

Glendale Water & Power Launches Thermal Energy Storage Project

Southern California municipal utility will integrate Ice Energy's Ice Bear distributed energy storage technology to complement smart grid strategy

GLENDALE, CA – March 16, 2010 – Ice Energy, a leading provider of advanced energy storage solutions to the electric utility industry, today announced plans with municipal utility Glendale Water & Power (GWP) to install 1.5 Megawatts (MW) of energy storage on Glendale city buildings and local businesses under a \$4.25 million program.

The project in Glendale marks the initial rollout of Ice Energy's groundbreaking thermal energy storage project with members of the Southern California Public Power Authority (SCPPA). The large-scale 53 MW project, to be implemented by participating municipal utilities throughout Southern California, will reduce peak electrical demand by shifting as many as 64 Gigawatt hours of electrical consumption from peak to off-peak periods every year, reducing exposure to costly peak power and improving the reliability of the grid.

The majority of the program in Glendale is being underwritten through \$20 million in federal stimulus funding from the U.S. Department of Energy for GWP's Smart Grid project, which includes an advanced metering program for electricity, in addition to energy storage, to help increase efficiency and reduce energy consumption.

Storing cleaner, more efficient and more abundant energy off peak, and delivering it on peak at the point of consumption, Ice Energy's Ice Bear system is the industry's first energy storage solution specifically developed for use on small to mid-sized commercial buildings.

Under the initial phase of the program, conventional air conditioning units on 28 Glendale city facilities will be replaced with new, higher-efficiency units and paired with Ice Bear energy storage systems to create a hybrid cooling solution that delivers a powerful change in how — and, more importantly, when — energy is consumed for air conditioning. Air conditioning energy demand — typically 40-50% of a building's electricity use during peak hours — will be reduced by as much as 95%.

In addition, the program will fund the additional installation of similar systems for more than 250 local businesses in the City of Glendale.

"Ice Energy's solution is a simple, cost-effective solution for managing peak demand, and aligns perfectly with our Smart Grid initiatives - enabling us to deliver reliable, competitively priced electric service to our customers in a sustainable, environmentally-sensitive manner," said GWP General Manager Glenn Steiger. "The Ice Bear project is a key step in achieving these goals for the benefit of all our customers and the City of Glendale, and embodies all of the aspects we look for: managing electrical consumption, improving efficiency, reducing our environmental footprint, and lowering energy costs for our customers."

"GWP is confident that our Smart Grid and storage initiative will serve as a model for others to follow in California and across the nation, while enabling Glendale to remain a leader in green energy and environmental sustainability and helping our customers reduce their energy bills," Steiger added.

When aggregated and deployed at scale, energy storage systems such as Ice Energy's Ice Bear represent a sustainable new energy solution equivalent to hundreds of megawatts of clean peaking power for utilities, enabling them to deliver reliable, competitively priced electric service to their customers in a sustainable, environmentally-sensitive manner.

ABOUT ICE ENERGY

Ice Energy delivers distributed energy storage and smart grid solutions for transforming energy system efficiency and improving grid reliability.

The company's smart grid platform integrates distributed energy storage technology with an advanced software infrastructure and intelligent two-way control to provide utilities with a powerful, cost-effective solution that fundamentally changes peak load management, and improves integration of intermittent, renewable resources onto the grid.

By leveraging the higher efficiencies associated with generating and transmitting power off-peak, storing it at thousands of distributed locations, and dispatching it during times of peak demand, Ice Energy's distributed energy storage system represents a transformational new energy solution for the industry.

The company is headquartered in Windsor, Colorado, with offices in Lake Forest and Sacramento, California. For more information, visit www.ice-energy.com.

About Glendale Water & Power

Glendale Water & Power is the City of Glendale's utility. Glendale Water & Power provides water to 33,400 customers in Glendale, California. The city-owned utility also generates, transmits and distributes electricity to 84,500 residential, commercial and industrial customers. www.GlendaleWaterAndPower.com