-management application in April, which Keilen said can reduce a data center's energy use by 15 to 50 percent. The software detects how power is being distributed, who is using the power and even why it's being used, according to the company. The application then provides information about action steps that can be taken immediately to reduce electricity use.

Among the company's customers so far is **LexisNexis Risk Solutions**, which deployed the application at a data center in Alpharetta, Ga.

The company's IT director, Marty Stephens, said his team had previously spent weeks manually checking servers to find candidates for consolidation. Viridity's application did "exactly what took us several weeks to do" essentially at the press of a button, Stephens said during a Web presentation in July with Viridity.

The company has about a dozen customers signed up so far, but many more that are testing the software, including a number of Massachusetts companies, Keilen said. Viridity, which targets midsize and large data centers, expects to have 25 to 30 customers in place by the end of the year, he said. The payback period for the application is often several months, Keilen said.

Founded in 2007, Viridity is backed by \$15 million in venture capital from **Battery Ventures and North Bridge Venture Partners**, including an \$8 million Series B round reported this month. The company expanded its staff by a dozen employees to 30 in recent months, Keilen said.

At Bluestone Energy Services, an engineering and project development firm founded in 1990, the opportunity for data centers has become a major focus over the past two years and has picked up speed this year, said Coy Stine, Bluestone's director of data center services.

The company designs custom energy-saving projects for data center cooling systems, which can cut 15 percent to 20 percent of a center's power use, Stine said. Some recent projects have cost in the range of \$200,000 but have received incentives from their utilities to cover nearly half of the cost, allowing for a payback period of less than two years, Stine said.

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