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CRYPTO-FUEL COULD POWER THE GROWING INTERNET OF THINGS

WORK & LIFESTYLE

Ethereum has created a Bitcoin-like cryptocurrency called Ether, the value of which is based on computing power, and could eventually power smart devices.

If the Internet of Things continues to grow at the expected rate, smart devices will soon demand huge amounts of computing power and cloud services in order to simply function and interact with each other. This could be financed by ads, user fees or data sales, but UK startup Ethereum has now created another option, in the form of a Bitcoin-like cryptocurrency Ether, the value of which is based on computing power.

Ether, like Bitcoin, runs on its own software platform and the currency can be traded. Each trade is recorded and verified onto a blockchain, powered by so-called miners. The cryptocurrency is currently being developed through a partnership between IBM, Samsung and Ethereum and was recently crowdfunded, with some of the 'fuel' pre-sold to supporters. Eventually the smart home devices could exchange the cryptocurrency with one another, powering the Internet of things, while reducing computing costs and guaranteeing consumer privacy. For now, Ethereum has launched the initial platform — called Ethereum Frontier — an open-source software platform, which enables any coder to write blockchain-based applications and encourages people to join Ethereum's network by adding their computer's computing power.

Ethereum's network will be perfect for running constantly connected, low power devices — such as temperature monitors or lighting controllers. What else could be powered by Ether?

