Press Releases

Government of St. Kitts and Nevis, SKELEC and Leclanché Commence Construction of Caribbean's Largest Solar Generation and Storage System

- Innovative, fully integrated solar photovoltaic generation and lithium-ion battery energy storage system, will displace 30-35% of the islands' diesel-generated baseload power

- Sustainable microgrid system to reduce CO2 emissions by more than 740,000 metric tons over 20 years

BASSETERRE, Saint Kitts and Nevis and YVERDON-LES-BAINS, Switzerland, Dec. 10, 2020 /PRNewswire/ -- The Government of St. Kitts and Nevis, the state-owned St. Kitts Electric Company (SKELEC) andLeclanché SA (SIX: LECN) today broke ground on a landmark solar generation and storage project that will provide between 30-35% of St. Kitts baseload energy needs for the next 20-25 years while reducing carbon dioxide emissions by more than 740,000 metric tons.

The $70 million microgrid project is being built by Leclanché, one of the world's leading energy storage companies, which will serve as the prime engineering, procurement and construction (EPC) contractor. Leclanché will provide a turnkey solar plus storage solution together with its main subcontractor Grupotec, headquartered in Valencia, Spain, an experienced engineering and construction firm and leader in the photovoltaic energy sector. Leclanché will own and operate the facility under its strategic build, own and operate model through its SOLEC Power Ltd subsidiary with partner Solrid Ltd.

Construction and start-up will take approximately 18 months. The project consists of a fully integrated 35.7 MW solar photovoltaic system (solar field) and a 14.8 MW / 45.7 MWh lithium-ion battery energy storage system (BESS) utilizing Leclanché's proprietary energy management system software. Upon completion, the St. Kitts project will be the largest solar generation and energy storage system in the Caribbean and a model for other island nations worldwide. In its first year of operation, the system will generate approximately 61,300 MWh of electricity with a 41,500 metric ton reduction of CO_2 emissions.

"Today's groundbreaking marks a significant milestone for our citizens, tourist economy, our broader business community and indeed the entire Caribbean region, despite the delays caused by COVID-19," **said Dr. Honorable Timothy Harris, St. Kitts and Nevis Prime Minister.** *"This visionary project will help secure our energy independence, provide long-term price stability and reduce our reliance on diesel fuel."*

"The amount of carbon dioxide emissions we will reduce – nearly three quarters of a million metric tons over 20 years – is a significant demonstration of our strong policy for clean, renewable energy. We invite our Caribbean neighbors – and island communities around the world – to consider joining us in a commitment to a sustainable energy future for our children and generations to come," **said Harris.**

Very Beneficial Use of Government-owned Land:
The project is being built in St. Kitts' Basseterre Valley on a 102-acre plot of government-owned land adjacent to the current SKELEC power station and next to the thriving capital city of Basseterre, the heart of the country's economic region.

The land, which was once used for sugar cane production but has been idle for years, was leased to Leclanché by the Government of St. Kitts and Nevis under a 20-year agreement with an automatic five-year renewal. Environmental Impact Assessment and geotechnical analysis were successfully completed in 2019, demonstrating the renewable energy project will bring a positive impact to the Basseterre Valley.

Novel "No Capital Outlay" Arrangement with St. Kitts
"SKELEC has been working closely with Leclanché for nearly two years now developing a state-of-the-art and highly sustainable energy production and storage system to serve our citizens," **said Honorable Shawn Richards, Deputy Prime Minister Public Infrastructure, Post and Urban Development.** *"St. Kitts residents will enjoy energy price stability for a generation while benefitting from cleaner air and water."*

"We set out to create a model solar energy production and storage system here for SKELEC that generates long-term financial and environmental benefits for the utility and its customers without SKELEC having to make a costly up-front investment," **said Anil Srivastava, CEO, Leclanché**. *"Together, we have designed a system whose construction and ongoing energy production will be paid for over time from the sale of clean and reliable solar energy. We are pleased to have accomplished both objectives while developing a project financeable by well-established institutional investors."*

Clean, renewable energy produced from the solar + storage project will be sold to SKELEC under a 20-year power purchase

agreement at flat rate over that entire period which is designed to provide a significant long-term savings to the projected diesel generation costs.

How the Solar Generation and Storage System Works
Currently, tankers deliver diesel fuel to St. Kitts on a weekly basis, and the fuel is then burned in generators to produce all the nation's electricity. This expensive process contributes to local pollution and global warming (each gallon of diesel generates 22 pounds of CO_2 when burned). The solar and storage project should reduce diesel use by 30-35%, saving money and the environment.

Leclanché's fully integrated system consists of three core components: the solar field, battery storage system and energy management system software.

The solar panels collect sunlight that is converted into electricity. The solar project onSt. Kitts will be oversized, allowing a portion of that electricity to meet current electric demand on the island, and the remainder to charge the large-scale battery storage system to meet island demand after the sun sets. The battery system will also improve grid stability and serve as a back-up in case one of the diesel generators fails.

The batteries will be housed in 14 custom-designed enclosures near the main SKELEC power station and adjacent to the solar field. Additional equipment such as inverters, transformers and protection devices will ensure that the electricity from the new project is reliable and safe.

Leclanché's energy management system software integrates all the different components of the system and coordinates the delivery of electricity to the grid according to SKELEC's requirements. Once completed in the first half of 2022, the solar and storage system will replace over four million gallons of diesel per year, and the battery system will enable the remaining diesel generators to operate more efficiently.

For more information, write to info@leclanche.com or visit www.leclanche.com.

About Leclanché
Headquartered in Switzerland, Leclanché SA is a leading provider of high-quality energy storage solutions designed to accelerate our progress towards a clean energy future. Leclanché's history and heritage is rooted in over 100 years of battery and energy storage innovation and the Company is a trusted provider of energy storage solutions globally. This coupled with the Company's culture of German engineering and Swiss precision and quality, continues to make Leclanché the partner of choice for both disruptors, established companies and governments who are pioneering positive changes in how energy is produced, distributed and consumed around the world. The energy transition is being driven primarily by changes in the management of our electricity networks and the electrification of transport, and these two end markets form the backbone of our strategy and business model. Leclanché is at the heart of the convergence of the electrification of transport and the changes in the distribution network. Leclanché is the only listed pure play energy storage company in the world, organised along three business units: stationary storage solutions, e-Transport solutions and specialty batteries systems. Leclanché is listed on the Swiss Stock Exchange (SIX: LECN).

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

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