



**BROAD REACH POWER**

# **Sustainability Report**

2020

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# Table of Contents

<b>Introduction</b>	<b>3</b>
Letter from the CEO	
<b>Our Sustainability Reporting Framework</b>	<b>4</b>
<b>About Broad Reach Power</b>	<b>5</b>
Positioned for Growth	
Driving Renewable Energy Penetration Through Battery Storage	
<b>Our ESG Focus Areas</b>	<b>8</b>
<b>Governance</b>	<b>9</b>
Risk Management at Broad Reach	
<b>Environmental</b>	<b>12</b>
GHG Emissions	
Air Quality	
Water Management	
Energy Management	
<b>Our Sustainable System Design</b>	<b>14</b>
Product Design & Lifecycle Management	
Materials Sourcing	
Grid Resiliency	
<b>Social</b>	<b>19</b>
Employee Diversity & Inclusion	
Workforce Health & Safety	
Community Engagement	
<b>About This Report</b>	<b>22</b>
Forward-Looking Statements	
<b>SASB Index</b>	<b>23</b>

# Letter from the CEO



To Our Stakeholders,

On behalf of the Broad Reach Power team, I am pleased to share our inaugural Sustainability Report for the year 2020. Broad Reach Power (“Broad Reach”) is proudly focused on assisting our customers and partners across the energy value chain in their transition to cleaner and affordable renewable power. Our fast-responding storage projects provide a solution to climate-related power risks with minimal environmental impact.

Despite the global challenges faced in 2020, U.S. demand for lower cost and emission-free power generation sources, such as solar and wind, continued to increase, driving the need for more battery storage assets. After launching our company in July 2019, we brought six battery storage facilities online and made several acquisitions in 2020, building energy transition assets in markets with high renewable penetration and planned replacement of older technology. Our strategy to become the premium energy transition company is well underway.

We believe our long-term operational and financial success is tightly linked to environmental, social and governance (“ESG”) matters. Working in tandem with our investors, partners, and customers, we have identified and prioritized the sustainability risks and opportunities for our business. In creating this initial report, our efforts focused on identifying the ESG initiatives and metrics that significantly impact our core business strategy. Our objective is to integrate these metrics further into our strategic planning and operations as we move forward to create long-term value. This report sets the path for our ongoing sustainability plans and is an important first step in the process of increasing transparency of our ESG initiatives.

Our operations are strategically located in markets that are rapidly transforming with the addition of more renewable generation. These abundant, low-cost, and emission-free generation resources will need complementary storage assets to ensure the grid’s continued reliability. While these resources are desirable because they reduce costs and emissions, they add more variation and risk to the power grid. By deploying more energy storage systems like those at Broad Reach, we can strengthen the grid’s reliability by reducing this risk and increase the adoption of renewable energy sources.

Thank you for your interest in our sustainability progress at Broad Reach.

A handwritten signature in black ink that reads "Steve Vavrik". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

**Steve Vavrik**

Managing Partner &  
Chief Executive Officer



# Our Sustainability Reporting Framework

Broad Reach is committed to transparent communication of our sustainability efforts to all our stakeholders. In preparing our inaugural sustainability report, we considered the guidance provided by the Task Force on Climate-Related Financial Disclosures (“TCFD”) together with the Sustainability Accounting Standards Board (“SASB”) standards. Using these frameworks, we identified the performance areas and topics for disclosure that are most significant and relevant to our business.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

With this inaugural report, we have begun to align with the general approach and guidance laid out by the Task Force on Climate-Related Financial Disclosures (“TCFD”). Beginning with governance, followed by strategy, risk management and specific metrics, we continue to consider the risks and opportunities of climate change and energy transition as part of our overall business strategy. As energy demand evolves, we consider future energy and pricing scenarios to inform our strategic decision making.

We have historically considered the broad guidelines on environmental, social, and governance factors as part of our overall approach and we continue to enhance our standard data collection processes, baseline metrics and targets to minimize our exposure to the physical, transitional and regulatory risks of climate change.

## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

This report follows the guidance of the Sustainability Accounting Standards Board (“SASB”) and recommended disclosure topics for the Electric Utilities & Power Generation and Fuel Cells & Industrial Batteries standards. The SASB standards provide a standardized, common reporting approach that yields decision-useful metrics, helps us track progress, and enables comparability for our investors and other stakeholders.

When evaluating our disclosures in relation to the SASB standards, users in some cases will need to normalize the data to make meaningful comparisons. As such, we have included certain activity metrics to aid users in their evaluation. Refer to our SASB index on page 23 which highlights our responses to the suggested SASB Accounting Metrics and includes the appropriate activity metrics to assess our disclosed data in a meaningful context.

The ESG disclosures throughout this report are for the year ended December 31, 2020, unless otherwise noted.



