



AMSC Announces Turnkey D-VAR® Order for Long Island Power Grid

-Long Island Power Authority Adopts Solution to Ensure Continued Grid Reliability During Periods of Peak Electricity Demand

-AMSC to Provide D-VAR Reactive Compensation Systems, Ancillary Hardware, Installation Services and Ongoing Maintenance

DEVENS, Mass.--(BUSINESS WIRE)--Jan. 27, 2009--American Superconductor Corporation (NASDAQ: AMSC), a leading energy technologies company, announced today that it has received an order for a large-scale dynamic reactive compensation solution from National Grid

(LSE: NG) (NYSE: NCG), one of the world's largest investor-owned energy companies, which manages the electricity network on Long Island under an agreement with Long Island Power Authority (LIPA). AMSC will install its proprietary D-VAR STATCOM solution on eastern Long Island to ensure the continued reliability of the local power grid. Reactive power compensation is necessary to stabilize voltage, relieve power grid congestion, improve electrical efficiency, and prevent blackouts in power grids.

"Long Island Power Authority is supplying more power to its residential and commercial customers each year," said Long Island Power Authority

President and Chief Executive Officer Kevin S. Law. "In order to continue providing reliable, high quality power, we needed a solution to stabilize voltage during times of peak demand, particularly over the summer months when Long Island's population is at its highest."

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 [Smart 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 60 STATCOM power grid solutions worldwide, more than all other manufacturers. The company's D-VAR STATCOM customers include more than 20 electric utilities and 40 wind farms.

The total dynamic range of reactive compensation provided by this transmission grid solution will be -96 to +240 mega-volt-amperes reactive (MVAR). AMSC will provide a full turnkey solution, including installation and ongoing maintenance and support for LIPA. The contract calls for commissioning of the reactive compensation solution by mid 2010. It will include a 36 MVAR base-rated D-VAR STATCOM - one of the largest STATCOM's ever deployed in North America - seamlessly integrated with capacitor banks.

This is the second D-VAR solution AMSC has sold for LIPA's power grid. In addition, in April 2008, AMSC commissioned the world's first high temperature superconductor (HTS) power transmission cable system in LIPA's commercial power grid. The 138,000 volt (138 kV) power cable system is successfully operating in LIPA's Holbrook transmission right of way. It contains hair-thin HTS wires that conduct 150 times the electricity of similar sized copper wires, enabling the cable system to utilize far less wire and yet conduct up to five times more power - in a smaller right of way - than traditional copper-based cables.

"LIPA has one of the most reliable power grids in the U.S.," said AMSC

founder and Chief Executive Officer Greg Yurek. "By deploying this D-VAR STATCOM solution, LIPA will continue its tradition of utilizing the latest technologies to meet and exceed its customers' demands for reliable, digital-grade power."

AMSC's D-VAR systems are modular and scalable solutions that can be customized to meet specific customer needs. These Smart Grid solutions are being utilized in a wide range of applications, including voltage regulation and grid reliability, optimization of power transfer capacity on stability-limited transmission networks, and reactive power support for wind farm interconnection to the grid. To learn more about AMSC's D-VAR solutions for the power grid, please visit:

<http://www.amsc.com/products/transmissiongrid/reactive-power-AC-transmission.html>

[About LIPA](#)

LIPA, a non-profit municipal electric provider, owns the retail electric Transmission and Distribution System on Long Island and provides electric service to more than 1.1 million customers in Nassau and Suffolk counties and the Rockaway Peninsula in Queens. LIPA is the 2nd largest municipal electric utility in the nation in terms of electric revenues, 3rd largest in terms of customers served and the 7th largest in terms of electricity delivered. In 2006, LIPA outperformed all other overhead electric utilities in New York State in all three major reliability categories. LIPA does not provide natural gas service or own any on-island generating assets. More information about LIPA can be found online at: <http://www.lipower.org>.

[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 [alternative 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.

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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 cause actual results to differ materially from those indicated by such forward-looking statements. Such factors include: uncertainties regarding the company's ability to obtain anticipated funding from corporate and government contracts, to successfully develop, manufacture and market commercial products, and to secure anticipated orders; the risk that a robust market may not develop for the company's products; the risk that strategic alliances and other contracts may be terminated; the risk that certain technologies utilized by the company will infringe intellectual property rights of others; and the competition encountered by the company. 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, the 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.

CONTACT: American Superconductor Corporation (NASDAQ: AMSC)
Jason Fredette, 978-842-3177
Director of Investor & Media Relations
jfredette@amsc.com

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