



# Harborside Announces Planned Commercial-Scale Renewable Energy Microgrid Project at Salinas Production Campus

*Planned 11 Acre Solar Array Expected to Offset 100% of Harborside's Greenhouse Cultivation Energy Consumption*

OAKLAND, Calif., Oct. 12, 2021 /CNW/ - Harborside Inc. ("Harborside" or the "Company") (CSE: HBOR), (OTCQX: HBORF) a California-focused, vertically integrated cannabis enterprise, today announced plans to install an onsite renewable energy microgrid that is expected to include 4.9 MW of solar panels and 6 MWh of battery storage tied to advanced system and load management controls (the "Project") at the Company's 47 acre production campus located in Salinas, California (the "Production Campus").

Upon its planned completion in the second half of 2022, the cutting-edge microgrid energy system is expected to produce approximately 8,600,000 kWh of electricity each year, which is enough clean renewable energy to offset up to 100% of the Company's current power consumption at the Production Campus. According to figures provided by the US Environmental Protection Agency's greenhouse gas equivalencies calculator, the Project will negate approximately 6,095 tons of atmospheric CO<sub>2</sub> emissions annually, which is the same carbon offset as approximately 11.7 square miles (7,467 acres) of forest and is equivalent to avoiding more than 15.3 million miles of passenger car driving each year.

When complete, the Project is expected to cover approximately 10 acres of the Production Campus. The battery storage system, in addition to reducing peak load demands, will pair with other on-site energy assets to provide multiple days of backup power, allowing Harborside to continue operations as normal and protect valuable inventory in the event of a disruption to the utility supplied power.

The Project will be fully funded and installed by Scale Microgrid Solutions ("Scale Microgrid"), a vertically integrated distributed energy company. The Company intends to enter into a power purchase agreement (the "Power Purchase Agreement") with Scale Microgrid in the first half of 2022. Once the Project is fully functional, the transactions contemplated by the Power Purchase Agreement are expected to immediately result in lower operating costs, with an estimated cumulative net energy savings of more than \$12.5 million over a 20 year period. It is also expected that the Project will allow Harborside to avoid purchasing carbon offset credits, which would otherwise be required by California regulations beginning on January 1, 2023.

"The team at Harborside is extremely proud to launch an industry leading renewables project and to be able to completely power our Production Campus from the sun. When it becomes fully functional next year, it is expected to be the largest renewable energy project in the entire US cannabis industry, and will be a great example of how the industry can become more sustainable, more efficient and more profitable" said Tom DiGiovanni, Chief Financial Officer of Harborside. "The cultivation of premium cannabis requires a large amount of energy, which means we incur both a financial cost to the Company and, more importantly, a cost to our environment. As a leader in the California cannabis market, we are excited to work with Scale Microgrid to create highly sustainable infrastructure that is built for the future and allows us to cultivate in the most clean and energy efficient way possible. When grown in either a greenhouse or an indoor environment, cannabis uses minimal water, but takes quite a bit of power to grow successfully. Upon completion of the Project, we expect to exceed the year 2030 renewable targets laid out by the California Governor's office and we expect to be one step closer to net-zero emissions. The Project is also expected to give Harborside a robust alternative to utility supplied power, which is essential in California as the traditional power grid is more and more frequently disrupted by over usage, wildfires and extreme weather events".

For the latest news, activities, and media coverage, please visit the Harborside corporate website at <http://www.investharborside.com> or connect with us on LinkedIn and Twitter.

## About Harborside:

Harborside Inc. is one of the oldest and most respected cannabis businesses in California, operating three of the major dispensaries in the San Francisco Bay Area, a dispensary in the Palm Springs area outfitted with Southern California's only cannabis drive-thru window, a dispensary in Oregon, a cultivation/production facility in Salinas, California, a manufacturing facility in Oakland, California and distribution hubs in San Jose and Los Angeles, California. The Company sells its Fuzzies, Sublime, KEY and Harborside Farms branded consumer products through third party retailers and delivery outlets across the state of California, as well as in its own stores. Harborside has played an instrumental role in making cannabis safe and accessible to a broad and diverse community of California consumers since 2006, when it was awarded one of the first six cannabis licenses granted in the United States. Today, the Company holds cannabis licenses for in-store retail, delivery, distribution, cultivation, nursery and manufacturing. Harborside is currently a publicly listed company on the Canadian Securities Exchange ("CSE") trading under the ticker symbol "HBOR" and on the OTCQX Best Market under the ticker symbol "HBORF". Additional information regarding Harborside is available under Harborside's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## About Scale Microgrid:

Scale Microgrid is an energy platform company with a core focus on designing, building, financing and operating cutting-edge distributed energy assets, such as solar power technology. Scale Microgrid is driven by a team of energy and financing experts, enabling customers like Harborside to take charge of their energy infrastructure and prepare their businesses for the future. This installation will utilize a microgrid system that incorporates renewable energy and onsite energy storage. Benefits of the Scale Microgrid system include critical load backup power, no upfront capital to the customer, locked-in energy prices, and a quick deployment which is expected to be under nine months.

## Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates, and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, among other things, expected final size of the Project, expected completion date of the Project, expected energy savings from the Project, expected reductions in operating costs in the Company and the terms of the Power Purchase Agreement.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to materially differ from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: implications of the COVID-19 pandemic on the Company's operations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political, social and environmental uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations; the presence of laws and regulations that may impose restrictions on cultivation, production, distribution, and sale of cannabis and cannabis-related products in the markets where the Company operates; and the risk

factors set out in the Company's management's discussion and analysis for the quarter ended June 30, 2021 and the Company's listing statement dated May 30, 2019, which are available under the Company's profile on [www.sedar.com](http://www.sedar.com). Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company, through several of its subsidiaries, is indirectly involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where the Company operates permit such activities but investors should note that there are significant legal restrictions and regulations which govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the US Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable US federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with recreational and medicinal cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

*The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

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CNW 07:30e 12-OCT-21