

## NEWS RELEASE

For Immediate Release



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### **U.S. Department of Energy Releases Strategic Transformer Reserve Report to Congress 2017**

*DOE's latest report recommends supporting industry-based options such as Grid Assurance*

The U.S. Department of Energy released to the public this month its Strategic Transformer Reserve Report to Congress. DOE is recommending that the “most efficient and effective approach is one which builds on industry-based approaches and their on-going efforts to achieve greater transformer resilience in the face of the evolving threats.”

This report is a follow-up to the Fixing America’s Surface Transportation (FAST) Act that required DOE to study the need for a strategic transformer reserve to mitigate possible threats to the U.S. bulk power grid.

“Grid Assurance commends and compliments DOE for their hard work and effort to study this critical issue,” Mike Deggendorf, Grid Assurance Chief Executive Officer said. “DOE’s conclusion to build on an industry-based approach to achieve greater grid resilience is in direct alignment with Grid Assurance’s mission. We are the only solution that increases capacity and transformer reserves to meet these commitments following a catastrophic event.”

Grid Assurance is designed to improve grid resilience through critical transmission equipment procurement, inventory management, and logistics support. Utilities and transmission owning companies who are members of Grid Assurance would have access to rapid deployment of large power transformers and other critical long-lead-time equipment to recover from grid emergencies.

Based on DOE’s technical analysis and examination of current industry efforts, DOE evaluated options for establishing a strategic transformer reserve and “recommends encouraging and supporting an industry-based option driven by voluntary industry actions and North American Electric Reliability Corporation's Reliability Standard CIP-014-2 requirements, approved by the Federal Energy Regulatory Commission (FERC).”

“Grid Assurance believes there is an urgent and substantial need for increased inventory of large power transformers and other critical long-lead-time transmission equipment to enhance the ability of the United States to respond more quickly to major grid disruptions,” said Deggendorf. “The goal of increasing the capacity of spare large power transformers and related equipment can be most effectively and quickly accomplished through industry initiatives such as Grid Assurance.”

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By using a pooling approach, Grid Assurance will add domestic inventory of spare large power transformers and other critical equipment to enhance the ability of subscribing utilities to quickly respond to catastrophic events, in a cost-effective way.

DOE also “recommends that one year from the date of this report, it work with FERC and electricity industry partners to re-assess whether sufficient progress that has been made through this approach to warrant continuation or alternative actions by Government.”

Grid Assurance received positive orders from FERC that provide regulatory clarity for transmission-owning entities participating in and subscribing to Grid Assurance as a way to strengthen transmission grid resiliency.

“Grid Assurance agrees with the proposed next steps and looks forward to working closely with DOE and other Federal Government agencies to ensure and enhance the resilience of the Nation’s electric grid,” Chad Heitmeyer, Grid Assurance Vice President Regulatory Affairs said.

“We’ve made great progress over the past year. Building off our current subscribers, Grid Assurance is dedicated to increasing membership and demonstrating that we can achieve an industry-led solution.”

**Grid Assurance:**

Six major utilities founded Grid Assurance – AEP; BHE U.S. Transmission, LLC; Duke Energy; Edison Transmission, LLC; Eversource Energy; and Great Plains Energy Inc. Formally launched on May 6, 2016, Grid Assurance is a stand-alone company focused on critical transmission equipment procurement, inventory management, and logistics support to facilitate the rapid deployment of large power transformers and other critical long-lead-time equipment to help restore the U.S. bulk power grid following a catastrophic event.

More information on Grid Assurance can be found at [www.gridassurance.com](http://www.gridassurance.com)

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