

Stem Enters Front of Meter Storage Market with Syncarpha Capital Partnership

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Partnership will bring AI Driven Solar and Storage to Massachusetts SMART and Wholesale Markets
MILLBRAE, Calif., July 09, 2019 (GLOBE NEWSWIRE) — **Stem, Inc.**, the global leader in Artificial Intelligence (AI)-driven energy storage services, announced a new partnership with Syncarpha Capital, LLC, a New York based private equity firm that develops, owns and operates distributed photovoltaic solar energy systems as well as energy storage systems, to build 28.2 megawatt-hours (MWh) of large-scale storage projects co-sited with solar in Massachusetts.

For Stem, the deal represents Stem's expansion into the "front of meter" (or "wholesale distributed generation") market where distribution-connected sites are participating in the regional wholesale markets. This is a natural extension from Stem's behind the meter operations in the Northeast where Stem has been helping customers since 2017 to reduce their Installed Capacity Payment "tags" and associated Customer Capacity Payment obligations. Since 2017, Stem's AI-driven storage systems have also executed over 1,000 times in California to provide wholesale and local capacity services.

"Stem's AI acumen and project operation experience makes them an ideal storage partner for Syncarpha Capital as we build our newest solar fleet in Massachusetts," said Cliff Chapman, CEO of Syncarpha Capital. "Stem's AI-based project operation experience since 2012, and experience with storage co-sited with solar since 2014, creates a highly reliable partnership platform with Syncarpha's long utility-scale solar and wholesale market experience."

Syncarpha Capital is an established developer, having completed over 100 MW of solar assets in the U.S. Northeast, Mid-Atlantic, Southwest with an additional 70+MW of solar projects beginning or under construction in 2019. Stem will provide AI-driven storage solutions at five distribution grid-connected sites across Massachusetts that will be developed and owned by Syncarpha Capital. The systems will be connected to just over 26 megawatts (MW) of solar and will receive partial support from the Solar Massachusetts Renewable Target (SMART) Program, a state initiative that promotes cost-effective solar development with customer-facing and grid service benefits.

The systems will be managed by the Stem AI platform, Athena, which enables Syncarpha to participate in the New England Independent System Operator (ISO)-managed wholesale markets while complying with investors' SMART and federal investment tax credit requirements. Moreover, Stem's artificial intelligence platform enables its partners to participate in future wholesale and retail service revenues as regulators make those service programs available.

"Syncarpha is an ideal partner for Stem, with a long history of investment management and operating experience of distributed and utility-scale renewable energy projects," said John Carrington, CEO of Stem, Inc. "Syncarpha's particular experience and leadership in the U.S. Northeast positions Stem's expansion in the Massachusetts, New York and PJM wholesale markets."

Stem is the global leader in AI-driven energy storage services, with approximately 1,000 energy storage systems under contract and an additional 300 Athena platforms installed across six U.S. states, Ontario, and Japan. Stem's AI platform, Athena, is the first of its kind for energy storage, performing real-time energy optimization that reduces energy costs and enables customers to access additional market opportunities via Stem's network.

About Stem, Inc.

Stem creates innovative technology services that transform the way energy is distributed and consumed. Athena™ by Stem is the first AI for energy storage and virtual power plants. It optimizes the timing of energy use and facilitates consumers' participation in energy markets, yielding economic and societal benefits while decarbonizing the grid. The company's mission is to build and operate the smartest and largest digitally-connected energy storage network for our customers. Headquartered in Millbrae, California, Stem is directly funded by a consortium of leading investors including Activate Capital, Angeleno Group, BNP Paribas, Constellation Technology Ventures, Iberdrola (Inversiones Financieras Perseo), GE Ventures, Magnesium Capital, Mithril Capital Management, Mitsui & Co. LTD., Ontario Teachers' Pension Plan, RWE Supply & Trading, Temasek, and Total Energy Ventures. Visit www.stem.com for more information.

About Syncarpha Capital, LLC

Founded in 2009, Syncarpha Capital is a New York-based private equity firm dedicated to developing, acquiring, financing, owning and operating distributed- and utility-scale photovoltaic (PV) solar and other renewable energy systems across North America. Partnering with experienced developers, installers, engineers, and EPC contractors, and working closely with its customers, Syncarpha designs and builds on-site solar systems for municipalities, utilities, and businesses – as well as developing community shared solar solutions for consumers and commercial customers. Syncarpha currently owns and/or operates solar assets throughout the United States in nine (9) different states. To learn more about Syncarpha, please visit www.syncarpha.com and to learn more about Syncarpha's community solar offerings, please visit www.syncarpha.solar.

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