FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2017-03-31** | Period of Report: **2016-12-31**
SEC Accession No. 0001214659-17-002267

(HTML Version on secdatabase.com)

FILER

POWIN ENERGY CORP

CIK:**1468780**| IRS No.: **870455378** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **000-54015** | Film No.: **17730010**
SIC: **3990** Miscellaneous manufacturing industries

Mailing Address
20550 SW 115TH AVE
TUALATIN OR 97062

Business Address
20550 SW 115TH AVE
TUALATIN OR 97062
503-598-6659

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
☑ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

☐TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ☐to ☐

Commission file number **000-54015**

POWIN ENERGY CORPORATION

(Name of small business issuer in its charter)

Nevada	**87-0455378**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20550 SW 115th Ave., Tualatin OR	**97062**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number **(503) 598-6659**

Indicate by check mark if registrant is a well-known seasoned issuer, as defined under Rule 405 of the Securities Act Yes ☐ No☑

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act . Yes ☐ No☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2)has been subject to such filing requirements for the past 90 days. Yes ☑No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer.	☐	Accelerated filer.	☐
Non-accelerated filer. (Do not check if a smaller reporting company)	☐	Smaller reporting company.	☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2016: $858,825.

As of March 31, 2017, there were 37,107,924 shares of the issuer's common stock outstanding.

Documents incorporated by reference: 14C Information to security holders filed September 8, 2016 is incorporated by reference to the Exhibits listed in Item 15 of this Report.

TABLE OF CONTENTS

In this report, unless the context indicates otherwise, the terms "Powin," "Company," "we," "us," and "our" refer to Powin Energy Corporation, a Nevada corporation, and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the "Securities Act," and Section 21E of the Securities Exchange Act of 1934 or the "Exchange Act." These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or anticipated results.

In some cases, you can identify forward looking statements by terms such as "may," "intend," "might," "will," "should," "could," "would," "expect," "believe," "anticipate," "estimate," "predict," "potential," or the negative of these terms. These terms and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this report are based upon management's current expectations and belief, which management believes are reasonable. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor or combination of factors, or factors we are aware of, may cause actual results to differ materially from those contained in any forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements. These statements represent our estimates and assumptions only as of the date of this report. Except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

You should be aware that our actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including:

- new competitors are likely to emerge and new technologies may further increase competition;
- our operating costs may increase beyond our current expectations and we may be unable to fully implement our current business plan;
- our ability to obtain future financing or funds when needed;
- our ability to successfully obtain and maintain our diverse customer base;
- our ability to protect our intellectual property through patents, trademarks, copyrights and confidentiality agreements;
- our ability to attract and retain a qualified employee base;
- our ability to respond to new developments in technology and new applications of existing technology before our competitors;
- acquisitions, business combinations, strategic partnerships, divestures, and other significant transactions may involve additional uncertainties; and
- our ability to maintain and execute a successful business strategy.

Other risks and uncertainties include such factors, among others, as market acceptance and market demand for our products and services, pricing, the changing regulatory environment, the effect of our accounting policies, potential seasonality, industry trends, adequacy of our financial resources to execute our business plan, our ability to attract, retain and motivate key technical, marketing and management personnel, and other risks described from time to time in periodic and current reports we file with the United States Securities and Exchange Commission, or the "SEC." You should consider carefully the statements under "Item 1A. Risk Factors" and other sections of this report, which address additional factors that could cause our actual results to differ from those set forth in the forward-looking statements and could materially and adversely affect our business, operating results and financial condition. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements.

PART I

ITEM 1. BUSINESS

GENERAL

Powin Energy Corporation ("Company", "we", "us") is a leading designer and developer of safe and scalable energy storage solutions for utilities, microgrid, and EV fast-charging stations. The Company was founded in 1989 in Oregon and until 2016, operated as a contract manufacturer selling diverse products for leading North American retailers. In 2016, the Company sold off its contract manufacturing businesses, and on October 6, 2016, completed a merger between Powin Corporation and its subsidiary Powin Energy Corporation, with the surviving entity Powin Corporation changing its name to Powin Energy Corporation. The Company is focused on the rapidly growing advanced energy storage industry, supported by its patented Battery Pack Operating System (bp-OS).

Competition

The international market for such energy products and services is intensely competitive and continually impacted by evolving industry standards, international and regional governmental regulations, rapid price changes and product obsolescence. Competitors in this market include many domestic and foreign companies, most of which have substantially greater financial, technical, marketing, manufacturing and other resources. We are and will continue to be at a competitive disadvantage to most of our competitors, though patented architecture provides strong round trip efficiency (RTE) with an industry competitive price in all of its energy segments.

LEGAL ENTITIES AND OPERATING SEGMENTS

During the periods presented, we operated in six business segments, each within a separate legal entity. During 2015 and 2016, several segments were renamed to more accurately reflect the nature of operations. Where applicable, the legal entities were also renamed to correspond to the segment name. Below is a table listing the legal entities presented in this report, along with the corresponding business segment names and, for the purposes of continuity, the legal entity and segment names as disclosed in our previous filings:

As described in this Report		As described in 2015 Form 10K		As described in previously filings	
Legal entity name	Business segment name	Legal entity name	Business segment Name	Legal entity name	Business segment name
Powin Corporation	Holding company	Powin Corporation	Holding company	Powin Corporation	Holding company
Q Pacific Contract Manufacturing Corporation	Contract manufacturing	Powin Contract Manufacturing Corporation	Contract manufacturing	Powin Corporation	OEM
Q Pacific Manufacturing Corporation	Manufacturing	Powin Manufacturing Corporation	Manufacturing	Powin Manufacturing Corporation	QBF
Powin Energy Corporation	Energy	Powin Energy Corporation	Energy	Powin Renewable Energy Resources, Inc.	Powin Energy
PowinIndustries S.A. de C.V.	Mexico	Powin Industries S.A. de C.V.	Mexico	Powin Industries S.A. de C.V.	Mexico
Powin Product Service, Inc.	Contract Manufacturing	Powin Product service, Inc.	Warehousing	Powin Product Service, Inc.	Wooden

In 2015 and 2016, the Company realigned its legal entity and segment structure as follows:

Legal entity name	Business segment name
Powin Energy Corporation	Parent Corporation
Powin Contract Manufacturing Corporation	Contract manufacturing
Powin Manufacturing Corporation	Manufacturing
Powin Energy Corporation	Energy
Powin Industries S.A. de C.V.	Mexico
Powin Product and Service Corporation	Contract manufacturing

During 2016, the Company divested of all of its business segments, excluding its energy segment. Going forward, Powin Energy Corporation will continue to be the parent company for all subsidiaries.

In December 2013, the Company applied for Minority Business Enterprise status. On January 21, 2014, the Company met all requirements for the certification as a bona fide Minority Business Enterprise defined by the National Minority Supplier Development Council, Inc. (NMSDC) and as adopted by the Northwest Minority Supplier Development Council.

On December 3, 2015, Powin Corporation and Powin Energy entered into an Agreement and Plan of Merger and Liquidation ("Merger Agreement"). The Merger was completed on October 6, 2016.

LICENSES, CONCESSIONS, ROYALTY AGREEMENTS OR LABOR CONTRACTS

Our licenses consist of the customary state, county and city licenses required in the normal course of doing business. We do not typically enter into written agreements or licenses with our customers, which is common in the industry.

GOVERNMENT APPROVAL AND REGULATION

There are no principal products or services which require government approval as all of our principal products and services comply with government regulations.

EFFECT OF EXISTING GOVERNMENTAL REGULATION ON OUR BUSINESS

We continue to monitor the changing governmental regulations so our business can comply with all rules and regulations.

ENVIRONMENTAL LAWS

We continue to monitor changing environmental laws to assure that our business can comply with all rules and regulations.

EMPLOYEES

As of December 31, 2016, we employed 21employees at our facilities in the United States.

ITEM 1A. RISK FACTORS

This report includes forward-looking statements about our business and results of operations that are subject to risks and uncertainties. See "Forward-Looking Statements," above. Factors that could cause or contribute to such differences include those discussed below. In addition to the risk factors discussed below, we are also subject to additional risks and uncertainties not presently known to us or that we currently deem immaterial. If any of these known or unknown risks or uncertainties actually occurs, our business could be harmed substantially.

RISKS RELATED TO OUR BUSINESS

The impact of the economic climate affecting our customers and tight financing markets may impact demand for our products and services.

Many of our existing and target customers are in the utility and power generation business sector. If these businesses experience economic hardship, it could negatively affect the overall demand for our products and services and, could cause delay and lengthen sales cycles and could cause our revenues to decline. Challenging economic conditions could have a negative impact on the results of our operations.

We may need additional capital and we may not be able to obtain it, which could adversely affect our liquidity and financial position.

We have relied on borrowings from individuals and companies with close ties to the Company for operating cash flows. While we believe that we will be able to continue to raise working capital from these and other sources for the foreseeable future, we cannot be assured that these sources of will continue to meet our working capital needs. In order to meet potential cash needs, we may be required to sell additional equity or issue debt securities. The potential sale of additional equity securities could result in additional dilution to our existing shareholders; however, the incurrence of indebtedness would result in increased debt service obligations and bind us to operating and financing covenants that would restrict our operations and liquidity.

Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including: investors' perception of, and demand for, securities of alternative manufacturers; conditions of the United States and other capital markets in which we may seek to raise funds; and our future results of operations, financial condition and cash flows.

We cannot offer any assurances that financing will be available in amounts or on terms acceptable to us, if at all. Any failure to raise additional funds on terms favorable to us could have a material adverse effect on our liquidity and financial condition.

There may be deficiencies with our internal controls that require improvements, and we will be exposed to potential risks from legislation requiring companies to evaluate controls under Section 404 of the Sarbanes-Oxley Act of 2002.

While we believe that we currently have adequate internal control procedures in place, we are still exposed to potential risks from legislation requiring companies to evaluate controls under Section 404a of the Sarbanes-Oxley Act of 2002. Under the supervision and with the participation of our management, we have evaluated our internal controls system in order to allow management to report on our internal controls, as required by Section 404 of the Sarbanes-Oxley Act. We have performed the system and process evaluation and testing required in an effort to comply with the management certification requirements of Section 404. As a result, we have incurred additional expenses and a diversion of management's time. If we are not able to meet the requirements of Section 404 in a timely manner or with adequate compliance, we might be subject to sanctions or investigation by regulatory authorities, such as the SEC.

If we do not maintain proper disclosure controls and procedures, our ability to produce accurate and timely financial statements could be impaired which could adversely affect our business, operating results and financial condition.

While the audit of our financial statements by our independent registered public accounting firm has included a consideration of internal control over financial reporting as a basis of designing audit procedures, the accounting firm has not considered internal controls over financial reporting for the purpose of expressing an opinion with respect to the effectiveness of our internal controls over financial reporting. If such an evaluation had been performed, material weaknesses or other control deficiencies may have been identified. In addition, material weaknesses and other control deficiencies may be identified when our management performs evaluations of internal controls in the future. Ensuring that we have adequate internal financial and accounting controls and procedures that allow us to produce accurate financial statements on a timely basis is costly and time-consuming and we are required to evaluate these controls frequently.

Manufacturing internationally may create risks.

There are many risks associated with international business. These risks include, but are not limited to, language barriers, fluctuations in currency exchange rates, political and economic instability, regulatory compliance difficulties, problems enforcing agreements and greater exposure of our intellectual property to markets where a high probability of unlawful appropriation may occur. A failure to mitigate any of these potential risks could damage our business.

Product liability and product warranty risks could adversely affect our operating results.

We produce parts for commercial vehicles. Failure of our parts could give rise to product liability claims. We maintain insurance addressing the risk of product liability claims arising from bodily injury or property damage, but there can be no assurance that the insurance coverage will be adequate or will continue to be available on terms acceptable to us. We manufacture most of our parts to strict contractually-established standards and tolerances using customer manufacturing specifications. If we fail to meet the contractual requirements for a product, we may be subject to product warranty costs and claims. Product warranty costs are generally not insured.

Our quarterly operating results are difficult to predict and may fluctuate significantly from period to period in the future.

Our quarterly operating results are difficult to predict and may fluctuate significantly from period to period based on the seasonality of consumer spending and corresponding manufacturing trends in the United States and China. Furthermore, due to ever-fluctuating pricing on commodities, inputs and other raw materials and given the unpredictable economic climate, it is difficult to forecast with any amount of certainty our quarterly operating results. As a result, you may not be able to rely on period-to-period comparisons of our operating results as an indication of our future performance. Factors that are likely to cause our operating results to fluctuate, such as the seasonality of manufacturing spending, a deterioration of global economic conditions and potential changes to the regulation of the manufacturing industry in China is discussed elsewhere in this report. Additionally, some of the products manufactured and distributed by the Company are seasonal in nature. If our revenues for a particular quarter are lower than we expect, we may be unable to reduce our operating expenses for that quarter by a corresponding amount, which would harm our operating results for that quarter relative to our operating results from other quarters.

Our future acquisitions may expose us to potential risks and have an adverse effect on our ability to manage our business.

Selective acquisitions will form a part of our strategy to further expand our business. If we are presented with appropriate opportunities, we may acquire additional businesses, services or products that are complementary to our core business. Our integration of the acquired entities into our business may not be successful and may not enable us to expand into new manufacturing platforms as successful as we expect. This would significantly affect the expected benefits of these acquisitions. Moreover, the integration of any future acquisitions will require significant attention from our management.

The diversion of our management's attention and any difficulties encountered in any integration process could have an adverse effect on our ability to manage our business. In addition, we may face challenges trying to integrate new operations, services and personnel with our existing operations. Future acquisitions may also expose us to other potential risks, including risks associated with unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs, expenses of acquisitions and potential loss of, or harm to, relationships with employees and manufacturing clients as a result of our integration of new businesses and new regulations. In addition, we cannot assure you that we will be able to realize the benefits we anticipate from acquiring other companies or that we will not incur costs, including those relating to intangibles or goodwill, in excess of our projected costs for these transactions. The occurrence of any of these events could have a material and adverse effect on our ability to manage our business, our financial condition and our results of operations.

There may be unknown risks inherent in our acquisitions of companies which could result in a material adverse effect on our business.

We will conduct due diligence with respect to any acquisition we undertake, but we may not be aware of all of the risks associated with any of the acquisitions. Any discovery of adverse information concerning any of these acquisitions could have a material adverse effect on our business, financial condition and results of operations. While we may be entitled to seek indemnification in certain circumstances, successfully asserting indemnification or enforcing such indemnification could be costly and time consuming or may not be successful at all.

Failure to manage our growth could strain our management, operational and other resources and we may not be able to achieve anticipated levels of growth in the new networks and media platforms we hope to operate, either of which could materially and adversely affect our business and growth potential.

We plan to expand, our operations in the United States, Canada, China and other countries. To manage our growth, we must develop and improve our existing administrative and operational systems and, our financial and management controls and further expand, train and manage our work force. As we continue this effort, we may incur substantial costs and expend substantial resources in connection with any such expansion due to, among other things, different technology standards, legal considerations and cultural differences. We may not be able to manage our current or future international operations effectively and efficiently or compete effectively in such markets. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations, recruit top talent and train our personnel. Any failure to efficiently manage our expansion may materially and adversely affect our business and future growth.

Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business.

We regard our trade secrets and other intellectual property as critical to our success. Unauthorized use of the intellectual property used in our business may adversely affect our business and reputation.

We have historically relied on a combination of trademark and copyright law, trade secret protection and restrictions on disclosure to protect our intellectual property rights. We enter into confidentiality and invention assignment agreements with all our employees. We cannot assure you that these confidentiality agreements will not be breached, that we will have adequate remedies for any breach, or that our proprietary technology will not otherwise become known to, or be independently developed by third parties.

We may register in China the trademarks used in our business. We cannot offer any assurances that any of our trademark applications will ultimately proceed to registration or will result in registration with scope adequate for our business. Some of our applications or registration may be successfully challenged or invalidated by others. If our trademark applications are not successful, we may have to use different marks for affected services or technologies, or enter into arrangements with any third parties who may have prior registrations, applications or rights, which might not be available on commercially reasonable terms, if at all.

In addition, policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary in the future to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources, and could disrupt our business, as well as have a material adverse effect on our financial condition and results of operations.

We face significant competition, and if we do not compete successfully against new and existing competitors, we may lose our market share, and our profitability may be adversely affected.

We compete with other energy storage companies in the United States and globally. We compete for customers primarily on the basis of price, the range of services that we offer and our brand name. Increased competition could reduce our operating margins and profitability and result in a loss of market share. Some of our existing and potential competitors may have competitive advantages such as significantly greater financial, marketing or other resources, or exclusive arrangements with desirable clients and manufacturers, and others may successfully mimic and adopt our business model. Moreover, increased competition will provide clients additional manufacturing service alternatives, which could lead to lower prices and decreased revenues, profit margins and net income. We cannot offer any assurance that we will be able to successfully compete against new or existing competitors.

Our customers could decide to deal directly with the factories and manufacturers

Our customers could decide to deal directly with the factories and manufacturers who produce their products, thus eliminating the need for our services in the process.

RISKS RELATING TO REGULATION OF OUR BUSINESS AND TO OUR STRUCTURE

Contractual arrangements we have entered into may be subject to scrutiny by the tax authorities and a finding that we owe additional taxes or are ineligible for our tax exemption, or both, could substantially increase our taxes owed, and reduce our net income and the value of your investment.

Under local law, arrangements and transactions among related parties may be subject to audit or challenge by the local tax authorities. If any of the transactions we have entered into with our distributor are found not to be on an arm’s-length basis, or to result in an unreasonable reduction in tax under local tax law, the tax authorities have the authority to disallow our tax savings, adjust the profits and losses of our respective entities and assess late payment interest and penalties. A finding by the tax authorities that we are ineligible for our tax exemptions, would substantially increase our taxes owed and reduce our net income and the value of your investment. As a result of this risk, you should evaluate our results of operations and financial condition without regard to these tax savings.

Our business operations may be affected by legislative or regulatory changes.

Changes in laws and regulations or the enactment of new laws and regulations governing placement or content of out-of-home manufacturing, our business licenses or otherwise affecting our business in China may materially and adversely affect our business prospects and results of operations. We are not certain how the local government will implement any regulation or how it may affect our ability to compete in the manufacturing industry in China. We are particularly concerned with any regulations that might give rise to possible trade issues between China and the United States, and the effects of those regulations on our business. Accordingly, we need to conduct due diligence as to any possible regulations that might arise and substantially affect our operations. Further, we need to make every effort to hedge against any government regulation which may materially alter our business model.

RISKS RELATING TO BUSINESS IN CHINA

Much of our success is derived from our relationships and business dealings with manufacturing companies in China, and a significant portion of our final product is derived from manufacturers in China. Accordingly, our business, financial condition, results of operations and prospects are subject to a significant extent, to economic, political and legal developments in China.

The economic, political and social conditions, as well as governmental policies, could affect the financial markets in China and our liquidity and access to capital and our ability to operate our business.

China's economy differs from the economies of most countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange, and allocation of resources. While China's economy has experienced significant growth over the past, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on us. This may encourage foreign manufacturing companies with more experience, greater technological know-how and larger financial resources than we have to compete against us and limit the potential for our growth. Moreover, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

China's legal system embodies uncertainties which could limit the legal protections available to you and us.

China's legal system is a civil law system based on written statutes. The overall effect of legislation over the past 26 years has significantly enhanced the protections afforded to various forms of foreign investment in China. However, these laws, regulations and legal requirements change frequently, and their interpretation and enforcement involve uncertainties. For example, we may have to resort to administrative and court proceedings to enforce the legal protection that we enjoy either by law or contract. However, since China's administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. For example, these uncertainties may impede our ability to enforce the contracts we have entered into. In addition, such uncertainties, including the inability to enforce our contracts, could materially and adversely affect our business and operation. In addition, intellectual property rights and confidentiality protections in China may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in China's legal system, particularly with regard to the manufacturing industry, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to us, including our ability to enforce our agreements with our suppliers.

Foreign currency fluctuations and inflationary pressures may have a negative impact on our financial condition and results of operations.

Our operations in China subject us to foreign currency fluctuations and inflationary pressures which may adversely affect our financial position and results of operations. Since we report our results of operations and financial condition in U.S. dollars, fluctuations in foreign currencies relative to the U.S. dollar may impact our financial results. We do not currently have a hedging program to address foreign currency fluctuations. Any steps taken by us to address foreign currency fluctuations may not eliminate all adverse effects.

