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Willdan Selected to Implement Program to Meet SDG&E's Energy Efficiency Local Capacity Requirements

ANAHEIM, Calif.--(BUSINESS WIRE)-- Willdan Group, Inc. ("Willdan")(NASDAQ: WLDN) today announced that it has executed a new six-year contract with San Diego Gas & Electric Company (SDG&E) for the delivery of electricity capacity savings. Through the delivery of the contracted capacity, Willdan estimates that approximately \$90 million of revenue will be recognized in the program over the six-year contract term. The capacity reduction will be achieved by implementing energy efficiency conservation measures in existing commercial buildings throughout SDG&E's service territory. The estimated value of the contract is based on the annual delivery of capacity reduction totaling 18.5 MW by the end of the six-year term in 2024. The contract between Willdan and SDG&E must be approved by the California Public Utilities Commission (CPUC) before work can commence. Based on the expected timeline for the contract approval process, the program is expected to begin in late 2016 or early 2017, with first deliveries under the contract in 2018.

Willdan's energy efficiency Large Commercial Custom Program will help SDG&E meet its Local Capacity Requirements (LCR) as established by the CPUC's landmark 2014 "Track 4 Decision." Prompted by the permanent retirement of the San Onofre Nuclear Generation Station, the decision authorized SDG&E to procure between 500 MW and 800 MW of incremental replacement capacity by 2022. Of this amount, at least 200 MW must come from "preferred resources," including cost-effective energy efficiency, demand response, renewable resources, distributed generation, and energy storage solutions.

"We are honored to have been awarded this contract for energy efficiency services by SDG&E," commented Tom Brisbin, President/CEO of Willdan. "Through our existing SDG&E programs in the lodging, healthcare, biotech, and small commercial business sectors, Willdan has delivered 13 MW of electricity savings to date at over 500 large commercial customer sites and 3,000 small business sites in the utility's service area. We look forward to building on our successful delivery of peak-load reduction and energy efficiency savings to SDG&E."

Willdan's program is designed to target and implement specific kW-rich HVAC-related energy efficiency measures in commercial buildings. While these measures are currently offered under SDG&E's existing energy efficiency portfolio, they have experienced low implementation rates in commercial buildings in certain markets. Willdan's approach to increasing these rates includes innovative strategies for outreach and enrollment, delivery of customized engineering solutions, flexible financing options, and personalized customer technical support. The energy savings achieved will be incremental to the existing portfolio, which is expected to facilitate the CPUC's approval of the agreement later this year.

"Utilities are finding energy efficiency to be a reliable, cost effective, and environmentally friendly alternative to traditional capacity procurement," added Brisbin. "It appears that this energy efficiency LCR, as well as other LCR contracts already released by SDG&E and Southern California Edison (SCE), signify a growing trend throughout California and nationwide."

Willdan is well positioned to follow such a trend, having delivered energy efficiency savings totaling more than 125 MW of peak load capacity reduction for utilities nationwide, including NYSEERDA, Con Edison, Bonneville Power Administration, and Puget Sound Energy.

About Willdan

Willdan provides professional consulting and technical services to utilities, public agencies and private industry throughout the United States. The Company's service offerings span a broad set of complementary disciplines that include energy efficiency and sustainability, engineering and planning, financial and economic consulting, and national preparedness. Willdan provides integrated technical solutions to extend the reach and resources of its clients, and provides all services through its subsidiaries specialized in each segment. For additional information, visit Willdan's website at www.willdan.com.

Forward Looking Statements

Statements in this press release that are not purely historical, including statements regarding Willdan's intentions, hopes, beliefs, expectations, representations, projections, estimates, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that Willdan will not be able to expand its services or

meet the needs of customers in markets in which it operates. It is important to note that Willdan's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, a slowdown in the local and regional economies of the states where Willdan conducts business and the loss of or inability to hire additional qualified professionals. Willdan's business could be affected by a number of other factors, including the risk factors listed from time to time in Willdan's SEC reports including, but not limited to, the Annual Report on Form 10-K filed for the year ended January 1, 2016. Willdan cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Willdan disclaims any obligation to, and does not undertake to, update or revise any forward looking statements in this press release.

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