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### **Premium Power, National Grid, SMUD and SAIC win DOE Smart Grid Demonstration and Energy Storage Projects Recovery Act funding**

December 9, 2009, North Reading, MA - Premium Power Corporation, an advanced energy storage company, was selected last week by the US Department of Energy to receive a \$7.32 million grant as one of only 16 Smart Grid Energy Storage Demonstration Grants under the American Recovery and Reinvestment Act.

Premium Power and its utility partners National Grid and Sacramento Municipal Utility District (SMUD), along with teammate Science Applications International Corporation (SAIC) were selected to run a three-year project that incorporates the fleet control engineering, manufacturing and installation of seven 500-kilowatt/6-hour energy storage systems. The systems will be installed in Sacramento, California, Everett, Massachusetts, and Syracuse, New York beginning in the third quarter of 2010.

“The Premium Power project intends to achieve a wide variety of Smart Grid objectives in Massachusetts, New York and California where National Grid and SMUD embrace Smart Grid technology and rapid solar energy technology penetration,” said Gary Colello, CEO of Premium Power. “These forward-thinking utilities are eager to deploy competitively priced multi-megawatt, long-duration energy storage systems to support the changing nature of distribution grids. The project will generate jobs in Massachusetts and other states where materials and supporting systems are being assembled. ”

At its core, the project will validate the application of Premium Power’s proprietary Zinc-Flow<sup>®</sup> technology, particularly in photovoltaic (PV) and micro-grid applications, by demonstrating multiple use cases. The project team will employ Premium Power’s energy storage systems to extend peak load management, demonstrate multiple approaches to storage integration with intermittent renewable energy sources, develop and verify creative control algorithms to manage fleet operation of energy storage systems that are not co-located, and improve the performance of a micro-grid by deploying advanced energy storage with sophisticated control systems.

The project team also includes engineers, analysts, and educators from the National Renewable Energy Laboratory (NREL), Syracuse University, and SAIC to provide the data collection, analysis, reporting, and outreach aspects of this demonstration project. Syracuse University staff will develop curricula incorporating energy storage and smart grid technologies, and work with SAIC and National Grid to host a conference for sharing lessons learned from these demonstrations with the wider community.

#### About Premium Power

Premium Power Corporation manufactures the world’s lowest cost, grid scalable energy storage systems. Based on its proprietary Zinc-Flow<sup>®</sup> technology, Premium Power’s energy storage systems are fully UL-approved, capable of unlimited charge/discharge cycles, are recyclable/disposable and environmentally clean. Premium Power’s energy storage systems are modular and can be easily configured and scaled to address a wide range of market applications, from small residential-scale systems to massive utility-scale systems comprising hundreds of

megawatts of power and gigawatt-hours of energy. For more information, visit [www.premiumpower.com](http://www.premiumpower.com)

#### About National Grid

National Grid is an international energy delivery company. In the U.S., National Grid delivers electricity to approximately 3.3 million customers in Massachusetts, New Hampshire, New York and Rhode Island, and manages the electricity network on Long Island under an agreement with the Long Island Power Authority (LIPA). National Grid also owns over 4,000 megawatts of contracted electricity generation that provides power to over one million LIPA customers.

#### About the Sacramento Municipal Utility District

As the nation's sixth largest publicly owned utility, SMUD has been providing low-cost, reliable electricity for more than 60 years to Sacramento County (and a small portion of Placer County). SMUD is a recognized industry leader and award winner for its innovative energy efficiency programs, renewable power technologies, and for its sustainable solutions for a healthier environment. The utility is on track to become the first large California utility to receive 20 percent of its energy from renewable resources. For more information, visit [www.smud.org](http://www.smud.org).

Forward Looking Statements: Statements made in this press release that are not historical facts or which apply prospectively are forward-looking statements that involve risks and uncertainties. These forward-looking statements are identified by the use of terms and phrases such as "will," "intends," "believes," "expects," "plans," "anticipates" and similar expressions. The company expressly disclaims any obligation to update the information contained in this release.

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