RISKS RELATED TO OUR COMMON STOCK

Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities will be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require, that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Our common stock is illiquid and the price of our common stock may be negatively impacted by factors which are unrelated to our operations

Our common stock currently trades on a limited basis on the OTC Bulletin Board. Trading of our stock through the OTC Bulletin Board is frequently thin and highly volatile. There is no assurance that a sufficient market will develop in our stock, in which case it could be difficult for shareholders to sell their stock. The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of our competitors, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our competitors or us. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

The concentration of stock ownership by Joseph Lu, our Chief Executive Officer, may prevent new investors from influencing significant corporate decisions.

Joseph Lu and his family hold the vast majority of our issued and outstanding common stock. As a result, these shareholders will be able exercise control over all matters requiring shareholder approval, including the election of directors, amendments to our Articles of Incorporation and approval of major corporate transactions.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on the sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved staff comments.

ITEM 2. PROPERTIES

Our corporate headquarters are located at 20550 SW 115th Ave. Tualatin, OR 97062 under a lease with Lu Pacific Properties LLC, of which Joseph Lu, our CEO, is the controlling member and manager. The lease rate is $17,706.50 per month for approximately 28, 275 square feet of office and warehouse space, with a triple net charge at $0.15 per square foot per month.

We believe our existing facility is adequate for the foreseeable future and we have no plans to renovate or expand it. The above lease is also discussed in this Report at Item 13, Related Party Transactions.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded under the symbol "PWON.OB." Our common stock has been trading since September 30, 2010. The following table sets forth the quarterly high and low sales prices of our common stock for the last two fiscal years, as adjusted for the 1 for 10 reverse effective October 17, 2013. Such prices are inter-dealer quotations without retail mark-ups, mark-downs or commissions, and may not represent actual transactions.

Quarter ended	March 31	June 30	September 30	December 31	Fiscal year
Fiscal year 2016					
High	$ 0.65	$ 0.51	$ 2.89	$ 1.50	$ 2.89
Low	$ 0.30	$ 0.30	$ 0.30	$ 1.18	$ 0.30
Fiscal year 2015					
High	$ 2.00	$ 1.95	$ 1.70	$ 0.91	$ 2.00
Low	$ 1.40	$ 0.56	$ 0.56	$ 0.65	$ 0.56

Our common stock is subject to Rule 15g-9 of the Securities and Exchange Commission, known as the Penny Stock Rule which imposes requirements on broker/dealers who sell securities subject to the rule to persons other than established customers and accredited investors. For transactions covered by the rule, brokers/dealers must make a special suitability determination for purchasers of the securities and receive the purchaser's written agreement to the transaction prior to sale. The Securities and Exchange Commission also has rules that regulate broker/dealer practices in connection with transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in that security is provided by the exchange or system. The Penny Stock Rules requires a broker/dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker/dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. These disclosure requirements have the effect of reducing the level of trading activity in the secondary market for our common stock. As a result of these rules, investors may find it difficult to sell their shares.

As of March 31, 2017, our common stock was held by 431 shareholders of record with 37,096,415shares of common stock issued and outstanding.

See NOTE 9. CAPITAL STOCK, Part II, ITEM 8 of this report for information regarding shares issued to members of the board of directors as compensation for their services.

There were no shares issued other than to these directors and no shares were repurchased during the periods presented.

Dividend Policy

We have not paid any cash dividends on our common stock. It is anticipated that our future earnings will be retained to finance our continuing development. The payment of any future dividends will be at the discretion of our board of directors and will depend upon, among other things, future earnings, any contractual restrictions, success of business activities, regulatory and corporate law requirements and our general financial condition.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 229.10(f) (1) and are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis ("MD&A") in intended to help you understand the results of operations and financial condition of Powin Energy Corporation, as well as the factors that could affect our future financial condition and results of operation. This discussion and analysis should be read in conjunction with our financial statements and the notes thereto included in Part II ITEM 8 of this Form 10-K.

References to "Powin," the "Company," "we," "our" and "us" refer to Powin Corporation and its wholly owned and majority-owned subsidiaries, unless the context specifically states otherwise.

Basis of presentation

Effective October1, 2016, the Company reorganized and renamed certain segments and changed the methodology for allocating corporate overhead costs. The below table lists legal entities and corresponding business segments as defined in the 10-K compared to those described in previous filings.

As described in this Form 10K and 2015 Form 10K		As described in previously filings	
Legal entity name	Business segment name	Legal entity name	Business segment name
Powin Energy Corporation	Holding company	Powin Corporation	Holding company
Q Pacific Contract Manufacturing Corporation	Contract manufacturing	Powin Contract Manufacturing Corporation	Contract manufacturing
Q Pacific Manufacturing Corporation	Manufacturing	Powin Manufacturing Corporation	Manufacturing
Powin Industries S.A. de C.V.	Mexico	Powin Industries S.A. de C.V.	Mexico
Powin Product Service, Inc.	Contract Manufacturing	Powin Product service, Inc.	Warehousing(a)
Powin Product Service, Inc.	Contract Manufacturing	Powin Product service, Inc.	Warehousing(a)

Discontinued operations

Effective October 3, 2016, the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland") pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with Weiping Cai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock ("Shares") of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as ("QPM"). In addition to the sale of the Shares, the Company also transferred and assigned to Cai the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

The Company's results of operations related to Powin Mexico and Q Pacific Corporation which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation have been reclassified to discontinued operations on a retrospective basis for all periods presented.

Balances for Powin Mexico and Q Pacific Corporation as of December 31, 2016 and December 31, 2015 are as follows:

	December 31, 2016	December 31, 2015
Cash	$ -	$ 694,646
Accounts receivable, net	-	1,828,193
Notes and other receivables, net	-	131,571
Inventories, net	-	1,529,917
Prepaid expenses and deposits	-	133,092
Assets held for sale - current	-	4,317,419
Property and equipment, net	-	1,074,209
Intangible assets, net	-	2,934
Assets held for sale - noncurrent	$ -	$ 1,077,143
Accounts payable	$ -	$ 1,392,276
Accrued payroll and other accrued liabilities	-	290,327
Payable to related parties - current	-	-
Liabilities held for sale - current	$ -	$ 1,682,603

The operating results of Powin Mexico and Q Pacific Corporation for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	2015
Sales	$ 7,135,534	$ 10,837,448
Cost of Goods Sold	6,121,675	9,300,054
Gross Profit	1,013,859	1,537,394
Operating Expenses	2,831,687	2,760,400
Other Income (Expense)	97,921	(17,003)
Income Tax Expense	-	-
Net loss from discontinued operations	$ (1,719,907)	$ (1,240,009)

The operating results of Powin Mexico for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	2015
Sales	$ 247,617	$ 263,941
Cost of Goods Sold	345,933	774,661
Gross Profit	(98,316)	(510,720)
Operating Expenses	518,993	661,801
Other Income (Expense)	84,792	(6,325)
Income Tax Expense	-	-
Net loss from Powin Mexico	$ (532,517)	$ (1,178,846)

The operating results of Powin Q Pacific Corporation for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	2015
Sales	$ 6,887,917	$ 10,573,507
Cost of Goods Sold	5,775,742	8,525,393
Gross Profit	1,112,175	2,048,114
Operating Expenses	2,312,694	2,098,599
Other Income (Expense)	13,129	(10,678)
Income Tax Expense	-	-
Net loss from Powin Q Pacific Corporation	$ (1,187,390)	$ (61,163)

Results of Continuing Operations

The following table presents the Company's revenues for its remaining business segment Powin Energy, for the years ended December 31, 2016 and 2015:

	Years ended December 31,			
	2016	2015	$ Change	% Change
Revenue				
Energy	$ 337,153	$ 183,187	153,966	84.0%
Total	$ 337,153	$ 183,187	153,966	84.0%

Net sales for the year ended December 31, 2016, increased approximately $154,000 or 84.0% from the same period of 2015due to Powin Energy liquidated its slow moving inventory item, solar panel in 2016.

The following table presents the Company's operating expenses for its remaining business segment Powin Energy, for the years ended December 31, 2016 and 2015:

	Years ended December 31,			
	2016	2015	$ Change	% Change
Operating expenses				
Energy	$ 4,237,451	$ 4,274,597	(37,146)	-0.9%
Total	$ 4,237,451	$ 4,274,597	(37,146)	-0.9%

Operating expenses for the year ended December 31, 2016, decreased approximately $37,000 or 0.9%, from $4.27 million in the same period of 2015 to $4.24 million. Decrease is primarily due to shift from product research and development on prior year to production on current year.

The following table presents the Company's net loss for its remaining business segment Powin Energy, for the years ended December 31, 2016 and 2015:

	Years ended December 31,			
	2016	2015	$ Change	% Change
Net loss				
Energy	$ 5,475,787	$ 4,347,417	1,128,370	26.0%
Total	$ 5,475,787	$ 4,347,417	1,128,370	26.0%

For the year ended December 31, 2016, the Company had net loss of approximately $5.48 million or $0.22 per share, compared to net loss of approximately $4.35 million or $0.21 per share for the same period of 2015.

Discontinued Operations

Net sales from discontinued operations for the year ended December 31, 2016, decreased approximately $3,702,000 or 34.2% from the same period of 2015. The decrease is due to reduce demand from Daimler Truck North America.

Operating expenses from discontinued operations for the year ended December 31, 2016, increased approximately $71,000 or 2.6%, from $2.76 million in the same period of 2015 to $2.83 million. Increase is primarily due to write off of net intercompany AP and AR balance carried over several prior years.

For the year ended December 31, 2016, net loss from discontinued operations were approximately $1.72 million or $0.08 per share, compared to net loss of approximately $1.24 million or $0.08 per share for the same period of 2015.

2017 Outlook

In 2017, Powin Energy Corporation will turn full focus to the emerging, high growth energy storage market.

Industry experts project the energy market to grow an average of 60% per year over the next five years. During the same five-year period, the Company forecasts securing 4% - 7% of the contracts in that market. The conservative contract acquisition rate will allow the Company to grow at a manageable rate and achieve profitability. The Company will also continue to pursue strategic investment which will allow for more aggressive growth in future years.

Liquidity and Capital Resources

Cash used in operating activities was approximately $2,918,101 for the year ended December 31, 2016, compared to $5,825,750 used in operating activities for the same period in 2015. The decrease of cash used in operating activities is mainly due to more increase of accounts payable, and more increase in notesand other receivables, offset by more increase in net loss, more increase in prepaid expenses and deposits, more purchase of inventories.

Cash used in investing activities was approximately $3,671,299 for the year ended December 31, 2016, compared to $304,174 used in investing activities for the same period in 2015, as the Company purchased morepropertyand equipment during the year ended December 31, 2016.

Cash provided by financing activities were approximately $4,116,917 for the year ended December 31, 2016, compared to $8,687,744 provided by financing activities for the same period in 2015. The decrease of cash provided from financing activities is due to net proceeds received from stock issuance for Energy in 2015.

The Company issued Preferred Stock in August 2015 to settle the following notes payable:

Lender	Borrower	Amount		Number of Shares of Preferred Stock
3U Trading Co., Limited	Powin Corporation	$	2,451,195	4,377,133
3U Trading Co., Limited	Powin Industries S.A. DE C.V.	$	211,474	377,631
Joseph Lu	Powin Corporation	$	3,333,091	5,951,947
Danny Lu	Powin Corporation	$	560,565	1,001,009
Peter Lu	Powin Corporation	$	560,565	1,001,009
Lu Pacific Properties, LLC	Powin Corporation	$	513,574	917,097
Total		$	7,630,464	13,625,826

In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

During the year ended December 31, 2016, the Company borrowed $2,900,100 from related parties for operating cash flows as follows:

Date of borrowing	Lender	Due Date	Interest rate	Amount	
October 14, 2016	Xilong Zhu	March 1, 2017	0%	$	35,100
October 18, 2016	Joseph Lu	January 31, 2017	6%	$	115,000
October 18, 2016	Lu Pacific Properties, LLC	May 31, 2017	6%	$	50,000
October 18, 2016	Lu Pacific Properties, LLC	May 31, 2017	6%	$	100,000
October27, 2016	Lu Pacific Properties, LLC	October 31, 2018	7%	$	2,000,000
December30, 2016	Joseph Lu	June 30, 2017	6%	$	600,000

The Company's management does not believe the current cash and cash flow from operations will be sufficient to meet anticipated cash needs, including cash for working capital and capital expenditures in the foreseeable future. The Company will likely require additional cash resources that will require the Company to sell additional equity securities or debt securities. The sale of convertible debt securities or additional equity securities could result in additional dilution to the company's stockholders. The incurrence of additional indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity.

The Company's ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties including: investors' perception of, and demand for, securities of alternative manufacturing companies; conditions of the United States and other capital markets in which we may seek to raise funds; and future results of operations, financial condition and cash flow. Therefore, the Company's management cannot assure that financing will be available in amounts or on terms acceptable to the Company, if at all. Any failure by the Company's management to raise additional funds on terms favorable to the Company could have a material adverse effect on the Company's liquidity and financial condition.

On August 8, 2014, Powin Corporation and its then wholly-owned subsidiary, Powin Energy Corporation (collectively "Powin") and SF Suntech, Inc. ("Suntech") signed a Share Subscription Agreement ("Subscription Agreement") for an investment of $25,000,000 from Suntech.

Effective April 2, 2015, Powin and Suntech signed the Fourth Supplemental Agreement ("Supplement"). Under the Supplement, the First Closing Date of the Subscription Agreement was April 2, 2015 ("First Closing") at which time Suntech made a payment to Powin in the amount of $7,450,000. That payment plus the previous payments of $3,000,000 on August 29, 2014; $2,000,000 on January 15, 2015 and $50,000 on March 2, 2015 represent a total $12,500,000 paid toward the full $25,000,000 owing under the Subscription Agreement. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively.

After the shares issuance, the Company owned 82.35% of Powin Energy.

The Supplement further established the Second Closing Date of the Subscription Agreement as May 31, 2015 ("Second Closing") when the balance of $12,500,000 is to be paid. If that payment is made, Powin will issue to Suntech an additional 2,143 shares of Powin Energy Common Stock. In the event Suntech is unable or unwilling to pay the remaining subscription balance, Powin will be free to sell the 2,143 shares to another purchaser for the same price per share as paid by Suntech. Suntech failed to make the required payment on May 31, 2015. Accordingly, the Company has elected to terminate the Subscription Agreement, as it pertains to the remaining $12,500,000 owing thereunder.

On January 2016, the Company paid $15,747 and bought the 15% interest in the company's Mexico subsidiary. The Company now owns 100% of the Mexico subsidiary. As of the purchase date, the non-controlling interest of Mexico amounted to $625,750. The difference of purchase price and balance of non-controlling interest is booked as additional paid in capital.

Effective October 3, 2016, the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland ninety-nine (99) shares of the Series A Common Stock and one hundred sixty-seven thousand four hundred fifty-two (167,452) shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000.00. At Closing, Rolland made a cash payment of $99,000.00 and delivered to the Company (i) its promissory note in the principal amount $100,000.00 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments ("Short Term Note"); and (ii) its promissory note in the principal amount of $800,000.00 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments ("Long Term Note"). The interest rate on the Long-Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%. In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000.00 ("Powin Mexico Note") which calls for four (4) equal monthly installments of $31,250.00 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of the Company..

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with WeipingCai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock ("Shares") of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as ("QPM"). In addition to the sale of the Shares, the Company also transferred and assigned to Cai the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

Critical Accounting Policies

Our significant accounting policies are summarized in Note 1 of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our consolidated results of operations, financial position or liquidity for the periods presented in this report.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Recently Adopted Accounting Pronouncements

Please see Note 1of our financial statements that describe the impact, if any, from the adoption of Recent Accounting Pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITIATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company, as defined by Rule 229.10(f) (1) and are not required to provide the information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

It is the opinion of management that the audited financial statements for the calendar years ended December 31, 2016 and 2015 include all adjustments necessary in order to ensure that the audited financial statements are not misleading.

The following financial statements are filed as part of this annual report:

ANTON & CHIA

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Powin Energy Corporation

We have audited the accompanying consolidated balance sheets of Powin Energy Corporation (the "Company"), as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits include consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audits include examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. Our audits also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2016 and 2015, and the consolidated results of this operations and this cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements are presented assuming the Company will continue as a going concern. As more fully described in Note 2 to the consolidated financial statements, the Company had net losses of $7.2 million in 2016 and cash used in operations of $5.6 million. These conditions, among others, raise substantial doubt about its ability to continue as a going concern. Management's plans to address these conditions are also set forth in Note 2 to the consolidated financial statements. The accompanying consolidated financial statements do not include any adjustments which might be necessary if the Company is unable to continue as a going concern.

/s/ Anton & Chia, LLP
Newport Beach, California
March 31, 2017

POWIN ENERGY CORPORATION
BALANCE SHEETS

	December 31, 2016 (audited)	December 31, 2015 (audited)
Assets		
Current Assets		
Cash	$ 432,044	$ 2,866,507
Accounts receivable, net	13,451	22,903
Notes and other receivables- current	182,100	883
Inventories, net	1,299,621	623,399
Prepaid expenses and deposits	267,485	258,199
Assets for discontinued operation	-	4,317,419
Total current assets	2,194,701	8,089,310
Notes and other receivables–non current	829,427	-
Property and equipment, net	4,990,567	159,507
Intangible assets, net	175,297	182,911
Assets for discontinued operation	-	1,077,143
Total assets	$ 8,189,992	$ 9,508,871
Liabilities and shareholders' equity		
Current Liabilities		
Accounts payable	$ 672,322	$ 152,861
Accounts payable to a related party	2,447,348	-
Accrued payroll and other accrued liabilities	82,491	330,370
Notes payable - current portion of long-term debt and accrued interest	1,528,352	19,271
Payable to related parties - current	903,422	-
Liabilities for discontinued operation	-	1,682,603
Total current liabilities	5,633,935	2,185,105
Non-Current Liabilities		
Payable to related parties - non current	2,013,648	-
Total non-current Liabilities	2,013,648	-
Total liabilities	7,647,583	2,185,105
Stockholders' equity		
Preferred stock, 25,000,000 shares authorized:		
Series A stock: $100 par value, Conversion rate 1 to 20, 11,509 and 10,237 shares issued and outstanding, respectively	1,150,900	1,023,700
2015 August stock: $0.56 par value, Conversion rate 1 to 1, 0 and 13,625,826 shares issued and outstanding, respectively	-	7,630,464
Common stock, $0.001 par value, 575,000,000 shares Authorized; 37,096,415 and 16,243,839 shares issued and outstanding, respectively	37,097	16,256
Additional paid-in capital	28,086,988	23,909,992
Accumulated other comprehensive loss	-	(56,176)
Accumulated deficit	(28,732,576)	(22,060,870)
Total Powin Energy Corporation stockholders' equity	542,409	10,463,366
Non-controlling interest	0	(3,139,600)
Total liabilities and shareholders' equity	$ 8,189,992	$ 9,508,871

The accompanying notes are an integral part of these financial statements.

POWIN ENERGY CORPORATION
STATEMENTS OF OPERATIONS
(audited)

	Years ended December 31, 2016	Years ended December 31, 2015
Net sales	$ 337,153	$ 183,187
Cost of sales	448,541	182,630
Gross profit(loss)	(111,388)	557
Operating Expenses		
Payroll expenses	1,244,981	1,158,463
Professional expenses	1,416,114	1,745,423
Rent expenses	282,722	281,440
General and administrative expenses	1,293,634	1,089,271
Total operating expenses	4,237,451	4,274,597
Loss from operations	(4,348,839)	(4,274,040)
Other income (expense)		
Other income	11,806	25,059
Interest expense	(65,594)	(233,291)
Loss on sales of assets and subsidiaries	(1,065,660)	-
Other income (expense)	-	149,855
Other expenses	(1,119,448)	(58,377)
Loss before income taxes	(5,468,287)	(4,332,417)
Provision for income taxes	7,500	15,000
Net loss from continuing operations	(5,475,787)	(4,347,417)
Loss from discontinued operations, net of income taxes	(1,719,906)	(1,240,009)
Net loss before non controlling interest	(7,195,693)	(5,587,426)
Net loss attributable to non-controlling interest	(523,988)	(961,578)
Net loss attributable to Powin Corporation	(6,671,705)	(4,625,848)
Loss per share:		
Basic and diluted loss per share		
From continuing operations	(0.22)	(0.21)
From discontinued operations	(0.08)	(0.08)
Combined loss per share attributable to Common Shareholders	$ (0.29)	$ (0.28)
Weighted average shares outstanding:		
Basic and Diluted	22,916,392	16,248,368

The accompanying notes are an integral part of these financial statements.