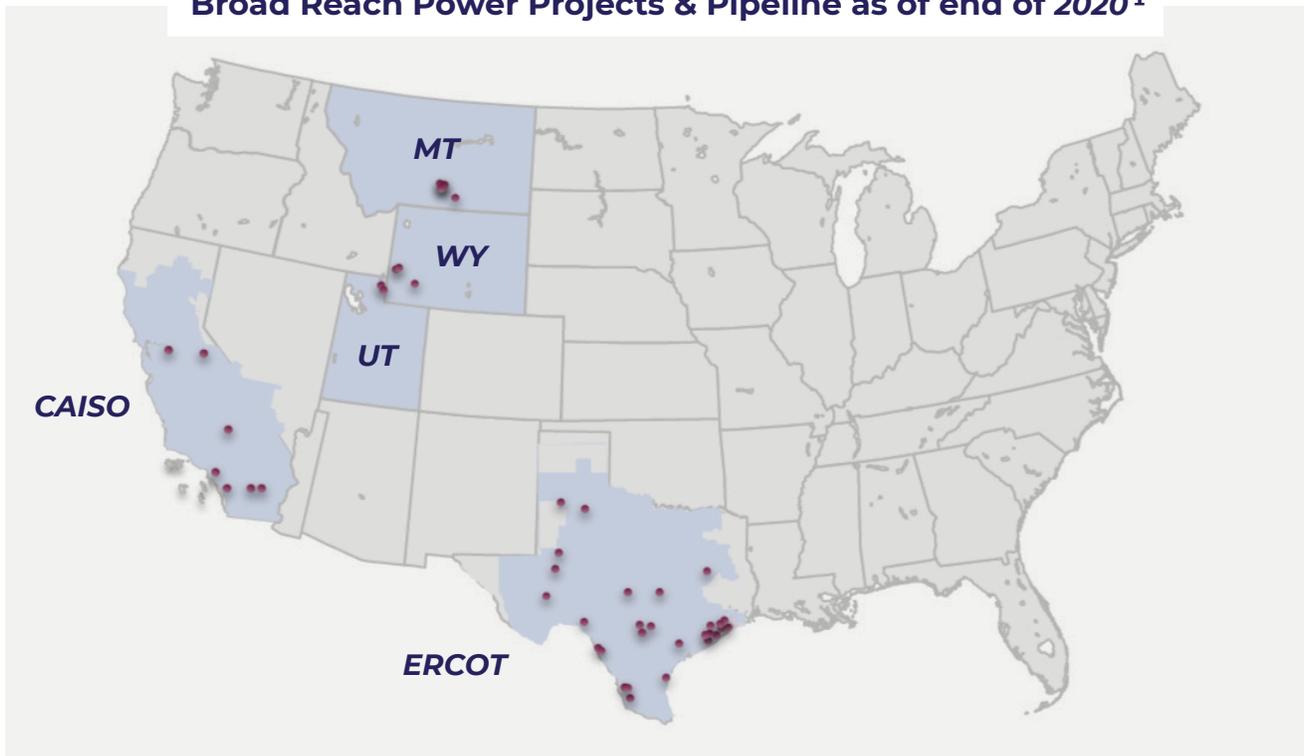
# About Broad Reach Power

Broad Reach Power is a Houston-based utility-scale energy services company backed by leading energy investors EnCap Energy Transition Fund I and Yorktown Renewable Energy Infrastructure Fund.

Formed in July 2019 for the purpose of developing, owning and operating utility-scale standalone battery storage and “solar plus storage” projects, Broad Reach Power has assembled a portfolio of nearly \$300 million of storage assets by applying advanced energy storage technology and power market analytics to improve the operational and financial performance of traditional and renewable utility-scale power generation facilities. With the support of our deeply knowledgeable and experienced team, we have proven construction, operations, and trading capabilities to keep Broad Reach at the forefront of the energy transition.

We possess one of the largest portfolios of advanced projects in the most attractive markets for energy storage, the Electric Reliability Council of Texas (“ERCOT”) and the California Independent System Operator (“CAISO”) with a pipeline of 14 gigawatts (“GW”). In addition, as of the end of 2020, we owned a three GW pipeline of utility-scale solar, wind, and energy storage projects in Montana, Wyoming, and Utah. We are actively working to expand this footprint to ensure the grid’s continued reliability and help meet the demand for lower cost and emission-free generation resources.

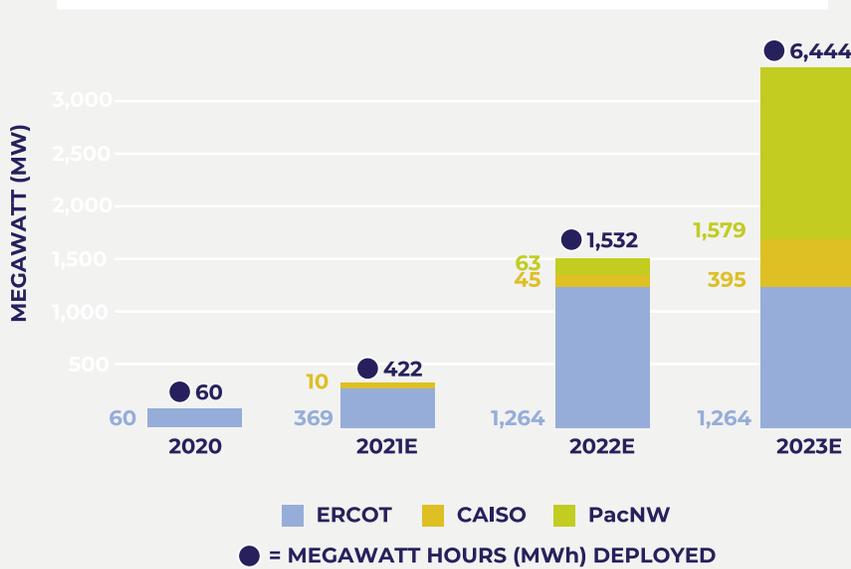
## Broad Reach Power Projects & Pipeline as of end of 2020<sup>1</sup>



<sup>1</sup>Pipeline defined as projects with site control secured, with interconnection application submitted, or that are under construction.



## TOTAL MEGAWATTS (MW) DEPLOYED



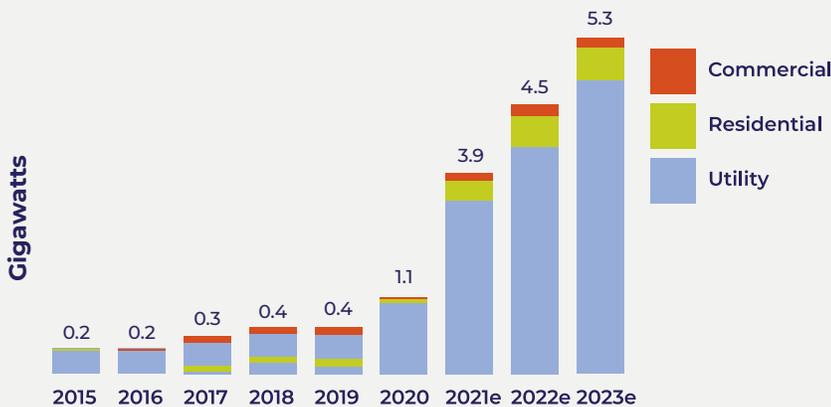
- A **megawatt** (“MW”) is 1 million watts (approximately the capacity needed to power a small town) and measures the electric capacity or flow.
- A **megawatt hour** (“MWh”) is the amount of electric energy generated by one MW producing electricity for an hour.
- A typical house uses 1 MWh per month.
- A **gigawatt** (“GW”) is 1 billion watts (the capacity needed to power a mid-size city). 1,000 MW equals 1 GW.
- It takes approximately 1,000 GW to power the United States.

## POSITIONED FOR GROWTH

Battery storage represents a unique asset class in the power sector today. Its exponential demand increase is forecasted to be driven by growth in renewables and market pressure to replace older, thermal assets such as coal-fired power plants. At the time of this report, the U.S. has set an ambitious target to reach net-zero emissions in the power sector by 2035<sup>1</sup>. Unlike thermal generation plants, battery storage facilities have limited capital destruction risk and represent the most option-rich asset within the entire power industry market, having the ability to participate as both load and generation. Additionally, they are flexible and respond to unexpected changes in load and power generation almost instantly.

<sup>1</sup>Source: Whitehouse.gov, Briefing Room April 22, 2021, “FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies.”

### U.S. Expected Energy Storage Additions



Source: Bloomberg NEF, Energy Storage Database

The U.S. market for battery energy storage is expected to continue its scale-up. In 2020, the U.S. added 1.1 GW/2.6 GWh of storage, passing the significant gigawatt milestone. A total of 13.6 GW/35.4 GWh of storage projects are expected to be deployed from 2021 to 2023 as utilities are procuring large-scale storage capacity to support higher penetration of renewables and meet their clean energy goals.



