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AMSC Launches Volt VAR Optimization Solution for Power Distribution Market

- | Expands D-VAR Product Line from Transmission to Distribution and More than Doubles Available Market
- | Enables Utilities to Bring Harmony to a Chaotic and Evolving Distribution Grid

SAN DIEGO, Jan. 31, 2017 (GLOBE NEWSWIRE) -- DistribuTECH Conference & Exhibition -- AMSC (NASDAQ:AMSC), a global energy solutions provider serving wind and power grid industry leaders, today announced that it is launching a product solution for electric utility customers at DistribuTECH—the largest annual energy transmission and distribution event in North America. AMSC's D-VAR VVO™ is a new offering, which is specifically designed to mitigate power quality issues on the distribution power grid for increased solar capacity and to support conservation voltage reduction management. D-VAR VVO™ not only manages current power quality concerns, but also expands grid capacity for distributed generation, reacting seamlessly to cloud pass or changing wind speeds across the distribution grid.

"Our new VVO platform is designed to help bring stability to a chaotic distribution grid," said Daniel P. McGahn, President and CEO, AMSC. "I am excited about the launch of our VVO solution to the electric utility market. D-VAR VVO represents 15 years of experience in Volt/VAR innovation on the transmission network now formatted to stabilize modern distribution networks. This is a testament to our commitment to providing the world with smarter, cleaner, better energy, and our mission to enable utilities to keep on beat with consumer trends, such as residential solar and electric vehicles."

D-VAR VVO™ optimizes power electric grids at the distribution level, providing the essential flexibility and responsiveness needed as electric grids evolve towards a distributed generation (DG) architecture. DG refers to electricity generation within the distribution system itself, as opposed to the stream of electricity generated from centralized power plants, which is delivered to substations via the transmission grid and then delivered to customers via the distribution grid. Sources of DG include biomass, wind turbines, solar (photovoltaic, PV) panels and electric vehicles.

Through September 2016, solar represented 39% of newly installed electric capacity in the U.S. according to the Solar Energy Industry Association. In 2015, annual sales of electric vehicles grew by approximately 60% worldwide, which, according to Bloomberg New Energy Finance, is the same growth rate that annual sales of the Ford Model T grew in 1910, displacing the horse and buggy. While DG is becoming ubiquitous as a result of the "clean" energy movement, the power grids devised and operated by utilities were not built contemplating the resultant effects of DG such as bi-directional flow, intermittent output during cloud pass, and the rapid adoption of electric vehicles. As a result, the electric grid now requires modernizing solutions to mitigate the related voltage concerns.

D-VAR® technology is able to detect and instantaneously compensate for voltage disturbances by dynamically injecting leading or lagging reactive power into the power grid. Globally, D-VAR systems have been used to support utility-scale renewable generation to meet grid interconnection regulations, and help grid planners reduce voltage stability problems and optimize transmission and distribution networks. D-VAR VVO™ is designed as a solution to cost-effectively optimize power quality within the distribution system.

D-VAR VVO™ is designed to mitigate the power quality issues that often result from DG adoption at a specific, pole-mounted location on a feeder system, supporting neighborhoods, not individual households. This allows for the stabilization of distribution lines, while maintaining installation flexibility to alleviate site-specific DG power quality concerns wherever they arise. Additionally, D-VAR VVO™ systems can be tailored to meet unique customer needs and are scalable to accommodate changing grid conditions.

AMSC is dedicated to enabling sustainable energy sources like DG to continue to grow, while helping utilities maintain power grid efficiency, resilience, and reliability. These new loads and generation are being added to the grid every day, creating an environment in which responsiveness and orchestration are key to keeping the beat of the grid. D-VAR VVO™ and its Resilient Electric Grid solution are examples of how AMSC is innovating to meet the needs of this changing grid environment. AMSC's solutions - Orchestrating the Rhythm of the Grid™.

About DistribuTECH

DistribuTECH is the largest annual energy transmission and distribution (T&D) event in North America, and covers the utility industry from end to end with nearly 12,000 attendees and more than 480 exhibitors. The three-day event includes both a

conference and an exhibition.

About AMSC (NASDAQ:AMSC)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy™. Through its Windtec™ Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. Through its Gridtec™ Solutions, AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency and performance. AMSC's solutions are now powering gigawatts of renewable energy globally and are enhancing the performance and reliability of power networks in more than a dozen countries. Founded in 1987, AMSC is headquartered near Boston, Massachusetts with operations in Asia, Australia, Europe and North America. For more information, please visit www.amsc.com.

AMSC, D-VAR VVO, D-VAR, Orchestrating the Rhythm of the Grid, Windtec, Gridtec, and Smarter, Cleaner ... Better Energy are trademarks or registered trademarks of American Superconductor Corporation. All other brand names, product names, trademarks, or service marks belong to their respective holders.

Forward-Looking Statements

Statements in this press release that are not strictly historical in nature constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, but are not limited to, statements regarding our expectations about D-VAR VVO and its functionality, performance, and other characteristics; trends in the energy market related to the growing use of distributed generation; our commitment to serving the electric grid market and contributing to the growth of sustainable energy sources; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions. Such forward-looking statements represent our current expectations and are inherently uncertain. Actual results may differ materially from what we expect because of various risks and uncertainties, including the risks that: A significant portion of our revenues are derived from a single customer, Inox, and shipments to Inox may not commence in the time frame we expect or at all; We have a history of operating losses and negative operating cash flows, which may continue in the future and require us additional financing in the future; Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; Our financial condition may have an adverse effect on our customer and supplier relationships; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; We rely upon third-party suppliers for the components and subassemblies of many of our Wind and Grid products, making us vulnerable to supply shortages and price fluctuations; We may not realize all of the sales expected from our backlog of orders and contracts; Our success depends upon the commercial use of high temperature superconductor ("HTS") products, which is currently limited, and a widespread commercial market for our products may not develop; Growth of the wind energy market depends largely on the availability and size of government subsidies and economic incentives; We have operations in and depend on sales in emerging markets, including India and China, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these countries; We face risks related to our intellectual property; We face risks related to our legal proceedings; Our D-VAR systems may not perform as expected; and other important factors discussed under the caption "Risk Factors" in Part 1. Item 1A of our Form 10-K for the fiscal year ended March 31, 2016, and our other reports filed with the SEC. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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