Boeing Receives 'Smart Grid' Grants From US Department of Energy

ST. LOUIS, Dec. 3, 2009 -- The Boeing Company [NYSE: BA] on Nov. 24 was selected to receive federal stimulus funds from the U.S. Department of Energy as part of a three-year study to improve the efficiency and reliability of the United States' power grid.

"For years, Boeing has developed secure, networked systems vital to our nation's defense, and bringing this capability to the development of a smart power grid for energy security and efficiency is no less important for America's future," said Dennis Muilenburg, president and CEO of Boeing Integrated Defense Systems (IDS). "Working with the Department of Energy and our industry partners to apply proven technology and systems engineering to energy solutions opens up new opportunities for innovation and growth at Boeing and new jobs across the country."

Boeing received an $8.5 million grant to lead one project team and is a subrecipient on two others -- one led by Consolidated Edison of New York, and one by Southern California Edison. The value of the subrecipient contracts is not being disclosed. The Boeing-led team includes regional transmission organization PJM Interconnection, which serves all or parts of 13 states and Washington, D.C.; Midwest Independent Transmission System Operator, which serves 13 Midwestern states and Manitoba, Canada; and PSEG, a diversified energy company in New Jersey. Other energy industry partners will join the Boeing team in the future. Each grant will fund a smart grid prototype in a different region of the United States. The projects are designed to achieve the following goals:

• increase grid reliability
• reduce system demands and costs
• increase energy efficiencies
• rapidly allocate energy when and where it is needed
• provide greater network security and flexibility to accommodate new energy technologies.

"IDS Energy Solutions created an innovative and cost-effective proposal that offers advanced levels of cyber security, interoperability, scalability, and system openness for the smart grid of the future," said Tim Noonan, vice president, Boeing Advanced Global Services and Support. "These projects are an opportunity to transfer technology and lessons learned from large-scale systems integration in the defense industry to the challenges of protecting and connecting America's vital energy infrastructure. We aim to create new products, services and jobs for the country. Our solution is based on a Boeing system currently used by the departments of Defense and Homeland Security. We are thrilled to be selected and to put the system to work for the Department of Energy."

Work on the projects is expected to begin in early 2010.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32 billion business with 70,000 employees worldwide.

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