## DRIVING RENEWABLE ENERGY PENETRATION THROUGH ENERGY STORAGE

Broad Reach Power's purpose is to lead in the energy transition and deliver lasting value to our stakeholders. Sustainability is fundamentally integrated within our business strategy.

Power storage is a critical component to bring more renewable energy, such as intermittent wind and solar, online in the country's power grid infrastructure. Our storage facilities enable utilities to manage the electricity demand and supply as it varies, enabling availability and reliability. In addition to aiding the growth of the U.S. renewable industry, Broad Reach's zero-emission power helps utility customers reduce the greenhouse gas ("GHG") emissions in their power portfolios.

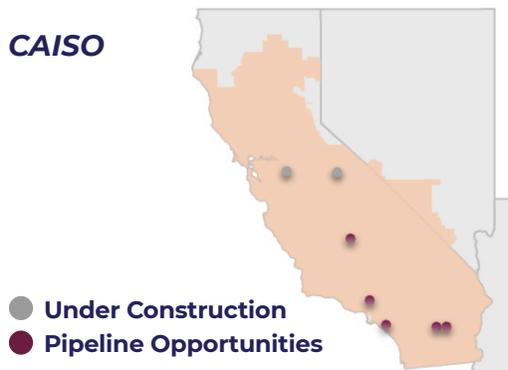
We expect to continue our role as the industry leader in the two most attractive battery storage markets in the U.S. – ERCOT and CAISO. ERCOT has the largest generation capacity of zero-emission wind power in the United States, and Broad Reach has captured strategic positions in Texas to invest in opportunities where the grid will benefit from our flexible, fast-responding generation. Our build-first approach, where we secure control of the sites and apply for interconnections to the utility, has created an extensive portfolio with which we can offer unique structured opportunities at scale.

CAISO leads the country with more than 14 GW of installed solar plants. Increasing renewable energy penetration and natural gas unit retirements means that Broad Reach can capitalize on the energy arbitrage opportunity existing from the high peak-valley difference. Because of our experienced talent, we are able to acquire projects in any stage of development and advance them through commercial operation date, thus realizing the project's full value. In CAISO, our near-term project portfolio consists of three projects in key locations with over 1 GWh of storage potential.

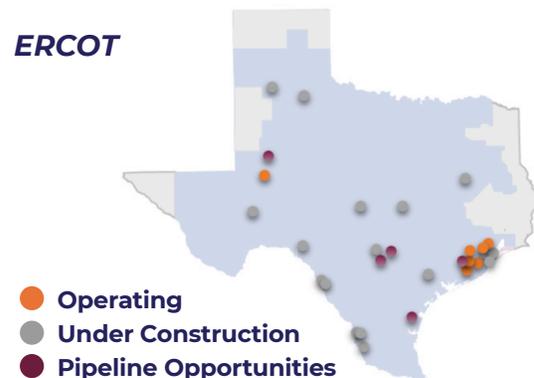
Beyond these two markets, we have invested in strategic positions in the Pacific Northwest to take advantage of the opportunities arising from state renewable mandates, local generation deficit, and constrained transmission coupled with renewables penetration. We are planning to develop and sell storage-firmed renewable power to Northwest utilities, which will reduce their emissions and further grow the renewable industry.



### CAISO



### ERCOT



## OUR ESG FOCUS AREAS

We believe the consideration of environmental, social and governance (“ESG”) factors are essential to developing a long-term vision for our company and to create value for our investors. We know that as a leading energy transition company, we must set high standards for how we execute our strategy and conduct our operations. Our commitment to integrating sustainability across our business rests on a foundation that includes our overall principles of governance and our impact to our customers, our communities, and our people. We know that sound ESG practices are integral to building resilient businesses and creating lasting value for our investors and other stakeholders.

The following table sets out the specific topics that we believe are significant to our sustainability approach and to our overall business strategy:

### Broad Reach Power’s Business Strategy

### ESG Topics

- Position as the premium energy transition company
- Largest portfolios of advanced projects in the most attractive markets for energy transition
- Invest in markets with demand for flexible, fast-responding capacity

G

- Governance & Strategy
- Risk Management
- Product Efficiency
- Product End-of-Life Management
- Materials Sourcing
- Grid Resiliency

- Build portfolio of energy transition assets in markets with high renewable penetration and planned replacement of older technology
- Proven construction, operations, and trading capabilities

E

- Greenhouse Gas Emissions
- Air Quality
- Water Management
- Energy Management

- Build upon our team of experienced and diverse professionals
- Preserve strong safety records

S

- Diversity & Inclusion
- Workforce Health & Safety



# Governance

Sustainable business practices benefit from strong corporate governance. We believe that strong governance is essential for sustainable and ethical business operations. Our Board of Directors (“our Board”) consists of seven members representing our investors with leadership capabilities in proven energy transition strategies. Diversity is a top priority at Broad Reach, and this is represented by our Board which includes two women and three veterans of the U.S. military.

Our management team is comprised of individuals who have strong backgrounds and proven track records in power development, battery systems, risk management, and energy trading. Together with our Board, our management team sets the tone for the way we conduct our business, integrate ESG into our operations, and further our commitment to enduring value.

We believe that strong governance means we conduct our business with honesty, integrity, and in accordance with all applicable anti-corruption laws. Compliance with Broad Reach’s Anti-Corruption, Anti-Money Laundering and Sanctions Compliance Policy is mandatory for all employees and contractors. This Anti-Corruption Policy outlines the principles, standards and rules intended to ensure that Broad Reach and its officers, directors and employees, as well as agents and third parties doing business with us or acting on our behalf, understand and comply with applicable anti-corruption laws.

Under the Board’s direction, we have established an ESG Committee. The ESG Committee is responsible for identifying ESG topics that are relevant and material to Broad Reach’s business in order to establish goals and monitor performance. We utilize our ESG disclosure and reporting process to identify risks and opportunities and share sustainable business practices accross the company. We believe that integrating such practices fosters a culture that advances our commitment to sustainability.



## RISK MANAGEMENT AT BROAD REACH

Risk management is a fundamental part of our business. Our investors expect us to appropriately manage risk while also creating long-term value. Risk management is core to our project development business, our interface with counterparties purchasing our generated power, and our commodity trading. Our overall risk management approach includes the identification, evaluation, and monitoring of financial and operational risks, that include ESG risks and opportunities.

We prioritize identified risks and opportunities according to financial impact, likelihood of occurrence, and magnitude of consequences. This process of identifying and prioritizing risks enables us to align our organizational priorities and monitor emerging issues that may shape our future risk exposure.

### *Climate-Related and Energy Industry Risk*

We understand that risks to our business and to the power generation industry are evolving. There is growing pressure on the power sector to lead the effort of combatting climate change and future plans for net-zero emissions. We are determined to support climate change mitigation programs throughout our operations, and we are working to ensure that we continue to be well positioned for the opportunities that are expected to arise from the transition to a low-carbon economy.

