

RESILIENT POWER GENERATION PROJECT ANNOUNCEMENT

Powering education, government, pharma, health care with plants we design, own and operate

Applications

Dept. of Defense

Higher education

Health care

Commercial

Agricultural

District 40 and FESCO Energy enter into an exclusive agreement to develop a microgrid using resilient and sustainable energy generation and storage systems.

FESCO Energy (FESCO®) and District 40 (formally Frederick Towne Center Mall located on the Golden Mile) have entered into an exclusive agreement to develop a microgrid enabled resilient, renewable, sustainable energy project that includes 3MW +/- of solar power generation, 6MWH +/- of battery storage and microgrid controls. The project will increase the operational capabilities of the entire 64 acre entertainment/retail location. District 40 is located in the fastest growing county in Maryland, and will be an entertainment destination location that includes retail, restaurants, sports venues and entertainment retailers. As District 40's energy and resiliency partner, FESCO is integrating a hybrid "district energy" approach and structured financing into the redevelopment of District 40 that requires zero capital from the property owner.

The energy project is in the engineering phase through April 2020 and our goal is to develop a project that not only dramatically decreases the carbon footprint, increases the use of renewable energy, stores renewable energy in environmentally friendly battery systems and also ultimately will be able to completely power the entirety of the property should conditions require it. Upon completion of a short due diligence phase, FESCO's investment in the project is an estimated \$20 million and will take approximately 14 months to reach commercial operation.

The foundation of this project includes FESCO's five energy pillars that represent the future of energy projects: renewable energy, energy storage, microgrid islanding capabilities, energy efficiency and zero capital investment from property owners. The property and its tenants will have access to carbon free solar power and the ability to operate independent of the power grid should the conditions require it; without any expense or risk of operation.

"I am excited about what this means for District 40 and for the County of Frederick Maryland. I am personally committed to expanding clean, sustainable and resilient power for businesses in Frederick to enhance the competitiveness of businesses and reduce their carbon contribution" - said John Dukes, President and Founder of FESCO Energy.

FESCO Energy's approach does more for your bottom line:

- ✓ Requires zero capital. All expenses are paid by FESCO. This reduces customers debt and improves NOI
- ✓ Enhanced reliability from possible grid outages or lengthy in-service delays
- ✓ Off balance sheet contracting
- ✓ Significantly reduces electricity price volatility
- ✓ Improves ability to operate under any conditions
- ✓ Allows facilities to operate in island mode—completely independent of the power grid
- ✓ Reduce operating costs
- ✓ Systems meet all EPA and state requirements