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Capstone Green Energy Receives Inverter Compliance to California Rule 21

Rule 21 Enables Capstone Green Energy to Comply with New California Power Generation Communication and Control Requirements

VAN NUYS, Calif.--(BUSINESS WIRE)-- [Capstone Green Energy Corporation](#) (NASDAQ: CGRN), a global leader in carbon reduction and on-site resilient green Energy as a Service (EaaS) solutions, announced today that the C65 and C200 inverters have received certification for California Rule 21 tariff requirements. The certification builds upon Capstone's previous successes with UL1741 SA and prepares inverters for meeting the new UL1741 Supplement B.

"Our Capstone engineering team works continuously to stay ahead of the growing number of new global grid interconnect requirements and standards," stated Darren Jamison, President and Chief Executive Officer of Capstone. "Country specific standards continue to evolve, and while they are starting to adopt similar standards in certain areas, they are different enough to require detailed software changes and extensive testing in our state-of-the-art grid simulation lab," added Mr. Jamison.

The controller integrated solution includes a gateway module that facilitates two-way utility connections for remote monitoring, as well as dispatching updated settings for inverter output response. The gateway acts as a communications protocol converter, allowing a utility connection based on IEEE 2030.5 and the Sunspec Common Smart Inverter Profile (CSIP) to read and write data using the proprietary Capstone protocol integrated into the microturbine Smart Inverters. The gateway is also certified as a standalone device in the event that a full feature controller is not required.

"Staying current on the evolving global grid interconnect standards is no small task," said Don Ayers, Vice President of Technology. "In the case of the Rule 21 certification, we utilized combined resources within the company to ensure that we could complete this project, while continuing to make progress on other challenging grid interconnect projects, particularly for the German market. The success of this project was truly the result of cross-departmental collaboration, along with maintaining close relationships with our external partners," added Mr. Ayers.

At the turn of the century, traditional grid standards were still primarily focused on ensuring the safe adoption of power generation equipment. However, as photovoltaic (PV) and wind generation accelerated in Germany in the 2000's, these standards evolved to guide the impact of inverters on grid integrity. The evolution of grid standards has expanded to every country, including the United States, Italy, Australia, and Great Britain, where standards have been developed to meet unique grid infrastructure needs. More recently, these

standards continue to advance with the adoption of utility monitoring and control of distributed generating assets, such as Rule 21.

“While we have a small team dedicated to certification and surveillance, we have been able to partner with different Nationally Recognized Testing Laboratories (NRTLs) to stay on top of constantly evolving grid requirements that are promulgated,” said Victor Kong, Director of Product Engineering at Capstone Green Energy. “Ultimately, Capstone can meet these standards for the majority of customer sites, which only involves a quick software update with minimal downtime and no hardware changes.”

About Capstone Green Energy

Capstone Green Energy (www.CapstoneGreenEnergy.com) (NASDAQ: CGRN) is a leading provider of customized microgrid solutions and on-site energy technology systems focused on helping customers around the globe meet their environmental, energy savings, and resiliency goals. Capstone Green Energy focuses on four key business lines. Through its Energy as a Service (EaaS) business, it offers rental solutions utilizing its microturbine energy systems and battery storage systems, comprehensive Factory Protection Plan (FPP) service contracts that guarantee life-cycle costs, as well as aftermarket parts. Energy Generation Technologies (EGT) are driven by the Company's industry-leading, highly efficient, low-emission, resilient microturbine energy systems offering scalable solutions in addition to a broad range of customer-tailored solutions, including hybrid energy systems and larger frame industrial turbines. The Energy Storage Solutions (ESS) business line designs and installs microgrid storage systems creating customized solutions using a combination of battery technologies and monitoring software. Through Hydrogen & Sustainable Products (H2S), Capstone Green Energy offers customers a variety of hydrogen products, including the Company's microturbine energy systems.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: rentals@CGRNenergy.com. To date, Capstone has shipped over 10,000 units to 83 countries and estimates that, in FY21, it saved customers over \$217 million in annual energy costs and approximately 397,000 tons of carbon. Total savings over the last three full fiscal years are estimated to be approximately \$698 million in energy savings and approximately 1,115,100 tons of carbon savings.

For more information about the Company, please visit www.CapstoneGreenEnergy.com. Follow Capstone Green Energy on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#), and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding expectations for green initiatives and execution on the Company's growth strategy and other statements regarding the Company's expectations, beliefs, plans, intentions, and strategies. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, the following: the

ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; product quality issues, including the adequacy of reserves therefor and warranty cost exposure; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's ability to adequately protect its intellectual property rights; and the impact of pending or threatened litigation. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under "Risk Factors" in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.

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