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## **POWER MANAGEMENT BECOMES MORE CRITICAL IN DIGITAL AGE, CREATES NEW OPPORTUNITIES FOR SCHNEIDER ELECTRIC'S NORTH AMERICAN OPERATING DIVISION**

*Energy users empower themselves by planning for the unexpected*

PALATINE, Ill. (July 6, 2005) – With prolonged escalations in oil prices and growing demand for electrical power, the importance of power management is becoming better understood among manufacturers as they seek reliability and savings that can amount to millions of dollars.

“Companies can do a lot to control their energy destiny when they take the steps necessary to understand the important role that energy plays in the overall success of their enterprise,” said David D. Petratis, president and CEO, Schneider Electric North American Operating Division. “We’re getting manufacturers’ attention when we explain how they can reduce a million dollar line item for energy by 20 percent. They soon realize how important power management is to their ability to manage the business for optimum performance by turning a costly expense into a competitive advantage.”

The company’s power management expertise stems from more than a century of experience in distribution, control and automation of electrical power and a concerted effort in the mid-1990s to reign in energy costs at manufacturing facilities in the United States.

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It selected five plants with the highest utility bills and went to work using its Square D power metering and control products. It rapidly went to an enterprise model to study power usage at more than 20 manufacturing facilities by tapping into a wide area network on its Ethernet, the best solution available in the still pre-Internet age. The North American Operating Division, best known for its flagship Square D brand, is one of four geographic divisions of Paris-based Schneider Electric, a global supplier of electrical distribution, industrial control and automation products, systems and services.

Since 1997, the company has been saving about \$600,000 in utility costs annually in North America. What's more, it has turned this expertise into one of its fastest growing service lines for a broad range of commercial and industrial customers. It forecasts double-digit growth for power management in United States and international markets for 2005 as it evolves from a product-led business to a greater focus on solutions and services. And its product portfolio is growing.

The \$2.6 billion division expanded its power management offering when it completed the acquisition this spring of Canadian-based Power Measurement Inc., a manufacturer of digital meters and energy-management software and monitoring equipment.

Demand for power management is especially strong among microelectronics manufacturers and financial and data centers that require uninterruptible power of the highest quality. While the laws of physics dictate that 100-percent uninterruptible power is unattainable, modern power system designs can help businesses come very close. If a business mission dictates it, system reliabilities of 99.99999 percent are within reach, reducing downtime on an annual basis to mere seconds. At 90 percent, reliability of a power system could still be vulnerable to more than 36 days of downtime.

### **More “Critical” Power in Digital Age**

With microprocessors embedded in most manufacturing equipment and systems today, digital technology has taken control of almost all industrial processes. This places an ever higher premium on power and critical power solutions, because digital power has virtually no tolerance for interruptions. While utilities have traditionally defined an "outage" as an interruption of five minutes or more, digital hardware, by contrast, cannot survive interruptions of more than milliseconds.

America Online, which requires a huge data center to handle its communication infrastructure, uses Schneider Electric's power management systems to be able to manage the power load efficiently and also to shed power loads at the appropriate time.

If America Online faces a power crisis, Schneider Electric's power logic devices shut down non-critical power loads so it can maintain communications with customers. Schneider Electric's Transparent Ready technology provides quick access to power system data from any authorized computer on an intranet, at any time, to all authorized users. This provides seamless monitoring of many third-party systems, including transfer switches, generators, UPS equipment, switchgear, air conditioning and other components.

“We help provide a clear, accurate view of all key performance indicators, which is the goal of any enterprise,” Petratis said. Such clarity is especially important in times of crisis, including the Northeast power grid failure of 2003, which stretched deep into Michigan manufacturing country.

At Delphi Corporation’s massive manufacturing complex in Flint., Mich., the power monitoring and management system orchestrated an orderly shutdown of the operation, keeping disruption at a minimum and avoiding costly damage to plant and equipment. Initially purchased from Schneider Electric to monitor air compressors and electric furnaces and manage natural gas consumption, Delphi’s power management system delivered far beyond expectations.

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### Schneider Electric North American Operating Division

Headquartered in Palatine, Ill., the North American Operating Division of Schneider Electric had sales of \$2.6 billion (U.S.) in 2004. The North American Operating Division is one of four operating divisions of Schneider Electric, headquartered in Paris, France, and markets the Square D, Telemecanique and Merlin Gerin brand products to customers in the United States, Canada and Mexico. In the United States, Schneider Electric is best known by its flagship Square D brand, with Telemecanique becoming increasingly known in the industrial control and automation markets and supported by many Square D distributors. For 100 years, Square D has been a market-leading brand of electrical distribution and industrial control products, systems and services. Schneider Electric is a global electrical industry leader with 2004 sales of approximately \$12.8 billion (U.S.). Visit Schneider Electric on the Internet at:

- Corporate – <http://www.us.schneider-electric.com>
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