



Daybreak Power

What should exist? To me, that's the most exciting question imaginable.

What do we need that we don't have?

Paul Allen, co-founder of Microsoft

Large-scale Energy Storage

The “Holy Grail” of integrating renewable energy and building a 100 percent clean-energy economy.



Hoover Dam and Fortification Hill, the site of Daybreak Power’s first proposed project, the 1,540 megawatt Next Generation pumped storage hydropower facility.

Executive Summary

Daybreak Power is an early-stage developer of gigawatt-scale energy storage projects.

- Developing pumped storage hydropower facilities at prime locations
- Projects already screened for cost-effectiveness and technical viability
- Filing six applications in two years: 10,000 megawatts of storage
- We'll sell equity stakes in each project, offering early investors a targeted 7x return within 5 years
- Retain partial ownership, offering returns over the lifespan of 50+ years.
- **If we can execute, Daybreak Power will be the nation's largest energy storage owner/operator by 2030.**

Business Idea

- DOE forecasts 30,000+ MW new pumped storage by 2045
- California and other states have targets of reaching 100% clean energy; S&P forecasts \$100 billion for storage in California alone
- Pumped storage is by far the most cost-effective, large-scale energy storage technology at this time
- Overlooked, undervalued technology ripe for explosive growth

Business Plan

- Secure FERC preliminary permits and/or Bureau of Reclamation preliminary leases, locking in for us the best sites in the nation
- Initiate projects, prove technical viability and profitability
- Sell equity stakes to partners and large infrastructure developers
- Retain minority interests to reap long-term returns

The Team

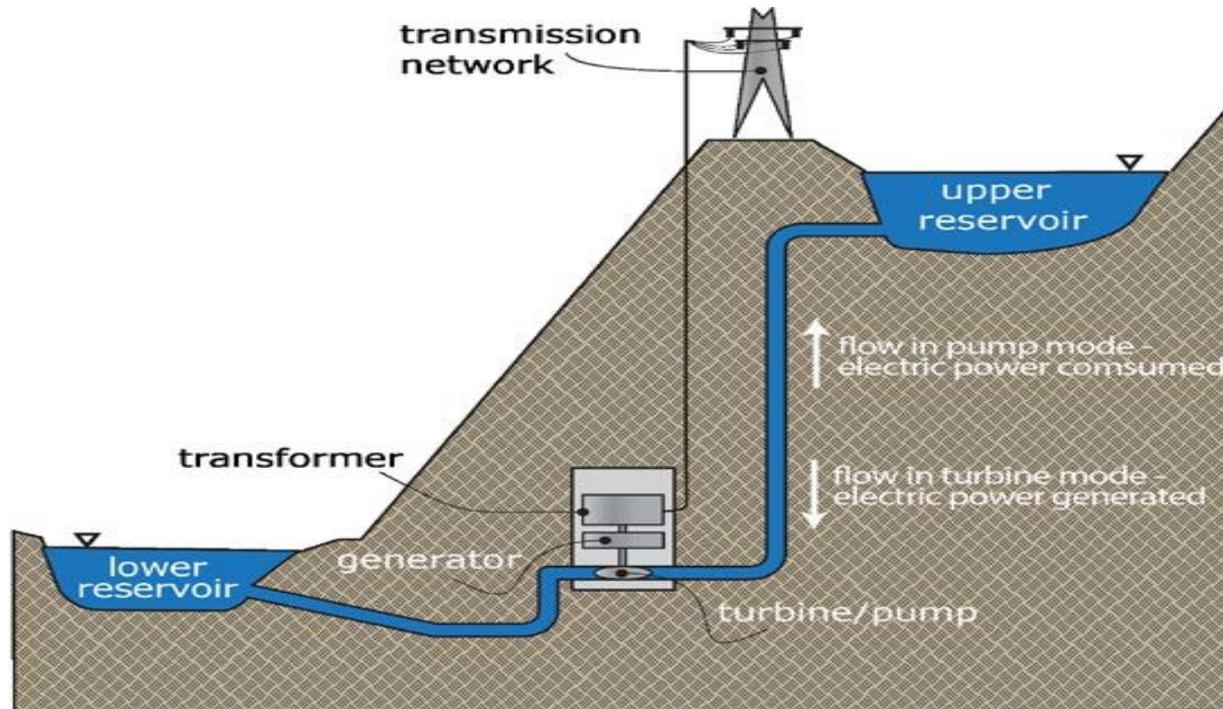
Jim Day, Co-founder and CEO

- Working on clean energy issues for seven years as State Department diplomat and for IHS Markit, one of world's leading energy information and consulting firms
- Deep understanding of power markets, political and regulatory environment, transmission needs and the media
- Clear vision for making these projects a reality
- MBA George Mason University; B.A. Northwestern University