POWIN ENERGY CORPORATION
STATEMENTS OF COMPREHENSIVE LOSS
(audited)

	Years ended December 31, 2016	2015
Net loss	$ (5,475,787)	$ (4,347,417)
Other comprehensive loss		
Foreign currency translation adjustment	(25,782)	(35,333)
Comprehensive loss	(5,501,569)	(4,382,750)
Comprehensive loss attributable to non-controlling interest	(523,988)	(961,578)
Comprehensive loss attributable to Powin Corporation	$ (4,977,581)	$ (3,421,172)

The accompanying notes are an integral part of these financial statements.

POWIN ENERGY CORPORATION
STATEMENTS OF STOCKHOLDERS' DEFICIT

	Series A Preferred Shares	Series A Preferred Shares $ Amount	2015 August Preferred Shares	2015 August Preferred Shares $ Amount	Common Stock Shares	Common Stock $ Amount	Additional Paid-in Capital	Accumulated Other Comp. Income	Accumulated Deficit	Total Powin Corporation Stockholders' Equity	Minority Interest in Subsidiary	Total Powin Corporation Shareholders' Deficit and Minority Interest
Balance at 12/31/2014	9,102	$ 910,200	$ -	$ -	16,243,839	$ 16,244	$ 10,552,144	$ (26,143)	$ (17,435,022)	$ (5,982,577)	$ (620,450)	$ (6,603,027)
Preferred dividends declared	1,135	113,500	-	-	-	-	(113,500)	-	-	-	-	-
Issuance of prefered stock	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock in subsidiary	-	-	-	-	-	-	11,750,000	-		11,750,000	-	11,750,000
Minority Interest from issuance of common stock in subsidiary	-	-	-	-	-	-	1,552,272	-	-	1,552,272	(1,552,272)	-
Stock option comp expense	-	-	-	-	-	-	156,908	-	-	156,908	-	156,908
Preferred Stock to settle notes payable	-	-	13,625,826	7,630,464	-	-	-	-		7,630,464	-	7,630,464
Shares issued for services	-	-	-	-	12,000	12	12,168	-	-	12,180	-	12,180
Foreign currency translation	-	-	-	-	-	-	-	(30,033)	-	(30,033)	(5,300)	(35,333)
Net loss	-	-	-	-	-	-	-	-	(4,625,848)	(4,625,848)	(961,578)	(5,587,426)
Balance at 12/31/2015	10,237	1,023,700	13,625,826	7,630,464	16,255,839	16,256	23,909,992	(56,176)	(22,060,870)	10,463,366	(3,139,600)	7,323,766
Foreign currency translation	-	-	-	-	-	-	-	(35,695)	-	(35,695)	9,913	(25,782)
Preferred dividends declared	1,272	127,200	-	-	-	-	(127,200)	-	-	-	-	-
Minority Interest decrease due to purchase 15% of non controlling interest	-	-	-	-	-	-	(818,324)	-	-	(818,324)	792,663	(25,660)
Preferred Stock to convert common stock	-	-	(13,625,826)	(7,630,464)	13,625,826	13,626	7,616,838	-	-	-	-	-
Stock option comp expense	-	-	-	-	-	-	$ 88,130	-	-	88,130	-	88,130
Shares issued for consulting	-	-	-	-	89,961	90	26,898	-	-	26,988	-	26,988
Shares issued for services	-	-	-	-	6,000	6	1,794	-	-	1,800	-	1,800
Shares issued for compensation	-	-	-	-	1,822,620	1,823	255,167	-	-	256,989	-	256,989
Disposal subsidiaries	-	-	-	-	-	-	(2,861,011)	91,871	-	(2,769,140)	2,861,012	91,872
Net loss	-	-	-	-	-	-	-	-	(4,951,199)	(4,951,199)	(523,988)	(5,475,787)
Assumption of debt	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	5,296,169	5,296	(5,296)	-	-	-	-	-
Held for sale	-	-	-	-	-	-	-	-	(1,719,906)	(1,719,906)	-	(1,719,906)

Balance at 12/31/2016	11,509	$ 1,150,900	-	$ -	37,096,415	$ 37,097	$ 28,086,988	$ -	$ (28,732,576)	$ 542,409	$ 0	$ 542,409

POWIN ENERGY CORPORATION
STATEMENTS OF CASH FLOWS
(audited)

	Years ended December 31, 2016	2015
OPERATING ACTIVITIES		
Net loss from continuing operations	$ (5,475,787)	$ (4,347,417)
Adjustments to reconcile net loss to net cash used in operating activities		
Loss from discontinued operations, net of income taxes	(1,719,906)	(1,240,009)
Depreciation and amortization	86,736	160,517
Reserve for slow moving and obsolete inventory	28,393	(195,880)
Share based compensation	373,907	169,088
Interest expenses	44,234	-
Loss from disposal of property, equipment	77,279	16,273
Changes in operating assets and liabilities		
Accounts receivable	9,449	(8,172)
Other receivable		(2,528,133)
Notes and other receivables	(1,010,644)	331,254
Inventories	(676,222)	12,765
Prepaid expenses and deposits	(9,286)	(258,199)
Accounts payable	519,461	(21,118)
Accounts payable to a related party	2,447,348	-
Accrued payroll and other liabilities	(247,879)	(224,301)
Net cash used in operating activities – continuing operations	(5,552,917)	(8,133,332)
Net cash (used in)provided by operating activities – discontinued operations	2,634,816	2,307,582
Net cash used in operating activities	(2,918,101)	(5,825,750)
INVESTING ACTIVITIES		
Acquisition of intangible assets	(11,364)	(169,935)
Cash received for disposal subsidiaries	299,000	-
Cash paid to acquire non-controlling interest	(15,747)	-
Purchase of equipment and leasehold improvements	(5,020,331)	(134,239)
Net cash used in investing activities – continuing operations	(4,748,442)	(304,174)
Net cash provided by(used in) investing activities – discontinued operations	1,077,143	-
Net cash used in investing activities	(3,671,299)	(304,174)
FINANCING ACTIVITIES		
Proceeds from notes payables and debt	1,219,118	80,056
Repayments of notes payables and debt	(19,271)	(165,630)
Proceeds from stock issuance	-	8,930,000
Proceeds from payable to related parties	2,928,737	359,780
Payments of payable to related parties	(11,667)	(516,462)
Net cash provided by financing activities – continuing operations	4,116,917	8,687,744
Net cash provided by(used in) financing activities – discontinued operations	-	-
Net cash provided by financing activities	4,116,917	8,687,744

Impact of foreign exchange on cash	38,020	(35,333)
Net (decrease) increase in cash	(2,434,463)	2,522,487
Cash at beginning of period	2,866,507	344,020
Cash at end of period	$ 432,044	$ 2,866,507
SUPPLEMENTAL DISCLOURSE OF CASH FLOW INFORMATION		
Interest paid	$ 11,838	$ 569,390
Income taxes paid	$ 15,099	$ 15,000

The accompanying notes are an integral part of these financial statements.

POWIN ENERGY CORPORATION

Notes to Financial Statements

Note 1 – Description of Business and History And Summary of Significant Accounting Policies

Description of Business and History

Powin Energy Corporation ("Company", "we", "us") is a leading designer and developer of safe and scalable energy storage solutions for utilities, microgrid, and EV fast-charging stations. The Company was founded in 1989 in Oregon and until 2016, operated as a contract manufacturer, selling diverse products for leading North American retailers. In 2016, the Company sold off its contract manufacturing businesses, and on October 6, 2016, completed a merger between Powin Corporation and Powin Energy Corporation, with the surviving entity being Powin Energy Corporation. The Company is focused on the rapidly growing advanced energy storage industry, supported by its patented Battery Pack Operating System (bp-OS).

For the periods presented the Company has the following subsidiaries:

As described in this Form 10K and 2015 Form 10K		As described in previously filings	
Legal entity name	Business segment name	Legal entity name	Business segment name
Powin Energy Corporation	Holding company	Powin Corporation	Holding company
Q Pacific Contract Manufacturing Corporation	Contract manufacturing	Powin Contract Manufacturing Corporation	Contract manufacturing
Q Pacific Manufacturing Corporation	Manufacturing	Powin Manufacturing Corporation	Manufacturing
Powin Energy Corporation	Energy	Powin Energy Corporation	Energy
Powin Industries S.A. de C.V.	Mexico	Powin Industries S.A. de C.V.	Mexico
Powin Product Service, Inc.	Contract Manufacturing	Powin Product service, Inc.	Warehousing

The Company's client base included distributors in the transportation, medical, sports, camping, fitness, and packaging and furniture industries. Operations outside the United States of America are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Effective October 3, 2016(see Note13), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long-Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%. In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short-Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with Weiping Cai *("Cai")* pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai all of the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.The purchase price for the Shares was a cash payment of $200,000 plus (i) thirty-five (35%) of the annual EBITDA of QPM for the fiscal years ended 2017, 2018 and 2019; and (ii) thirty-give (35%) of pre-tax income for the fiscal year in which QPM is liquidated, provided that such liquidation commences prior to December 31, 2019.Under the Purchase Agreement, the Company accepted assignment of the lease between Q Pacific Contracting Manufacturing Corporation and Lu Pacific Properties, LLC dated January 1, 2015 for premises occupied by Q Pacific Contracting Manufacturing Corporation at the Company's corporate offices at 20550 SW 115th Ave., Tualatin, OR 97062. In addition, the Company agreed to assume obligations under promissory notes owing to Joseph Lu and Lu Pacific Properties, LLC, respectively, totaling $265,000.00.

Basis of preparation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of consolidation

The accompanying financial statements include the accounts of Powin Energy Corporation. All intercompany transactions and balances have been eliminated. Equity investments through which the Company exercises significant influence over but does not control the investee and is not the primary beneficiary of the investee's activities are accounted for using the equity method. Investments through which the Company is not able to exercise significant influence over the investee are accounted for under the cost method.

Foreign currencies

Assets and liabilities recorded in foreign currencies are translated to U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated to U.S. dollars at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are recorded to other comprehensive income ("OCI").

The reporting currency of the Company is the U.S. dollars. The results of operations and cash flows conducted in foreign currency are translated at average exchange rates during the period, and assets and liabilities are translated at the unified exchange rates at the balance sheet dates, and equity is translated at the historical exchange rates. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding accounts on the balance sheets. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of stockholders' equity. Translation adjustments for the years ended December 31, 2016 and 2015 were $(35,695) and $(30,033), respectively. The cumulative translation adjustment and effect of exchange rate changes on cash, which was recorded as accumulated other comprehensive loss on the balance sheet, as of December 31, 2016 and 2015 were $0 and $(56,176), respectively. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

Use of estimates

The preparation of financial statements in accordance with GAAP requires the use of management's estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

We maintain allowances for accounts receivable for estimated uncollectable accounts receivable due to the inability of our customers to make required payments. We maintain impairment for inventory for estimated inventory loss. We maintain allowances for returns for estimated losses resulting from product returns. These estimates have historically been within our expectations and the provisions established.

Revenue recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, the service is performed or delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured.

For product shipped directly from the Company's warehouse or manufactured by the Company in the United States and then shipped to the customer, revenue is recognized at time of shipment as it is determined that ownership and title has passed to the customer at shipment and revenue is recognized. Amounts billed to customers for freight and shipping are classified as revenue.

Products imported from China and shipped directly to the customer may be either FOB Port of Origin or FOB Shipping Destination United States. If the product is shipped FOB Port of Origin revenue is recognized at time of delivery to the Company's representative in China, when the proper bills-of-lading have been signed by the customer's agent and ownership passed to the customer. For product shipped FOB Shipping Destination U.S., revenue is recognized when product is off-loaded at the United States Port of Entry and delivered to the customer, when all delivery documents have been signed by the receiving customer, and ownership has passed to the customer.

For orders placed requiring customized manufacturing, the Company requires the customer to issue its signed purchase order with documentation identifying the specifics of the product to be manufactured. Revenue is recognized on customized manufactured products upon delivery of the product. If the customer cancels the purchase order after the manufacturing process has begun, the Company invoices the customer for any manufacturing costs incurred and revenue is recognized. Orders canceled after delivery has occurred are fully invoiced to the customer and revenue is recognized, provided all other revenue recognition criteria are met.

Cost of goods sold

Cost of goods sold includes cost of inventory sold during the period, net of discounts and allowances, freight and shipping costs, warranty and rework costs, and sales tax.

Advertising

The Company expenses the cost of advertising as incurred. For the years ended December 31, 2016 and 2015, the amount charged to advertising expense was $49,382 and $163,936, respectively.

Research and development

Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other headcount-related expenses associated with product development. Research and development expenses also include third-party development and programming costs, localization costs incurred to translate software for international markets, and the amortization of purchased software code and services content. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our software products, is generally shortly before the products are released to manufacturing. Once technological feasibility is reached, such costs are capitalized and amortized to cost of revenue over the estimated lives of the products.

Loss Per Share

Basic loss per share is based on the weighted-average effect of all common shares issued and outstanding, and is calculated by dividing net loss by the weighted-average shares outstanding during the year. Diluted loss per share is calculated by dividing net income by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is antidilutive. Please refer to Note 6 for further discussion.

Comprehensive loss

Comprehensive loss is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive loss requires that all items that are required to be recognized under current accounting standards as components of comprehensive loss be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company's comprehensive loss includes net loss and foreign currency translation adjustments and is presented in the consolidated statements of comprehensive loss.

Cash

The Company considers all highly liquid investments with maturity of years or less to be cash equivalents. The cash deposits in U.S. financial institutions exceed the amounts insured by the U.S. government. The standard insurance amount is $250,000 per depositor, per insured bank. Non-performance by these institutions could expose the Company to losses for amounts in excess of insured balances. At December 31, 2016 and 2015, the Company's bank balances exceeded insurances balances by $53,643 and $2,583,046, respectively. At December 31, 2016 and 2015, the Company had no cash equivalents.

Accounts receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventories, net

Inventories consist of parts and equipment including electronic parts and components. Inventory is valued at the lower of cost (first-in, first-out method) or market. The Company capitalizes applicable direct and indirect costs incurred in the Company's manufacturing operations to bring its products to a sellable state. For the years ended December 31, 2016 and 2015, the Company recorded an inventory obsolescence recovery of $28,393 and provision for inventory obsolescence of $45,054, respectively, which is included in cost of sales. The components of inventories were as follows:

	December 31, 2016	December 31, 2015
Raw materials	$ 434,092	$ 303,730
Work in progress	113,861	196,092
Finished goods	1,221,001	621,303
Reserve for slow moving and obsolete inventory	(469,333)	(497,726)
Inventories, net	$ 1,299,621	$ 623,399

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. For financial reporting and income tax purposes, the costs of property and equipment are depreciated and amortized over the assets estimated useful lives, using principally the straight-line method for financial reporting purposes and an accelerated method for income tax purposes. Costs associated with repair and maintenance of property and equipment are expensed as incurred. Changes in circumstances, such as technological advances, changes to the Company's business model or capital strategy could result in actual useful lives differing from the Company's estimates. In those cases where the Company determines that the useful life of property and equipment should be shortened, the Company would depreciate the asset over its revised remaining useful life thereby increasing depreciation expense.

The Company depreciates property and equipment over the following estimated useful lives:

Equipment	7-15 years
Leasehold improvements	39 years
Computers	3-5 years
Vehicles	5-7 years
Furniture and fixtures	3-5 years

The Company reviews the carrying value of property, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment, no impairment expenses for property, and equipment was recorded in operating expenses during the years ended December 31, 2016 and 2015.

Intangible Assets

All of our intangible assets include websites and also patents that are subject to amortization and are amortized using the straight-line method over their estimated period of benefit, ranging from 3 to 5 years. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicates the asset may be impaired.

Non-controlling interests

On August 8, 2014, the Company and its then wholly-owned subsidiary, Powin Energy Corporation (collectively "Powin") and SF Suntech, Inc. ("Suntech") signed a Share Subscription Agreement ("Subscription Agreement") for an investment of $12,500,000 from Suntech. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively. Professional expenses of $750,000 related to the issuances were deducted from the proceeds received. After the shares issuance, the Company owns 82.35% of Powin Energy. On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

Non-controlling interests on the financial statements as of December 31, 2015 includes minority interest of Mexico, an 85% owned subsidiary from February 2011 to January 2016. On January 2016, the company spent $15,747 and bought the 15% minority interest in the company's Mexico subsidiary.

Effective October 3, 2016(see Note13), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").

Income taxes

Deferred tax assets and liabilities are recorded based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company calculates a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different treatment of items for tax and accounting purposes. In determining the future tax consequences of events that have been recognized in the financial statements or tax returns, judgment and interpretation of statutes is required. Additionally, the Company uses tax planning strategies as a part of its tax compliance program. Judgments and interpretation of statutes are inherent in this process.

The accounting guidance for uncertainties in income tax prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company recognizes a tax benefit from an uncertain tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority's widely understood administrative practices and precedents.

Prior to July 8, 2008, the Company had elected under the Internal Revenue Code to be taxed as an S Corporation. In lieu of corporation income taxes, the stockholder of an S Corporation is taxed on his proportionate share of the Company's taxable income. Due to the merger on July 8, 2008, the Company is now subject to Federal income tax.

Fair Value Measurements

The fair value accounting guidance defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;

- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying value of the Company's equipment borrowing and short term line of credit borrowing at December 31, 2016 and 2015, is considered to approximate fair market value, as the interest rates of these instruments are based predominantly on variable reference rates. The carrying value of accounts receivable, trade payables and accrued liabilities approximates the fair value due to their short-term maturities.

Stock-Based Compensation

The Company measures stock-based compensation expense for all share-based awards granted to employees based on the estimated fair value of those awards at grant-date under ASC 718. The cost of restricted stock awards is determined using the fair market value of our common stock on the date of grant. The fair values of stock option awards are estimated using a Black-Scholes valuation model. The compensation costs are recognized net of any estimated forfeitures on a straight-line basis over the employee requisite service period. Forfeiture rates are estimated at grant-date based on historical experience and adjusted in subsequent periods for any differences in actual forfeitures from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications have no impact on our consolidated net earnings, financial position or cash flows.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. The new guidance provides a new model to determine when and over what period revenue is recognized. Under this new model, revenue is recognized as goods or services are delivered in an amount that reflects the consideration we expect to collect. In March 2016, the FASB issued an ASU, Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the principal versus agent guidance in the new revenue recognition standard. In April 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing, which clarifies the guidance on accounting for licenses of intellectual property and identifying performance obligations in the new revenue recognition standard. In May 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedient, which clarifies the transition, collectability, noncash consideration and the presentation of sales and other similar taxes in the new revenue recognition standard. The guidance is effective for fiscal years beginning after December 15, 2017; early adoption is permitted for periods beginning after December 15, 2016. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We have not yet selected a transition method and are evaluating the impact of adopting this guidance.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15")*. ASU 2014-15 requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, if so, provide certain footnote disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, including interim reporting periods thereafter. We adopted ASU 2014-15 as of December 31, 2016, and have provided related disclosures in note 2 of our financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for reporting periods beginning after December 15, 2018 and early adoption is permitted. The ASU will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation — Stock Compensation (Topic 718)*: Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 will become effective for us beginning with the first quarter of 2017. The adoption of this guidance is not expected to have a material impact on our financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments (Topic 230)*. The ASU addresses the following eight specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-06 will be effective for the Company in its first quarter of 2019. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control*. The amendments affect reporting entities that are required to evaluate whether they should consolidate a variable interest entity in certain situations involving entities under common control. Specifically, the amendments change the evaluation of whether a reporting entity is the primary beneficiary of a variable interest entity by changing how a reporting entity that is a single decision maker of a variable interest entity treats indirect interests in the entity held through related parties that are under common control with the reporting entity. The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Basically these amendments provide a screen to determine when a set is not a business. If the screen is not met, the amendments in this ASU first, require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and second, remove the evaluation of whether a market participant could replace missing elements. These amendments take effect for public businesses for fiscal years beginning after December 15, 2017 and interim periods within those periods, and all other entities should apply these amendments for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

Segment reporting

ASC 280, Segment Reporting, formerly known as Statement of Financial Accounting Standards No. 131, Disclosure about Segments of an Enterprise and Related Information, requires use of the "management approach" model for segment reporting. Under this model, segment reporting is consistent with the manner that the Company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure or any other manner in which management disaggregates a company.
A description of our operating segments as of December 31, 2015, follows.

Contract manufacturing (formerly OEM):

Outsourced manufacturing for North American companies, including senior citizen safety products; steel gun safes; outdoor cooking equipment; trampolines; plastic products and small electronic appliances. Contract manufacturing also offers logistic services and a qualified engineer team to support and provide in-house design.

