



NEWS RELEASE

Stem, Inc. Highlights Significant Milestones and New Applications for Athena® Software in Wholesale Energy Markets

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Athena now supporting seven value streams for customers in ISO-New England

Advanced reporting and bidding software offerings launched for CAISO, ERCOT, and PJM wholesale energy markets

SAN FRANCISCO--(BUSINESS WIRE)-- Stem, Inc. ("Stem" or "the Company") (NYSE: STEM), a global leader in artificial intelligence (AI)-driven energy storage services, announced today two advanced application additions to its Athena® smart energy software, enabling its project developer customers to generate more revenue in wholesale energy markets for both front of meter (FTM) and behind the meter (BTM) storage projects. Included in the enhanced offering is Athena Supervisor™, which provides real-time visibility into how Athena manages and monetizes energy assets, and Athena Bidder™, Stem's proprietary market operations engine that automates asset strategies to maximize wholesale market revenues.

Stem Highlights Three Recent Milestones with Athena® in ISO-NE

Important milestones achieved by Stem during three recent customer projects in Independent System Operator New England (ISO-NE) include:

- For the first time, Athena Bidder automated both day-ahead and real-time energy market participation in ISO-NE, along with capacity supply and frequency regulation for a project in Haverhill, Mass. Athena uses the most recent forecasts to automatically optimize the battery operations and evaluate what value stream to participate in, while respecting the point of interconnection (POI) limit and incentive tax credit (ITC) constraint at every trading interval.
- In addition, Athena Bidder recently began to forecast market prices and solar generation, while continuously delivering market-ready price and quantity bids in the ISO-NE market for a project in Halifax, Mass.

- Separately, Stem's first direct current-coupled system, deployed earlier this year in Leicester, Mass., is expected to begin generating revenue via the state's ISO-NE, Solar Massachusetts Renewable Target (SMART), and Clean Peak Energy Portfolio Standard programs.

Across these projects, Stem is enabling its project developer customers to co-optimize seven value streams: day-ahead markets, real-time energy markets, frequency regulation, capacity market, coincident peak reduction, solar shifting incentives, and solar ITC earnings.

With Stem's extended project developer support services and Athena's ability to deliver multiple value streams, Stem has grown rapidly in the ISO-NE market since it expanded market participation activities for FTM storage in 2020. As of mid-2021, Stem's Athena-controlled systems comprised 52% of Massachusetts and 19% of ISO-NE's operational continuous storage facilities active in the wholesale energy, ancillary services, and forward capacity markets. Athena continues to deliver an average of up to 30% internal rate of return (IRR) for its users.

Stem Expands Value in FTM Wholesale Energy Markets with Offerings for CAISO, ERCOT and PJM

Stem's Athena is used by project developers and asset owners to optimize power generation and market participation revenues of both standalone energy storage and hybrid solar plus storage power plants. Athena supports merchant projects capturing nodal pricing swings. Now, the recent updates to Athena Bidder provide enhanced capabilities for customers to meet resource adequacy requirements, optimize wholesale market revenue, and participate in wholesale energy markets such as California Independent System Operator (CAISO), Electric Reliability Council of Texas (ERCOT), and Pennsylvania, New Jersey, and Maryland (PJM). This enhances customers' IRR by maximizing revenues through optimized bidding strategies, automated program management, and systematized compliance, while enhancing the storage lifecycle value. Additionally, Athena is uniquely capable of providing short-term forecasts for day-ahead and real-time bidding, as well as leveraging long-term market price projections to model FTM systems for financing and bankability.

"As a global leader in AI-driven energy storage, Stem continues to develop and enhance Athena's smart energy storage capabilities to secure further market value for new and existing customers and diversify our geographic footprint into new markets," said John Carrington, Chief Executive Officer at Stem. "These enhancements to Athena's applications for wholesale energy market participation extend the value and benefits offered to our partners. With our unparalleled service, we help them navigate complicated programs and incentives and generate the best return on their investments."

Cautionary Statement Regarding Forward-Looking Statements

This press release, as well as other statements we make, contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts. Such statements often contain words such as "expect," "may," "can," "believe," "predict," "plan," "potential," "projected," "projections,"

“forecast,” “estimate,” “intend,” “anticipate,” “ambition,” “goal,” “target,” “think,” “should,” “could,” “would,” “will,” “hope,” “see,” “likely,” and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as the opportunity for business growth in ISO-NE; the expected benefits of customer projects in ISO-NE; and expected benefits to businesses, utilities and energy customers in ISO-NE. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward-looking statements are based upon assumptions and estimates that, while considered reasonable by Stem and its management, depend upon inherently uncertain factors and risks that may cause actual results to differ materially from current expectations, including our inability to achieve business growth in ISO-NE; risks relating to the development and performance of our energy storage systems and software-enabled services; the risk that the global commitment to decarbonization may not materialize as we predict, or even if it does, that we might not be able to benefit therefrom; our inability to retain or upgrade current customers, further penetrate existing markets or expand into new markets; our inability to secure sufficient inventory from our suppliers to meet customer demand, and provide us with contracted quantities of equipment; supply chain failures or interruptions; manufacturing or delivery delays; disruptions in sales, production, service or other business activities; our inability to help reduce GHG emissions; our inability to seamlessly integrate and optimize energy resources; the risk that our business, financial condition and results of operations may be adversely affected by other political, economic, business and competitive factors; the effects of competition; and other risks and uncertainties set forth in the section entitled “Risk Factors” in the registration statement on Form S-1 filed with the SEC on July 19, 2021, and our most recent Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Statements in this press release are made as of the date hereof, and Stem disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

About Stem, Inc.

Stem (NYSE: STEM) provides solutions that address the challenges of today’s dynamic energy market. By combining advanced energy storage solutions with Athena®, a world-class AI-powered analytics platform, Stem enables customers and partners to optimize energy use by automatically switching between battery power, onsite generation and grid power. Stem’s solutions help enterprise customers benefit from a clean, adaptive energy infrastructure and achieve a wide variety of goals, including expense reduction, resilience, sustainability, environmental and corporate responsibility and innovation. Stem also offers full support for solar partners interested in adding storage to standalone, community or commercial solar projects – both behind and in front of the meter. For more information, visit www.stem.com.

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