

FOR IMMEDIATE RELEASE

**Hitachi Selected By Bonneville Power Administration To Pursue Research On
Grid Stabilization Systems As a Technology Innovation R&D Topics**

Precise Control of Power Flows to Facilitate Wider Adoption of Renewable Energy

New York, December 17, 2012 --- Hitachi, Ltd. (TSE: 6501, "Hitachi") and Hitachi America, Ltd. today announced that their proposal to conduct research into grid stabilization systems to promote widespread adoption of renewable energy has been selected by the Bonneville Power Administration (BPA) of the US Department of Energy as one of the topics for their FY2013 Technology Innovation R&D Program. This research aims to improve the quality of electric power through the dynamic monitoring and control of power flows. Hitachi intends to apply the results of this research to the transmission of electric power to facilitate the wider adoption of wind, photovoltaic, and other forms of renewable energy that are characterized by fluctuating output levels. The research proposal is entitled "Research into Grid Stabilization Systems to Facilitate Introduction of Renewable Energy." The research is scheduled to run from December 2012 until September 2013.

The electric power transmission industry overseas is currently taking steps to strengthen wide-area grid interconnection, with objectives that include electricity deregulation and reliability improvement. With growing urbanization, power plants are often constructed a long way from major cities, increasing the need for reliable, long-distance electric power transmission. At the same time, the more widespread adoption of renewable energy sources with variable output will make grids more complex and will increase the risk of large-scale blackouts. Because of the high level of investment required for the necessary countermeasures, which include making transmission networks more robust and the use of higher transmission voltages, alternatives need to be developed. Two of the topics chosen by the FY2013 Technology Innovation R&D Program of the BPA specifically addressed efficiency improvements in transmission and energy use. A proposal from Hitachi America that focused on the use of computer systems to achieve maximum performance from existing transmission infrastructure capacity was selected for the program.

Through this research, Hitachi aims to develop a comprehensive grid stabilization system^{*3} designed to the use of renewable energy more effective and to facilitate its widespread adoption. The system is based on real-time grid analysis technology built up through Hitachi's experience with EMSs^{*1}, and uses data from PMUs^{*2}. This technology is becoming more widely used by the BPA and other US power utilities. Along with this research, Hitachi is also enhancing its power system analysis systems, monitoring and control systems, protection control systems, and power electronics products to further strengthen its protection and control solutions business for wide-area grids.

*1 EMS: Abbreviation of "energy management system." A system for planning, monitoring, and controlling the balance of electric power demand and supply. In Japan, EMSs are also called central load dispatching office systems.

*2 PMU: Abbreviation of "phasor measurement unit." A measurement device that collects realtime phasor measurements (phase, voltage, current, and other power flow information) tagged with GPS-acquired timestamps.

*3 Comprehensive grid stabilization system: A comprehensive protection and control system for wide-area grids that maintains stability, frequency, and voltage at a suitable level to ensure a reliable supply of electric power. The system performs the control operations required to stabilize the grid in the event of a grid accident. Hitachi supplies comprehensive grid stabilization systems that incorporate computer systems

About Bonneville Power Administration, U.S. Department of Energy

BPA, celebrating its 75th anniversary in 2012, is a nonprofit federal agency that markets renewable hydropower from federal Columbia River dams, operates three-quarters of high-voltage transmission lines in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have also saved enough electricity through energy efficiency projects to power four large American cities. For more information, visit the website at www.bpa.gov.

About Hitachi, Ltd.

Hitachi, Ltd., (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totaled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Hitachi America, Ltd.

Hitachi America, Ltd. headquartered in Tarrytown, New York, a subsidiary of Hitachi, Ltd., and its subsidiary companies offer a broad range of electronics, power and industrial equipment and services, automotive products and consumer electronics with operations throughout the Americas. For more information, visit www.hitachi-america.us. For more information on other Hitachi Group companies in the United States, please visit www.hitachi.us.

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