



## **AMSC Announces Order for "Intelligent Grid" Solution from Australia's Ergon Energy Corporation**

### **-Ergon to Utilize Advanced D-VAR® STATCOM Technology to Increase Grid Reliability -AMSC Leads Worldwide Market for STATCOM Intelligent Grid Solutions**

DEVENS, Mass., Dec 20, 2010 (BUSINESS WIRE) --

American Superconductor Corporation (NASDAQ: AMSC), a global power technologies company, today announced that it has received a turnkey order for the company's proprietary D-VAR STATCOM reactive compensation solution from Ergon Energy Corporation Limited (Ergon Energy), an electricity distribution company serving Queensland, Australia. AMSC will install the D-VAR STATCOM system in Ergon's St. George Substation to provide improvements in the quality of power for customers in the region.

Intelligent Grid solutions are utilized to fortify power networks to enable them to become more resilient and efficient, which are requirements for the effective wide-spread application of new technologies such as Advanced Metering Infrastructure and plug-in electric vehicles. D-VAR STATCOM systems are Intelligent Grid solutions that constantly monitor the power grid and automatically and instantly stabilize voltage to enable higher power transfer through existing power lines with increased reliability and efficiency. AMSC's D-VAR solutions are also utilized to reliably interconnect sources of renewable energy to power grids, and are already connecting more than one-third of Australia's wind-generated electricity to the grid. AMSC is the market leader worldwide for STATCOM Intelligent Grid solutions, with more STATCOM systems installed than any other manufacturer.

"Our D-VAR STATCOM solution automatically and instantly injects precise amounts of reactive power into the grid to stabilize voltage, thereby relieving power grid congestion, improving efficiency and safely interconnecting utility-scale renewable energy plants to the grid. We expect demand for this proprietary solution to continue to grow robustly in Australia and around the world," said AMSC President and Chief Operating Officer Dan McGahn.

The D-VAR solution provided to Ergon Energy will have a continuous rating of 20 mega-volt-amperes reactive (MVAR) capacitive and 5 MVAR inductive compensation. AMSC will provide a full turnkey D-VAR solution, including installation and ongoing maintenance and support for Ergon. The contract calls for commissioning of this Intelligent Grid solution early in calendar year 2012.

D-VAR dynamic reactive compensation systems are classified as Static Compensators, or "STATCOMs," a member of the FACTS (Flexible AC-Transmission System) family of power electronic solutions for alternating current (AC) power grids. These Intelligent Grid solutions are able to detect and instantaneously compensate for voltage disturbances by dynamically injecting leading or lagging reactive power into the power grid. AMSC has received orders for over 100 STATCOM power grid solutions worldwide. The company's D-VAR STATCOM customers include more than 20 power grid operators worldwide.

#### **[About Ergon Energy Corporation Limited](#)**

Ergon Energy, as an electricity distributor, retailer and generator, services around 680,000 customers across its vast operating area of over one million square kilometers - 97% of the state of Queensland - from the expanding coastal and rural population centers to the remote communities of outback Queensland and the Torres Strait. To make it all happen, Ergon Energy has around 4,600 employees and a total asset base of \$8.7 billion. Their electricity distribution network has approximately 150,000 kilometers of powerlines and one million power poles. Ergon Energy also owns and operates a 55MW gas-fired power station in Barcardine, which supplies power into the state-wide electricity grid, as well as 33 stand-alone power stations, which supply isolated communities.

#### **[About American Superconductor \(NASDAQ: AMSC\)](#)**

AMSC offers an array of proprietary technologies and solutions spanning the electric power infrastructure - from generation to delivery to end use. The company is a leader in [renewable energy](#), providing proven, megawatt-scale wind turbine designs and electrical control systems. The company also offers a host of [Smart Grid](#) technologies for power grid operators that enhance the reliability, efficiency and capacity of the grid, and seamlessly integrate renewable energy sources into the power infrastructure.

These include superconductor power cable systems, grid-level surge protectors and power electronics-based voltage stabilization systems. AMSC's technologies are protected by a broad and deep intellectual property portfolio consisting of hundreds of patents and licenses worldwide. More information is available at [www.amsc.com](http://www.amsc.com).

*American Superconductor and design, Revolutionizing the Way the World Uses Electricity, AMSC, Amperium, Powered by AMSC, D-VAR, dSVC, FaultBlocker, PowerModule, PowerPipelines, PQ-IVR, PQ-SVC, SeaTitan, SolarTie, SuperGEAR and, Windtec and design are trademarks or registered trademarks of American Superconductor Corporation or its subsidiaries. All other brand names, product names or trademarks belong to their respective holders.*

*Any statements in this release about future expectations, plans and prospects for the company, including our expectations regarding the future financial performance of the company and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There are a number of important factors that could materially impact the value of our common stock or cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include: we have a history of operating losses, and we may incur losses in the future; our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; a significant portion of our revenues are derived from a single customer and revenues from this customer may decline in future periods; adverse changes in domestic and global economic conditions could adversely affect our business; changes in exchange rates could adversely affect our financial results; we may not realize all of the sales expected from our backlog of orders and contracts; we rely upon third party suppliers for the components and subassemblies of many of our products, making us vulnerable to supply shortages and price fluctuations; we have not manufactured our Amperium wire in commercial quantities, and a failure to manufacture our Amperium wire in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; and our patents may not provide meaningful protection for our technology, which could result in us losing some or all of our market position. Reference is made to these and other factors discussed in the "Risk Factors" section of the company's most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, any forward-looking statements included in this press release represent the company's views as of the date of this release. While the company anticipates that subsequent events and developments may cause the company's views to change, the company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the company's views as of any date subsequent to the date this press release is issued.*

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