

Quarterly Update – Q3 2023 Edition

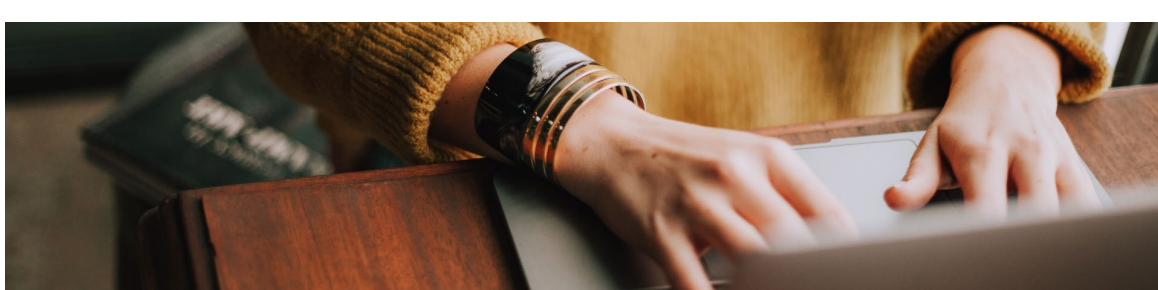
What We're Talking About:

- Generate Celebrates the Milestones We've Achieved Together
- Annual Customer Survey Coming Soon
- Green Hydrogen Accelerates Heavy Industry Decarbonization
- Battery Technology Enables the Clean Energy Transition
- Generate in the News

Happy Birthday to us! In July, Generate Capital celebrated our ninth birthday. That's nearly a decade of rebuilding the world through sustainable innovation and driving change with customers like you. Just look at what we've achieved together—and we're just getting started.

GENERATE MILESTONES

2014	<ul style="list-style-type: none"> • Generate founded • First employee hired
2015	<ul style="list-style-type: none"> • First investments in solar and battery storage • First cashflow positive year
2016	<ul style="list-style-type: none"> • First loan • First waste investment
2017	<ul style="list-style-type: none"> • First community solar investment
2018	<ul style="list-style-type: none"> • Electric bus leasing program launched • First microgrid investment • First energy efficiency investment
2019	<ul style="list-style-type: none"> • \$964M corporate equity raised
2020	<ul style="list-style-type: none"> • Generate Europe launched
2021	<ul style="list-style-type: none"> • New San Francisco Headquarters opened • New York office opened • Converted to Public Benefit Corporation • First Smart Cities investment and acquisition of Ubiquity platform • Generate credit business launched • \$2B corporate equity raise, Board expanded
2022	<ul style="list-style-type: none"> • Generate Upcycle launched • Generate Upcycle expanded with Atlas Organics acquisition • Generate Upcycle expanded with Stormfisher acquisition • First front-of-the-meter battery storage investment and acquisition of esVolta platform • First controlled agriculture investment
2023	<ul style="list-style-type: none"> • First green hydrogen investment in Ambient platform • Launch of Viridis Initiative, a building decarbonization joint venture with McKinstry

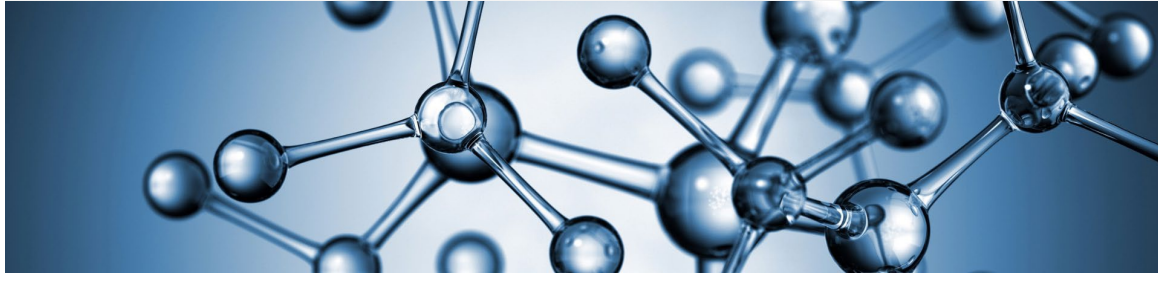


Annual Customer Survey Coming Soon

Part of our commitment to you is to provide the best experience possible. That's why we love customer feedback. Please keep an eye out for our annual customer satisfaction survey in September. You'll receive it via email from Nam Nguyen, Generate COO.

The survey should take no more than five minutes—and your input will help us discover your unmet needs and better serve you.