As part of our risk management process, we are taking steps to understand the potential effects of climate change on our business and evaluate these risks and opportunities in the context of the following three categories: (1) transitional risks, (2) regulatory risks and (3) physical risks.

## 3 CATEGORIES OF CLIMATE RISK

- 1 Transitional Risks relate to changing market forces and consumer preferences. These risks reside in how the industry must adapt or exploit business activities and investments to mitigate carbon emissions.

*One transitional risk (and opportunity) that impacts our strategy is the increase of utility-scale renewable energy, which is driven in part by the cost and efficiency of grid-connected energy storage. We are well positioned to respond to this increased demand with our fleet and pipeline of battery storage systems. See further discussions regarding our battery capacity in product efficiency on [page 15](#).*

- 2 Regulatory Risks result from legal, regulatory, policy and liability action associated with climate change.

*Broad Reach mitigates regulatory risks, such as carbon pricing, in its planning process and project structure. Another climate-related regulatory risk we integrate in our strategic planning is existing and potential mandates specifying electricity sources.*

- 3 Physical Risks are those that impact the physical environment and include acute, event-related and chronic, or progressive risks caused by the effects of carbon emissions into the atmosphere. Examples of physical risks include extreme weather events such as temperature extremes, floods, and destructive storms as well as changes in weather patterns.

*We are well adapted to respond to physical risks due to the resiliency of our grid and our proven ability to power supply fluctuations within extreme weather patterns. See further discussion on [page 17](#).*





Because our business strategy is centered around providing reliable, emission-free power, climate-related *risks* provide a number of *opportunities* for Broad Reach. Our customers operate within the electric utility industry, the largest source of emissions in the world. Unlike traditional power generation, our battery storage systems are not a source for direct emissions, enabling us to provide a solution for utilities under pressure to mitigate their climate-related risks. Our storage plants also enable further integration of renewable energy, such as wind and solar within the power markets.

This power supply allows the electric utility to play a role in the transition to a total low-carbon energy footprint while passing these benefits on to their customers who can consume reliable, emission-free electricity.



# Environmental

As an energy transition leader in the power generation sector, we are leading the transformation to a low-carbon energy landscape. We understand the expectations and trust that this entails, and we strive to conduct our operations with minimal impact to the environment.

## GREENHOUSE GAS EMISSIONS

Broad Reach is committed to sustainable operations in the power supply chain. In addition to supplying emission-free power, Broad Reach emits no direct emissions (“Scope 1”) from our operations. Our indirect emissions are discussed below in the Energy Management section.

As our battery storage assets come on line, they will further enable renewable energy sources on the grid, and reduce the need and demand for fossil fuels. Increased storage capacity on the grid allows for increased power supply from intermittent renewable energy sources, which drives the acceleration of thermal plant retirements. Our business strategy of storing excess power when demand is low (and taking advantage of renewable resources) and then delivering emission-free power when demand is high, improves the “roundtrip efficiency” for our storage assets.

**“Scope 1” emissions** are direct GHG emissions from sources that are owned or controlled by the reporting company.

**Indirect GHG emissions** are a consequence of the operations of the reporting company but occur at sources owned or controlled by another company. Indirect emissions are **referred to as either “Scope 2” or “Scope 3.”**

**Scope 2 emissions** account for the energy that is either purchased or brought into the organizational boundary of a company.

**Source: The Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard**

## AIR QUALITY

As a utility-scale independent power producer, we are subject to state and local permitting processes in the markets in which we operate. Permitting requires that we track criteria air pollutants including nitrogen oxides (“NOx”), sulfur oxides (“SOx”), particulate matter (PM<sub>10</sub>), lead (Pb), and mercury (Hg). Given the closed-loop design of our systems, our operations do not emit any criteria air pollutants.

## WATER MANAGEMENT

Unlike other power generation sources, our energy storage systems do not consume or use any water. Because our assets do not require water, Broad Reach can construct and operate in regions and sites where water supply may be constrained. This presents an opportunity for expansion of our operations, as well as the ability for our utility customers to mitigate water consumption and management concerns.

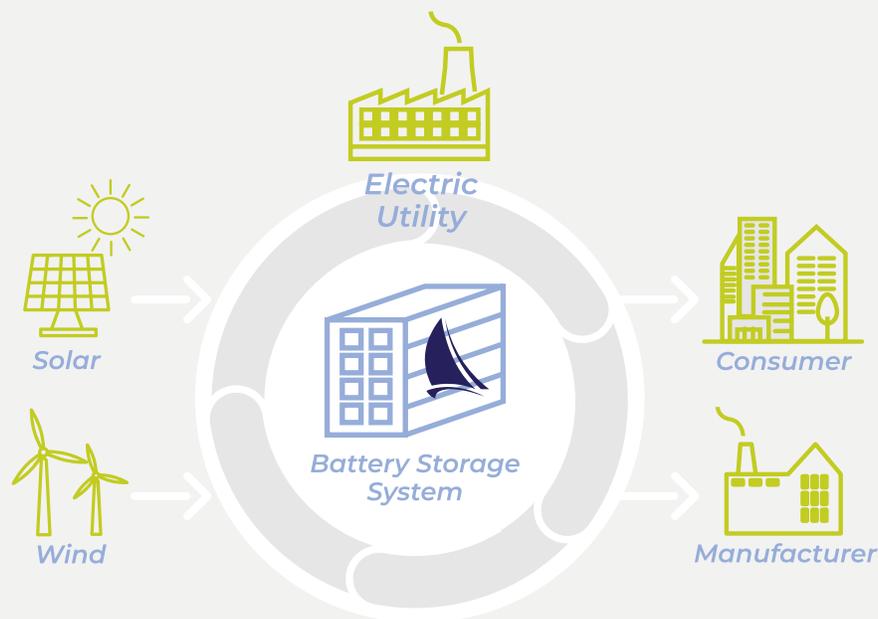


## ENERGY MANAGEMENT

At each asset site, we purchase wholesale power from the grid to store in our stationary lithium-ion battery systems. When this stored power is exported back to the utility grid, there is a small amount of energy consumed through cycling the batteries. In addition, retail power is purchased through a separate meter for auxiliary equipment on site. The MWh consumed through cycling the batteries and the retail power comprise our total energy consumed. We use this consumption to calculate indirect, or Scope 2 emissions.

We delineate our “imported” energy between renewables and non-renewables. In 2020, 25% of our energy purchased from the grid was from renewable sources. We closely monitor this energy mix and look for opportunities to increase the percentage of renewable energy in our wholesale purchases.

A key element of our model is the ability to schedule our wholesale import of power to occur when energy demand is lower and the grid less congested. We can time this import at night when wind energy output is most prevalent. With this business practice, our programmable load assists in providing grid congestion relief and is driving greater penetration of renewables in the power market.



