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## **GridSense, an Acorn Energy Company, Unveils New Application for Volt/VAR Control Monitoring**

Sacramento, CA – July 12, 2012 - GridSense, an Acorn Energy (NASDAQ: ACFN) company that develops and markets advanced monitoring solutions for the electric power industry, has worked with Baltimore Gas and Electric (BGE) to implement volt/VAR control using feeder capacitor banks instead of load tap changers (LTCs) and voltage regulators (VRs).

The July issue of Transmission and Distribution World highlights the BGE effort. The article states, “In the last decade, volt/volt-ampere-reactive (VAR) optimization became one of the most desirable applications implemented on the distribution system.” Utilities are using volt/VAR control to reduce peak demand, and thus extend infrastructure life, optimize asset utilization, and reduce the need for additional infrastructure. Aware of the industry need, GridSense has refined its transformer monitoring solution, TransformerIQ™, to cost-effectively monitor right down to the residential transformer, and to measure the very low power signals emanating from equipment like voltage sensors that are integral to measuring the efficacy of volt/VAR control efforts.

The BGE smart grid pilot project posed a unique challenge. Volt/VAR optimization usually requires LTCs or VRs at the substation. However, BGE does not use these devices. Therefore, the utility developed the novel approach of installing remote communications-ready voltage regulators and regulator controllers on the pilot feeders in lieu of LTCs and VRs at the substation. BGE is also testing a volt/VAR method using only capacitor banks in order to compare the energy savings to alternate volt/VAR control methods. The utility will use the flexible TransformerIQ platform to measure critical performance parameters across all phases of the pilot.

In a pilot such as this, measurement and verification are critical. BGE hopes to determine the most effective and efficient volt/VAR methodology for its unique circumstance. It is necessary to accurately measure current and voltages across the various methodologies at multiple points in the pilot area, and particularly at the end-of-the-line where voltage tends to sag. To that end, BGE is using a fleet of GridSense TransformerIQs™ to measure residential transformer internal losses, oil and winding temperature, and voltage drop. In addition the utility is using GridSense LT40 distribution line monitors to track line-loss in the pilot area.

“We’re pleased to see utilities like BGE taking advantage of TransformerIQ’s adaptable, low cost platform for measuring volt/VAR control and other smart grid applications” says GridSense Sales Manager Francis Fisher. “We’re currently working with utilities on projects like capacitor bank monitoring, and end of line voltage detection. We want to help utilities cost-effectively evolve smart grid capabilities appropriate for their needs, and the BGE pilot is an excellent example of a utility doing just that.”

The BGE pilot was deployed in June 2012. After a period of data collection and subsequent third-party analysis, the utility plans to examine costs versus benefits to determine if a wider rollout is warranted.

**About GridSense Inc.**

GridSense is a smart grid technology company dedicated to providing innovative, practical and cost effective monitoring solutions to the electric power industry. Utilizing in-depth industry knowledge and understanding of utility requirements, we provide technology and services that help the industry address the limitations of old and aging infrastructure. We apply experience and technical know-how with new insight and ideas to create intelligent, reliable and leading edge technologies that add value to our customers and shape the future of the modern electrical power system.

**About Acorn Energy, Inc.**

Acorn Energy, Inc. is a holding company focused on making energy better by providing digital solutions for energy infrastructure asset management. The four businesses in which we have controlling interests, improve the world's energy infrastructure by making it: more secure - providing security solutions for underwater energy infrastructure (DSIT); more reliable - providing condition-based monitoring to critical assets on the electric grid (GridSense, OmniMetrix) and more productive and efficient - increasing oil and gas production while lowering costs through use of permanent ultra-high sensitive seismic tools that allow for a more precise picture of reservoirs (US Seismic). For more information visit: <http://www.acornenergy.com>.

**Safe Harbor Statement**

This press release includes forward-looking statements, which are subject to risks and uncertainties. There is no assurance that Acorn Energy, Inc. or its operating companies will continue to grow their respective businesses, or that any of them will meet the expectations or execute the initiatives described or referred to above. A complete discussion of the risks and uncertainties which may affect Acorn Energy's business generally and the businesses of its subsidiaries is included in "Risk Factors" in its most recent Annual Report on Form 10-K and its 2012 First Quarter 10-Q as filed by Acorn Energy with the Securities and Exchange Commission.

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