Press Releases

EPAL Partners with Leclanché and Deltro and Invests US $12 million in First Utility-scale Canadian Energy Storage Project

- Investment to support India's COP 21 commitment of generating 175GW from renewable energy by 2022
- Partnership to support e-mobility mission of Government of India
- The 28 MW / 14 MWh battery storage system is one of the largest in North America

LONDON and YVERDON LES BAINS, Switzerland and DALLAS, Nov. 8, 2017 /PRNewswire/ -- EPAL, a joint venture between Indian state-owned Energy Efficiency Services Limited (EESL) and UK-based EnergyPro Limited (EP), is partnering with leading battery storage solutions provider Leclanché, starting with the investment of US $12 million in a previously announced and nearly completed advanced battery storage project in Ontario, Canada, known as Basin 1 and 2[1]. The high-quality project, built and owned by Leclanché and development partner Deltro Energy, is the first utility scale energy storage facility designed to balance the Ontario power grid, with a total investment of approximately US$25 million.

The battery storage project will provide services to the Independent Energy Systems Operator (IESO) that oversees and manages the power grid of the province of Ontario, and is interconnected to Toronto Hydro, the largest municipal electricity distribution company in Canada. The Ontario power supply has shifted heavily towards intermittent power sources over the past three years creating additional grid management challenges for the IESO. The lithium battery storage project will improve stability on Canada's largest transmission grid by managing unbalanced supply-demand situations.

The partnership has strategic importance from India's perspective as its government has set a target of achieving 175GW of renewable energy by the year 2022, equivalent to 40 per cent of the country's energy supply, up from 12 per cent now. This was a part of India's commitment during COP21. To achieve this target, India's energy supply will be dependent on intermittent power sources and ancillary services will be required to stabilise the grid. Battery storage will help achieve stabilisation, supply power to charging stations and reduce the substantial Unscheduled Interchange (UI) charges payable by the country's utilities and states (around $461.5 million annually).

Speaking on the occasion, Ambassador Mr. Dinesh K. Patnaik, Acting High Commissioner of India to UK, said, "This partnership marks the beginning of a significant development in the energy efficiency sector. With the ever-increasing energy consumption, technologies like battery storage will go hand in hand with efficiency to balance supply and demand. I am very hopeful that EPAL, with its excellent track record in driving the UJALA (UK Joins Affordable LEDs for All) initiative, will bring a revolution in the market with its advancement into battery storage projects."

Mr Saurabh Kumar, Managing Director, EESL, and Chairman of subsidiary EPAL, said, "We are delighted to partner with Leclanché. It has been our constant endeavor to make future-ready technology solutions accessible. With a focus on long, low-carbon initiatives globally, we have partnered with the world's leading battery storage solution provider. We are confident that this partnership will help bring a new era of clean energy solutions for the world."

"Working together with EESL on this project has highlighted some unique synergies between the companies," said **Anil Srivastava, Leclanché CEO.** "We are exploring many additional ways to integrate Leclanché's advanced lithium battery solutions into stationary storage systems as well as new mobility applications such as EV charging stations, full-electric buses and urban transportation systems."

"At EnergyPro we are excited to be working with our JV partner EESL and Leclanché on this significant utility scale energy storage project. We see it as a first step to deploying energy storage solutions at a range of scales, something that will be essential to the energy transition in all economies," said **Steven Fawkes, Managing Partner at EnergyPro Limited.**

The Indian government recently launched an ambitious investment program in new energy, both domestically and overseas, of which the investment in the Leclanché and Deltro Project forms a part. The domestic plans are driven by the government's target of increasing the contribution of renewables to the country's energy supply. As part of this, the government has mandated that by 2030 all vehicles on its roads will be electric – the most aggressive such target in the world. Battery storage helps stabilize grids, which is a challenge as they become increasingly dependent on intermittent renewable energy sources. Storage also reduces the operational costs of grids and defers and reduces future infrastructure costs.

