



## Key Statistics

(as of 03/22/2010)

Symbol .....	BCON
Market Cap .....	\$57.48M
Shares Outstanding .....	182M
52-Week Range .....	\$0.38-\$1.09

## Management

**F. William Capp**  
President and Chief Executive Officer

**Matthew L. Lazarewicz**  
Chief Technical Officer

**James M. Spiezio**  
Vice President of Finance  
Chief Financial Officer

## Investor Relations

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## Company Overview

Beacon Power Corporation designs, develops, and commercializes advanced products and services to support stable and reliable electricity grid operation. Its Smart Energy Matrix is a non-polluting, megawatt-level, utility-grade flywheel-based energy storage system that provides sustainable frequency regulation services, an energy-balancing service required by every modern grid. The Company was founded in 1997 and is headquartered in Tyngsboro, Massachusetts.



*Beacon Power Regulation Plant in Stephentown, NY  
(Artist rendition)*

Following successful pilots in New York and California, the Company is now operating 3 MW of utility-grade flywheel energy storage on the ISO-NE power grid in Massachusetts. The Company has broken ground and is building its first full-scale 20 MW plant in Stephentown, NY, funded by a combination of a \$43 million DOE loan guarantee and Company equity. In November 2009, DOE announced a grant award to the Company of \$24 million, which will finance half the cost of a second full-scale 20 MW flywheel energy storage plant in the PJM Interconnection.

## Investment Highlights

- Global leader in flywheel energy storage technology
  - » Validated technology; 3 MW of flywheel energy storage in operation performing frequency regulation service on the ISO-NE power grid and earning revenue
- Poised to expand rapidly as the Company capitalizes on positive market trends and continues deployment and commercialization of its proprietary flywheel technology
  - » Construction under way of first full-scale 20 MW plant in Stephentown, NY
- Recurring revenue model with high margins; Up to 80% EBITDA margin
- Long-term positive pricing trends and expectations; Favorable market tariffs directly support Company business model
- Sustainable competitive advantage based on strong IP position; Company holds more than 60 U.S. and international flywheel-related patents
- Scalable business model
  - » Sufficient manufacturing capacity in place to build two 20 MW plants annually
  - » Modest incremental investment (\$4-5 million) could expand production capacity to five 20 MW plants annually
- Significant financial support from the U.S. Department of Energy (DOE)
  - » First public company to receive DOE loan guarantee commitment (announced July 2009); approximately \$43 million of debt financing to be funded by the U.S. Treasury's Federal Financing Bank, to help fund 1st full-scale 20 MW plant in NY
  - » Awarded \$24-million DOE stimulus grant (November 2009) to be applied to costs of 20 MW flywheel energy storage plant in the PJM Interconnection
- The worldwide market for regulation services is large
  - » Estimated \$4-8 billion annually, with open U.S. markets representing about \$1 billion
  - » Company has initiated activities in Europe and is investigating China and Japan
- Proven and experienced management team

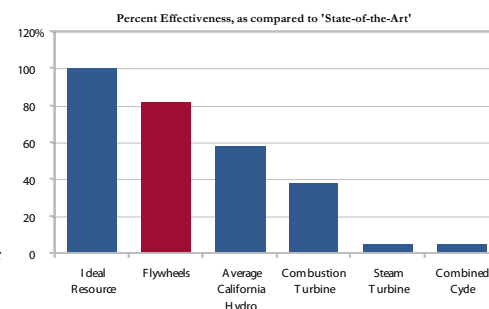
# Technology

A flywheel is an electro-mechanical energy storage device that converts electrical energy into rotational (or kinetic) energy, and vice versa. It consists of a large cylinder levitated on magnetic bearings in a near-frictionless environment that spins inside a vacuum housing. Although simple in concept, the current fourth-generation Beacon flywheel system is the result of over \$200 million of investment and is protected by significant intellectual property in the form of patents, know-how and software. Flywheels recycle electricity from the grid by absorbing it when the supply is greater than demand, then injecting it back when needed to meet demand, thereby stabilizing the frequency of the grid. This technology has a number of performance advantages, including: extremely high cycle life, low operating costs, fast response and zero direct greenhouse gas emissions.

