

ABB wins \$43 million order to secure power supply in Mexico

FACTS technology increasingly used to prevent blackouts

Zurich, Switzerland, February 24, 2004 – ABB, the leading power and automation technology group, announced today it has won a turnkey contract worth \$43 million to install Flexible Alternating Current Transmission Systems (FACTS) technology to help prevent power blackouts in Mexico.

The contract, awarded by Comisión Federal de Electricidad (CFE), the Mexican state-owned utility, will improve the efficiency of the transmission system and increase grid reliability in Mexico City and northern parts of the country.

“Our FACTS technology is in strong demand by utilities which are trying to stabilize grid systems and prevent blackouts,” says Peter Smits, head of ABB’s Power Technologies division. “FACTS stabilizes voltage and increases the capacity of existing transmission networks.”

The project includes the design, manufacture, testing, erection and commissioning of the entire system in three regions. The project is scheduled for completion in 17 months.

The order includes ABB’s Static Var Compensator (SVC) technology - part of the FACTS portfolio – which helps to avoid grid overload. Over the past ten years, ABB has delivered twelve SVCs to CFE. ABB is the global leader in the growing FACTS market.

ABB (www.abb.com) is a leader in power and automation technologies that enable utility and industry customers to improve performance while lowering environmental impact. The ABB Group of companies operates in around 100 countries and employs about 115,000 people.

Background information about FACTS

The power industry term FACTS covers a number of technologies that enhance the security, capacity and flexibility of power transmission systems. FACTS solutions enable grid owners to increase the capacity of existing transmission networks, while maintaining or improving the operating margins necessary for grid stability.

By applying FACTS, more power can reach consumers with minimum impact on the environment, and at lower investment costs compared to the more time-consuming alternative of building new transmission lines or power plants.



FACTS technologies provide remedies for voltage and stability issues, and permit the transmission system to run more efficiently.

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