

August 17, 2022



Capstone Green Energy Applauds the New Inflation Reduction Act That Has Been Signed into Law by President Biden

New Law Will Extended, Expand and Increase Federal Clean Energy Investment Tax Credit to New Technologies, Fuels, and Energy Users

LOS ANGELES--(BUSINESS WIRE)-- [Capstone Green Energy Corporation](#) (NASDAQ: CGRN) praises the extension, expansion and increases of the federal Investment Tax Credit (ITC) and Production Tax Credit (PTC) for clean energy technologies in the Inflation Reduction Act recently signed into law by President Biden, which Capstone believes will directly benefit the company and its customers. The legislation increases the tax credit available to microturbine combined heat and power (CHP) projects from 10% to 30% for projects that are placed in service or safe harbored by the end of 2024, and it reinstates the tax credit for biogas energy projects. A bonus credit of 10% is available for projects that meet domestic content requirements or are in energy communities. It also adds new covered technologies, including energy storage, microgrid controllers, and hydrogen production facilities. Capstone's expanded business strategy includes many of these new technologies like energy storage, microgrid controllers, and hydrogen. Capstone microturbines are produced in the U.S. at our Van Nuys, CA manufacturing facility.

This groundbreaking climate policy will support the transition to zero emissions CHP while encouraging domestic manufacturing and the revitalization of communities currently reliant on fossil energy plants and jobs. Starting in 2025, the structure of the energy tax credit changes to a technology-neutral credit for zero-emissions facilities, which can be elected as either an ITC or a PTC. Stretching the availability of the technology-neutral credits through 2035 or sooner if electric sector greenhouse gas emissions reduction targets are met provides certainty for longer-term development than past short-term extensions. New labor requirements for prevailing wage and employment of apprentices will be developed by the IRS and applied to ITC and PTC taxpayers, but projects under 1 MW or projects that start construction before 60 days after this guidance is issued will be exempt.

Tax-exempt entities like non-profit hospitals and municipal entities will also be able to take advantage of these tax credits through the direct pay and transferability options but must meet domestic content requirements. New credits were also added for hydrogen production determined by kilograms of clean hydrogen produced per year and advanced energy manufacturing, which may be used, for example, to re-equip an industrial facility in a way that reduced greenhouse gas emissions by 20% or more.

About Capstone Green Energy

[Capstone Green Energy](#) (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.

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 expected benefits of the ITC and PTC 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 departures and other changes in management and other key employees. 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.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20220817005254/en/>

Capstone Green Energy
Investor and investment media inquiries:
818-407-3628
ir@CGRNenergy.com

Source: Capstone Green Energy Corporation