### **Broad Reach is a Key Player in the Energy Transition**

#### **Our Energy Storage Assets:**

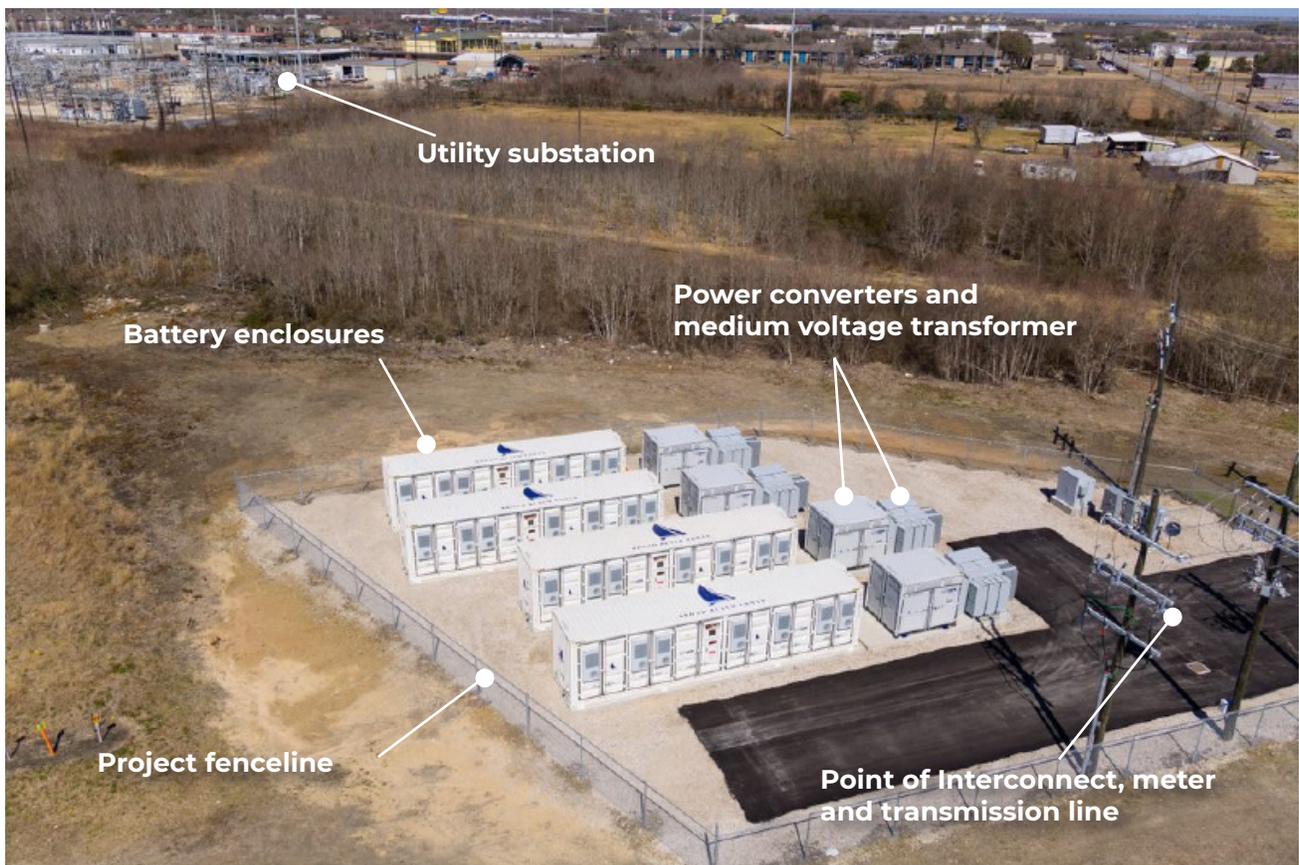
- Address climate risks
- Supply zero-emissions power
- Replace thermal assets
- Consume no water
- Source no critical materials
- Enable more renewable energy
- Smooth supply curve
- Allow modular siting
- Alleviates price risks



# Our Sustainable System Design

As a zero-emissions power provider, we know that our battery energy storage systems must be sustainably designed. We must always take into consideration the impact and full lifecycle of our battery storage plants.

Our world-class system design and development capabilities draw from our expertise in project development and operation, our technical knowledge of batteries in various use cases, and procurement experience. Not only do we set high standards for our workforce, we are also committed to working with the best suppliers and vendors in the world.



## PRODUCT DESIGN & LIFECYCLE MANAGEMENT

We believe that product design and lifecycle management of our battery energy storage systems is imperative for sustaining a long-term accretive business model. Broad Reach is committed to the continuous innovation and improvement of our battery efficiencies in an effort to pass along lower costs to our customers.



### Product Efficiency

Historically, one of the major barriers to battery storage adoption has been their higher costs. Today, pairing batteries with solar photovoltaic, or “PV plus storage,” is already cost-competitive with other peak power sources. At Broad Reach, we embrace innovation that improves our batteries’ efficiency and costs. We incorporate knowledge from data, operations, and asset management to enhance our battery effectiveness, such as increasing their capacity to pass these lower product costs on to our customers and grow our market share.

As the most option-rich asset within the power industry arsenal, and with limited capital and compliance risk, our storage batteries have the ability to amortize significant development and infrastructure costs while riding the declining cost curve of replacement cells. Further benefits of our business model include the advantage that batteries work in both high and low commodity price environments, have low fixed operating costs, and are option-laden with the ability to participate as both consumer and generator of power.

*In instances where there have been high ancillary services prices, **our assets outperformed with lower cycling which reduced the degradation of the batteries.***

Our stationary lithium-ion batteries are highly efficient. When comparing battery efficiency, three key metrics are considered: storage capacity, coulombic efficiency, and operating lifetime. A battery’s storage capacity is measured by the specific energy of the batteries and is calculated as the ratio of nominal energy in watt-hours to the mass of the product in kilograms. When considering the energy removed from a battery during discharge, coulombic efficiency is referenced, which compares the amount of energy removed during discharge divided by the energy used during charging to restore the battery’s original capacity. A battery’s lifecycle is calculated as the number of times the battery can be fully charged and discharged, or “cycles,” until capacity degradation occurs. We continuously research ways to increase our storage capacity and extend our battery lifecycle. Our product efficiency metrics for 2020 are shown below:

Product Efficiency	2020
Average storage capacity of batteries by specific energy (Wh/kg)	106
Average battery efficiency as coulombic efficiency %	91%
Average operating lifetime of batteries in number of cycles	16,000



## Product End-of-Life Management

The recovery and recyclability of critical materials in our industrial batteries can help us achieve significant cost savings as well as insulate us from the risk of rising prices or the unavailability of key materials. We strongly believe that with effective end-of-life management and recycling programs, we could face lower costs of capital, given our lower supply risks, as well as minimize regulations and their respective compliance costs.