Manufacturing (formerly QBF):

Our manufacturing segment, Powin Manufacturing formerly named Quality Bending and Fabrication ("QBF"), manufactures various truck parts and components primarily for Freightliner Trucks, a division of Daimler Trucks North America, the largest manufacturer of heavy-duty vehicles in North America. Daimler Trucks North America designs, builds and markets a wide range of Class 3-8 vehicles including long-haul highway tractors, heavy-duty construction and vocational trucks, mid-range trucks for distribution and service, school and transit buses, fire and emergency service apparatus, and chassis for step vans, school and shuttle buses, and motor homes. Freightliner Trucks is headquartered in Portland, Oregon, with truck manufacturing facilities located in Portland and throughout the United States and Mexico.

Manufacturing is completed at the Company's leased facility in Tualatin, Oregon as well as arranging the outsourced manufacturing at a third-party factory in Qingdao, China.

Energy:

Powin Energy has developed market leading architecture that utilizes proprietary patented energy storage technology for scalable grid energy storage systems, power supply units for electric vehicles, and transportation applications. Through December 31, 2015, the Energy segment has focused on identifying target markets and applications and finalizing the development of products to serve those markets and applications. In 2016, the Company continued to develop products and marketing strategies for this operating entity.

Product & Service (formerly Channel Partner Program, Warehousing and Wooden)

The Product & Service segment contains the legacy operations of Channel Partner Program, a distribution channel for North American companies to sell their products in China as well as selling certain consumer products through U.S.-based retailers and marketplaces, including online; and Warehousing, which provides warehousing services in support of the Company's customers across all segments. On January 1, 2015, the Product & Service segment had been incorporated into our contract manufacturing segment.

Powin Mexico:

Powin Mexico is a manufacturing segment, currently manufacturing gun safes, but also capable of manufacturing heavy truck parts. Operations began in 2013.

As of December 31, 2016, there is only one segment Powin Energy.

Note 2: Going concern

The Company sustained net loss attributable to Powin Corporation of $6,671,705 and $4,625,848 during the years ended December 31, 2016 and 2015. The Company has accumulated deficit of $28,732,576 as of December 31, 2016. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations and/or obtain additional financing, as may be required.

The accompanying condensed financial statements have been prepared assuming that the Company will continue as a going concern; however, the above condition raises substantial doubt about the Company's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

As discussed in *Part 1, Item 1: Business*, during 2016 the company sold its contract manufacturing businesses and completed a merger between Powin Corporation and Powin Energy Corporation. The surviving entity from the merger is Powin Energy Corporation, and this entity, our Company, is focused on the rapidly growing advanced energy storage industry. Management has assessed the Company's ability to continue as a going concern as of the balance sheet date, and up to and including the financial statement issuance date. The assessment of a company's ability to meet its obligations is inherently judgmental. Without additional funding, the company maynot have sufficient available cash to meet its obligations coming due in the ordinary course of business within one year of the financial statement issuance date. However, the Company has historically been able to successfully secure funding to meet its obligations as they become due. The following conditions were considered in management's evaluation of going concern:

- In 2016, the Company completed significant research and development effort resulting in a patented, commercially viable Battery Pack Operating System (bp-OS).
- In early 2017, the Company completed the installation of a 2-megawatt / 8-megawatt-hour Battery Energy Storage System with the Southern California Edison utility.
- Management is actively in discussions with several parties regarding various forms of funding, which if successful, would mitigate any going concern risks within one year from the date of issuance of its financial statements for the year ended December 31, 2016.

Note 3: Notes and other receivables

Notes and other receivables consist of the following:

	December 31,2016	December 31,2015
Notes receivable from third parties- current	177,530	-
Notes receivable from third parties–non current	829,427	-
Other	4,570	883
Notes and other receivables, net	$ 1,011,527	$ 883

Note 4: Property and equipment, net

The components of property and equipment were as follows:

	December 31, 2016	December 31, 2015
Equipment	$ 50,385	$ 50,385
Leasehold improvements	7,564	92,131
Computers	99,365	38,338
Vehicles	32,983	32,983
SCE project asset*	4,882,025	-
	5,072,322	213,837
Accumulation depreciation	(81,755)	(54,330)
Property and equipment – net	$ 4,990,567	$ 159,507

* SCE project asset is a project under construction in Irvine, CA.The Company capitalized the production cost because design and development preproduction costs related to Long-Term supply arrangements should be capitalized.

For the years ended December 31, 2016 and 2015, depreciation of property and equipment amounted $32,503 and $24,732, respectively.

Note 5: Loss per share

Basic loss per share is based on the weighted-average effect of all common shares issued and outstanding, and is calculated by dividing net loss by the weighted-average shares outstanding during the year. Diluted loss per share is calculated by dividing net income by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is antidilutive.

The components of basic and diluted loss per share are as follows:

	For the years ended December 31,	
	2016	**2015**
Net loss attributable to Powin Corporation(A)	(6,671,705)	(4,625,848)
Less preferred share dividends	(127,200)	(113,500)
Net loss available to Powin Corporation (B)	(6,798,905)	(4,739,348)
Weighted average outstanding shares of common stock (C)	22,916,392	16,248,368
Dilutive effect of securities	-	-
Common stock and common stock equivalents (D)	22,916,392	16,248,368
Loss per share		
Basic (B/D)	$ (0.29)	$ (0.29)
Diluted (B/D)	$ (0.29)	$ (0.29)

The Company has 11,509 and 10,237 shares of outstanding Series A preferred stock as of December 31, 2016 and 2015, respectively. These Series A share has par value of $100 and is convertible at 1 to 20 rate. The Company has 0 and 13,625,826 shares of outstanding August 2015 preferred stock as of December 31, 2016 and 2015, respectively. These August 2015 share has par value of $0.56 and is convertible at 1 to 1 rate. In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

On June 15, 2011, the Company granted awards in the form of incentive stock options to its key employees for 117,000 shares of common stock. There were no stock options granted in 2012. On August 6, 2013, the Company granted another 164,000 stock options under the same plan to all employees. The Company has 102,000 and 158,000 shares of outstanding stock options as of December 31, 2016 and 2015, respectively.

On April 15, 2013, The Company issued a Warrant to Purchase Common Stock to Global Storage Group, LLC for 70,000 shares of the Company's common stock at an exercise price of $25.00; and a Warrant to Purchase Common Stock to Virgil L. Beast on for 30,000 shares of the Company's common Stock at an exercise price of $25.00. The exercise period of each Warrant is 60 months from the date of issuance and may be exercised in whole or in part at any time prior to April 15, 2018. As of December 31, 2016 and 2015, all 100,000 warrants remain outstanding.

The following sets forth the number of shares of common stock underlying if all outstanding options, warrants, and convertible debt were converted as of December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Series A preferred stock	230,180	204,740
Warrants	100,000	100,000
Stock options	102,000	158,000
August 2015 preferred stock	-	13,625,826
	432,180	14,088,566

For the years ended December 31, 2016 and 2015, the effect of warrants, stock options and convertible preferred stock and preferred stock dividends are excluded from loss per share because their impact is considered to be anti-dilutive.

Note 6: Notes Payable

The total carrying value of notes payable was as follows:

	December 31, 2016		December 31, 2015	
	Current	Non Current	Current	Non Current
Equipment loan starting December 18, 2012, due January 1, 2017, with 3.05% interest rate, with no collateral. The loan was fully paid back by December 31, 2016.	$ -	$ -	$ 19,271	$ -
Loan from a third party, starting July 5, 2016, due July 4, 2017, with 6% interest rate, with no collateral	1,484,118	-	-	-
Accrued interest	44,234	-	-	-
Total notes payable, including accrued interest	$ 1,528,352	$ -	$ 19,271	$ -

Interest expenses related to notes payables and long-term debt amounted to $44,234 and $79,836 for the years ended December 31, 2016 and 2015, respectively.

On July 5, 2016, the Company's subsidiary, Powin Energy Corporation issued an unsecured promissory note in the amount of $1,484,118 to 3U (HK) Trading Co. Limited. The note is due on or before July 4, 2017 and accrues interest at 6% per annum.

During the year ended December 31, 2015, the Company issued its preferred stock designed as "August 2015 Preferred Stock", in satisfaction of certain notes payable (Note 8).There was no gain or loss related to the issuance of the preferred stock.

Note 7: Commitments

Operating Leases

The Company leases a facility from Lu Pacific Properties, LLC ("Lu Pacific", formerly, Powin Pacific Properties, LLC, a company owned by Joseph Lu, the Company's largest shareholder, Chairman of the Board and CEO) which serves as the Company's corporate headquarters as well as the base of all operations. This lease is through June 30, 2021 and requires the Company to pay for all property taxes, utilities and facility maintenance.

Effective January 1, 2017, the Company entered into a lease amendment. The Company's subsidiary, Powin Energy leased 28,275 square feet of the building. The lease term is through June 30, 2021 and all property taxes, utilities and facility maintenance were charge at $0.15 per square foot per month by Lu Pacific Properties, LLC. The monthly rental expense is $17,706.50.

The Company leases a facility from 3U Millikan, LLC, a company owned by Xilong Zhu, the Company's Board of Director. This lease is commencing October 10, 2016 and endingJanuary 9, 2027 and requires the Company to pay for all property taxes, utilities and facility maintenance.The monthly base rental expense is $17,550, commencing January 1, 2017 and ending January 9, 2027.

Minimum future lease payments under non-cancelable operating leases are as follows:

Year ending December 31,		
2017	$	423,078
2018		429,402
2019		435,906
2020		442,602
2021		343,275
Thereafter		1,296,192
Total	$	3,370,455

For the years ended December 31, 2016 and 2015, total lease expense paid for all operating rents and leases was $282,722 and $281,440, respectively. These leases are also disclosed in Note 10, related party transactions.

Note 8: Capital stock

The Company has two classes of preferred stock and one class of common stock. The Series A Preferred Stock has a $100 face value per share with a conversion rate of one (1) share of Preferred Stock for twenty (20) shares of Common Stock. The 2015 August Preferred Stock carries a par value of $0.56 per shares and is convertible into Common Stock at the rate of 1for1.

Preferred Stock

The Series A Preferred Stock is convertible at a rate of one (1) preferred share to twenty (20) shares of Powin Corporation common stock. The Series A Preferred Stock calls for dividends of 12%, declared semi-annually, and paid in additional Series A Preferred Stock. In 2016 and 2015, we issued 1,272 and 1,135 shares of Series A Preferred Stock as dividends respectively, increasing the Series A Preferred Stock by $127,200 and $113,500 and decreasing additional paid in capital. As of December 31, 2016 and 2015, there are 11,509 and 10,237 shares of Series A Preferred Stock outstanding, respectively.

The Company issued its August 2015 Preferred Stock *("Preferred Stock")* in August 2015 in satisfaction of the notes payable described in the table below. The holders of the Preferred Stock do not have a dividend preference over the Company's common stock and have the same voting rights as the holders of common stock. The Preferred Stock is convertible into the Company's common stock at the rate of one (1) share of Preferred Stock for one (1) share of common stock. The holders of the Preferred Stock are entitled to a liquidation preference over the holders of common stock equal to $0.56 per share. The full rights, preferences and privileges of the Preferred Stock are set forth in the Certificate of Designation which was filed in the 8K report on August 6, 2015. In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

Lender	**Borrower**	**Amount**		**Number of Shares of Preferred Stock**
3U Trading Co., Limited	Powin Corporation	$	2,451,195	4,377,133
3U Trading Co., Limited	Powin Industries S.A. DE C.V.	$	211,474	377,631
Joseph Lu	Powin Corporation	$	3,333,091	5,951,947
Danny Lu	Powin Corporation	$	560,565	1,001,009
Peter Lu	Powin Corporation	$	560,565	1,001,009
Lu Pacific Properties, LLC	Powin Corporation	$	513,574	917,097
Total		$	7,630,464	13,625,826

Common Stock

For the three months ended March 31, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $1.95 per share for their service. The value of these shares is $5,850. For the three months ended June 30, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.56 per share for their service. The value of these shares is $1,680. For the three months ended September 30, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.90 per share for their service. The value of these shares is $2,700. For the three months ended December 31, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.65 per share for their service. The value of these shares is $1,980.

For the three months ended June 30, 2016 the Company issued 6,000 shares of common stock to the six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.30 per share.

On September 6, 2016, the Company issued 89,961 shares to Quidnick Energy Development, LLC as compensation for consulting services valued at $0.30 per share.

On October 17, 2016, the Company issued 176,369 shares to an employee for compensation expense valued at $0.141 per share.

On October 20, 2016, the Company issued 177,251 shares to an employee for compensation expense valued at $0.141 per share.

In addition, on April 15, 2013, the Company issued a Warrant to Purchase Common Stock to Global Storage Group, LLC for 70,000 shares of the Company's common stock at an exercise price of $25.00; and a Warrant to Purchase Common Stock to Virgil L. Beaston for 30,000 shares of the Company's common Stock at an exercise price of $25.00. The exercise period of each Warrant is 60 months from the date of issuance and may be exercised in whole or in part at any time prior to April 15, 2018. As of December 31, 2016 and 2015, all 100,000 warrants remain outstanding.

	Warrants	Weighted average exercise price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	100,000	$ 25	2.4	$ -
Exercisable at December 31, 2015	100,000	$ 25	2.4	$ -
Warrants granted	-	-	-	-
Warrants exercised	-	-	-	-
Warrants forfeited	-	-	-	-
Outstanding at December 31, 2016	100,000	$ 25	1.4	$ -
Exercisable at December 31, 2016	100,000	$ 25	1.4	$ -

Note 9: Stock options

In February 2011, the Company's Board of Directors approved the adoption of the Powin Energy Corporation 2011 Stock Option Plan ("the Plan") and submitted its ratification to the shareholders at the shareholders' meeting held June 15, 2011, where the shareholders approved the Plan.

The Company records stock-based compensation expense related to stock options and the stock incentive plan in accordance with ASC 718, "Compensation – Stock Compensation".

On June 15, 2011, the Company granted awards in the form of incentive stock options to its key employees for 1,170,000 shares of common stock. There were no stock options granted in 2012. On August 6, 2013, the Company granted another 1,640,000 stock options under the same plan to all employees. Awards are granted with an exercise price that approximates the market price of the Company's common stock at the date of grant. The 2013 grant included immediate vesting of 20% of the options resulting in greater expense recognized than in previous years.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model using. The following assumptions were used to determine the fair value of the options at date of original issuance on August 6, 2013:

Dividend Yield	0%
Expected volatility	161.80%
Risk-free interest rate	1.39%
Term in years	9.92

The Company has never paid a cash dividend and does not intend to pay cash dividends in the foreseeable future, so the dividend yield used in the calculation is 0%.The expected volatility is based on the daily historical volatility of comparative companies, measured over the expected term of the option. The risk-free rate is based on the implied yield on a United States Treasury zero-coupon issue with a remaining term closest to the expected term of the option. The term of the option is the expiration as there is no ready market for employees to exercise and sell shares and to date no option has been exercised on the 2011 plan.

A summary of option activity as is presented below:

	Options	Weighted average exercise price		Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	
Outstanding at December 31, 2015	158,000	$	5.8	5.84	$	312,000
Exercisable at December 31, 2015	99,095	$	6.8	5.05	$	149,931
Options granted	-		-	-		-
Options exercised	-		-	-		-
Options forfeited	(56,000)		5.9	-		-
Outstanding at December 31, 2016	102,000	$	5.7	4.88	$	-
Exercisable at December 31, 2016	84,059	$	6.5	4.28	$	-

Stock option expense included in operating expense for the years ended December 31, 2016 and 2015 is $88,130 and $156,908, respectively. As of December 31, 2016 and 2015, remaining unvested stock expenses amounted to $46,126 and $225,017, respectively.

Note 10: Related party transactions

Rent From Related Parties

All of the Company's facilities are owned by Lu Pacific Properties, LLC ("Lu Pacific"), an Oregon limited liability company, controlled by Joseph Lu ("Mr. Lu"), CEO and Chairman of the Board. Rent expenses were $282,722 and $281,440 for the years ended December 31, 2016 and 2015, respectively. Rental rates are deemed to be and were derived by local market rates for the rents when the contracts were entered.

The Company's facilities in Irvine owned by 3U Millikan, LLC, an California limited liability company, controlled by Xilong Zhu ("Mr. Zhu"), Director of the Board. Rent expenses were $0 and $0 for the years ended December 31, 2016 and 2015, respectively. Rental rates are deemed to be and were derived by local market rates for the rents when the contracts were entered.

Accounts payable to a related party

Accounts payable to a related party amounted to $2,447,347 and $0 as of December 31, 2016 and December 31, 2015, respectively. Accounts payable to a related party is accounts payable to a vendor of which our company's CEO is a significant shareholder.

Loans From Related Parties

On October 18, 2016 the Company secured two loans from Lu Pacific. The principal amount is $150,000 and the interest rate is 6%, due on May 31, 2017. As of December 31, 2016, interest accrued on the loans was $1,825. Interest expense amounted to $1,825 for the year ended December 31, 2016.

On October 27, 2016 the Company secured a loan from Lu Pacific. The principal amount is $2,000,000, and the interest rate is 7%, due on October 31, 2018. As of December 31, 2016, accrued interest is $13,648. Interest expense amounted to $25,315 for the year ended December 31, 2016.

On October 18, 2016, the Company secured a loan from Joseph Lu, CEO and Chairman of the Company. The principal amount is $115,000 and the interest rate is 6%, due on January 31, 2017. As of December 31, 2016, and accrued interest is $1,399. Interest expense amounted to $1,399 for the year ended December 31, 2016.

On December 30, 2016, the Company borrowed loan from Joseph Lu, CEO and Chairman of the Company. The principal is $600,000, interest rate is 6%, due on June 30, 2017. As of December 31, 2016, and accrued interest is $99. Interest expense amounted to $99 for the year ended December 31, 2016.

On October 14, 2016, the Company borrowed loan from Xilong Zhu, a director of the Company. The principal is $35,100, interest rate is 0%, due on March 1, 2017. As of December 31, 2016, and accrued interest is $0. Interest expense amounted to $0 for the year ended December 31, 2016. The loan was paid off on March 6, 2017.

Sales to Related Parties

The Company made sales to Lu Pacific in the amount of $260,446 and $0 for the years ended December 31, 2016 and 2015, respectively. No amounts were due to the Company from Lu Pacific at December 31, 2016 and December 31, 2015, respectively.

Purchase from Related Parties

Mr. Lu's son, Danny Lu, owns 49% of Yangzhou Finway Energy Tech Co. since May 2016. The Company made purchase from Yangzhou Finway Energy Tech Co. in the amount of $3,694,031 and $0for the years ended December 31, 2016 and 2015, respectively. Amounts due to Yangzhou Finway Energy Tech Co. amounted to $2,447,347 and $43,156 at December 31, 2016 and 2015, respectively.

The Company made purchases from Quailhurst Vineyard Estates, an Oregon company, controlled by Joseph Lu in the amount of $8,529 and $0 for the years ended December 31, 2016 and 2015, respectively. Amounts due to Quailhurst Vineyard Estates amounted to $3,332 and $0 at December 31, 2016 and 2015, respectively.

Note 11: Business segment reporting

Basis for Presentation

Our operating businesses are organized based on the nature of markets and customers. Segment accounting policies are the same as described in Note 1.

Effects of transactions between related companies are eliminated and consist primarily of inter-company transactions and transfers of cash or cash equivalents from corporate to support each business segment's payroll, inventory sourcing and overall operations when each segment has working capital requirements. Corporate overhead costs are allocated to segments based on management's estimates of the consumption of such services by each segment.

A description of our operating segments as of December 31, 2016 and2015, follows.

Contract manufacturing (formerly OEM):

Outsourced manufacturing for North American companies, including senior citizen safety products; steel gun safes; outdoor cooking equipment; trampolines; plastic products and small electronic appliances. Contract manufacturing also offers logistic services and a qualified engineer team to support and provide in-house design.

Manufacturing (formerly QBF):

Our manufacturing segment, Powin Manufacturing formerly named Quality Bending and Fabrication ("QBF"), manufactures various truck parts and components primarily for Freightliner Trucks, a division of Daimler Trucks North America, the largest manufacturer of heavy-duty vehicles in North America. Daimler Trucks North America designs, builds and markets a wide range of Class 3-8 vehicles including long-haul highway tractors, heavy-duty construction and vocational trucks, mid-range trucks for distribution and service, school and transit buses, fire and emergency service apparatus, and chassis for step vans, school and shuttle buses, and motor homes. Freightliner Trucks is headquartered in Portland, Oregon, with truck manufacturing facilities located in Portland and throughout the United States and Mexico.

