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Ideal Power Introduces 125kW Power Converter Family

CODA Energy Places Order for Initial 125k Hybrid Solar + Battery Converter

AUSTIN, TX -- (Marketwired) -- 10/16/14 -- Ideal Power Inc. (NASDAQ: IPWR), a developer of a disruptive power conversion technology, announced its 125kW converter family, including a 3-port hybrid converter and 2-port battery converter. Utilizing the same award-winning technology as its 30kW hybrid converter, the 125kW converter products are expected to lower costs and improve efficiency for integrating photovoltaic (PV) and energy storage solutions up to megawatt scale, as well as provide off grid and grid resilient (grid-tied battery backup) capabilities. Ideal Power also announced that it has received an initial order for its 125kW hybrid converter from CODA Energy, a California based manufacturer and installer of commercial and industrial energy storage products. Ideal Power will display its new 125kW hybrid converter at the Solar Power International Conference, booth #2658, in Las Vegas on October 20 - 23, 2014.

"The mutual benefits of deploying battery storage with PV are well known 'off-grid,'" stated Peter Nortman, COO, CODA Energy. "The argument to deploy storage with PV 'on-grid' is perhaps even more compelling to a resilient and sustainable energy future. We expect Ideal Power's 3-port hybrid architecture to help us meet our customer's needs in this important market space due to its comprehensive feature set and compact, efficient design."

According to information, insight and analytics firm IHS, commercial grid-tied battery inverters co-sited with PV is forecasted to grow from 36 MW of global installations in 2014 to 643 MW by 2018 and the off grid micro-grid battery inverters co-sited with PV market is forecasted to grow from 34 MW of global installations in 2014 to 400 MW by 2018. ⁱ

Dan Brdar, Chief Executive Officer of Ideal Power, commented, "To support our customers' needs, Ideal Power has expanded its award-winning 30kW converter family with 125kW products that support larger installations. "We are excited to continue to build on our long term relationship with CODA Energy, whose innovative storage solutions make them an ideal initial customer for our 125kW hybrid converter."

Commercial grid tied and off grid microgrid systems, which range in power from roughly 30kW to 1MW, are two of the fastest growing markets for integrated energy storage and photovoltaic generation. Ideal Power's 30kW products are rapidly gaining market acceptance as innovative, technology-leading solutions for integrating energy storage in commercial and microgrid installations up to about 200kW of capacity. The Company's new modular 125kW

products will cost-effectively support larger systems up to the megawatt scale.

Ideal Power's 125kW hybrid and battery converter products leverage the Company's patented Power Packet Switching Architecture (PPSA), which eliminates the need for an isolation transformer, thus improving efficiency, weight, size and cost. The 125kW hybrid converter supports integration of energy storage with PV, wind or combustion generators and weighs about 400 pounds. The 125kW battery converter supports bidirectional battery conversion and weighs approximately 325 pounds. Both products are expected to have 96.5% CEC-weighted efficiency.

About Ideal Power Inc.

Ideal Power Inc. (NASDAQ: IPWR) has developed a novel, patented power conversion technology called Power Packet Switching Architecture™ (PPSA). PPSA improves the size, cost, efficiency, flexibility and reliability of electronic power converters. PPSA can scale across several large and growing markets, including solar photovoltaic generation, electrified vehicle charging, and commercial grid storage. Ideal Power also has a licensing-based, capital-efficient business model that can enable it to address these markets simultaneously. Ideal Power has won multiple grants for its PPSA technology, including a \$2.5 million grant from the Department of Energy's Advanced Research Projects Agency - Energy (ARPA-E) program, and market-leading customers are incorporating PPSA as a key component of their systems. For more information, visit www.IdealPower.com.

Safe Harbor Statement

All statements in this release that are not based on historical fact are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. While management has based any forward looking statements included in this release on its current expectations, the information on which such expectations were based may change. These forward looking statements rely on a number of assumptions concerning future events and are subject to a number of risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to materially differ from such statements. Such risks, uncertainties, and other factors include, but are not limited to, whether the patents for our technology provide adequate protection and whether we can be successful in maintaining, enforcing and defending our patents, whether a demand for energy storage products will grow, whether demand for our products, which we believe are disruptive, will develop and whether we can compete successfully with other manufacturers and suppliers of energy conversion products, both now and in the future, as new products are developed and marketed. Furthermore, we operate in a highly competitive and rapidly changing environment where new and unanticipated risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. We disclaim any intention to, and undertake no obligation to, update or revise forward-looking statements.

¹ IHS: *The Role of Energy Storage in the PV Industry*, September 2014

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