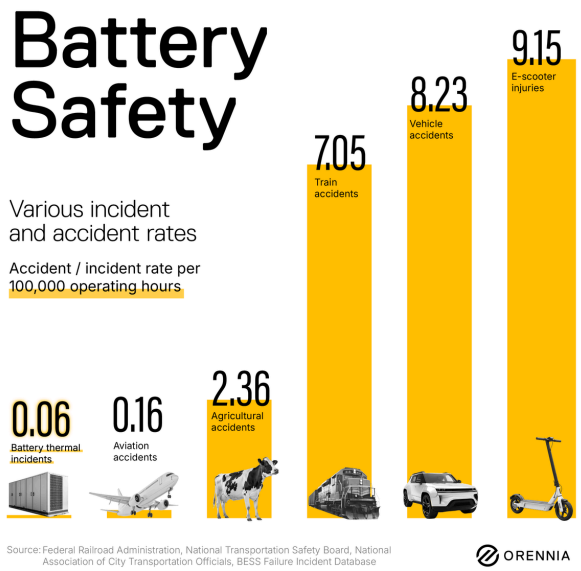
Key Capture Energy - KCE NY 34
Battery Energy Storage FAQ

1. What is the risk of a fire at battery energy storage facilities?

Fires at battery energy storage systems are extremely rare. KCE NY 34 will be monitored 24/7/365 and has multiple fail safes in place that can automatically shut off portions of the system (or the entire system) in real time if something isn't operating correctly. In the extremely unlikely event a fire were to occur, the system is designed to isolate and contain the fire to a single rack or container.

The batteries that are installed in battery energy storage systems must pass much more rigorous safety and fire tests than batteries in e-bikes or other consumer electronics. These include international and national fire testing and safety codes, namely the National Fire Protection Association (NFPA) 855 and Underwriter Laboratories (UL) 9540A related to fire and thermal events. KCE only works with manufacturers and vendors that meet these codes and standards.

The rate of fires at these facilities is extremely low and has decreased significantly in recent years. The chart to the right can help put the extreme rarity of these events in proper context.



2. Are there toxic materials that could damage the air, water, or soil? What safety measures are in place to prevent or mitigate the impact?

We recognize the idea of a fire at this facility is a scary proposition, which is why we take every precaution to prevent fires in the first place. Testing has consistently found that the air quality impacts of a battery energy storage fire, in the extremely unlikely event one were to occur, are similar to a standard structural fire. New York State's Inter-Agency Fire Safety Working Group announced that tests conducted during fire events in New York during the summer of 2023 showed there was no threat to public health.

The emissions from a battery energy storage fire consist of smoke and gases similar to a standard structural fire or burning a bag of trash, which contains primarily plastics. For KCE's projects, we conduct detailed health risk assessments of such emissions including plume modeling that has shown the public health impacts of such plumes are not significant.

Additionally, recently released EPA BESS guidance states that after a recent fire event in California, "air quality monitoring and sampling occurred during and after the fire and found no risks to public health." Air quality monitoring of real-world incidents has consistently found that smoke and gases from these fires dissipate quickly and do not present a danger to the public, just like a standard structural fire.

All BESS installed today are equipped with systems that monitor every aspect of the BESS, including voltage, temperature, and a variety of other datapoints. This monitoring occurs in real-time 24/7/365, and is further reinforced by trained human operators who are monitoring the data remotely. Any time that the system detects operating conditions outside of normal, the system automatically adjusts or shuts down all or a portion of the project if needed. The trained human operators also have full autonomy to adjust or shut down all or a portion of a project if needed.

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3. Are batteries safe? What codes and standards are in place?

Battery energy storage systems must pass rigorous safety testing and follow national industry codes and standards including the national electric code, international fire code and National Fire Protection Association (NFPA) standards.

All BESS are required to be compliant with NFPA 855, the National Fire Protection Association's (NFPA) Standard for the Installation of Stationary Energy Storage Systems. Adherence to NFPA 855 requires compliance with a variety of product-level standards published by the Underwriters Laboratories (UL), a global not-for-profit safety science company. UL standards apply to all components of the BESS, including battery cells, modules, racks, and containers. Prior to the project being installed, these UL standards require safety testing of the batteries and the protective systems, a review of the battery construction, an engineering analysis of potential failure modes, and large-scale failure testing to address the risks during a forced thermal event. NFPA 855 also requires fire department training, emergency response planning, and 24/7/365 monitoring of the system along with the owner or operator being able to provide a subject matter expert 24/7/365 in the case of emergency.

In July of 2025, New York State's Fire Prevention and Building Code Council formally approved new safety codes and standards that were recommended by the New York State Inter-Agency Fire Safety Working Group, which became effective in January 2026. The Fire Safety Working Group was initially assembled in response to fires at non-KCE battery storage facilities in 2023. The expertise in this group is widespread and consists of state officials from the Division of Homeland Security and Emergency Services, Office of Fire Prevention and Control, and Department of State, as well as nation-leading BESS safety industry experts.

Most notably the new state fire codes require a third-party independent review of any project during the permitting process paid for by the developer and the creation of an Emergency Response Plan in coordination with local Fire Departments. KCE NY 34 will be fully compliant with these and all requirements.

4. How will KCE ensure the fire department is able to respond to the BESS?

KCE has met with the Saugerties Fire Department and will continue to communicate with the fire department throughout the development and construction of the project and conduct training and education.

