PPL Electric Utilities Awarded Smart Grid Grant

Project to strengthen reliability for customers, take automation to new level

PRNewswire-FirstCall HARRISBURG, Pa.

A federal grant for a PPL Electric Utilities project to deploy "smart grid" technology to strengthen reliability, save energy and improve electric service for 60,000 Harrisburg area customers was approved Tuesday (10/27) by the U.S. Department of Energy.

The company will receive a \$19 million piece of the more than \$3.4 billion in stimulus funding made available by the federal government to update the nation's power grid. Only one in four companies competing for grant applications was successful.

"Competition for these grants was very stiff," said David G. DeCampli, president of PPL Electric Utilities. "We think the strength of our team and scope of our project, which expands on our company's previously installed advanced metering technology, stood out and were key factors in our success, and we are honored to have been selected."

While some companies chose to focus on one piece of smart grid technology, PPL Electric Utilities proposed a project that would make the system smart from the substation to customers' doorsteps.

The company chose to partner with Drexel University and technology leaders GE Energy, Lockheed Martin Corp. and Alcatel-Lucent.

PPL Electric Utilities' \$38 million project, half of which will be funded by the grant and half by the company, will focus primarily on the Harrisburg area. It will enable the company to move power more efficiently, react instantaneously to changes on the delivery system and automatically reroute power around problems that occur.

It will deploy the latest in advanced grid devices, computer systems, software and high-speed communications. Improvements associated with this initial phase of work would be concentrated in 150 square miles of the company's delivery system. Hundreds of new electrical devices would be installed.

All PPL Electric Utilities customers would benefit from a new centralized computer system, which would link to these devices as well as track and respond to changes on the delivery system as they happen.

The new technology would allow the company to operate its power lines at optimal voltages, meaning customer appliances would use less electricity to do their jobs. This could save Harrisburg area customers about \$1.5 million a year on their electricity bills, DeCampli estimated.

The new system would also quickly detect and isolate problems that cause outages. For example, if a tree were to damage a section of line, the system would automatically route power around the problem until repairs could be made. This would quickly limit the area affected and get the lights back on for as many customers as possible. The system would also help direct repair crews to the source of trouble.

In most cases today, the company has to send someone to the scene to operate equipment and reroute power until a fix is made. The new system would be smart enough to do this on its own, saving valuable time and allowing crews to focus on repairs sooner.

PPL Electric Utilities will be working with the Department of Energy to work out final details of the grant so that the company can set a timetable for implementation.

DeCampli said the company has already seen what advanced technology can do in other areas, such as metering.

PPL Electric Utilities was an early adopter of advanced metering. As a result, it is able to provide all of its customers detailed usage information, something few other utilities can do. The company is combining that information with Web-based tools that help customers use energy wisely.

In addition, it is using advanced meters to keep costs down for customers, respond more quickly to power outages, better plan upgrades to the delivery system, enable new rate options, and detect unsafe electricity theft.

"Technology opens the door to new possibilities," DeCampli said. "And just as technology has transformed other areas of our lives, from the phones we use to the movies we watch, it has the potential to reshape the way we think about, use and deliver electricity."

PPL Electric Utilities, a subsidiary of PPL Corporation (NYSE: PPL), provides electric delivery service to 1.4 million customers in 29 counties of eastern and central Pennsylvania and has consistently ranked among the best companies for customer service in the United States. More information is available at www.pplelectric.com.

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