Manufacturing is completed at the Company's leased facility in Tualatin, Oregon as well as arranging the outsourced manufacturing at a third-party factory in Qingdao, China.

Energy:

Powin Energy has developed market leading architecture that utilizes proprietary patented energy storage technology for scalable grid energy storage systems, power supply units for electric vehicles, and transportation applications. Through December 31, 2014, the Energy segment has focused on identifying target markets and applications and finalizing the development of products to serve those markets and applications. In 2016, the Company continued to develop products and marketing strategies for this operating entity.

Product & Service (formerly Channel Partner Program, Warehousing and Wooden)

The Product & Service segment contains the legacy operations of Channel Partner Program, a distribution channel for North American companies to sell their products in China as well as selling certain consumer products through U.S.-based retailers and marketplaces, including online; and Warehousing, which provides warehousing services in support of the Company's customers across all segments. On January 1, 2015, the Product & Service segment had been incorporated into our contract manufacturing segment.

Powin Mexico:

Powin Mexico is a manufacturing segment, currently manufacturing gun safes, but also capable of manufacturing heavy truck parts. Operations began in 2013.

Effective October 3, 2016(see Note13&14), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%.In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016(see Note13&14), the Company entered into a Stock Purchase Agreement with Weiping Cai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai all of the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

Revenues and net loss before income taxes of each of the Company's segments are as follows:

	Years ended December 31, 2016	2015
Revenue		
Energy	337,153	183,187
Consolidated	$ 337,153	$ 183,187

	Years ended December 31, 2016	2015
(Loss) before income taxes		
Energy	(5,468,287)	(4,431,681)
Corporate	-	99,264
Consolidated	$ (5,468,287)	(4,332,417)

Note 12: Non-Controlling Interest

On August 8, 2014, Powin Corporation and its wholly-owned subsidiary, Powin Energy Corporation (collectively "Powin") and SF Suntech, Inc. ("Suntech") signed a Share Subscription Agreement ("Subscription Agreement") for an investment of $25,000,000 from Suntech. Suntech is a third party.

Effective April 2, 2015, Powin and Suntech signed the Fourth Supplemental Agreement ("Supplement").Under the Supplement, the First Closing Date of the Subscription Agreement was April 2, 2015 ("First Closing") at which time Suntech made a payment to Powin in the amount of $7,450,000. That payment plus the previous payments of $3,000,000 on August 29, 2014; $2,000,000 on January 15, 2015 and $50,000 on March 2, 2015 represent a total $12,500,000 paid toward the full $25,000,000 owing under the Subscription Agreement. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively for $12,500,000 received. Professional expenses of $750,000 were recorded as deduction of the cash received.

Per ASC 810-10-45-22, Powin Corporation's ownership interest in Powin Energy has changed as Powin Corporation sold 2,143 shares (approximately 17.65% of outstanding shares after the sales of 2,143 shares) of Powin Energy's common shares to Suntech. After this transaction, Powin Corporation's ownership interest in Powin Energy is 82.35%. Since, Powin Corporation retained its controlling financial interest in Powin Energy after the shares issuance for cash to Suntech; the sale of the subsidiary shares was accounted for as an equity transaction in accordance with ASC 810-10-45-23. Specifically, the proceeds received from the sale $12,500,000 offset by professional expenses of $750,000 are reflected as an increase to additional paid in capital and the net asset value associated with this sold interest $1,552,272 was reclassified from additional paid in capital to no controlling interests.

The Supplement further established the Second Closing Date of the Subscription Agreement as May 31, 2015 ("Second Closing") when the balance of $12,500,000 was to be paid. If that payment was made, Powin would issue to Suntech an additional 2,143 shares of Powin Energy Common Stock. In the event Suntech was unable or unwilling to pay the remaining subscription balance, Powin would be free to sell the 2,143 shares to another purchaser for the same price per share as paid by Suntech. Suntech failed to make the required payment on May 31, 2015. Accordingly, the Company elected to terminate the Subscription Agreement, as it pertained to the remaining $12,500,000 owing thereunder.

On January 2016, the company paid $15,747 and bought the 15% interest in the company's Mexico subsidiary. The Company now owns 100% of the Mexico subsidiary. As of the purchase date, the non-controlling interest of Mexico amounted to $802,577. The difference of purchase price and balance of non-controlling interest is booked as additional paid in capital.

Note 13: Discontinued Operations

Effective October 3, 2016, the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland") pursuant to which the Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%. In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with WeipingCai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

The Company's results of operations related to Powin Mexico and Q Pacific Corporation which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation have been reclassified as discontinued operations on a retrospective basis for all periods presented.

Balances for Powin Mexico and Q Pacific Corporation as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Assets held for sale - current	$ -	$ 4,317,419
Assets held for sale- noncurrent	-	1,077,143
Liabilities held for sale - current	-	1,682,603

The operating results of Powin Mexico and Q Pacific Corporation for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	2015
Sales	$ 7,135,534	$ 10,837,448
Cost of Goods Sold	6,121,675	9,300,054
Gross Profit	1,013,859	1,537,394
Operating Expenses	2,831,687	2,760,400
Other Income (Expense)	97,921	(17,003)
Income Tax Expense	-	-
Net loss from discontinued operations	$ (1,719,907)	$ (1,240,009)

On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

The Company has booked $1,719,906 loss from disposal of discontinued operations.

Note 14: Income taxes

The provision for income taxes consists of the following:

Year ended December 31,	2016	2015
Current:		
Federal	$ -	$ -
State	7500	15000
	7500	15000
Net Operating Losses Carryback	-	-
	7500	15000
Deferred:		
Federal	(5,338,098)	(1,334,500)
State	(683,905)	(170,973)
	(6,022,003)	(1,505,473)
Valuation Allowance	6,022,003	1,505,473
	-	-
Provision for Income Taxes	$ 7,500	$ 15,000

A reconciliation of income taxes computed at the United States federal statutory income tax rate to the provision for income taxes is as follows:

Year ended December 31,	2016	2015
US Federal Statutory Rate @ 34%	$ (1,499,443)	$ (1,498,917)
State Taxes, Net of Federal Effect	(192,105)	(192,038)
Penalties	-	(57,534)
Stock Compensation	14,595	60,184
Valuation Allowance	6,022,002	1,505,473
Capital Loss	(4,578,815)	-
Other	288,155	18,977
Prior Period Adjustment	(54,389)	163,855
Total	$ -	$ -

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset were as follows:

Year ended December 31,	2016	2015
Current:		
Allowance for Inventory Obsolescence	$ 180,017	$ 294,752
Allowance for Doubtful Accounts	-	176,846
Accrued Interest	6,509	-
Other	42,949	63,781
	229,475	535,379
Valuation Allowance	(229,475)	(535,379)
Total	$ -	$ -
Noncurrent:		
Net Operating Losses	$ 6,614,728	$ 4,767,919
Capital Losses	4,578,815	-
Property, Equipment and Intangibles	5,205	145,238
Tax Credits	306,319	264,820
Other	3,119	2,302
	11,508,186	5,180,279
Valuation Allowance	(11,508,186)	(5,180,279)
Total	$ -	$ -

Based on the Company's current financial and operational situation, management determined that it is more likely than not that the United States federal and state deferred tax assets will not be realized through the reduction of future income tax payments. Consequently, the Company has established a full valuation allowance for its United States federal and state deferred tax assets as of December 31, 2016.

As of December 31, 2016, the Company has approximately $16.9 million and $20 million of net operating loss ("NOL") carry-forwards for federal and state income tax purposes, respectively. Expiration of the Company's NOL carry-forwards begins in 2021. Section 382 of the Internal Revenue code of 1986 provide for an annual limitation of approximately $67,000 on the utilization of net operating loss carry-forwards as the Company underwent an ownership change in 2008, as defined in section 382. This limitation has been reflected in the United States federal and state net operating loss carry-forwards.

The Company adopted uncertain tax position in accordance with ASC 740 on January 1, 2007 and has not recognized any material increase in the liability for unrecognized income tax benefits as a result of the implementation. The Company estimates that the unrecognized tax benefit will not change within the next twelve months. The Company will continue to classify income tax penalties and interest, if any, as part of interest and other expenses in its statements of operations. The Company has incurred no interest or penalties as of December 31, 2016 and 2015.

The Company has identified United States federal and Oregon as major jurisdictions. The Company is currently open to audit under United States and state statute of limitations by the taxing authorities for 2013 through 2016.

Note 15: Subsequent events

On January26, 2017, the Company borrowed $1,100,000 loan payable from Lu Pacific. The loan has interest rate of 7.0% and is due on January 26, 2019. If the Company fails to cure a Payment Default or fails to make payment upon Maturity as requested by Holder, Holder, at its discretion, is entitled to take ownership of and sole possessory interest in Company's Intellectual Property.

On March 16, 2017, the Company borrowed $2,000,000 loan payable from Wolf Creek Capital, LLC. The loan has interest rate of 6.0% and is due on March 16,2019.

On March 21, 2017, the board of directors of the company authorized the issuance of one share of the company's Common Stock in exchange for each share of Series A stock. All Series A Preferred Stock was cancelled.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our principal executive and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 ("Exchange Act") as of the end of the period covered by this report. Based on that evaluation, our principal executive and principal financial officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting.

Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) for the Company. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Because of its inherent limitations, internal control over financial reporting may not prevent nor detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making its assessment of internal control over financial reporting, management used the criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. This assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls. Based on the results of this assessment, management has concluded that our internal controls over financial reporting were effective as of December 31, 2016.

Management's assessment was not subject to attestation by the Company's independent registered public accounting firm and as such, no attestation was performed pursuant to SEC Final Rule Release Nos. 33-8934; 34-58028 that permit the Company to provide only management's assessment report for the year ended December 31, 2016 and 2015.

Changes in Internal Control over Financial Reporting.

There has been no change in our internal control over financial reporting that occurred in our fiscal year ended December 31, 2016 that has materially adversely affected, or is reasonably likely to materially adversely affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers, Promoters and Control Persons

All directors of our directors and officers hold office until the next annual meeting of our shareholders and until such director's successor is elected and has been qualified, or until such director's earlier death, resignation or removal. The following table sets forth the names, positions and ages of our executive officers and directors. Our board of directors elects officers and their terms of office are at the discretion of our board of directors.

Name	Age	Position
Joseph Lu	64	Chief Executive Officer, Principle Financial Officer and Chairman of the Board of Directors
Geoffrey Brown	39	President and Director
Virgil Beaston	54	Chief Technology Officer and Director
Jim Osterman	80	Director
David Hogg	57	Director
Xin Luo	51	Director
Xilong Zhu	53	Director

Business Experience

The following is a brief account of the education and business experience during at least the past five years of our directors and executive officers, indicating their principal occupations during that period, and the name and principal business of the organizations in which such occupation and employment were carried out.

Joseph Lu formed Powin Corporation in 1990 and has served as its President since inception. Effective March 12, 2012, Joseph Lu was appointed as interim Chief Financial Officer until such time as the Company hires a permanent Chief Financial Officer. Mr. Lu also resigned as President of the Company but will continue as Chief Executive Officer. Prior to founding Powin, Mr. Lu served as the General Manager of the Shunn Feng Ind. Co., Ltd. in Taiwan. From 1980 to 1986, Mr. Lu was employed as an Environmental Engineer for the Sinotech Engineering Consultant Co. in Taiwan. From 1979 to 1980, Mr. Lu was a quality control inspector for the Shunn Feng. Ind. Co. Ltd. in Taiwan. Additionally, from 1988 to 1996, Mr. Lu was the President of the Euro Belt Factory Ltd. in Taiwan. From 1995 to 2006, Mr. Lu was the President of the Qingdao Triple Master Fitness Co., a company that manufactured fitness equipment. In 2000, Mr. Lu began serving as president of the Qingdao Wei Long Co. Ltd., a company that manufactures outdoor camping cookware. Mr. Lu received a degree in Chinese Culture from the University of Taipei in Taiwan. He also received a B.A. degree in Chemical Science.

Geoffrey L. Brown has over ten years of commercial and technical experience in the wind, solar and energy storage industry. He has been involved in renewable and energy storage sales efforts to utility and industrial customers across North America. From 2015 to January 2016, he was the Director of Business Development of Microgrid development for NRG Renew, Inc. From 2013 to 2014, he served as the Director of Business Development for energy storage system sales for Beacon Power, LLC. Mr. Brown was Director of Renewable Energy Business Development for Element Power Us, LLC in Portland, OR from 2009 to 2013. Mr. Brown holds a BS in Biological and Environment Engineering from Cornell University School of Engineering.

Virgil Beaston has been the Chief Technology Officer for Powin Energy Corporation since 2011. Mr. Beaston is an engineer and a patent attorney focusing on the design and manufacture of scalable energy storage systems. In 2008, Mr. Beaston resigned from a large US intellectual property law firm and co-founded a start-up company to design and manufacture energy storage products. Shortly thereafter, he moved to Shenzhen, China to establish a small factory that designed and produced energy storage products.

Jim Osterman was appointed to the Board of Directors on November 6, 2013. Mr. Osterman is currently the President of JSO Ventures, LLC, Oregon City, Oregon which is a real estate investment and management consulting firm. Previously, Mr. Osterman was Chairman and CEO of Blount International, Inc. from 2002 to 2010. He was President of the Outdoor Power Group of Blount from 1986 to 2002; Senior Vice President of Marketing, Manufacturing and Engineering from 1979 to 1986; and Director of European Operations from 1968 to 1979. Mr. Osterman lived in Europe for twelve years in that position. Mr. Osterman joined the Board of Directors of Cascade Corporation in 1994 and served as Chairman of the Board from 2002 to 2013.Mr. Osterman attended Western Oregon University and the Harvard Business School Program for Management Development. Mr. Osterman has fifty years of worldwide international business experience beginning with Omark Industries, Inc. in 1959. Mr. Osterman serves as the Company's Compensation Committee.

David Hogg serves as the President of Europe at Shunfeng International Clean Energy Limited, formerly known as Shunfeng Photovoltaic International (Limited). Mr. Hogg served as the Chief Operating Officer of Suntech Holdings Co. Ltd since August 2015. He was the founder of CSG Solar AG (Germany) and served as its Chief Executive Officer since 2004. Mr. Hogg served as the Head of Suntech Europe for Suntech Power Holdings Co. Ltd from November 2009 to August 2010. Thereafter, Mr. Hogg was Head of Europe Operations at Suntech Group Europe Ltd. and as Chief Executive Officer at Innotech Solar until June 2013. Mr. Hogg received a BS Degree in Mechanical Engineering from the University of New South Wales (Sydney) in 1982.

Xin Luo has been the Chief Executive Officer of Shunfeng International Clean Energy Limited, formerly known as Shunfeng Photovoltaic International (Limited), since January 1, 2015. Mr. Luo served as the Chief Executive Officer of Wuxi Suntech Power Co. Ltd. from February –December 2014. From 2000- 2006, he served as the General Manager of Thomson Consumer Electronics Inc. and as Global Head of Strategic Sourcing and General Manager of Nortek Inc. from 2006 to 2010. Mr. Luo obtained an MBA in Supply Chain Management and International Marketing from Michigan State University in 2000 and a BS Degree in Economics from Hangzhou College of Commerce in 1988.

Xilong Zhu, also known as Logan Zhu, is the founder of MD Barnmaster Factory and serves as President of Triple Master Group Corporation in Qingdao, China since July 1994. Mr. Zhu joined Shandong Machinery and Equipment Import and Export Group Corporation in 1988 and served as Manager of the Import and Export Department from 1990 to 1994. Mr. Zhu holds an MBA from Tsinghua University and BS in Science from the Department of Automotive Engineering of Tsinghua University.

Family Relationships

Two relatives of Joseph Lu are employed by the Company. Danny Lu, Joseph Lu's son, is employed by the Company as Vice President, Procurement and serves on the Board of Directors. Eric Lu, Joseph Lu's brother, was employed by the Company as the IT manager during 2014 and first quarter of 2015.Effective April 2015, Eric Lu resigned from the IT manager position and hired by the company as the independent contractor.

Involvement in Certain Legal Proceedings

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years;

any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or

being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during fiscal year ended December 31, 2016, all filing requirements applicable to our officers, directors and greater than 10% percent beneficial owners were complied with.

Code of Ethics

We adopted a Code of Business Conduct and Ethics that applies to, among other persons, our company's president (being our principal executive officer, principal financial officer and principal accounting officer), as well as persons performing similar functions. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote;

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;

3. compliance with applicable governmental laws, rules and regulations;

4. the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and

5. accountability for adherence to the Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics requires, among other things, that all of our company's personnel shall be accorded full access to our president with respect to any matter which may arise relating to the Code of Business Conduct and Ethics. Further, all of our company's personnel are to be accorded full access to our company's board of directors if any such matter involves an alleged breach of the Code of Business Conduct and Ethics by our president.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal, provincial and state securities laws. Any employee who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to his or her immediate supervisor or to our company's president. If the incident involves an alleged breach of the Code of Business Conduct and Ethics by the president, the incident must be reported to any member of our board of directors. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics was filed as an exhibit with our Registration Statement on Form S-1 filed with the Securities and Exchange Commission on July 31, 2009. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to the Company address listed above.

Nomination Process

As of December 31, 2016, we did not affect any material changes to the procedures by which shareholders may recommend nominees to the board of directors. We do not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. The board of directors believes that, given the current stage of our development, a specific nominating policy would be premature and of little assistance until our operations develop to a more advanced level. We do not currently have any specific or minimum criteria for the election of nominees to the board of directors and there is no specific process or procedure for evaluating such nominees. The board of directors assesses all candidates, whether submitted by management or shareholders, and makes recommendations for election or appointment.

A shareholder who wishes to communicate with the board of directors may do so by directing a written request addressed to our Chief Executive Officer or the Chief Financial Officer at the address appearing on the face page of this report.

Committees of the Board

All proceedings of the board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the Nevada Business Corporation Act and our Bylaws as valid and effective as if they had been passed at a meeting of the directors duly called and held.

At the present time, we have an Audit Committee and a Compensation Committee. Our director, George Gabriel, serves on the Audit Committee and our director, Jim Osterman, serves on the Compensation Committee. We currently do not have a nominating committee or committees performing similar functions nor do we have a written nominating, compensation charter. The board of directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by the board of directors.

Audit Committee Financial Expert

Our Director, George Gabriel, qualifies as our "audit committee financial expert" as defined in Item 407(d) (5) (ii) of Regulation S-B.

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation

The following describes the compensation paid to our principal executive officer and each of our two most highly compensated executive officers who were serving as executive officers at the end of the year ended December 31, 2016 who we will collectively refer to as the named executive officers of our company for the years ended December 31, 2016 and 2015, are set out in the following summary compensation table, except that no disclosure is provided for any named executive officer, other than our principal executive officer, whose total compensation does not exceed $100,000 for the respective fiscal year:

Summary compensation table

Name and principal position	Year	Salary ($)	Bonus ($)	Stock awards ($)	Option Awards ($)	All other compensation ($)	Total ($)
Joseph Lu	2016	60,000	-	300	-	-	60,300
CEO and Chairman	2015	66,000	-	2,030	-	-	68,030
Geoffrey Brown	2016	107,499.68	-	207,129		-	314,628.68
President	2015	0	-	-		-	0

Option awards represent the grant date fair value of options granted

Stock awards represent the market value of common stock issued to members of the board of directors as compensation for their services. For the years ended December 31, 2016 and 2015, shares were paid to each director as follow. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. Our board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director.

Director compensation table

Name and principal position	Year	Fees earned or paid in cash ($)	Stock awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total ($)
Joseph Lu	2016		300				300
Director,							
CEO	2015		2,030				2,030
Geoffrey Brown	2016		207,129				207,129
Director,							
President	2015		0				0
James Osterman	2016		300				300
Director,							
Compensation							
Committee	2015		2,030				2,030
Virgil Beaston							
Director	2016		0				0
	2015		0				0
David Hogg							
Director	2016		0				0
Director	2015		0				0
Xin Luo							
Director	2016		0				0
	2015		0				0
Xilong Zhu							
Director	2016		0				0
	2015		0				0

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which the Company provides pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 31, 2016, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock. Beneficial ownership consists of a direct interest in the shares of common stock.