The primary method used to supply frequency regulation today is to ramp slow-moving fossil fuel power plants up and down, which produces significant emissions. These generators also incur the costs of higher fuel consumption, increased maintenance and a loss of energy sales. Flywheel-based regulation is faster and more responsive, uses no fuel, and requires minimal maintenance. In addition, the low operating costs of flywheel technology, combined with existing market mechanisms for establishing prices, result in EBITDA margins of up to 80%. Flywheels provide more reliable regulation, while generating zero direct emissions. As shown in the chart to the right, based on a study funded by the DOE, the flywheel is on the forefront of “green” technology and has proven to be much more effective compared to other generation and regulation technologies, including pumped hydro and combustion turbines, the current workhorses of frequency regulation technologies. FERC has acknowledged that some storage technologies (such as flywheels) can respond faster and more accurately to regulation signals, and that market tariffs that provide higher compensation may be appropriate.



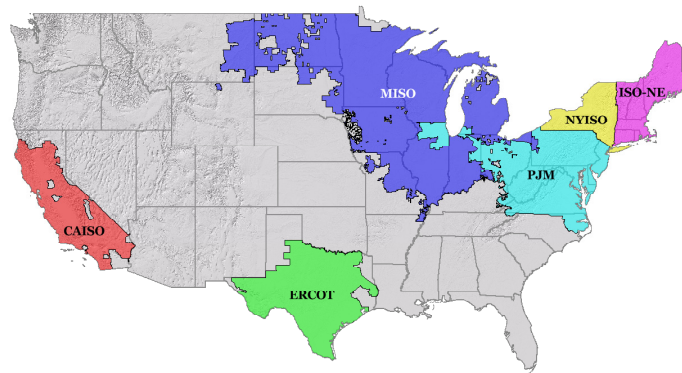
Gen4 25 kWh/100 kW Flywheel



# Regulatory and Market Environment

Within each Independent System Operator (“ISO”), there is a market tariff and set of market rules that determine who is allowed to bid into regulation markets, how much regulation providers are paid for their services, and what costs providers incur to participate. The New York ISO, Midwest ISO, and PJM Interconnection markets now have tariffs that enable energy storage-based frequency regulation. The Company is continuing to leverage FERC Order No. 890, which requires ISOs to open their regulation markets in other areas.

The Company’s strategy is to build merchant plants in open-bid markets, and sell turnkey systems in regulated markets, both in the U.S. and abroad, where the system costs will be included in the rate base.



# Recent Developments

**1/7/10:** Beacon is now able to compete on a favorable basis in the Midwest Independent System Operator (Midwest ISO) frequency regulation market, thanks to the latest in a series of supportive rulings by the Federal Energy Regulatory Commission (FERC).

**12/17/09:** Beacon successfully connected and integrated an additional megawatt (MW) of flywheel energy storage on the New England power grid. This brings to 3 MW the total capacity now in operation and earning revenue from frequency regulation services.

**12/9/09:** Beacon has consummated the sale of 38.1 million units at a price to the public of \$0.544 per unit, as previously announced on December 4, 2009. Net proceeds, assuming no exercise of the warrants and additional investor rights warrants, and after underwriting discounts and commissions and estimated expenses, are approximately \$19.2 million.

**11/24/09:** The U.S. Department of Energy (DOE) awarded Beacon Power a stimulus grant valued at \$24 million, for use in the construction of the Company’s second 20 MW flywheel energy storage plant, to be located in Chicago, Illinois.

**11/19/09:** Beacon Power was joined today by state and local officials at a formal groundbreaking event in Stephentown, New York, signaling the start of construction for the nation’s first full-scale 20-megawatt (MW) flywheel frequency regulation plant.

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