



## **The Orion Virtual Power Plant™ energy supply contract builds momentum with six new customers**

*Great Plains Coca-Cola, Fiber-Tech, Guy & O'Neill, Aspen Distribution, Velvac, and ETW enjoy cost savings, improved lighting and more sustainable operations — all without capital investment*

**MANITOWOC, Wis. — Nov. 20, 2008** — Orion Energy Systems Inc. (Nasdaq: OESX) announced today that six companies have entered into Orion Virtual Power Plant™ energy supply agreements, positioning these companies to recognize significant energy savings without upfront costs or capital investment. Since the October launch of the Orion Virtual Power Plant™ offering, Orion has secured contracts totaling 10.7 million kilowatt-hours of negawatts.

**Great Plains Coca-Cola**, an independent bottler for the world's largest beverage company; **Fiber-Tech**, a custom composites fabricator; **Guy & O'Neill**, an over-the-counter pharmaceutical manufacturer; **Aspen Distribution**, a trucking and warehousing company; **ETW**, a designer and manufacturer of high quality cutting tools; and **Velvac**, a manufacturer and supplier of components to the truck, recreational and specialty vehicle industries, have signed Orion Virtual Power Plant™ supply agreements.

Under the Orion Virtual Power Plant™ supply agreement, these companies have agreed to purchase negawatts — essentially reduced energy consumption generated by Orion's energy-efficient upgrades. The fixed rate payments for the negawatts delivered will be used to pay for the implementation of Orion's energy-saving technology. Given that the fixed rate is less than current utility rates, these companies are left with free cash flow even after making the negawatt payments.

The Orion Virtual Power Plant™ supply contract is structured so that it will qualify as an operating expense on the customer's financial statements. As Orion remains responsible for the deployed assets during the negawatt delivery period, the customer's technology risk is removed. After the pre-determined negawatts are delivered, customers assume full ownership of the technology and benefit from the entire amount of negawatts delivered across the technology's remaining useful life.

In the near term, Orion will collect monthly payments corresponding to the amount of negawatts delivered to these customers. This may lessen near-term revenues as the payments are recognized as revenue on a monthly basis over the delivery period versus upfront upon product shipment or project completion. However, Orion does retain the option to sell the payment stream to a third party finance company, in which case the

revenue would be recognized upon sale at the net present value of the total future payments.

“These new contracts demonstrate that the Orion Virtual Power Plant™ is building momentum in the marketplace,” said Erik Birkerts, Orion’s chief operating officer. “The overall value proposition of reduced energy spending, improved technology, reduced carbon footprint and incremental cash flow — all achieved without CAPEX — is difficult to ignore.”

The six companies also will significantly reduce their carbon footprints, preventing a combined 145,587 tons of carbon dioxide from entering the atmosphere over the life of the system. According to the Environmental Protection Agency (EPA), the emission reductions are the air-scrubbing equivalent of a 1,960-acre forest or saving 881,758 gallons of gas annually.

Companies using Orion’s products are an integral part of helping local utilities displace electricity capacity and reduce strain on the electric grid. Orion has deployed its energy management systems in 4,068 facilities across North America. Since 2001, Orion technology has displaced more than 386 megawatts, saving customers more than \$455 million and reducing indirect carbon dioxide emissions by 4 million tons.

**About Orion Energy Systems Inc.**

**Orion Energy Systems Inc. (Nasdaq: OESX)** is a leading power technology enterprise that designs, manufactures and implements energy management systems, consisting primarily of high-performance, energy-efficient lighting systems, controls and related services for commercial and industrial customers without compromising their quantity or quality of light. For more information, visit [www.oriones.com](http://www.oriones.com).

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