

Digital Realty Leveraging Scale and Expertise to Lower Customers' Energy Costs

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Data center leader buys energy in bulk to offset seasonal spikes and passes benefits along to customers

SAN FRANCISCO, Aug. 7, 2018 /PRNewswire/ -- Digital Realty (NYSE: DLR), a leading global provider of data center, colocation and interconnection solutions, is capitalizing on its scale, sophisticated procurement processes and investment-grade credit ratings to benefit customers by contracting electricity supply in bulk to achieve lower prices throughout the year, while simultaneously providing protection against escalating prices during seasonal spikes. Digital Realty aggregates customer demand and collaborates with energy suppliers to negotiate discounted prices, which are then passed on to customers in the deregulated markets of Connecticut, Illinois, Massachusetts, New Jersey, New York and Texas.

"Aggregating cumulative customer load demand across multiple Digital Realty facilities within a given metropolitan area enables us to obtain substantial discounts on our projected utility load for extended periods of time," said Erich Sanchack, Executive Vice President of Operations at Digital Realty. "These agreements represent some of the lowest-cost pricing within our portfolio. As a result, we are able to help insulate our customers from financial risk and cost volatility, leading to competitive advantage and greater customer satisfaction. We pass the savings directly along to our customers, significantly lowering their total cost of ownership."

Digital Realty's energy procurement initiatives are paying off for customers around the country. The company recently executed an energy consolidation strategy for its greater Chicago portfolio, locking in rates more than 20% below current market through 2022. In Texas, scorching temperatures in Dallas, Austin, San Antonio and Houston recently drove the state electric grid to an all-time peak demand record of more than 73,000 megawatts. The spike in demand, along with reduced generation reserve from the retirement of coal plants, pushed daily market pricing as high as \$184 per megawatt-hour. Digital Realty was able to capitalize on its market presence, energy procurement strategy and investment grade credit ratings to protect customers by securing low market rates for the majority of its load.

"Our commitment to customer satisfaction, which begins with our unmatched resiliency – five nines of uptime for the past eleven years – extends to ongoing cost reduction for power, a primary consideration for any company's data center decision-making," said Digital Realty Chief Executive Officer A. William Stein. "Our market presence and platform represent significant advantages when negotiating on customers' behalf, driving economic efficiencies we are pleased to secure for their benefit."

About Digital Realty

Digital Realty supports the data center and colocation strategies of more than 2,300 firms across its secure, network-rich portfolio of data centers located throughout North America, Europe, Asia and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, healthcare, and consumer products.

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Safe Harbor Statement

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to our purchase of energy, the expected cost savings for our customers, our load demands, the expected cost of energy, and our ability to negotiate energy prices. These risks and uncertainties include, among others, the following: reduced demand for data centers or decreases in information technology spending; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services; our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers; breaches of our obligations or restrictions under our contracts with our customers; our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties; the impact of current global and local economic, credit and market conditions; our inability to retain data center space that we lease or sublease from third parties; difficulty acquiring or operating properties in foreign jurisdictions; our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; difficulties in identifying properties to acquire and completing acquisitions; risks related to joint venture investments, including as a result of our lack of control of such investments; risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements; our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital; financial market fluctuations and changes in foreign currency exchange rates; adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges; our inability to manage our growth effectively; losses in excess of our insurance coverage; environmental liabilities and risks related to natural disasters; our inability to comply with rules and regulations applicable to our company; our failure to maintain our status as a REIT for federal income tax purposes; our operating partnership's failure to qualify as a partnership for federal income tax purposes; restrictions on our ability to engage in certain business activities; and changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates. For a further list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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