If you have questions or suggestions in the meantime, feel free to contact us using the information at the end of the newsletter.



Green Hydrogen Accelerates Heavy Industry Decarbonization

Generate Capital recently invested in Ambient Fuels, a pioneer in building green hydrogen projects. Ambient Fuels' experience includes both conventional and renewable energy as well as industrial and chemical processes.

Heavy industry, shipping, aviation, and ammonia and fertilizer production can all use hydrogen—but although burning hydrogen emits only water, producing it can create substantial emissions. Global hydrogen production currently results in 830 million tons of CO2 annually, or 2.5% of total emissions. Green hydrogen, which uses renewable electricity to split water into hydrogen and oxygen, produces a lot less emissions.

Some carbon-intensive industries use little electricity, so reducing emissions depends on cleaning up their fuel sources. "Replacing gray hydrogen derived from natural gas with green hydrogen is a practical and cost-effective tool for hard-to-decarbonize sectors," said [Christian Okoye](#), Investor, Emerging Technologies, Generate. Green hydrogen can also be used directly or as e-fuel derivatives to replace fossil fuels, coal, or gas.

With deep development and technical expertise, Ambient offers custom-engineered renewable hydrogen solutions based on 100- to 1000-MW electrolyzers. "Our collaboration with Generate Capital supercharges our ability to meet the unique needs of our customers by delivering the green hydrogen facilities they require for their decarbonization efforts," said [Jacob Sussman](#), CEO, Ambient Fuels.

"The hydrogen that Ambient produces will typically be located on the customer's site, so these are hosted projects," said [David Medoff](#), Vice President, Generate. "They'll need to collaborate closely on the technology while the project gets built. At the same time, Ambient and Generate will aim to sell the hydrogen on a long-term, fixed-price contract."

Ambient's agnostic technology works with any renewable energy source to support decarbonization at scale. Medoff said the primary markets will include ammonia production, e-fuels, and perhaps power and gas utilities.

To support Ambient's fast-growing pipeline of projects, Generate has committed to funding up to \$250 million in green hydrogen infrastructure. "Generate may also finance, own, and operate suitable projects to satisfy our customers looking for decarbonization solutions," said Okoye.

Businesses adopting green hydrogen strengthen the security of their energy supply, address the growing environmental demands of society, and position themselves to capitalize on falling green hydrogen costs. Provisions in the Inflation Reduction Act (IRA) can make investments in green hydrogen projects even more profitable. For more information, read the [news release on the partnership between Generate Capital and Ambient Fuels](#).



Grid-Scale Battery Storage Enables the Clean Energy Transition

In July 2022, Generate Capital entered the grid-scale, front-of-meter battery storage market by investing in esVOLTA. Generate's goal was to accelerate the availability of energy storage, which is critical to building a clean, resilient energy system.

esVOLTA's largest project to date is the 75 MW/300 MWh Hummingbird Energy Storage Facility in San Jose, CA. Pacific Gas & Electric selected esVOLTA to build the lithium-ion battery storage facility in 2018 and reduce its reliance on natural gas generation.

esVOLTA helps clients navigate battery storage

Developing battery storage projects can be challenging. esVOLTA starts by identifying existing grid locations ideally suited for energy storage.

Landowners may sell their land or lease it for stable cash flow. Then, working with local communities, esVOLTA develops, designs, and builds the project.

Navigating the patchwork of rules and regulations across regions and states can be complicated. The experience and expertise of a developer, owner, and operator like esVOLTA—with contracted projects totaling over 900 MWh of storage capacity and a large pipeline of upcoming projects—is critical for successful grid-scale battery storage installations.

[Learn more about esVOLTA.](#)

What's Coming Up With Generate

September 18-24, New York: Will you be in [New York for Climate Week](#)? So will we! Please let us know if your organization will be represented there. Generate loves to meet with customers to discuss our sustainable infrastructure future. (06/15)

September 26-27, Virtual: Join Generate CEO Scott Jacobs at the SOSV Climate Tech Summit for a panel discussion on Funding First-of-a-Kind Climate Tech Projects. [Learn more about climate tech funding and the speakers here.](#)

Contact Us

Customer Questions and Billing Remittance Advice
For general billing, payment, or contract questions, please contact us at the email or phone number below. Additionally, for faster payment processing, please send remittance advice to:
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(650) 446-6408

Sustainable Solutions
For new opportunities and meeting your sustainability goals, please contact us directly at: ClimateSolutions@GenerateCapital.com

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rebuilding the world.

