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GONZALES ELECTRIC AUTHORITY ENTERS INTO AGREEMENT WITH CONCENTRIC POWER FOR 35 MEGAWATT COMMUNITY-SCALE MICROGRID Largest Multi-Customer Microgrid in California Will Serve Ag Industrial Park

October 7, 2020 – Gonzales, CA – <u>Concentric Power Inc.</u>, an energy technology company deploying intelligent microgrids throughout California, and Gonzales Electric Authority (GEA), established by the City of Gonzales to oversee its new municipal electric utility, announced today that they have executed an Energy Services Agreement (ESA) to deliver wholesale electric power via a community-scale microgrid in and around the Gonzales Agricultural Industrial Business Park. The microgrid will initially have 35MW of capacity to provide locally generated, resilient and sustainable power to the Agricultural Industrial Park, which houses processing facilities for some of the country's largest fresh vegetable and wine producers. It will also meet the clean energy requirements of the City of Gonzales's Climate Action Plan.

Concentric Power designed the intelligent microgrid to integrate a mix of 14.5MW-AC of solar energy, 10MW/27.5MWh of battery energy storage and 10MW of flexible thermal generation, all of which will be managed by the company's Advanced Microgrid Controller. The system will allow the Park to island from the wider energy grid, ensuring that end users have reliable, high-quality power 24 hours a day, 365 days a year, even when facing planned or unplanned grid outages. The microgrid will also include a privately owned substation that will allow energy and capacity services to be sold into the California electricity grid.

In the heart of the Salinas Valley – one of the most productive agricultural regions in the country – the City of Gonzales formed GEA to help attract and retain a strong agriculture and industrial base as well as to protect companies doing business there from unplanned power outages and poor power quality. The project will support continued economic development and job creation to further build the City's tax base. With the Agricultural Industrial Park currently one-third occupied, the ESA allows for the power infrastructure to expand and meet growing demand.

"The companies who do business here need to know that they will have the power they need, when they need it, from a variety of green and low-carbon sources," said Maria Orozco, mayor of the City of Gonzales. "This is exactly the kind of project that benefits everyone involved: dependable, independent power that helps us reach our sustainability goals. This agreement will help deliver that."

The \$70 million project will be funded primarily by Concentric Power, with supplemental funding from GEA and the Gonzales Municipal Electric Utility (GMEU) towards ownership of the distribution infrastructure. Concentric Power will develop, design, build, operate and maintain the microgrid assets, including both generation and distribution. The distribution assets will be transferred to GMEU. The initial term of the ESA is 30 years, and the project is expected to break ground in mid-2021 and be ready for service in 2022.

"Multi-customer microgrids meet an urgent need for energy resilience and lower cost for communities and industry," said Brian Curtis, founder and CEO of Concentric Power. "Fortunately, the related technology and business models have reached critical mass and are ready for large scale adoption. We've been fortunate to work with a visionary, progressive municipal utility like GEA on this watershed project. I believe this marks an inflection point that will open up the opportunity for more diverse applications while solving an immediate bottleneck in the Ag Industrial Park."

"Gonzales has a long history of being proactive with our economic development programs, and the Ag Industrial Park's tax revenues provide economic resilience in tough times," added Rene Mendez, Gonzales city manager and executive director of Gonzales Electric Authority. "This green, dependable power expansion project supports current landowners within the Park and provides the needed infrastructure for future development." The effort began in 2017 with the City of Gonzales's consulting team <u>ZeroCity</u> and <u>OurEnergy</u>, who led the early development and feasibility studies that culminated in a competitive solicitation in late 2019.

Concentric Power will also be providing engineering, procurement, construction, and long-term services to the project, and has plans to build a Network Operations Center, field office and shop in the Park to support its work in the region.

About Gonzales Electric Authority

The Gonzales Electric Authority (GEA) was formed by the Gonzales Utility Authority via the City of Gonzales in 2018 as a joint powers authority. GEA was created for the purpose of operating and managing the City's municipal electric enterprise system and assisting the City in the development of cost effective, efficient, and reliable clean energy opportunities, and to facilitate smart growth, local economic development, competitive and sustainable business within the City's sphere of influence.

About Concentric Power Inc.

With offices in Salinas and Campbell, CA, Concentric Power Inc. is an intelligent microgrid developer with a proven track record in agricultural, industrial and community sectors. The company's Advanced Microgrid Controller technology manages the complete energy mix, including supply, load and cost management. With complete design, engineering, procurement, construction, operations, finance and maintenance services, Concentric Power offers scalable solutions for today's energy transition.

About ZeroCity

ZEROCITY, LLC works with municipalities to achieve energy resilience through the development of multicustomer microgrid systems. The ZEROCITY team combines expertise in comprehensive city planning and climate action with the know-how to finance and implement microgrid projects. Our objective is to work with cities to reap the sizable benefits that accrue from hosting community-scale microgrid projects—projects that reduce utility bills for government operations and private rate payers alike and that promote system resiliency to mitigate against prolonged power outages caused by large storms and other unexpected catastrophes. ZEROCITY LLC is based in the Monterey Bay Region and co-managed by Rod Fickel and Martin Carver, AICP.

About OurEnergy

OurEnergy is a technical consulting, engineering and project development services company headquartered in Santa Cruz, CA. OurEnergy's work focuses on renewable energy, sustainable power and water infrastructure, and low impact development. The company's technical consulting and advisory practice assists a diversity of clients to navigate complex energy programs and projects from planning through implementation and operations; and the company's development business offers a lean and nimble development approach to realize forward-thinking and ambitious projects for our energy future. www.ourenergyco.com