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Common stock	Joseph Lu 20550 SW 115th Ave Tualatin, OR 97062	15,314,367(a)	41.28%
Common stock	SF Suntech Inc. 20550 SW 115th Ave Tualatin, OR 97062	5,296,169	14.28%
Common stock	Geoffrey Brown 20550 SW 115th Ave Tualatin, OR 97062	1,469,000	3.96%
Common stock	James Osterman 22329 S Clear Creek Road Estacada, OR 97023	5,000	0.01%

(a) These shares are held by Joseph Lu and Mei Yi Lu as Co-Trustees of the Joseph Lu Trust dated August 17, 2007, as amended

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except as described below, no director, executive officer, principal shareholder holding at least 5% of our common shares, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction, during the years ended December 31, 2016 in which the amount involved in the transaction exceeded $120,000.

Lu Pacific Properties LLC of which Joseph Lu is the controlling member and Manager, owns the facilities currently used by the Company and its subsidiaries. Payments made by the Company to Lu Pacific were as follows:

Year ended December 31,	2016	2015
Powin Energy Corporation	$ 293,756	$ 383,805
Powin Manufacturing	140,346	187,128
Powin Industries SA de CV (Powin Mexico)	109,197	145,596
Total	$ 543,299	$ 716,529

Corporate Governance

Our directors are Joseph Lu, Geoffrey Brown, Virgil Beaston, Jim Osterman, David Hogg, Xin Lu and Xilong Zhu. Jim Osterman, David Hogg, Xin Lu and Xilong Zhu are considered independent directors. Neither of the foregoing are officers or employees of the Company or any of its subsidiaries. Since OTC Markets does not have rule governing director independence,, the Company makes its determination on director independence based on the definition of “independence” in rules of the New York Stock Exchange and the American Stock Exchange. The Board of Directors has established a Compensation Committee. At present time, the Board of Directors does not have a nominating committee. The entire Board of Directors serves as the Nominating Committee.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table represents a summary of fees billed to the Company from its principal independent accountants for professional services rendered for the years ended December 31, 2016 and 2015.

Year ended December 31,	2016	2015
Audit fees	$ 63,440	$ 79,560
Audit-related fees	6,605	5,831
Tax fees	-	-
All other fees	-	-
Total	$ 70,045	$ 85,391

Audit Fees

Audit fees expensed for Anton & Chia, LLP, for professional services rendered in respect to the audit of our annual financial statements included in our annual report on Form 10-K for the years ended December 31, 2016 and 2015 were $63,440and $79,560, respectively.

Audit Related Fees

For the years ended December 31, 2016 and 2015, the aggregate fees expenses in respect to the assurance and related services relating to the performance of the audit of our financial statements which are not reported under the caption “Audit Fees” above, was $6,605and $5,831, respectively.

Tax Fees

None.

All Other Fees

None.

Our audit committee has adopted a policy governing the pre-approval of all services, audit and non-audit, to be provided to our company by our independent auditors. Under the policy, the audit committee has pre-approved the provision by our independent auditors of specific audit, audit related, tax and other non-audit services as being consistent with auditor independence. Requests or applications to provide services that require the specific pre-approval of the board of directors must be submitted to the board of directors by the independent auditors, and the independent auditors must advise the board of directors as to whether, in the independent auditor’s view, the request or application is consistent with the Securities and Exchange Commission’s rules on auditor independence.

The board of directors has considered the nature and amount of the fees billed by Anton & Chia, LLP and believes that the provision of the services for activities unrelated to the audit is compatible with maintaining the independence of Anton & Chia, LLP.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Included with this Report is an audited balance sheet as of the years ended December 31, 2016 and 2015 and audited statements of income, cash flows and changes in stockholders' equity for the years ended December 31, 2016 and 2015.

Exhibit No.	Description
2.1	Articles of Merger and Plan of Reorganization between Powin Corporation and Exact Identification Corporation as filed with the State of Nevada on August 22, 2008
2.2	First Amended and Restated Agreement and Plan of Merger and Liquidation between Powin Corporation and Powin Energy Corporation dated August 23, 2016.
3.3	Articles of Incorporation of the Company (formerly known as Global Technology, Inc.)
3.4	Articles of Amendment for Global Technology, Inc.
3.5	Bylaws of Advanced Precision Technology, Inc.
3.6	Articles of Amendment Advanced Precision Technology, Inc.
3.7	Certificate of Amendment of U.V. Color, Incorporated
3.8	Amended and Restated Articles of Incorporation of Powin Corporation
3.9	Amended and Restated Bylaws of Powin Corporation
4.1	Warrant to Global Storage Group, LLC dated April 15, 2014
4.2	Warrant to Virgil L. Beaston dated April 15, 2014
10.5	Lease for Tualatin Property
10.6	Employment Agreement of Joseph Lu
10.7	Employment Agreement of Geoffrey L. Brown dated July 20, 2016
10.10	Business Loan Agreement and Amendment between QBF, Inc. and Sterling Savings Bank
10.11	Lease for Property used by Powin Manufacturing Corporation
10.13	Summary of Oral Contracts
10.17	Lease Agreement for corporate offices between Powin Corporation and Powin Pacific Properties, LLC.
10.20	Share Subscription Agreement between Powin Corporation and Powin Energy Corporation and SF Suntech, Inc. dated August 7, 2014
10.21	Supplemental Agreement with SF Suntech, Inc. dated August 27, 2014
10.22	Amendment Agreement with SF Suntech, Inc. dated January 15, 2015
14.1	Code of Ethics
21.1	List of Subsidiaries
31.1	Certification of Joseph Lu pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Craig Eastwood, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Registration for QBF, Inc.

All of the above listed exhibits with the exception of Exhibits , 31.1, 31.2 and 32, which are filed herewith, were filed with our Form S-1 Registration Statement, as amended, our previous reports on Forms 10-K; 10-Q and 8-K and our 14C Information Statement filed September 8, 2016 with respect to Exhibit 2.2 and are collectively incorporated herein by reference.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

POWIN ENERGY CORPORATION

Dated: March 31, 2017
By: *<u>/s/ Joseph Lu</u>*
Joseph Lu
Chief Executive Officer

By: *<u>/s/ Craig Eastwood</u>*
Craig Eastwood
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on behalf of the registrant by the following persons comprising the majority of the directors and in the capacities and on the dates indicated.

Name	**<u>Position</u>**	**<u>Date</u>**
/s/ Joseph Lu	Director	March 31, 2017
/s/ Geoffrey L. Brown	Director	March 31 ,2017
/s/ Virgil Beaston	Director	March 31, 2017
/s/ Jim Osterman	Director	March 31, 2017

Exhibit 31.1 Principal Executive Officer - Section 302 Certification

Certification of
Principal Executive Officer
Of Powin Energy Corporation
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph Lu, certify that:

1. I have reviewed this Annual Report on Form 10-K of Powin Energy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this l report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2017
By: /s/ Joseph Lu
Joseph Lu
Chief Executive Officer

Exhibit 31.2 Principal Financial Officer - Section 302 Certification

Certification of
Principal Financial Officer
Of Powin Energy Corporation
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Craig Eastwood, certify that:

1. I have reviewed this Annual Report on Form 10-K of Powin Energy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this l report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2017
By: */s/ Craig Eastwood*
Craig Eastwood
Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Powin Energy Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: March 31, 2017
By: /s/ Joseph Lu
Joseph Lu
Principle Executive Office

Dated: March 31, 2017
By: /s/ Geoffrey Brown
Geoffrey Brown
President

Document and Entity Information - USD ($)	12 Months Ended Dec. 31, 2016	Mar. 31, 2017	Jun. 30, 2016
Document and Entity Information [Abstract]			
Document Type	10-K		
Amendment Flag	false		
Document Period End Date	Dec. 31, 2016		
Entity Registrant Name	POWIN ENERGY CORP		
Entity Central Index Key	0001468780		
Current Fiscal Year End Date	--12-31		
Document Fiscal Period Focus	FY		
Document Fiscal Year Focus	2016		
Entity Filer Category	Smaller Reporting Company		
Entity Common Stock, Shares Outstanding		37,107,924	
Entity Public Float			$ 858,825
Entity Voluntary Filers	No		
Entity Well-known Seasoned Issuer	No		
Entity Current Reporting Status	Yes		

BALANCE SHEETS - USD ($)	Dec. 31, 2016	Dec. 31, 2015
Current Assets		
Cash	$ 432,044	$ 2,866,507
Accounts receivable, net	13,451	22,903
Notes and other receivables- current	182,100	883
Inventories, net	1,299,621	623,399
Prepaid expenses and deposits	267,485	258,199
Assets for discontinued operation		4,317,419
Total current assets	2,194,701	8,089,310
Notes and other receivables-non current	829,427	
Property and equipment, net	4,990,567	159,507
Intangible assets, net	175,297	182,911
Assets for discontinued operation		1,077,143
Total assets	8,189,992	9,508,871
Current Liabilities		
Accounts payable	672,322	152,861
Accounts payable to a related party	2,447,348	
Accrued payroll and other accrued liabilities	82,491	330,370
Notes payable - current portion of long-term debt and accrued interest	1,528,352	19,271
Payable to related parties - current	903,422	
Liabilities for discontinued operation		1,682,603
Total current liabilities	5,633,935	2,185,105
Non-Current Liabilities		
Payable to related parties - non current	2,013,648	
Total non-current Liabilities	2,013,648	
Total liabilities	7,647,583	2,185,105
Stockholders' equity		
Preferred stock	1,150,900	8,654,164
Common stock, $0.001 par value, 575,000,000 shares Authorized; 37,096,415 and 16,243,839 shares issued and outstanding, respectively	37,097	16,256
Additional paid-in capital	28,086,988	23,909,992
Accumulated other comprehensive loss		(56,176)
Accumulated deficit	(28,732,576)	(22,060,870)
Total Powin Energy Corporation stockholders' equity	542,409	10,463,366
Non-controlling interest	0	(3,139,600)
Total liabilities and shareholders' equity	8,189,992	9,508,871
Series A Preferred Stock [Member]		
Stockholders' equity		
Preferred stock	1,150,900	1,023,700
2015 August stock [Member]		
Stockholders' equity		
Preferred stock		$ 7,630,464

BALANCE SHEETS (Parenthetical)	Dec. 31, 2016 $ / shares shares	Dec. 31, 2015 $ / shares shares
Preferred stock, shares authorized	25,000,000	25,000,000
Common stock, par value per share | $ / shares	$ 0.001	$ 0.001
Common stock, shares authorized	575,000,000	575,000,000
Common stock, shares issued	37,096,415	16,243,839
Common stock, shares outstanding	37,096,415	16,243,839
Series A Preferred Stock [Member]		
Preferred stock, face value | $ / shares	$ 100	$ 100
Preferred stock, conversion rate	0.05	0.05
Preferred stock, shares issued	11,509	10,237
Preferred stock, shares outstanding	11,509	10,237
2015 August stock [Member]		
Preferred stock, face value | $ / shares	$ 0.56	$ 0.56
Preferred stock, conversion rate	1	1
Preferred stock, shares issued	0	13,625,826
Preferred stock, shares outstanding	0	13,625,826

STATEMENTS OF OPERATIONS - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Income Statement [Abstract]		
Net sales	$ 337,153	$ 183,187
Cost of sales	448,541	182,630
Gross profit (loss)	(111,388)	557
Operating expenses		
Payroll expenses	1,244,981	1,158,463
Professional expenses	1,416,114	1,745,423
Rent expenses	282,722	281,440
General and administrative expenses	1,293,634	1,089,271
Total operating expenses	4,237,451	4,274,597
Loss from operations	(4,348,839)	(4,274,040)
Other income (expense)		
Other income	11,806	25,059
Interest expense	(65,594)	(233,291)
Loss on sales of assets and subsidiaries	(1,065,660)	
Other income (expense)		149,855
Other expenses	(1,119,448)	(58,377)
Loss before income taxes	(5,468,287)	(4,332,417)
Provision for income taxes	7,500	15,000
Net loss from continuing operations	(5,475,787)	(4,347,417)
Loss from discontinued operations, net of income taxes	(1,719,906)	(1,240,009)
Net loss before non controlling interest	(7,195,693)	(5,587,426)
Net loss attributable to non-controlling interest	(523,988)	(961,578)
Net loss attributable to Powin Corporation	$ (6,671,705)	$ (4,625,848)
Basic and diluted loss per share		
From continuing operations	$ (0.22)	$ (0.21)
From discontinued operations	(0.08)	(0.08)
Combined loss per share attributable to Common Shareholders	$ (0.29)	$ (0.28)
Weighted average shares outstanding:		
Basic and Diluted	22,916,392	16,248,368

STATEMENTS OF COMPREHENSIVE LOSS - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Comprehensive Income (Loss), Net of Tax, Attributable to Parent [Abstract]		
Net loss	$ (5,475,787)	$ (4,347,417)
Other comprehensive loss		
Foreign currency translation adjustment	(25,782)	(35,333)
Comprehensive loss	(5,501,569)	(4,382,750)
Comprehensive loss attributable to non-controlling interest	(523,988)	(961,578)
Comprehensive loss attributable to Powin Corporation	$ (4,977,581)	$ (3,421,172)

STATEMENTS OF STOCKHOLDERS' DEFICIT - USD ($)	Series A Preferred Stock [Member]	2015 August Preferred Shares [Member]	Common Stock [Member]	Additional Paid-in Capital [Member]	Accumulated Other Comp. Income [Member]	Accumulated Deficit [Member]	Total	Minority Interest in Subsidiary [Member]	Total Powin Corporation Shareholders' Deficit and Minority Interest [Member]
Balance at Dec. 31, 2014	$ 910,200		$ 16,244	$ 10,552,144	$ (26,143)	$ (17,435,022)	$ (5,982,577)	$ (620,450)	$ (6,603,027)
Balance, shares at Dec. 31, 2014	9,102		16,243,839						
Foreign currency translation					(30,033)		(30,033)	(5,300)	(35,333)
Preferred dividends declared	$ 113,500			(113,500)					
Preferred dividends declared, shares	1,135								
Issuance of preferred stock									
Issuance of common stock in subsidiary				11,750,000			11,750,000		11,750,000
Minority interest from issuance of common stock in subsidiary				1,552,272			1,552,272	(1,552,272)	
Stock option comp expense				156,908			156,908		156,908
Preferred stock to settle notes payable		$ 7,630,464					7,630,464		7,630,464
Preferred stock to settle notes payable, shares		13,625,826							
Shares issued for services			$ 12	12,168			12,180		12,180
Shares issued for services, shares			12,000						
Net loss						(4,625,848)	(4,347,417)	(961,578)	(5,587,426)
Balance at Dec. 31, 2015	$ 1,023,700	$ 7,630,464	$ 16,256	23,909,992	(56,176)	(22,060,870)	10,463,366	(3,139,600)	7,323,766
Balance, shares at Dec. 31, 2015	10,237	13,625,826	16,255,839						
Foreign currency translation					(35,695)		(35,695)	9,913	(25,782)
Preferred dividends declared	$ 127,200			(127,200)					
Preferred dividends declared, shares	1,272								
Minority Interest decrease due to purchase 15% of non controlling interest				(818,324)			(818,324)	792,663	(25,660)
Preferred Stock to convert common stock		$ (7,630,464)	$ 13,626	7,616,838					
Preferred Stock to convert common stock, shares		(13,625,826)	13,625,826						
Stock option comp expense				88,130			88,130		88,130
Shares issued for consulting			$ 90	26,898			26,988		26,988
Shares issued for consulting, shares			89,961						
Shares issued for services			$ 6	1,794			1,800		1,800
Shares issued for services, shares			6,000						
Shares issued for compensation			$ 1,823	255,167			256,989		256,989
Shares issued for compensation, Shares			1,822,620						
Disposal subsidiaries				(2,861,011)	91,871		(2,769,140)	2,861,012	91,872
Net loss						(4,951,199)	(5,475,787)	(523,988)	(5,475,787)
Assumption of debt									

Shares issued to SF Suntech Inc.		$ 5,296	(5,296)				
Shares issued to SF Suntech Inc., shares		5,296,169					
Held for sale				(1,719,906)	(1,719,906)		(1,719,906)
Balance at Dec. 31, 2016	$ 1,150,900	$ 37,097	$ 28,086,988	$ (28,732,576)	$ 542,409	$ 0	$ 542,409
Balance, shares at Dec. 31, 2016	11,509	37,096,415					

STATEMENTS OF STOCKHOLDERS' DEFICIT (Parenthetical)	12 Months Ended
	Dec. 31, 2016
Statement of Stockholders' Equity [Abstract]	
Percentage of Minority Interest decrease due to purchase of non controlling interest	15.00%

STATEMENTS OF CASH FLOWS - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
OPERATING ACTIVITIES		
Net loss from continuing operations	$ (5,475,787)	$ (4,347,417)
Adjustments to reconcile net loss to net cash used in operating activities		
Loss from discontinued operations, net of income taxes	(1,719,906)	(1,240,009)
Depreciation and amortization	86,736	160,517
Reserve for slow moving and obsolete inventory	28,393	(195,880)
Share based compensation	373,907	169,088
Interest expenses	44,234	
Loss from disposal of property, equipment	77,279	16,273
Changes in operating assets and liabilities		
Accounts receivable	9,449	(8,172)
Other receivable		(2,528,133)
Notes and other receivables	(1,010,644)	331,254
Inventories	(676,222)	12,765
Prepaid expenses and deposits	(9,286)	(258,199)
Accounts payable	519,461	(21,118)
Accounts payable to a related party	2,447,348	
Accrued payroll and other liabilities	(247,879)	(224,301)
Net cash used in operating activities - continuing operations	(5,552,917)	(8,133,332)
Net cash (used in) provided by operating activities - discontinued operations	2,634,816	2,307,582
Net cash used in operating activities	(2,918,101)	(5,825,750)
INVESTING ACTIVITIES		
Acquisition of intangible assets	(11,364)	(169,935)
Cash received for disposal subsidiaries	299,000	
Cash paid to acquire non-controlling interest	(15,747)	
Purchase of equipment and leasehold improvements	(5,020,331)	(134,239)
Net cash used in investing activities - continuing operations	(4,748,442)	(304,174)
Net cash provided by(used in) investing activities - discontinued operations	1,077,143	
Net cash used in investing activities	(3,671,299)	(304,174)
FINANCING ACTIVITIES		
Proceeds from notes payables and debt	1,219,118	80,056
Repayments of notes payables and debt	(19,271)	(165,630)
Proceeds from stock issuance		8,930,000
Proceeds from payable to related parties	2,928,737	359,780
Payments of payable to related parties	(11,667)	(516,462)
Net cash provided by financing activities - continuing operations	4,116,917	8,687,744
Net cash provided by (used in) financing activities - discontinued operations		
Net cash provided by financing activities	4,116,917	8,687,744
Impact of foreign exchange on cash	38,020	(35,333)
Net (decrease) increase in cash	(2,434,463)	2,522,487
Cash at beginning of period	2,866,507	344,020

Cash at end of period	432,044	2,866,507
SUPPLEMENTAL DISCLOURSE OF CASH FLOW INFORMATION		
Interest paid	11,838	569,390
Income taxes paid	$ 15,099	$ 15,000

Description of Business and History And Summary of Significant Accounting Policies	12 Months Ended
	Dec. 31, 2016
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Description of Business and History And Summary of Significant Accounting Policies	**Note 1 – Description of Business and History And Summary of Significant Accounting Policies**

Description of Business and History

Powin Energy Corporation ("Company", "we", "us") is a leading designer and developer of safe and scalable energy storage solutions for utilities, microgrid, and EV fast-charging stations. The Company was founded in 1989 in Oregon and until 2016, operated as a contract manufacturer, selling diverse products for leading North American retailers. In 2016, the Company sold off its contract manufacturing businesses, and on October 6, 2016, completed a merger between Powin Corporation and Powin Energy Corporation, with the surviving entity being Powin Energy Corporation. The Company is focused on the rapidly growing advanced energy storage industry, supported by its patented Battery Pack Operating System (bp-OS).