Broad Reach models and plans for every location's battery and site end-of-life. Although we have performance guarantees with our battery suppliers where they assure specific performance metrics down to 60% battery state of health, when determining end-of-life, we design our systems to take our batteries to slightly below 40% capacity degradation. Since our business uses lithium-ion batteries, which have zero hazardous materials in normal use, its components are almost entirely recyclable. Approximately 95% of the weight of our products are either recyclable or reusable, and we believe that with further technology development, lithium-ion recyclability could reach 100% in the future. Other site and plant materials include concrete as well as high-value cables, which can easily be either salvaged or recycled.

Our sites are constructed with a minimal footprint, and since they do not require the use of water or chemicals, the assets can be relocated and remediated at end of life. Due to the simplicity of remediation, once all the plant materials and structure are gone, only concrete would remain and the land could be reclaimed. We design our plants to last 20 years on a conservative basis and with regular maintenance, can achieve an expected life of 30 years. None of our projects reached end-of-life in 2020.

**95%** *of the weight of our products are either*  
**recyclable or reusable**

## Materials Sourcing

Broad Reach sources batteries that are comprised of cathodes made from lithium oxide and hydroxide precursors, iron phosphate, and anodes made from graphite, all non-hazardous and non-critical materials, as well as phosphate, which is heavily mined all over the world for fertilizer. While these elements are abundant, with little exposure to scarcity or compliance issues, we understand that the global sourcing of materials is an important issue. We rely on the technical expertise and deep experience of our design, engineering, and procurement professionals to ensure our batteries are from reputable suppliers and will meet the high expectations of our systems. When sourcing battery suppliers, we perform thorough due diligence and take between nine months to one and a half years from initial visit to make our battery selection and signing any commitments.

## Grid Resiliency

Grid resiliency is critical for instilling and maintaining customer confidence. Power supply interruptions impact quality of life and the economy. As utilities add more renewables to their grid and older assets are retired, there will be increased demand for fast-responding, reliable power.

While our deep experience in battery system design and power plant development helps increase the reliability of our assets, an important reliability factor is how our assets are managed. Our 24-hour asset operations center employs a central monitoring system that manages the performance, availability, and safety (including lithium-ion cell temperatures and voltages) at all times. This central system can dispatch power from our fleet in real time and change unit output as needed. This system has the ability to be reset and fixed so that we can trouble shoot our power systems remotely at any time of the day. In addition, we have cameras and monitors onsite to assist with security monitoring and weather issues.



### Testament to our Asset Reliability

At Broad Reach, we apply our deep experience in battery system design and power plant development and operations to ensure our assets are reliable. We use components including lithium-ion batteries in our systems, which are not subject to failure in extreme weather.

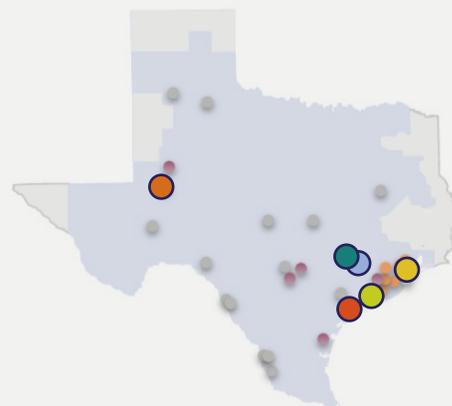
In February of 2021, the state of Texas was challenged with extreme cold temperatures over multiple days, testing the reliability and resiliency of the power grid. Complete outages and “derates,” or partial unavailability of generation capacity, were driven primarily by weather-related issues. Extreme weather caused equipment issues, such as frozen sensing lines, frozen water lines, frozen valves, ice accumulation on wind turbine blades, ice or snow cover on solar panels, exceedances of low temperature limits for wind turbines, and flooded equipment due to ice melt. Equipment outages and derates were caused by trips related to control system failures, excessive turbine vibrations, and other equipment problems.

For the duration of this challenging event, Broad Reach’s six battery storage assets performed as intended, providing critical reserve service to the ERCOT grid with over 99.65% uptime availability across the fleet. While this was an unfortunate event, it allowed us to provide a solution that also served as a demonstration of the reliability of our assets and our focus on sustainability strategy and ESG matters.

In addition to making the grid more resilient, our storage projects also provide utilities and grid operators with more options to bring the grid back online after an emergency such as a hurricane or tropical storm. Because they are emission-free, do not use scarce water resources, and are both small as well as modular they can be constructed near customers with minimal intrusion.

#### BROAD REACH ERCOT ASSETS PERFORMANCE IN FEBRUARY 2021 (WINTER STORM URI)

DATE	ALVIN	ANGLETON	BRAZORIA	HEIGHTS	MAGNOLIA	ODESSA	TOTAL
2/14/21	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/21	100.00%	100.00%	100.00%	100.00%	100.00%	91.67%	98.61%
2/16/21	100.00%	95.83%	100.00%	100.00%	100.00%	100.00%	99.31%
2/17/21	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/18/21	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/19/21	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>99.31%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>98.61%</b>	<b>99.65%</b>



## **Broad Reach and North American Electric Reliability Corporation's Critical Infrastructure Protection Program**

The North American Electric Reliability Corporation ("NERC") is a nonprofit corporation that promotes rules and protocols for the reliable operations of the bulk electric system. The Federal Energy Regulatory Commission has designated NERC to develop and enforce compliance with mandatory reliability standards in the United States. Broad Reach works closely to ensure our systems and projects are in compliance with NERC standards, including the Critical Infrastructure Protection ("CIP") program. CIP coordinates NERC's efforts to improve the physical and cybersecurity of critical electricity infrastructure in North America.



Compliance with NERC's CIP standards is one of the ways that Broad Reach helps protect against hacking and sabotage events and protects the grid. By following the standards and technical protocol in this program, Broad Reach establishes and operates reliable operations for both Broad Reach and the bulk electric system. To meet CIP program requirements, we focus on three key components: physical security, network and cyber security, and personnel training.

Our assets are physically secured by operating them in isolated networks, limiting access to critical equipment to only designated personnel, and using monitored badging systems.

Broad Reach's network and cyber security protocol uses multi-layered network firewalls through separate manufacturers, best practices for security configuration, network monitoring, artificial intelligence-based real-time threat detection, and redundant infrastructure with failover locations. Backups and recoveries are also isolated from operational systems to stop the spread of attacks and decrease the downtime to recovery if any attacks were to occur. We use third parties to perform vulnerability testing of our network and security systems.

