



BRITISH COLUMBIA
HOTEL ASSOCIATION

Polaron Energy Storage P3 Model BC Hotel Association

Distributed Peak Infrastructure
for British Columbia

Energy Storage as Infrastructure



WHO IS Polaron?

01. 13 years operating in Canada
02. Coast to coast presence
03. Solar, ESS, and EV charging
04. Engineering-led infrastructure firm
05. Aligned with Xinyi Solar (HKEX listed)
06. Global manufacturing backing and financial stability

THE REAL GRID ISSUE.

BC Hydro *Does Not Have* An Energy Shortage

- Peak Timing Problem
- Rising Electrification Pushed by EV & Industry Growth
- Urban Load Concentration
- Short Duration Extreme Peaks



THE EXPENSIVE PATH.

**Build New Generation
Used Only During Peak Windows**

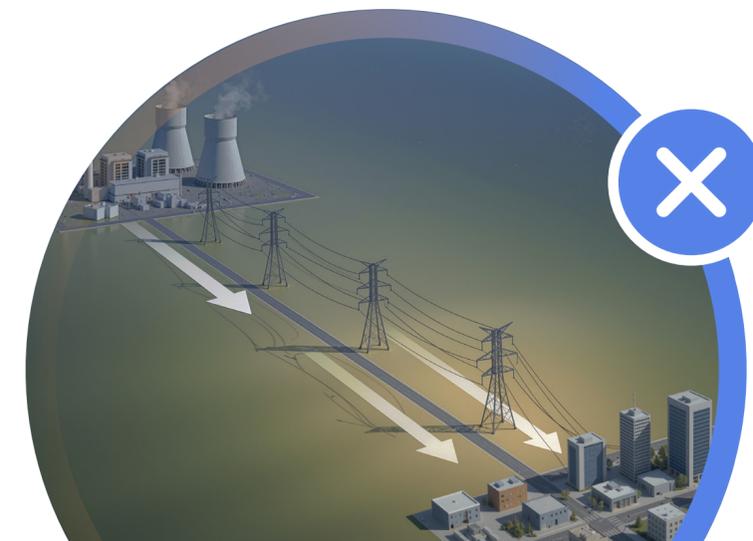
- Requires Transmission Expansion
- Expands Rate Base
- Raises Long Term Cost to Ratepayers



THE SMARTER PATH: URBAN 4 HOUR ESS.

Decentralized Storage In Urban Load Centers

- Direct Peak Discharge at Point of Use
- Avoids Long Transmission Losses
- Defers Infrastructure Buildout



WHY 4 HOUR STORAGE?

Matches Typical Peak Duration Windows



Provides Meaningful
Demand Reduction



Infrastructure-Grade
Dispatch Capability



Real Capacity Shifting,
Not Cosmetic Clipping

WHY THE ESI WORKS?

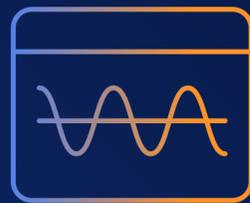
Reduces Capital Cost of Storage

- Accelerates Deployment
- Reduces Hydro Capital Expansion Pressure
- Protects BC Ratepayers Long Term



WHY HOTELS ARE IDEAL HOSTS?

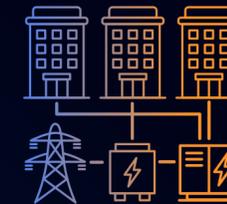
Urban, Electrically Significant Sites



Year-Round
Predictable Load



Existing Grid
Interconnection



Vast Amounts If Utility
Interconnects In
Needed Areas



THE P3 PARTNERSHIP MODEL.

BC Hydro

Peak Event Dispatch and Grid Stability

Hotel

Real Estate Host and Tax Benefit Recipient

Polaron

Financing, Engineering, and 10 Year Operations

Aligned Incentives Across All Parties.





