



Beacon Power Inaugurates 20 MW Flywheel Plant in New York

TYNGSBORO, Mass., July 21, 2011 (GLOBE NEWSWIRE) -- Beacon Power Corporation (Nasdaq:BCON), a leading provider of fast-responding energy storage products and services to support a more stable, reliable and efficient electricity grid, recently hosted a successful inauguration and facility tour at the Company's newly completed 20-megawatt (MW) flywheel energy storage plant in Stephentown, New York. More than 75 guests attended the event, including state and regional officials, industry analysts, media representatives and area residents.

Beacon's 20 MW Stephentown plant is the largest advanced energy storage facility currently operating in North America. It utilizes 200 high-speed Beacon flywheels to provide fast-response frequency regulation services to the New York grid with zero emissions and no fuel consumption. When compared to other methods, it offers the cleanest, most cost-effective solution for providing frequency regulation services thus far commercially deployed.

"The inauguration of our 20 MW flywheel plant is the culmination of tremendous teamwork, both within our company and among the many agencies and officials who supported this landmark project," said Bill Capp, Beacon Power president and CEO. "We look forward to providing many years of clean, fast-responding regulation services on the New York grid — and to the expected revenue increase when pay-for-performance market tariffs are implemented."

"New York's competitive marketplace for electricity provides fertile ground for energy innovations such as Beacon's flywheel system," said Stephen G. Whitley, president and CEO of the New York Independent System Operator (NYISO). "Energy storage systems are critical to our future and it's great to see pioneering technology bring new solutions to our needs. We look forward to continuing to work with Beacon Power to serve the needs of New York."

"We've set a goal of meeting 45% of New York's electricity needs by the year 2015 through a combination of investments in energy efficiency and renewable energy," said Francis J. Murray Jr., president and CEO, New York State Energy Research and Development Authority (NYSERDA). "We know that's an ambitious target, but Beacon Power's flywheel plant is exactly the kind of technology investment we need if we're going to accomplish this important objective."

Photos and video from the Stephentown plant inauguration are available on the Beacon Power [website](#) and [Facebook page](#).

About Beacon Power

Beacon Power Corporation designs, develops and commercializes advanced products and services to support stable, reliable and efficient electricity grid operation. The Company's primary business strategy is to build merchant plants and sell turnkey regulation facilities to meet both domestic and international grid requirements using its patented flywheel energy storage technology. Beacon's Smart Energy Matrix, which is now in production, operating and earning revenue, is a non-polluting, megawatt-level, utility-grade flywheel-based solution to provide sustainable frequency regulation services. Beacon is a publicly traded company with its research, development and manufacturing facility in the U.S. For more information, visit www.beaconpower.com.

Safe Harbor Statements under the Private Securities Litigation Reform Act of 1995: *The Material contained in this press release may include statements that are not historical facts and are considered "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Beacon Power Corporation's current views about future events, financial performances, and project development. These "forward-looking" statements are identified by the use of terms and phrases such as "will," "believe," "expect," "plan," "anticipate," and similar expressions identifying forward-looking statements. Investors should not rely on forward-looking statements because they are subject to a variety of risks, uncertainties, and other factors that could cause actual results to differ materially from Beacon's expectation. These factors include: a short operating history; a history of losses and anticipated continued losses from operations; the complexity and other challenges of arranging project financing and resources for one or more frequency regulation power plants, including uncertainty about whether we will be able to comply with the conditions or ongoing covenants of the Federal Financing Bank loan for our Stephentown, New York, facility; our need to comply with any disbursement or other conditions under the DOE Smart Grid grant program; a need to raise additional equity to fund Beacon's projects and our other operations in uncertain financial markets; conditions in target markets, such as that some ISOs are taking longer than others to comply with FERC's requirement to update market rules to include new technology such as ours, and also such as that frequency regulation pricing is lower in the short-term than at many times in the past; our ability to obtain site interconnection approvals, landlord approvals, or other zoning and construction approvals in a timely manner; limited experience manufacturing*

commercial products or supplying frequency regulation services on a commercial basis; limited commercial contracts for revenues to date; the dependence of revenues on the achievement of product optimization, manufacturing and commercialization milestones; dependence on third-party suppliers; intense competition from companies with greater financial resources, especially from companies that are already in the frequency regulation market; possible government regulation that would impede the ability to market products or services or affect market size; possible product liability claims and the negative publicity which could result; any failure to protect intellectual property; retaining key executives and the possible need in the future to hire and retain key executives; the historical volatility of our stock price, as well as the volatility of the stock price of other companies in the energy sector, especially in view of current conditions in the financial markets generally. These factors are elaborated upon and other factors may be disclosed from time to time in Beacon Power filings with the Securities and Exchange Commission. Beacon Power expressly does not undertake any duty to update forward-looking statements.

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