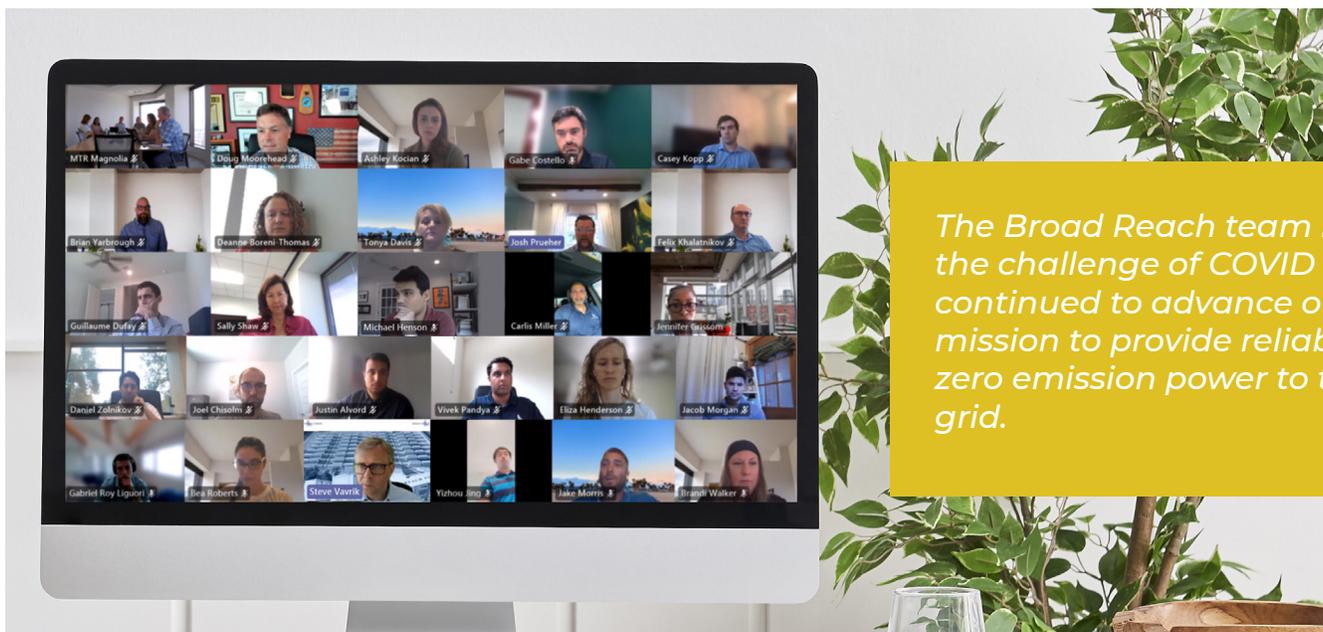
All appropriate personnel are provided extensive training including system exposure prevention and attack response. As our portfolio grows, Broad Reach is forming incident response teams to expedite actions and external communication in case of a cyber-attack.

By following the standards in this program, Broad Reach establishes and operates reliable operations that minimize threats and maximize availability for both Broad Reach and the bulk electric system.



# Social

At Broad Reach Power, our employees are committed to the goal of providing our customers access to flexible, reliable, and environmentally beneficial power. We are focused on creating a culture that encourages excellence, attracts employees, and supports all of our highly talented professionals. We strive for the best out of our workforce by enabling an inclusive culture that benefits from a wide range of backgrounds and experience. In addition to our positive work environment and corporate culture, we offer competitive compensation and benefits and opportunities for personal and professional advancement.



*The Broad Reach team met the challenge of COVID and continued to advance our mission to provide reliable, zero emission power to the grid.*

We pride ourselves in having assembled a highly technical and experienced team. Broad Reach is led by a team comprised of solar, wind, and storage experts who have delivered more than \$5 billion of operating power projects and have a combined 80 years of experience in the field. Additional disciplines at the company include project development and operations, technical knowledge of batteries in a variety of use cases, commercialization, risk management and trading. Our skill sets mean Broad Reach is a leader not only for project development but also in the active management of the commercial positions of our strategic asset base.

Our employees are passionate about ESG. Our projects make a difference, and the Broad Reach team is proud of the impact we make. Our employees are engaged, driven, and encouraged to seek out new ways to further embody our sustainability strategy. Employees of all disciplines recognize how ESG is advancing our mission to provide reliable, zero emission power to the grid.

*We kick off internal meetings with “**Sustainability Moments**,” where we **engage on different sustainability topics for everyday environmental best practices.***

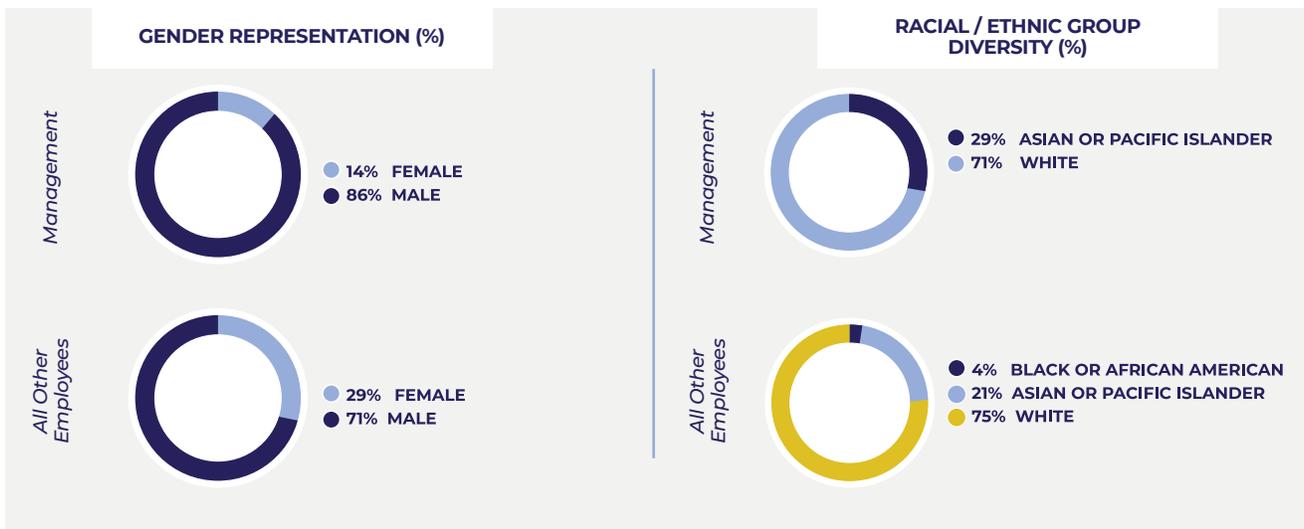


## EMPLOYEE DIVERSITY & INCLUSION

Broad Reach is an equal opportunity employer and is committed to the principles of equal employment for all applicants and employees. We are dedicated to complying with all federal, state, and local non-discrimination laws and regulations. No applicant or employee will be discriminated against because of race, color, age, sex, sexual orientation, gender identity, religion, national origin, disability, genetic information or any other protected characteristic established by law.

We are committed to provide a work environment free of sexual harassment and harassment or discrimination based on race, color, age, sex, sexual orientation, gender identity, religion, national origin, disability, genetic information or any other protected characteristic established by law. Employees are expected to conduct themselves in a business-like manner at all times while working and on Broad Reach premises. All employees must treat supervisors, co-workers, customers and visitors with dignity and respect.