For the periods presented the Company has the following subsidiaries:

As described in this Form 10K and 2015 Form 10K		As described in previously filings	
Legal entity name	Business segment name	Legal entity name	Business segment name
Powin Energy Corporation	Holding company	Powin Corporation	Holding company
Q Pacific Contract Manufacturing Corporation	Contract manufacturing	Powin Contract Manufacturing Corporation	Contract manufacturing
Q Pacific Manufacturing Corporation	Manufacturing	Powin Manufacturing Corporation	Manufacturing
Powin Energy Corporation	Energy	Powin Energy Corporation	Energy
Powin Industries S.A. de C.V.	Mexico	Powin Industries S.A. de C.V.	Mexico
Powin Product Service, Inc.	Contract Manufacturing	Powin Product service, Inc.	Warehousing

The Company's client base included distributors in the transportation, medical, sports, camping, fitness, and packaging and furniture industries. Operations outside the United States of America are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Effective October 3, 2016(see Note13), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents

99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long-Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%. In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short-Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with Weiping Cai *("Cai")* pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai all of the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation. The purchase price for the Shares was a cash payment of $200,000 plus (i) thirty-five (35%) of the annual EBITDA of QPM for the fiscal years ended 2017, 2018 and 2019; and (ii) thirty-give (35%) of pre-tax income for the fiscal year in which QPM is liquidated, provided that such liquidation commences prior to December 31, 2019.Under the Purchase Agreement, the Company accepted assignment of the lease between Q Pacific Contracting Manufacturing Corporation and Lu Pacific Properties, LLC dated January 1, 2015 for premises occupied by Q Pacific Contracting Manufacturing Corporation at the Company's corporate offices at 20550 SW 115th Ave., Tualatin, OR 97062. In addition, the Company agreed to assume obligations under promissory notes owing to Joseph Lu and Lu Pacific Properties, LLC, respectively, totaling $265,000.00.

Basis of preparation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of consolidation

The accompanying financial statements include the accounts of Powin Energy Corporation. All intercompany transactions and balances have been eliminated. Equity investments through which the Company exercises significant influence over but does not control the investee and is not the primary beneficiary of the investee's activities are accounted for using the equity method. Investments through which the Company is not able to exercise significant influence over the investee are accounted for under the cost method.

Foreign currencies

Assets and liabilities recorded in foreign currencies are translated to U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated to U.S. dollars at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are recorded to other comprehensive income ("OCI").

The reporting currency of the Company is the U.S. dollars. The results of operations and cash flows conducted in foreign currency are translated at average exchange rates during the period, and assets and liabilities are translated at the unified exchange rates at the balance sheet dates, and equity is translated at the historical exchange rates. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding accounts on the balance sheets. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of stockholders' equity. Translation adjustments for the years ended December 31, 2016 and 2015 were $(35,695) and $(30,033), respectively. The cumulative translation adjustment and effect of exchange rate changes on cash, which was recorded as accumulated other comprehensive loss on the balance sheet, as of December 31, 2016 and 2015 were $0 and $(56,176), respectively. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

Use of estimates

The preparation of financial statements in accordance with GAAP requires the use of management's estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates.

We maintain allowances for accounts receivable for estimated uncollectable accounts receivable due to the inability of our customers to make required payments. We maintain impairment for inventory for estimated inventory loss. We maintain allowances for returns for estimated losses resulting from product returns. These estimates have historically been within our expectations and the provisions established.

Revenue recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, the service is performed or delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured.

For product shipped directly from the Company's warehouse or manufactured by the Company in the United States and then shipped to the customer, revenue is recognized at time of shipment as it is determined that ownership and title has passed to the customer at shipment and revenue is recognized. Amounts billed to customers for freight and shipping are classified as revenue.

Products imported from China and shipped directly to the customer may be either FOB Port of Origin or FOB Shipping Destination United States. If the product is shipped FOB Port of Origin revenue is recognized at time of delivery to the Company's representative in China, when the proper bills-of-lading have been signed by the customer's agent and ownership passed to the customer. For product shipped FOB Shipping Destination U.S., revenue is recognized when product is off-loaded at the United States Port of Entry and delivered to the customer, when all delivery documents have been signed by the receiving customer, and ownership has passed to the customer.

For orders placed requiring customized manufacturing, the Company requires the customer to issue its signed purchase order with documentation identifying the specifics of the product to be manufactured. Revenue is recognized on customized manufactured products upon delivery of the product. If the customer cancels the purchase order after the manufacturing process has begun, the Company invoices the customer for any manufacturing costs incurred and revenue is recognized. Orders canceled after delivery has occurred are fully invoiced to the customer and revenue is recognized, provided all other revenue recognition criteria are met.

Cost of goods sold

Cost of goods sold includes cost of inventory sold during the period, net of discounts and allowances, freight and shipping costs, warranty and rework costs, and sales tax.

Advertising

The Company expenses the cost of advertising as incurred. For the years ended December 31, 2016 and 2015, the amount charged to advertising expense was $49,382 and $163,936, respectively.

Research and development

Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other headcount-related expenses associated with product development. Research and development expenses also include third-party development and programming costs, localization costs incurred to translate software for international markets, and the amortization of purchased software code and services content. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our software products, is generally shortly before the products are released to manufacturing. Once technological feasibility is reached, such costs are capitalized and amortized to cost of revenue over the estimated lives of the products.

Loss Per Share

Basic loss per share is based on the weighted-average effect of all common shares issued and outstanding, and is calculated by dividing net loss by the weighted-average shares outstanding during the year. Diluted loss per share is calculated by dividing net income by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is antidilutive. Please refer to Note 6 for further discussion.

Comprehensive loss

Comprehensive loss is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive loss requires that all items that are required to be recognized under current accounting standards as components of comprehensive loss be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company's comprehensive loss includes net loss and foreign currency translation adjustments and is presented in the consolidated statements of comprehensive loss.

Cash

The Company considers all highly liquid investments with maturity of years or less to be cash equivalents. The cash deposits in U.S. financial institutions exceed the amounts insured by the U.S. government. The standard insurance amount is $250,000 per depositor, per insured bank. Non-performance by these institutions could expose the Company to losses for amounts in excess of insured balances. At December 31, 2016 and 2015, the Company's bank balances exceeded insurances balances by $53,643 and $2,583,046, respectively. At December 31, 2016 and 2015, the Company had no cash equivalents.

Accounts receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventories, net

Inventories consist of parts and equipment including electronic parts and components. Inventory is valued at the lower of cost (first-in, first-out method) or market. The Company capitalizes applicable direct and indirect costs incurred in the Company's manufacturing operations to bring its products to a sellable state. For the years ended December 31, 2016 and 2015, the Company recorded an inventory obsolescence recovery of $28,393 and provision for inventory obsolescence of $45,054, respectively, which is included in cost of sales. The components of inventories were as follows:

	December 31, 2016	December 31, 2015
Raw materials	$ 434,092	$ 303,730
Work in progress	113,861	196,092
Finished goods	1,221,001	621,303
Reserve for slow moving and obsolete inventory	(469,333)	(497,726)
Inventories, net	$ 1,299,621	$ 623,399

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. For financial reporting and income tax purposes, the costs of property and equipment are depreciated and amortized over the assets estimated useful lives, using principally the straight-line method for financial reporting purposes and an accelerated method for income tax purposes. Costs associated with repair and maintenance of property and equipment are expensed as incurred. Changes in circumstances, such as technological advances, changes to the Company's business model or capital strategy could result in actual useful lives differing from the Company's estimates. In those cases where the Company determines that the useful life of property and equipment should be shortened, the Company would depreciate the asset over its revised remaining useful life thereby increasing depreciation expense.

The Company depreciates property and equipment over the following estimated useful lives:

Equipment	7-15 years
Leasehold improvements	39 years
Computers	3-5 years
Vehicles	5-7 years
Furniture and fixtures	3-5 years

The Company reviews the carrying value of property, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment, no impairment expenses for property, and equipment was recorded in operating expenses during the years ended December 31, 2016 and 2015.

Intangible Assets

All of our intangible assets include websites and also patents that are subject to amortization and are amortized using the straight-line method over their estimated period of benefit, ranging from 3 to 5 years. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicates the asset may be impaired.

Non-controlling interests

On August 8, 2014, the Company and its then wholly-owned subsidiary, Powin Energy Corporation (collectively "Powin") and SF Suntech, Inc. ("Suntech") signed a Share Subscription Agreement ("Subscription Agreement") for an investment of $12,500,000 from Suntech. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively. Professional expenses of $750,000 related to the issuances were deducted from the proceeds received. After the shares issuance, the Company owns 82.35% of Powin Energy. On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

Non-controlling interests on the financial statements as of December 31, 2015 includes minority interest of Mexico, an 85% owned subsidiary from February 2011 to January 2016. On January 2016, the company spent $15,747 and bought the 15% minority interest in the company's Mexico subsidiary.

Effective October 3, 2016(see Note13), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").

Income taxes

Deferred tax assets and liabilities are recorded based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company calculates a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different treatment of items for tax and accounting purposes. In determining the future tax consequences of events that have been recognized in the financial statements or tax returns, judgment and interpretation of statutes is required. Additionally, the Company uses tax planning strategies as a part of its tax compliance program. Judgments and interpretation of statutes are inherent in this process.

The accounting guidance for uncertainties in income tax prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company recognizes a tax benefit from an uncertain tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority's widely understood administrative practices and precedents.

Prior to July 8, 2008, the Company had elected under the Internal Revenue Code to be taxed as an S Corporation. In lieu of corporation income taxes, the stockholder of an S Corporation is taxed on his proportionate share of the Company's taxable income. Due to the merger on July 8, 2008, the Company is now subject to Federal income tax.

Fair Value Measurements

The fair value accounting guidance defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying value of the Company's equipment borrowing and short term line of credit borrowing at December 31, 2016 and 2015, is considered to approximate fair market value, as the interest rates of these instruments are based predominantly on variable reference rates. The carrying value of accounts receivable, trade payables and accrued liabilities approximates the fair value due to their short-term maturities.

Stock-Based Compensation

The Company measures stock-based compensation expense for all share-based awards granted to employees based on the estimated fair value of those awards at grant-date under ASC 718. The cost of restricted stock awards is determined using the fair market value of our common stock on the date of grant. The fair values of stock option awards are estimated using a Black-Scholes valuation model. The compensation costs are recognized net of any estimated forfeitures on a straight-line basis over the employee requisite service period. Forfeiture rates are estimated at grant-date based on historical experience and adjusted in subsequent periods for any differences in actual forfeitures from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications have no impact on our consolidated net earnings, financial position or cash flows.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. The new guidance provides a new model to determine when and over what period revenue is recognized. Under this new model, revenue is recognized as goods or services are delivered in an amount that reflects the consideration we expect to collect. In March 2016, the FASB issued an ASU, Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the principal versus agent guidance in the new revenue recognition standard. In April 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing, which clarifies the guidance on accounting for licenses of intellectual property and identifying performance obligations in the new revenue recognition standard. In May 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedient, which clarifies the transition, collectability, noncash consideration and the presentation of sales and other similar taxes in the new revenue recognition standard. The guidance is effective for fiscal years beginning after December 15, 2017; early adoption is permitted for periods beginning after December 15, 2016. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We have not yet selected a transition method and are evaluating the impact of adopting this guidance.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15")*. ASU 2014-15 requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, if so, provide certain footnote disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, including interim reporting periods thereafter. We adopted ASU 2014-15 as of December 31, 2016, and have provided related disclosures in note 2 of our financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for reporting periods beginning after December 15, 2018 and early adoption is permitted. The ASU will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation — Stock Compensation (Topic 718)*: Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 will become effective for us beginning with the first quarter of 2017. The adoption of this guidance is not expected to have a material impact on our financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments (Topic 230)*. The ASU addresses the following eight specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-06 will be effective for the Company in its first quarter of 2019. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control*. The amendments affect reporting entities that are required to evaluate whether they should consolidate a variable interest entity in certain situations involving entities under common control. Specifically, the amendments change the evaluation of whether a reporting entity is the primary beneficiary of a variable interest entity by changing how a reporting entity that is a single decision maker of a variable interest entity treats indirect interests in the entity held through related parties that are under common control with the reporting entity. The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Basically these amendments provide a screen to determine when a set is not a business. If the screen is not met, the amendments in this ASU first, require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and second, remove the evaluation of whether a market participant could replace missing elements. These amendments take effect for public businesses for fiscal years beginning after December 15, 2017 and interim periods within those periods, and all other entities should apply these amendments for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

Segment reporting

ASC 280, Segment Reporting, formerly known as Statement of Financial Accounting Standards No. 131, Disclosure about Segments of an Enterprise and Related Information, requires use of the "management approach" model for segment reporting. Under this model, segment reporting is consistent with the manner that the Company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure or any other manner in which management disaggregates a company.
A description of our operating segments as of December 31, 2015, follows.

Contract manufacturing (formerly OEM):

Outsourced manufacturing for North American companies, including senior citizen safety products; steel gun safes; outdoor cooking equipment; trampolines; plastic products and small electronic appliances. Contract manufacturing also offers logistic services and a qualified engineer team to support and provide in-house design.

Manufacturing (formerly QBF):

Our manufacturing segment, Powin Manufacturing formerly named Quality Bending and Fabrication ("QBF"), manufactures various truck parts and components primarily for Freightliner Trucks, a division of Daimler Trucks North America, the largest manufacturer of heavy-duty vehicles in North America. Daimler Trucks North America designs, builds and markets a wide range of Class 3-8 vehicles including long-haul highway tractors, heavy-duty construction and vocational trucks, mid-range trucks for distribution and service, school and transit buses, fire and emergency service apparatus, and chassis for step vans, school and shuttle buses, and motor homes. Freightliner Trucks is headquartered in Portland, Oregon, with truck manufacturing facilities located in Portland and throughout the United States and Mexico.

Manufacturing is completed at the Company's leased facility in Tualatin, Oregon as well as arranging the outsourced manufacturing at a third-party factory in Qingdao, China.

Energy:

Powin Energy has developed market leading architecture that utilizes proprietary patented energy storage technology for scalable grid energy storage systems, power supply units for electric vehicles, and transportation applications. Through December 31, 2015, the Energy segment has focused on identifying target markets and applications and finalizing the development of products to serve those markets and applications. In 2016, the Company continued to develop products and marketing strategies for this operating entity.

Product & Service (formerly Channel Partner Program, Warehousing and Wooden)

The Product & Service segment contains the legacy operations of Channel Partner Program, a distribution channel for North American companies to sell their products in China as well as selling certain consumer products through U.S.-based retailers and marketplaces, including online; and Warehousing, which provides warehousing services in support of the Company's customers across all segments. On January 1, 2015, the Product & Service segment had been incorporated into our contract manufacturing segment.

Powin Mexico:

Powin Mexico is a manufacturing segment, currently manufacturing gun safes, but also capable of manufacturing heavy truck parts. Operations began in 2013.

As of December 31, 2016, there is only one segment Powin Energy.

Going concern	12 Months Ended Dec. 31, 2016
Going concern [Abstract]	
Going concern	**Note 2: Going concern** The Company sustained net loss attributable to Powin Corporation of $6,671,705 and $4,625,848 during the years ended December 31, 2016 and 2015. The Company has accumulated deficit of $28,732,576 as of December 31, 2016. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations and/or obtain additional financing, as may be required. The accompanying condensed financial statements have been prepared assuming that the Company will continue as a going concern; however, the above condition raises substantial doubt about the Company's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern. As discussed in *Part 1, Item 1: Business*, during 2016 the company sold its contract manufacturing businesses and completed a merger between Powin Corporation and Powin Energy Corporation. The surviving entity from the merger is Powin Energy Corporation, and this entity, our Company, is focused on the rapidly growing advanced energy storage industry. Management has assessed the Company's ability to continue as a going concern as of the balance sheet date, and up to and including the financial statement issuance date. The assessment of a company's ability to meet its obligations is inherently judgmental. Without additional funding, the company maynot have sufficient available cash to meet its obligations coming due in the ordinary course of business within one year of the financial statement issuance date. However, the Company has historically been able to successfully secure funding to meet its obligations as they become due. The following conditions were considered in management's evaluation of going concern: • In 2016, the Company completed significant research and development effort resulting in a patented, commercially viable Battery Pack Operating System (bp-OS). • In early 2017, the Company completed the installation of a 2-megawatt / 8-megawatt-hour Battery Energy Storage System with the Southern California Edison utility. • Management is actively in discussions with several parties regarding various forms of funding, which if successful, would mitigate any going concern risks within one year from the date of issuance of its financial statements for the year ended December 31, 2016.

Notes and other receivables	12 Months Ended Dec. 31, 2016
Receivables [Abstract]	
Notes and other receivables	**Note 3: Notes and other receivables** Notes and other receivables consist of the following:

	December 31,2016	December 31,2015
Notes receivable from third parties- current	177,530	-
Notes receivable from third parties–non current	829,427	-
Other	4,570	883
Notes and other receivables, net	$ 1,011,527	$ 883

Property and equipment, net	12 Months Ended Dec. 31, 2016
Property, Plant and Equipment [Abstract]	
Property and equipment, net	**Note 4: Property and equipment, net** The components of property and equipment were as follows:

	December 31, 2016	December 31, 2015
Equipment	$ 50,385	$ 50,385
Leasehold improvements	7,564	92,131
Computers	99,365	38,338
Vehicles	32,983	32,983
SCE project asset*	4,882,025	-
	5,072,322	213,837
Accumulation depreciation	(81,755)	(54,330)
Property and equipment – net	$ 4,990,567	$ 159,507

* SCE project asset is a project under construction in Irvine, CA.The Company capitalized the production cost because design and development preproduction costs related to Long-Term supply arrangements should be capitalized.

For the years ended December 31, 2016 and 2015, depreciation of property and equipment amounted $32,503 and $24,732, respectively.

Loss per share	12 Months Ended Dec. 31, 2016

Loss per share:

Loss per share

Note 5: Loss per share

Basic loss per share is based on the weighted-average effect of all common shares issued and outstanding, and is calculated by dividing net loss by the weighted-average shares outstanding during the year. Diluted loss per share is calculated by dividing net income by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is antidilutive.

The components of basic and diluted loss per share are as follows:

	For the years ended December 31,	
	2016	**2015**
Net loss attributable to Powin Corporation(A)	(6,671,705)	(4,625,848)
Less preferred share dividends	(127,200)	(113,500)
Net loss available to Powin Corporation (B)	(6,798,905)	(4,739,348)
Weighted average outstanding shares of common stock (C)	22,916,392	16,248,368
Dilutive effect of securities	-	-
Common stock and common stock equivalents (D)	22,916,392	16,248,368
Loss per share		
Basic (B/D)	$ (0.29)	$ (0.29)
Diluted (B/D)	$ (0.29)	$ (0.29)

The Company has 11,509 and 10,237 shares of outstanding Series A preferred stock as of December 31, 2016 and 2015, respectively. These Series A share has par value of $100 and is convertible at 1 to 20 rate. The Company has 0 and 13,625,826 shares of outstanding August 2015 preferred stock as of December 31, 2016 and 2015, respectively. These August 2015 share has par value of $0.56 and is convertible at 1 to 1 rate. In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

On June 15, 2011, the Company granted awards in the form of incentive stock options to its key employees for 117,000 shares of common stock. There were no stock options granted in 2012. On August 6, 2013, the Company granted another 164,000 stock options under the same plan to all employees. The Company has 102,000 and 158,000 shares of outstanding stock options as of December 31, 2016 and 2015, respectively.

On April 15, 2013, The Company issued a Warrant to Purchase Common Stock to Global Storage Group, LLC for 70,000 shares of the Company's common stock at an exercise price of $25.00; and a Warrant to Purchase Common Stock to Virgil L. Beast on for 30,000 shares of the Company's common Stock at an exercise price of $25.00. The exercise period of each Warrant is 60 months from the date of issuance and may be exercised in whole or in part at any time prior to April 15, 2018. As of December 31, 2016 and 2015, all 100,000 warrants remain outstanding.

The following sets forth the number of shares of common stock underlying if all outstanding options, warrants, and convertible debt were converted as of December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Series A preferred stock	230,180	204,740
Warrants	100,000	100,000
Stock options	102,000	158,000
August 2015 preferred stock	-	13,625,826
	432,180	14,088,566

For the years ended December 31, 2016 and 2015, the effect of warrants, stock options and convertible preferred stock and preferred stock dividends are excluded from loss per share because their impact is considered to be anti-dilutive.

Notes Payable	12 Months Ended Dec. 31, 2016

Debt Disclosure [Abstract]

Notes Payable and Long Term Debt

Note 6: Notes Payable

The total carrying value of notes payable was as follows:

	December 31, 2016		December 31, 2015	
	Current	Non Current	Current	Non Current
Equipment loan starting December 18, 2012, due January 1, 2017, with 3.05% interest rate, with no collateral. The loan was fully paid back by December 31, 2016.	$ -	$ -	$ 19,271	$ -
Loan from a third party, starting July 5, 2016, due July 4, 2017, with 6% interest rate, with no collateral	1,484,118	-	-	-
Accrued interest	44,234	-	-	-
Total notes payable, including accrued interest	$1,528,352	$ -	$ 19,271	$ -

Interest expenses related to notes payables and long-term debt amounted to $44,234 and $79,836 for the years ended December 31, 2016 and 2015, respectively.