Integral to its global programme, in May 2017, the Indian government announced that it would invest £155 million in clean energy initiatives in the UK's public and private sectors through EPAL. To date, EPAL's UK initiatives include an affordable LED lighting scheme (UJALA), targeted at social housing associations in London, and the acquisition of two energy savings companies serving seven clients in education and leisure.

The global energy storage markets continue to experience very high growth. According to Navigant Research, in the four years to 2020 utility-scale generation and micro grids will experience a Combined Annual Growth Rate (CAGR) of 48 per cent; commercial and industrial battery systems, 58 per cent CAGR; and eTransport, 37 per cent CAGR.

Panitek Power AG, headquartered in Switzerland, was the investment adviser on the transaction.

About EPAL

EESL EnergyPro Assets Limited (EPAL) is a joint venture of Energy Efficiency Services Limited, an Energy Service Company under the Ministry of Power, Government of India, and EnergyPro Ltd, an advisory company in energy efficiency.

EESL is promoted by four large public-sector undertakings with a combined net worth of over $32 billion. EESL is implementing the world's largest non-subsidy energy efficiency portfolio across areas including lighting, buildings and agriculture, at a unique scale. In the UK, through its subsidiary EPAL, EESL aims to promote and implement low-carbon, energy efficiency and renewable energy solutions in both the public and private sectors.

About Leclanché

Leclanché is one of the world's leading fully vertically integrated energy storage solution providers. It delivers a wide range of energy storage solutions for homes, small offices, large industries, electricity grids, as well as hybridization for mass transport systems such as bus fleets and ferries. Established in 1909, Leclanché has been a trusted provider of battery energy storage solutions for over 100 years. Founded in the tradition of Georges Leclanché, the inventor of the dry cell battery, Leclanché today has a rich portfolio of Battery Energy Storage Systems (BESS) that include bespoke battery systems from industry leading lithium-ion solutions.

Leclanché is listed on the Swiss stock exchange, and is the only listed pure-play energy storage company in the world.

SIX Swiss Exchange: ticker symbol LECN | ISIN CH 011 030 311 9

About Deltro Energy

Deltro Energy Inc. is a member of The Deltro Group of Companies which strives to empower communities through the provision of reliable electricity. Providing turnkey solutions that are scalable, practical, deployable and commercially feasible makes Deltro Energy Inc. a leading energy storage solution developer in Canada. With momentous global growth in the renewable energy industry, Deltro quickly expanded from completing subcontract installations through major Canadian construction contractors to partnering on renewable projects and entering into its own Power Purchase Agreements. While solidifying its position here in Canada, Deltro has begun its expansion into the Caribbean as well.

Learn more at Deltro.com or connect with us on Twitter @DeltroGroup.

Disclaimer

This press release contains certain forward-looking statements relating to Leclanché's business, which can be identified by terminology such as "strategic", "proposes", "to introduce", "will", "planned", "expected", "commitment", "expects", "set", "preparing", "plans", "estimates", "aims", "would", "potential", "awaiting", "estimated", "proposal", or similar expressions, or by expressed or implied discussions regarding the ramp up of Leclanché's production capacity, potential applications for existing products, or regarding potential future revenues from any such products, or potential future sales or earnings of Leclanché or any of its business units.

You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of Leclanché regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Leclanché's products will achieve any particular revenue levels. Nor can there be any guarantee that Leclanché, or any of the business units, will achieve any particular financial results.

[1] Basin 1 is scheduled to undergo completion testing in December 2017 and Basin 2 will follow with commercial operations in the first quarter 2018.

SOURCE Leclanche

For further information: Europe/Global: Désirée Maghoo, T: +44 (0) 7775 522740, E-mail: dmaghoo@questorconsulting.com, or Simon Barker, T: +44 (0)7866 314331, E-mail: sbarker@questorconsulting.com; US and Canada: Rick Anderson, T: +1 (718) 986-1596, or Henry Feintuch, T: +1 (212) 808-4901, E-mail: leclanche@feintuchpr.com; Investor Contacts: Anil Srivastava / Hubert Angleys, T: +41 (0) 24 424 65 00, E-Mail: invest.leclanche@leclanche.com