Our company values diversity and inclusion. Diversity is a strength, and we are working on initiatives to further enhance our organization's diversity profile.



## WORKFORCE HEALTH & SAFETY

The health and safety of employees and others is a fundamental concept that is crucial to our long-term success. Work safety is an important condition of employment at Broad Reach. Equally important is our commitment to excellent environmental performance in all aspects of our business. We will continually strive to conduct company business in a manner that safeguards individuals, the environment and the communities in which we do business.

*While our day-to-day operations are not labor intensive, Broad Reach is instilling a **culture of safety** to keep **zero incidents** as our target. At the time of this report, we had **more than 400 consecutive, zero-incident days (and counting)** with multiple projects under construction.*



## COMMUNITY ENGAGEMENT

Broad Reach prides itself on being a good citizen and neighbor in every city and county where we operate. We value the people, businesses, and organizations that make up these communities and we are committed to being a trusted member of the community. As we grow our portfolio of sites for new storage assets, we will continue to identify how we can impact the quality of life in these communities.

We target donations to organizations that provide support to families struggling to afford basic necessities. For example, we help families experiencing financial difficulty with family members in the intensive care units at the Billings Clinic and St. Vincent's hospitals in Billings, Montana.

Our employees regularly donate time and their talents throughout the year to various local causes. We know this is important to our employees and a valuable way to engage with our workforce. As we continue to grow, we expect to continue our engagement with the communities where we work and live on an individual, location, and company level.



# About this Report

The information included in this report has been subjected to Broad Reach Power's policies surrounding the disclosure of financial and non-financial data. All non-financial data included in this report was not subject to a third-party audit verification process.

## FORWARD-LOOKING STATEMENTS

Certain information included in this Sustainability Report may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding Broad Reach Power's plans to: move forward with identified climate change opportunities, foster programs regarding diversity and inclusion, and plans to seek opportunities to further integrate sustainability factors into our business. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained herein are made as of the date of this document. The company assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.



# 2020 SASB Index

## ELECTRIC UTILITIES & POWER GENERATION FUEL CELLS & INDUSTRIAL BATTERIES

The Sustainability Accounting Standards Board (SASB) framework aims to provide a standard for companies to disclose financially-material and decision-useful ESG information to investors and other stakeholders. The index below maps our performance under each of the suggested disclosure topics for the **Electric Utilities & Power Generation** and **Fuel Cells & Industrial Batteries** sustainability accounting standards according to SASB's Sustainable Industry Classification System (SICS®), as these industries most accurately reflect our business operations. Other topics disclosed throughout this report beyond the scope of this standard are not reflected in this index.

### SASB STANDARDS

INFRASTRUCTURE: ELECTRIC UTILITIES & POWER GENERATION ("IF-EU")  
RENEWABLE RESOURCES & ALTERNATIVE ENERGY: FUEL CELLS & INDUSTRIAL BATTERIES ("RR-FC")

SASB CODE	SASB METRIC	UNIT OF MEASURE	2020
<b>Greenhouse Gas Emissions &amp; Energy Resource Planning</b>			
IF-EU-110a.1	Gross global Scope 1 emissions	Metric tons Carbon Dioxide Equivalent (CO <sub>2</sub> -e)	0, Page 12
	Emissions-limiting regulations	Percentage (%)	0%
	Emissions-reporting regulations	Percentage (%)	0%
<b>Air Quality</b>			
IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) particulate matter (PM <sub>10</sub> ), (4) lead (Pb), and (5) mercury (Hg)	Metric tons (t)	0, Page 12
	Percentage of each in or near areas of dense population	Percentage (%)	0%
<b>Energy Management</b>			
RR-FC-130a.1	Total energy consumed	Gigajoules (GJ) Metric Tons (CO <sub>2</sub> ) <sup>1</sup>	3,302 339
	Percentage grid electricity	Percentage (%)	100%
	Percentage renewable	Percentage (%)	25%
<b>Water Management</b>			
IF-EU-140a.1	Total water withdrawn	Thousand cubic meters (m <sup>3</sup> )	0, Page 12
	Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0%

<sup>1</sup>Carbon emissions calculated using CO<sub>2</sub> emission factors from the U.S. Energy Information Agency and 2020 ERCOT generation sources.



SASB CODE	SASB METRIC	UNIT OF MEASURE	2020
<b>Product Efficiency</b>			
<b>RR-FC-410a.1</b>	Average storage capacity of batteries, by product application	Specific energy (Wh/kg)	106
	By technology type	Specific energy (Wh/kg)	Stationary/Lithium-ion
<b>RR-FC-410a.3</b>	Average battery efficiency as coulombic efficiency, by product application	Percentage (%)	91%
	By technology type	Percentage (%)	Stationary/Lithium-ion
<b>RR-FC-410a.5</b>	Average operating lifetime of batteries, by product application	Number of cycles	16,000
	By technology type	n/a	Stationary/Lithium-ion
<b>Product End-of-Life-Management</b>			
<b>RR-FC-410b.1</b>	Percentage of products sold that are recyclable or reusable	Percentage (%) by weight	95%
<b>RR-FC-410b.2</b>	Weight of end-of-life material recovered	Metric tons (t)	n/a
	Percentage recycled	Percentage (%)	n/a
<b>RR-FC-410b.3</b>	Description of approach to manage use, reclamation, and disposal of hazardous materials	n/a	Page 16
<b>Materials Sourcing</b>			
<b>IF-EU-440a.1</b>	Description of the management of risks associated with the use of critical materials	n/a	Page 16
<b>Grid Resiliency</b>			
<b>IF-EU-550a.1</b>	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number	0
<b>Workforce Health &amp; Safety</b>			
<b>IF-EU-320a.1</b>	Total recordable incident rate (TRIR)	Rate	0.0
	Fatality rate	Rate	0.0
	Near miss frequency rate (NMFR)	Rate	0.0
<b>Diversity &amp; Inclusion</b>			
<b>Custom</b>	Discussion of strategies to provide a culture of diversity & inclusion (initiatives and policies)	n/a	Page 20
	Diversity metrics by gender and race	Number	Page 20
<b>Electric Utility Activity Metrics</b>			
<b>IF-EU-000.D</b>	Total electricity generated	Megawatt hours (MWh)	6,480
	Percentage by major energy source	Percentage (%)	Energy Storage-100%
	Percentage in regulated markets	Percentage (%)	0%
<b>IF-EU-000.E</b>	Total wholesale electricity purchased	Megawatt hours (MWh)	2,138
<b>Fuel Cell Battery Activity Metrics</b>			
<b>RR-FC-000.A</b>	Number of units purchased	Number	Fifteen 10 MW/11 MWh sites; Two 100 MW/110 MWh sites
<b>RR-FC-000.B</b>	Total storage capacity of batteries purchased	Megawatt (MW)	60 MW/60 MWh

