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Wood Mackenzie Recognizes Stem as Largest Storage Virtual Power Plant Operator in North America

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Report highlights Stem's 2.5 gigawatt-hours (GWh) of contracted storage assets under management, more than any other VPP operator in the region

SAN FRANCISCO--(BUSINESS WIRE)-- Stem (NYSE: STEM), a global leader in AI-driven clean energy solutions and services, today announced that it has been recognized as the largest energy storage virtual power plant (VPP) operator in North America by Wood Mackenzie, the leading provider of intelligence for the world's natural resources sector. Wood Mackenzie's Virtual Power Plant Market report points to Stem's 2.5 gigawatt hours (GWh) of contracted storage assets under management across 14 different VPPs as the most among VPP operators. Athena®, Stem's AI-driven clean energy management platform, is at the heart of Stem's VPPs and provides granular, actionable energy asset insights coupled with automated intelligent dispatch capabilities that help maximize the value of renewable energy assets.

"Our record-setting and expanding storage VPPs are a testament to the value that Stem's premier technology and services deliver to our customers, as evidenced by the almost 60% increase in our contracted storage assets under management last year," said Larsh Johnson, Chief Technology Officer at Stem. "Stem's Athena taps into multiple value streams to monetize VPPs in several of the major U.S. energy markets to empower users to maximize energy savings and renewable energy use. With our simple, comprehensive, and actionable energy management platform that leverages insights from more than 31 million runtime hours, our customers want us involved across their renewable energy portfolios."

Wood Mackenzie also reported that Stem is one of the leading VPP operators in California, which dominates other states in almost all facets of VPP leadership, according to the analysis. Stem has enrolled hundreds of commercial and industrial customers into its California VPP and was the first energy storage provider to launch and integrate a battery storage VPP into California wholesale markets as a demand response resource. A key, inaugural partner in grid resiliency for utilities, Stem dispatched 60 MW of stored energy capacity almost daily in response to Southern

California Edison's calls during the months-long "atmospheric river" this winter. Stem's VPP delivered the equivalent of several gas peaking power plants during this time and was a vital capacity option for utilities and grid operators.

The report also highlights new VPP market potential in other regions, such as PJM.

"Stem is a VPP leader in California, the most active VPP market where incentive programs and opportunities are robust," said Ben Hertz-Shargel, Global Head of Grid Edge at Wood Mackenzie. "However, since VPPs enable value-stacking on top of purchase incentives and rate optimization, VPP leaders can also offer value in markets like PJM."

The PJM market stands to benefit greatly from VPPs, which can address challenges like price volatility and low-capacity reserves. Both are challenges Stem's Athena has successfully addressed in California as well as ISO-New England where Athena achieved 90% accuracy in predicting system peaks to deliver storage capacity when required. Stem is poised to leverage these proven technologies and expertise for the PJM market as well as in ERCOT where the company has already partnered with Excelsior Energy Capital and Regis Energy Partners on a $400M portfolio of energy storage projects.

Wood Mackenzie's report follows Frost & Sullivan recognizing Stem as an Innovation Leader, ranking the company #1 for innovation in renewable energy and battery storage optimization and trading platforms, and Guidehouse Insights ranking Stem's AlsoEnergy as #1 in solar and storage monitoring and control.

Wood Mackenzie's Virtual Power Plant Market report analyzes the state of the VPP market today in the US and Canada, based on a database of over 500 VPP projects. To access the report, visit Wood Mackenzie's website: **https://www.woodmac.com/reports/power-markets-north-america-virtual-power-plant-vpp-market-h1-2023-150103190/**.

About Stem

Stem (NYSE: STEM) provides clean energy solutions and services designed to maximize the economic, environmental, and resiliency value of energy assets and portfolios. Stem's leading AI-driven enterprise software platform, Athena®, enables organizations to deploy and unlock value from clean energy assets at scale. Powerful applications, including AlsoEnergy's PowerTrack, simplify and optimize asset management and connect an ecosystem of owners, developers, assets, and markets. Stem also offers integrated partner solutions to help improve returns across energy projects, including storage, solar, and EV fleet charging. For more information, visit **www.stem.com**.

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