DUAL DISPATCH STRUCTURE

BC Hydro Controls System During *Defined Peak Events*

- Hotel Controls System For Demand Offset At All Other Times
- One Asset, Two Aligned Value Streams

FINANCIAL STRUCTURE

Polaron finances *100% upfront*

BC Hydro
Incentive via
Directive to Pay

Hotel Repays
Remaining 20%
Over 10 Years

Payments Lower
than Avoided
Demand Charges

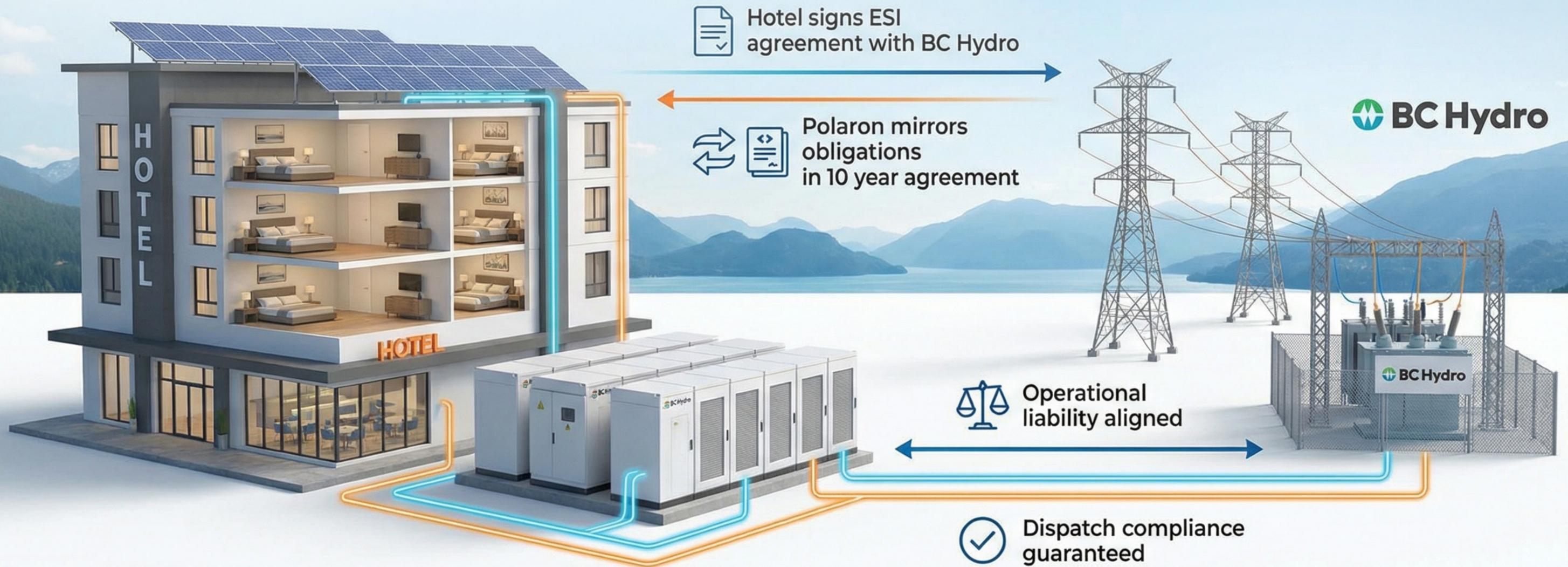
Cash Flow
Positive from
Year One

TAX POSITION

Hotel retains Federal ITC

- Hotel retains accelerated CCA
- Demand charge reduction improves IRR
- Improved after-tax cash flow

