

NEWS RELEASE

For Immediate Release

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Grid Assurance Announces Major U.S. Utilities Sign on to Transmission Grid Resilience Solution

Utilities will have cost-effective access to critical long-lead-time transmission equipment securely stored in the U.S. and ready to deploy when needed

KANSAS CITY, Mo. – May 16, 2018 -- Grid Assurance today announced that six major utilities with 31 transmission-owning affiliates, pending any needed regulatory approval, are in the initial group of subscribers to its transmission grid resilience solution. These companies, American Electric Power, Berkshire Hathaway Energy's MidAmerican Energy Company and NV Energy, Eversource, FirstEnergy, Kansas City Power & Light and National Grid, and their affiliated transmission-owning companies, have transmission facilities in 26 of the 48 lower continental United States.

Grid Assurance and its subscribers believe that there is an urgent need for increased inventory of secured critical long-lead-time transmission equipment to enhance utilities' ability to respond more quickly to major grid disruptions.

Grid Assurance will maintain an inventory of critical long-lead-time spare transformers, circuit breakers and related transmission equipment; provide secure domestic warehousing of the inventory in strategic locations; and offer preplanned transportation and logistics support for delivery.

"Increasing the security and resilience of the U.S. bulk power grid is a must for our country. Having an adequate supply of on-hand, on-shore access to long-lead-time equipment is the biggest challenge to utilities when recovering from catastrophic events," said Michael Deggendorf, CEO of Grid Assurance.

As the industry continues to enhance grid resilience, electric utility commissioners and customers expect the most cost-effective solutions.

"Our ability to quickly obtain spare equipment for our transmission system is critical to keeping power flowing to our customers," said Carl Bridenbaugh, vice president, Transmission, FirstEnergy Corp. "Having access to a shared inventory of vital, hard-to-obtain transmission equipment can provide what we need, when we need it."

"Our customers and our economy are increasingly dependent on electricity for everything from high-tech manufacturing to transportation, so a resilient transmission system is more important than ever," said Rudy Wynter, National Grid President and COO of Transmission, Generation and Energy Supply. "Grid Assurance will be critical to helping us – and our customers – recover more quickly in the event of a major disruption to our grid."

Access to critical transmission equipment is more cost effective when the costs are pooled among subscribers, than when transmission-owning companies look to purchase spare equipment on their own. Grid Assurance offers subscribers a cost-share model that optimizes cost and inventory to the collective transmission grid resilience needs of multiple utilities across the country.

"Grid Assurance provides our customers with the most cost-effective way to address the new threats facing our country by providing timely access to long-lead-time, ready-to-deploy equipment

that is properly stored and maintained and can be transported quickly to the affected location using preplanned logistics,” said Lisa Barton, Executive Vice President, Transmission, American Electric Power.

Grid Assurance was developed in response to concerns about the ability to respond quickly and effectively to threats to the U.S. bulk power grid. The Fixing America’s Surface Transportation (FAST) Act required DOE to study the need for a strategic transformer reserve to mitigate possible threats to the U.S. bulk power grid. The U.S. Department of Energy released its Strategic Transformer Reserve Report last year as a follow-up to the FAST act.

The Strategic Transformer Reserve Report supports an industry-based approach, and Grid Assurance is the only industry-led solution that increases the number of spare transformers ready to be transported and installed.

“As subscribers of Grid Assurance, these companies increase their grid resilience by having access to critical transmission equipment required to quickly recover from catastrophic events while increasing the industry’s spare capacity of domestically located transmission equipment,” said Deggendorf.

“Having access to long-lead-time equipment is critical for quick restoration. Grid Assurance provides transmission owners immediate access to equipment that can historically take manufacturers 12 to 18 months to deliver. With Grid Assurance, our subscribers can plan for quicker restoration providing additional peace of mind to communities and customers,” said Deggendorf.

“We are pleased to welcome the first subscribers of Grid Assurance and commend them on supporting this appropriate level of grid resilience. We look forward to growing our subscriber base and service offerings to extend both the reach and cost effectiveness of this critical service,” Deggendorf added.

Grid Assurance will continue to add capacity of critical transmission equipment as more subscribers sign up for service, providing further resilience for the U.S. electric grid.

Each subscribing company will know the condition, location, dimensions and weights, manufacturer, performance characteristics and accessory details of the new critical assets which allow preplanned transportation and logistics plans to be developed.

Orders for equipment will be placed later this year with deliveries expected to begin by mid-2019.

Grid Assurance:

Affiliates of American Electric Power (NYSE:AEP), Berkshire Hathaway Energy, Duke Energy (NYSE:DUK), Edison International (NYSE:EIX), Eversource Energy (NYSE:ES) and Great Plains Energy (NYSE:GXP) are founding member companies of Grid Assurance™, a limited liability company that offers cost-effective solutions for enhancing transmission system grid resilience and faster access to critical transmission equipment following a catastrophic event.

Additional information is available at GridAssurance.com

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