

Swell Energy Announces Capital Partnership to Deploy Portfolio of Virtual Power Plants Comprised of 14,000 Distributed Energy Storage Systems

Swell Energy, in partnership with Ares Management and Aligned Climate Capital, to finance up to 200 MWh of utility-backed distributed energy storage capacity

LOS ANGELES (December 10, 2020)—Distributed energy and grid solutions provider Swell Energy (Swell) today announced plans to finance the construction of four virtual power plants (VPPs) representing over 200 MWh of distributed energy storage paired with 100 MW of solar PV capacity.

Swell has been commissioned by utilities in three states to establish over 200 MWh of dispatchable energy capacity through the construction and aggregation of approximately 14,000 solar energy generation and storage systems, intended to provide valuable grid services to the utilities and the local grid. To support the deployment of these and other distributed energy projects, and in partnership with a fund managed by the Infrastructure and Power strategy of Ares Management Corporation and Aligned Climate Capital, Swell has created a VPP Financing Vehicle to support up to \$450 million of capital investment for its nationwide VPP portfolio. The financing vehicle has been structured with Swell's utility contracts in mind, and with the VPP capacity payments serving as a distinctive feature. Over the next twenty years, distributed energy systems in Swell's current VPP portfolio are expected to generate over 3,000 GWh of clean solar energy, with customers potentially storing 1,000 GWh for later use, and dispatching over 200 GWh of this stored solar energy during events when the utility calls on the VPP for capacity.

"Utilities are increasingly looking to distributed energy resources as valuable 'grid edge' assets," said Suleman Khan, CEO of Swell Energy. "By networking these individual homes and businesses into virtual power plants, Swell is able to bring down the cost of ownership for its customers and help utilities manage demand across their electric grids," said Khan. "By receiving *GridRevenue* from Swell, customers participating in our VPP programs pay less for their solar energy generation and storage systems, while potentially reducing the risk of a local power outage, and keeping their homes and businesses securely powered through any outages."

In conjunction with the closing of its first VPP Financing Vehicle, Swell also announced the launch of its *Home Energy Subscription Agreement*, which allows homeowners to finance their home energy systems through Swell, while generating, storing, and consuming their home's energy in an optimized and transactive manner. Swell will commence delivery of energy capacity and grid services for its first utility VPP on January 1, 2021, with contracted capacity across Swell's VPP portfolio ramping up to 200 MWh of energy storage by June 2023.

"Our coordinated investment in Swell's 200 MWh Utility VPP portfolio signifies an evolution in how we think about funding power plants across the U.S.," said Keith Derman, Co-Head of Ares Infrastructure and Power. "Swell has demonstrated our long-held belief that energy storage is an asset class that holds great value for homeowners, utilities, and investors."

"This is the future of distributed solar," said Brendan Bell, COO of Aligned Climate Capital. "Swell's ability to network these batteries as a Virtual Power Plant unlocks the full value for both the homeowner and the utility."

To learn more about Swell's Virtual Power Plant programs and how to affordably increase the energy resilience of your home with Swell's solutions, visit www.swellenergy.com. To find out how your business can join Swell Energy's Preferred Partner Network, visit www.swellenergy.com/partners. To learn more about how Swell develops and executes Virtual Power Plant programs for Utilities, visit www.swellenergy.com/utilities.

###

About Swell Energy, Inc.

Swell Energy is developing a greater grid for the greater good. The distributed energy and grid solutions provider is accelerating the mass-adoption of residential and commercial clean energy technologies by making it easy for consumers to take control of their home energy use, achieve energy security and generate GridRevenue. The company provides homeowners and businesses with financing and educational resources, partnering with trusted local solar + storage companies and top technology providers for seamless, high-quality installations of the best available products. By creating a critical mass of dynamic and responsive clean energy resources within utility service areas across the United States, Swell Energy is also delivering virtual power plant networks and grid-balancing services to utilities, which are fundamental to our future distributed energy system. Learn more at www.swellenergy.com.

About Ares Management

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated groups across Credit, Private Equity, Real Estate and Strategic Initiatives. Ares Management's investment groups collaborate to deliver innovative investment solutions and consistent, attractive investment returns for fund investors throughout market cycles. As of September 30, 2020, Ares Management's global platform had approximately \$179 billion of assets under management with more than 1,400 employees operating across North America, Europe and Asia Pacific. For more information, please visit www.aresmgt.com.

About Aligned Climate Capital

Aligned Climate Capital LLC is an asset manager that believes the global response to climate change is creating a \$50 trillion market opportunity. The firm focuses exclusively on sustainable investments across clean energy, electrified transportation, resilient infrastructure, and sustainable land use. Aligned is a mission-driven firm, with offices in New York, NY and Los Angeles, CA, that applies rigorous ESG screening and reporting to all of its investments.