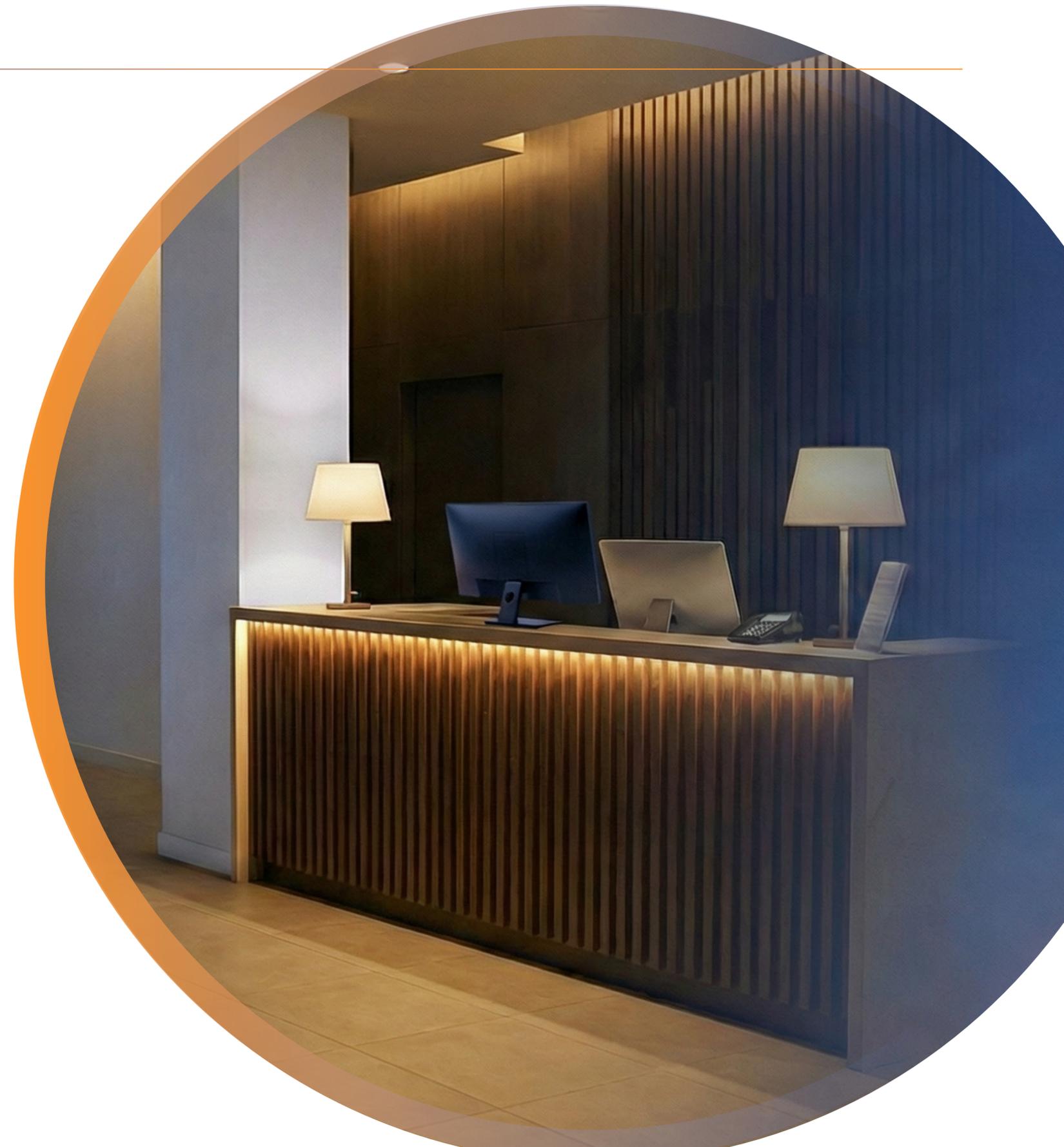
RISK ALIGNMENT



RESILIENCY BENEFIT

Critical Loads Supported *During Outages*

- Front desk and IT systems protected
- Guest experience maintained
- Backup capability built into infrastructure



RATEPAYER IMPACT

Cheaper than building new
peaking generation

- Reduces need for transmission expansion
- Avoids compounded line losses
- Protects BC ratepayers from unnecessary capital expansion



STEP BY STEP PROCESS

Interval Data Review and Peak Modeling

01. Agreement To Proceed with Polaron as a provider
02. Polaron to design ESI based on utility data
03. Properly framed KAM engagement
04. ESI technical submission
05. ESI technical review
06. Agreement to fund provided by BC Hydro
07. Agreement execution between all parties
08. Installation and commissioning
09. 10 year monitored operation

BC HYDRO HAS A TIMING CHALLENGE, NOT AN ENERGY SHORTAGE

- Hotels improve operating margin and resiliency
- Polaron guarantees performance
- This is distributed infrastructure deployment





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