Additionally, an Emergency Response Plan will be finalized with the fire department prior to the project being built. KCE will also conduct a training with the fire department prior to the project coming online and will offer an annual training or as requested by the fire department once the facility has begun operations. KCE works closely with local officials during the project development process to answer any questions they may have regarding our operations and fire containment and response strategy. KCE's number one priority is safety, and we are proud of our safety record.

5. I saw there was a recent fire at a facility in Warwick. What can you tell me about that incident and what is KCE's response?

While KCE is aware of the fire at the facility in Warwick and it is unfortunate, that incident underscores the comprehensive and redundant safety features built into these systems. The fire did not spread beyond the single impacted battery container, there were no injuries or evacuations, and air quality monitoring showed no threat to public health or the surrounding area. The incident shows that in the extremely rare cases of fire, the safety features built into these systems work.

Since it is not a KCE facility, KCE cannot comment on the specifics, but KCE NY 34 will use a different battery manufacturer, battery equipment and battery containers that have been designed to meet New York's update Fire Codes and thoroughly tested to prevent water intrusion, which is the suspected cause of the fire. KCE's team prides ourselves on being valued and trusted members of the communities where our projects are located. We conduct training for first responders and comply with all local and Town instructions and requirements. We are proud of our safety and operating record in New York and across the country.

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6. What is the benefit to local electric grid and the local community?

KCE NY 34 will help stabilize the electric grid for Saugerties and the surrounding area and reduce the threat of blackouts. Batteries are instantly dispatchable and can respond in real time to the needs of the grid. These systems also increase efficiency by storing renewable energy at times of low demand and dispatching that energy back to the grid when its needed most, allowing solar and wind energy to be used even when the sun isn't shining and the wind isn't blowing.

The project will pay local taxes, KCE will sign a Host Community Agreement with Saugerties, and the project will provide additional local and regional investments over the 20 years lifespan that will total roughly $4 million. A portion of this will support the local school district. KCE welcomes resident input and encourages community members to share their priorities with local officials.

The project is also expected to support 20-40 Hudson Valley-based union jobs over the course of construction and will use local materials when possible, providing tens of millions of dollars of wages and investment in the local economy.

7. What battery chemistry will be included?

The project will use batteries of Lithium-Iron-Phosphate chemistry, or LFP for short. LFPs fall under the larger umbrella of the lithium-ion battery family. LFP batteries are industry standard and are widely used across the country in utility-scale BESS installations today. The batteries used in KCE's systems must pass much more rigorous safety and operational standards than batteries in e-bikes, laptops and other consumer products. This includes national and international fire association testing, specifically the UL 9540A test related to fire and thermal events.

8. What can you tell me about KCE's operating history?

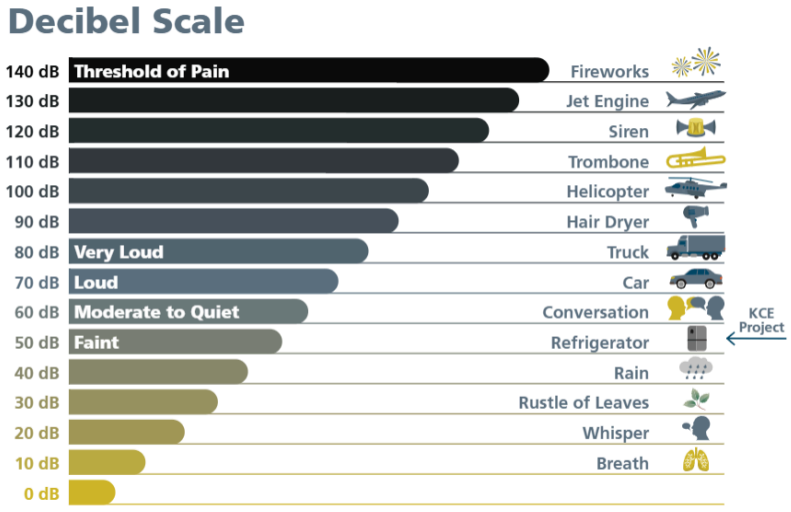
KCE is one of the country's most experienced BESS owners and operators with 14 facilities operating today, including several 100MW facilities- similar to the proposed KCE NY 34. In New York, KCE has three operating projects including both the state's first, KCE NY 1 which is located outside of Albany, and the state's largest, KCE NY 6 which is located outside of Buffalo.

KCE has in-house operations and maintenance teams that ensure our operating facilities are well maintained to the highest standards. KCE's facilities are monitored 24/7/365 remotely and with cameras, which allows our team to respond in real time if something isn't operating correctly. KCE is proud of our operating and safety record both in New York and across the country.

9. I'm concerned about noise impacts. How loud will this project be?

This project will fully comply with Saugerties noise ordinance. Since the project is located near an existing substation, any noise impacts will be very similar to the noise that is already being produced by the substation.

The batteries in the system do not produce noise; the noise is mostly associated with the HVAC systems as well as electrical equipment like inverters and transformers. The graphic to the right helps contextualize how a BESS system sounds compared with other common every day products.



10. How will this project impact property values?

Many similar concerns have been raised about solar energy facilities, which have a much larger footprint and visual impacts than BESS facilities. Impacts of solar facilities on property values has been studied and has found that utility scale solar installations have not had a negative impact on local property values. Since KCE's project has a much smaller physical footprint, and the project will not be visible to the surrounding area, KCE anticipates no impact to property values.