Joyce Patry, Co-founder and COO

- Founded and successfully built a sports company spanning four states and 1,000 clients
- Understands how to build a business from the ground up: Licensing, IT, marketing, HR and contracting
- Firm belief in the company's mission and ability to scale up quickly and start earning money

Pumped Storage Hydropower



[Check out DOE's 90-second video about pumped storage and its role in a clean-energy economy](#)

Pumped Storage Hydropower

Pros:

- ❖ Proven, cost-effective energy storage technology
- ❖ Massive scale able to absorb exploding growth in renewables
- ❖ Taps into multiple revenue streams
- ❖ DOE cites potential for 35,000+ MW growth through 2045
- ❖ “Blue Ocean” opportunity as others overlook potential of the technology

Cons:

- Difficulty locating viable sites
- Arduous regulatory process
- Challenge of raising capital for such large and long-term horizon projects
- Markets and regulations still evolving to properly value large-scale storage
- Competition from higher-profile lithium-ion batteries and gas-fired generation

Next Generation Project

Daybreak's first proposed project—a massive pumped storage facility near Hoover Dam and existing transmission infrastructure

- 1,540 MW of storage utilizing Lake Mead and a new upper reservoir
- 10 hours of daily storage
- Deliver renewable power to lucrative markets in Las Vegas, Arizona and Southern California
- Bureau of Reclamation identified Lake Mead as its most cost-competitive, viable location for a pumped storage facility



Lake Mead from the top of Fortification Hill, the site of Daybreak's Next Generation Pumped Storage project

Markets

- DOE forecasts potential 16 GW of new pumped storage by 2030; another 19 GW by 2050—\$55 billion capital investment
- California must replace 45 GW of gas-fired plants by 2045, replacing with renewables-plus-storage
- Many states moving to 100 percent clean energy by 2050
- Target California, Arizona, other states moving aggressively toward storage and renewables to meet their climate goals
- FERC forecasted \$141 million potential annual return for one 1,200 MW pumped storage project—if it can get built. Daybreak's projects are larger, better located and more cost-effective.

Next Steps

- Build partnerships to advance the Next Generation project, with target of filing Bureau of Reclamation preliminary lease application in 2020.
- File FERC preliminary permit applications for next three projects in 2019, using our existing initial screens, project configuration and ACEE Class 5 cost estimates.
- Initiate discussions about equity investments and long-term power purchase agreements with potential partners and buyers.
- Advance project viability through transmission stakeholder proceedings, rulemakings, legislation and media outreach.

Our Advantages

We are well positioned to overcome challenges and compete successfully:

- Lazard puts median cost of pumped storage at \$152-\$198 per MW-hour, well below \$204-\$298 for lithium-ion batteries. Our projects are lower cost than Lazard's median, are longer-lived and offer longer-duration storage—all key advantages.
- Moving faster than competitors to secure targeted, premier sites
- Preliminary permits/leases erect high barriers to entry for competitors
- Business model of selling equity stakes in projects offers high returns within 5 years, reducing market and regulatory risk.

Investment Proposal

We are seeking modest investments that will get you:

- A significant stake in a growing company with potential for a market capitalization of more than \$12 billion within 10 years
- Exit opportunities within 5 years at a targeted 7x return on investment
- The excitement of building massive and necessary energy storage projects
- Partnership with an energetic, passionate, fast-growing company on a mission to pave the way to a clean-energy economy.

An Invitation

- Daybreak Power is seeking true investment partners and friends to join us in making these storage projects a reality.
- If you'd like to talk more about the company or see a detailed confidential business plan, please contact CEO Jim Day at Jim@DaybreakPower.com or drop him a line at 703-624-4971.
- Visit us at www.DaybreakPower.com