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Capstone Green Energy to Provide Combined Heating and Power Microturbine System to an Alaskan Municipality

Low Emission Energy System Will Provide Year-Round Heat and Power in Parallel with Utility

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, today announced that its Alaska distributor, Arctic Energy, Inc., has secured an order for five Capstone 65 kilowatt (kW) integrated heating and power (ICHP) dual-mode microturbines. The system was purchased by a waste management facility that is part of the Municipality of Anchorage. It will provide both heat and power for all the facility's critical infrastructure required to operate the site, even during extreme winter weather conditions.

Fueled by natural gas, the microturbine-based energy array will run in "multi-pack," providing 325 kW of power as it operates primarily in parallel with the local utility. Using Capstone's automatic dual-mode capabilities, the system will be able to automatically switch to standalone backup power in the event of a local grid failure. The system is expected to be commissioned in September 2022.

The customer pursued the new power system as part of its plan to expand one of its main facilities. This presented an opportunity to establish new energy efficiencies that had not previously been part of the site. After considering solar and battery storage options, it was determined that a combined heat and power or CHP system would be the most reliable and economical solution. Though solar and battery integration will be possible in the future, they will not be part of the current configuration.

Once the customer decided on what kind of power system they would implement, they ultimately chose Capstone's technology for its simplicity of design and installation, high efficiency, low noise impact, and minimal maintenance needs. Even as other system features were removed from the design for cost needs, the Capstone units remained.

Overall, the system will help the municipality reduce costs by providing a hedge against rising utility rates. Cost reduction will also be achieved through the inherent efficiency of the CHP system and the high reliability/low maintenance qualities of the microturbines. Arctic Energy provided essential support to the customer in calculating the economics and handling the project design.

"Arctic Energy is proud to be part of the municipality’s energy savings and management

progress," said Greg Porter, President of Arctic Energy. "Municipalities employ many people and at the same time must plan for rising infrastructure costs. In Alaska, those costs are paid for by property taxes. So it's more important than ever that Municipalities look at energy reduction and savings to retain good employees and reduce the operating costs for future expansion."

"Municipalities have tremendous opportunity to leverage the cost efficiencies and reliability of CHP, especially in light of growing constraints on the utilities," said Darren Jamison, Chief Executive Officer of Capstone Green Energy. "Beyond these benefits, there are also the environmental benefits of running a highly efficient system. These are the kind of wins that give constituents confidence that their local leaders are truly looking after their best interests."

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. 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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