On July 5, 2016, the Company's subsidiary, Powin Energy Corporation issued an unsecured promissory note in the amount of $1,484,118 to 3U (HK) Trading Co. Limited. The note is due on or before July 4, 2017 and accrues interest at 6% per annum.

During the year ended December 31, 2015, the Company issued its preferred stock designed as "August 2015 Preferred Stock", in satisfaction of certain notes payable (Note 8).There was no gain or loss related to the issuance of the preferred stock.

Commitments	12 Months Ended Dec. 31, 2016

Commitments and Contingencies Disclosure [Abstract]

Commitments

Note 7: Commitments

Operating Leases

The Company leases a facility from Lu Pacific Properties, LLC (“Lu Pacific”, formerly, Powin Pacific Properties, LLC, a company owned by Joseph Lu, the Company’s largest shareholder, Chairman of the Board and CEO) which serves as the Company’s corporate headquarters as well as the base of all operations. This lease is through June 30, 2021 and requires the Company to pay for all property taxes, utilities and facility maintenance.

Effective January 1, 2017, the Company entered into a lease amendment. The Company’s subsidiary, Powin Energy leased 28,275 square feet of the building. The lease term is through June 30, 2021 and all property taxes, utilities and facility maintenance were charge at $0.15 per square foot per month by Lu Pacific Properties, LLC. The monthly rental expense is $17,706.50.

The Company leases a facility from 3U Millikan, LLC, a company owned by Xilong Zhu, the Company’s Board of Director. This lease is commencing October 10, 2016 and endingJanuary 9, 2027 and requires the Company to pay for all property taxes, utilities and facility maintenance.The monthly base rental expense is $17,550, commencing January 1, 2017 and ending January 9, 2027.

Minimum future lease payments under non-cancelable operating leases are as follows:

Year ending December 31,	
2017	$ 423,078
2018	429,402
2019	435,906
2020	442,602
2021	343,275
Thereafter	1,296,192
Total	$3,370,455

For the years ended December 31, 2016 and 2015, total lease expense paid for all operating rents and leases was $282,722 and $281,440, respectively. These leases are also disclosed in Note 10, related party transactions.

Capital stock

Capital stock [Abstract]

Capital stock

12 Months Ended
Dec. 31, 2016

Note 8: Capital stock

The Company has two classes of preferred stock and one class of common stock. The Series A Preferred Stock has a $100 face value per share with a conversion rate of one (1) share of Preferred Stock for twenty (20) shares of Common Stock. The 2015 August Preferred Stock carries a par value of $0.56 per shares and is convertible into Common Stock at the rate of 1for1.

Preferred Stock

The Series A Preferred Stock is convertible at a rate of one (1) preferred share to twenty (20) shares of Powin Corporation common stock. The Series A Preferred Stock calls for dividends of 12%, declared semi-annually, and paid in additional Series A Preferred Stock. In 2016 and 2015, we issued 1,272 and 1,135 shares of Series A Preferred Stock as dividends respectively, increasing the Series A Preferred Stock by $127,200 and $113,500 and decreasing additional paid in capital. As of December 31, 2016 and 2015, there are 11,509 and 10,237 shares of Series A Preferred Stock outstanding, respectively.

The Company issued its August 2015 Preferred Stock *("Preferred Stock")* in August 2015 in satisfaction of the notes payable described in the table below. The holders of the Preferred Stock do not have a dividend preference over the Company's common stock and have the same voting rights as the holders of common stock. The Preferred Stock is convertible into the Company's common stock at the rate of one (1) share of Preferred Stock for one (1) share of common stock. The holders of the Preferred Stock are entitled to a liquidation preference over the holders of common stock equal to $0.56 per share. The full rights, preferences and privileges of the Preferred Stock are set forth in the Certificate of Designation which was filed in the 8K report on August 6, 2015. In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

Lender	Borrower	Amount	Number of Shares of Preferred Stock
3U Trading Co., Limited	Powin Corporation	$ 2,451,195	4,377,133
3U Trading Co., Limited	Powin Industries S.A. DE C.V.	$ 211,474	377,631
Joseph Lu	Powin Corporation	$ 3,333,091	5,951,947
Danny Lu	Powin Corporation	$ 560,565	1,001,009
Peter Lu	Powin Corporation	$ 560,565	1,001,009
Lu Pacific Properties, LLC	Powin Corporation	$ 513,574	917,097
Total		$ 7,630,464	13,625,826

Common Stock

[For the three months ended March 31, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $1.95 per share for their service. The value of these shares is $5,850. For the three months ended June 30, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.56 per share for their service. The value of these shares is $1,680. For the three months ended September 30, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.90 per share for their service. The value of these shares is $2,700. For the three months ended December 31, 2015 the Company issued 3,000 shares of common stock to six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.65 per share for their service. The value of these shares is $1,980.

For the three months ended June 30, 2016 the Company issued 6,000 shares of common stock to the six members of its Board of Directors as compensation for their services based on the fair value of the shares valued at $0.30 per share.

On September 6, 2016, the Company issued 89,961 shares to Quidnick Energy Development, LLC as compensation for consulting services valued at $0.30 per share.

On October 17, 2016, the Company issued 176,369 shares to an employee for compensation expense valued at $0.141 per share.

On October 20, 2016, the Company issued 177,251 shares to an employee for compensation expense valued at $0.141 per share.

In addition, on April 15, 2013, the Company issued a Warrant to Purchase Common Stock to Global Storage Group, LLC for 70,000 shares of the Company's common stock at an exercise price of $25.00; and a Warrant to Purchase Common Stock to Virgil L. Beaston for 30,000 shares of the Company's common Stock at an exercise price of $25.00. The exercise period of each Warrant is 60 months from the date of issuance and may be exercised in whole or in part at any time prior to April 15, 2018. As of December 31, 2016 and 2015, all 100,000 warrants remain outstanding.

	Warrants	Weighted average exercise price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	100,000	$ 25	2.4	$ -
Exercisable at December 31, 2015	100,000	$ 25	2.4	$ -
Warrants granted	-	-	-	-
Warrants exercised	-	-	-	-
Warrants forfeited	-	-	-	-
Outstanding at December 31, 2016	100,000	$ 25	1.4	$ -
Exercisable at December 31, 2016	100,000	$ 25	1.4	$ -

Stock options	12 Months Ended Dec. 31, 2016
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Stock options	**Note 9: Stock options** In February 2011, the Company's Board of Directors approved the adoption of the Powin Energy Corporation 2011 Stock Option Plan ("the Plan") and submitted its ratification to the shareholders at the shareholders' meeting held June 15, 2011, where the shareholders approved the Plan. The Company records stock-based compensation expense related to stock options and the stock incentive plan in accordance with ASC 718, "Compensation – Stock Compensation". On June 15, 2011, the Company granted awards in the form of incentive stock options to its key employees for 1,170,000 shares of common stock. There were no stock options granted in 2012. On August 6, 2013, the Company granted another 1,640,000 stock options under the same plan to all employees. Awards are granted with an exercise price that approximates the market price of the Company's common stock at the date of grant. The 2013 grant included immediate vesting of 20% of the options resulting in greater expense recognized than in previous years. The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model using. The following assumptions were used to determine the fair value of the options at date of original issuance on August 6, 2013:

Dividend Yield	0%
Expected volatility	161.80%
Risk-free interest rate	1.39%
Term in years	9.92

The Company has never paid a cash dividend and does not intend to pay cash dividends in the foreseeable future, so the dividend yield used in the calculation is 0%.The expected volatility is based on the daily historical volatility of comparative companies, measured over the expected term of the option. The risk-free rate is based on the implied yield on a United States Treasury zero-coupon issue with a remaining term closest to the expected term of the option. The term of the option is the expiration as there is no ready market for employees to exercise and sell shares and to date no option has been exercised on the 2011 plan.

A summary of option activity as is presented below:

	Options	Weighted average exercise price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	158,000	$ 5.8	5.84	$ 312,000
Exercisable at December 31, 2015	99,095	$ 6.8	5.05	$ 149,931
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options forfeited	(56,000)	5.9	-	-
Outstanding at December 31, 2016	102,000	$ 5.7	4.88	$ -
Exercisable at December 31, 2016	84,059	$ 6.5	4.28	$ -

Stock option expense included in operating expense for the years ended December 31, 2016 and 2015 is $88,130 and $156,908, respectively. As of December 31, 2016 and 2015, remaining unvested stock expenses amounted to $46,126 and $225,017, respectively.

Related party transactions	12 Months Ended Dec. 31, 2016
Related Party Transactions [Abstract]	
Related party transactions	**Note 10: Related party transactions**

Rent From Related Parties

All of the Company's facilities are owned by Lu Pacific Properties, LLC ("Lu Pacific"), an Oregon limited liability company, controlled by Joseph Lu ("Mr. Lu"), CEO and Chairman of the Board. Rent expenses were $282,722 and $281,440 for the years ended December 31, 2016 and 2015, respectively. Rental rates are deemed to be and were derived by local market rates for the rents when the contracts were entered.

The Company's facilities in Irvine owned by 3U Millikan, LLC, an California limited liability company, controlled by Xilong Zhu ("Mr. Zhu"), Director of the Board. Rent expenses were $0 and $0 for the years ended December 31, 2016 and 2015, respectively. Rental rates are deemed to be and were derived by local market rates for the rents when the contracts were entered.

Accounts payable to a related party

Accounts payable to a related party amounted to $2,447,347 and $0 as of December 31, 2016 and December 31, 2015, respectively. Accounts payable to a related party is accounts payable to a vendor of which our company's CEO is a significant shareholder.

Loans From Related Parties

On October 18, 2016 the Company secured two loans from Lu Pacific. The principal amount is $150,000 and the interest rate is 6%, due on May 31, 2017. As of December 31, 2016, interest accrued on the loans was $1,825. Interest expense amounted to $1,825 for the year ended December 31, 2016.

On October 27, 2016 the Company secured a loan from Lu Pacific. The principal amount is $2,000,000, and the interest rate is 7%, due on October 31, 2018. As of December 31, 2016, accrued interest is $13,648. Interest expense amounted to $25,315 for the year ended December 31, 2016.

On October 18, 2016, the Company secured a loan from Joseph Lu, CEO and Chairman of the Company. The principal amount is $115,000 and the interest rate is 6%, due on January 31, 2017. As of December 31, 2016, and accrued interest is $1,399. Interest expense amounted to $1,399 for the year ended December 31, 2016.

On December 30, 2016, the Company borrowed loan from Joseph Lu, CEO and Chairman of the Company. The principal is $600,000, interest rate is 6%, due on June 30, 2017. As of December 31, 2016, and accrued interest is $99. Interest expense amounted to $99 for the year ended December 31, 2016.

On October 14, 2016, the Company borrowed loan from Xilong Zhu, a director of the Company. The principal is $35,100, interest rate is 0%, due on March 1, 2017. As of December 31, 2016, and accrued interest is $0. Interest expense amounted to $0 for the year ended December 31, 2016. The loan was paid off on March 6, 2017.

Sales to Related Parties

The Company made sales to Lu Pacific in the amount of $260,446 and $0 for the years ended December 31, 2016 and 2015, respectively. No amounts were due to the Company from Lu Pacific at December 31, 2016 and December 31, 2015, respectively.

Purchase from Related Parties

Mr. Lu's son, Danny Lu, owns 49% of Yangzhou Finway Energy Tech Co. since May 2016. The Company made purchase from Yangzhou Finway Energy Tech Co. in the amount of $3,694,031 and $0for the years ended December 31, 2016 and 2015, respectively. Amounts due to Yangzhou Finway Energy Tech Co. amounted to $2,447,347 and $43,156 at December 31, 2016 and 2015, respectively.

The Company made purchases from Quailhurst Vineyard Estates, an Oregon company, controlled by Joseph Lu in the amount of $8,529 and $0 for the years ended December 31, 2016 and 2015, respectively. Amounts due to Quailhurst Vineyard Estates amounted to $3,332 and $0 at December 31, 2016 and 2015, respectively.

Business segment reporting	12 Months Ended Dec. 31, 2016
Segment Reporting [Abstract]	
Business segment reporting	

Note 11: Business segment reporting

Basis for Presentation

Our operating businesses are organized based on the nature of markets and customers. Segment accounting policies are the same as described in Note 1.

Effects of transactions between related companies are eliminated and consist primarily of inter-company transactions and transfers of cash or cash equivalents from corporate to support each business segment's payroll, inventory sourcing and overall operations when each segment has working capital requirements. Corporate overhead costs are allocated to segments based on management's estimates of the consumption of such services by each segment.

A description of our operating segments as of December 31, 2016 and2015, follows.

Contract manufacturing (formerly OEM):

Outsourced manufacturing for North American companies, including senior citizen safety products; steel gun safes; outdoor cooking equipment; trampolines; plastic products and small electronic appliances. Contract manufacturing also offers logistic services and a qualified engineer team to support and provide in-house design.

Manufacturing (formerly QBF):

Our manufacturing segment, Powin Manufacturing formerly named Quality Bending and Fabrication ("QBF"), manufactures various truck parts and components primarily for Freightliner Trucks, a division of Daimler Trucks North America, the largest manufacturer of heavy-duty vehicles in North America. Daimler Trucks North America designs, builds and markets a wide range of Class 3-8 vehicles including long-haul highway tractors, heavy-duty construction and vocational trucks, mid-range trucks for distribution and service, school and transit buses, fire and emergency service apparatus, and chassis for step vans, school and shuttle buses, and motor homes. Freightliner Trucks is headquartered in Portland, Oregon, with truck manufacturing facilities located in Portland and throughout the United States and Mexico.

Manufacturing is completed at the Company's leased facility in Tualatin, Oregon as well as arranging the outsourced manufacturing at a third-party factory in Qingdao, China.

Energy:

Powin Energy has developed market leading architecture that utilizes proprietary patented energy storage technology for scalable grid energy storage systems, power supply units for electric vehicles, and transportation applications. Through December 31, 2014, the Energy segment has focused on identifying target markets and applications and finalizing the development of products to serve those markets and applications. In 2016, the Company continued to develop products and marketing strategies for this operating entity.

Product & Service (formerly Channel Partner Program, Warehousing and Wooden)

The Product & Service segment contains the legacy operations of Channel Partner Program, a distribution channel for North American companies to sell their products in China as well as selling certain consumer products through U.S.-based retailers and marketplaces, including online; and Warehousing, which provides warehousing services in support of the Company's customers across all segments. On January 1, 2015, the Product & Service segment had been incorporated into our contract manufacturing segment.

Powin Mexico:

Powin Mexico is a manufacturing segment, currently manufacturing gun safes, but also capable of manufacturing heavy truck parts. Operations began in 2013.

Effective October 3, 2016(see Note13&14), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%.In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016(see Note13&14), the Company entered into a Stock Purchase Agreement with Weiping Cai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai all of the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

Revenues and net loss before income taxes of each of the Company's segments are as follows:

	Years ended December 31, 2016	2015
Revenue		
Energy	337,153	183,187
Consolidated	$ 337,153	$ 183,187

	Years ended December 31, 2016	2015
(Loss) before income taxes		
Energy	(5,468,287)	(4,431,681)
Corporate	-	99,264
Consolidated	$(5,468,287)	(4,332,417)

Non-Controlling Interest	12 Months Ended Dec. 31, 2016
Noncontrolling Interest [Abstract]	
Non-Controlling Interest	**Note 12: Non-Controlling Interest** On August 8, 2014, Powin Corporation and its wholly-owned subsidiary, Powin Energy Corporation (collectively “Powin”) and SF Suntech, Inc. (“Suntech”) signed a Share Subscription Agreement (“Subscription Agreement”) for an investment of $25,000,000 from Suntech. Suntech is a third party. Effective April 2, 2015, Powin and Suntech signed the Fourth Supplemental Agreement (“Supplement”).Under the Supplement, the First Closing Date of the Subscription Agreement was April 2, 2015 (“First Closing”) at which time Suntech made a payment to Powin in the amount of $7,450,000. That payment plus the previous payments of $3,000,000 on August 29, 2014; $2,000,000 on January 15, 2015 and $50,000 on March 2, 2015 represent a total $12,500,000 paid toward the full $25,000,000 owing under the Subscription Agreement. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively for $12,500,000 received. Professional expenses of $750,000 were recorded as deduction of the cash received. Per ASC 810-10-45-22, Powin Corporation’s ownership interest in Powin Energy has changed as Powin Corporation sold 2,143 shares (approximately 17.65% of outstanding shares after the sales of 2,143 shares) of Powin Energy’s common shares to Suntech. After this transaction, Powin Corporation's ownership interest in Powin Energy is 82.35%. Since, Powin Corporation retained its controlling financial interest in Powin Energy after the shares issuance for cash to Suntech; the sale of the subsidiary shares was accounted for as an equity transaction in accordance with ASC 810-10-45-23. Specifically, the proceeds received from the sale $12,500,000 offset by professional expenses of $750,000 are reflected as an increase to additional paid in capital and the net asset value associated with this sold interest $1,552,272 was reclassified from additional paid in capital to no controlling interests. The Supplement further established the Second Closing Date of the Subscription Agreement as May 31, 2015 (“Second Closing”) when the balance of $12,500,000 was to be paid. If that payment was made, Powin would issue to Suntech an additional 2,143 shares of Powin Energy Common Stock. In the event Suntech was unable or unwilling to pay the remaining subscription balance, Powin would be free to sell the 2,143 shares to another purchaser for the same price per share as paid by Suntech. Suntech failed to make the required payment on May 31, 2015. Accordingly, the Company elected to terminate the Subscription Agreement, as it pertained to the remaining $12,500,000 owing thereunder. On January 2016, the company paid $15,747 and bought the 15% interest in the company’s Mexico subsidiary. The Company now owns 100% of the Mexico subsidiary. As of the purchase date, the non-controlling interest of Mexico amounted to $802,577. The difference of purchase price and balance of non-controlling interest is booked as additional paid in capital.

Discontinued Operations	12 Months Ended Dec. 31, 2016
Noncontrolling Interest [Abstract]	
Discontinued Operations	**Note 13: Discontinued Operations**

Note 13: Discontinued Operations

Effective October 3, 2016, the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland") pursuant to which the Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").The purchase price for the Shares was $999,000. At Closing, Rolland made a cash payment of $99,000 and delivered to the Company (i) its promissory note in the principal amount $100,000 bearing interest at 4% per annum with principal and interest payable in twelve (12) equal monthly installments *("Short Term Note")*; and (ii) its promissory note in the principal amount of $800,000 bearing interest at 5% per annum with principal and interest payable in ninety-six (96) equal monthly installments *("Long Term Note")*. The interest rate on the Long Term Note will be renegotiated if and when the Prime Rate for the U.S reaches 5%. In addition, Powin Mexico delivered to the Company a non-interest bearing promissory note in the amount of $125,000 *("Powin Mexico Note")* which calls for four (4) equal monthly installments of $31,250 on each of December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020. The Powin Mexico Note represents a compromised amount representing the difference between the amount of the Powin Mexico accounts receivable and the amount of the Powin Mexico accounts payable owing to the Company. The Purchase Agreement contains customary warranties and representation. Amounts due under the Short Term Note, the Long Term Note and the Powin Mexico Note, respectively, may be accelerated upon a failure to pay amounts due thereunder when due, unless waived or cured. As a consequence of the Purchase Agreement, Powin Mexico ceased being a subsidiary of Powin Corporation.

Effective October 18, 2016, the Company entered into a Stock Purchase Agreement with Weiping Cai ("Cai") pursuant to which the Company sold to Cai all of the issued and outstanding shares of Common Stock *("Shares")* of Q Pacific Corporation, the Company's wholly-owned subsidiary, which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation, the Company's second tier subsidiaries, collectively referred to as *("QPM")*. In addition to the sale of the Shares, the Company also transferred and assigned to Cai the Company's right, title and interest in and to the "Huntsman" tradename held by Q Pacific Contract Manufacturing Corporation.

The Company's results of operations related to Powin Mexico and Q Pacific Corporation which wholly-owns and operates Q Pacific Contract Manufacturing and Q Pacific Manufacturing Corporation have been reclassified as discontinued operations on a retrospective basis for all periods presented.

Balances for Powin Mexico and Q Pacific Corporation as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Assets held for sale - current	$ -	$ 4,317,419
Assets held for sale- noncurrent	-	1,077,143
Liabilities held for sale - current	-	1,682,603

The operating results of Powin Mexico and Q Pacific Corporation for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	**2015**
Sales	$ 7,135,534	$10,837,448
Cost of Goods Sold	6,121,675	9,300,054
Gross Profit	1,013,859	1,537,394
Operating Expenses	2,831,687	2,760,400
Other Income (Expense)	97,921	(17,003)
Income Tax Expense	-	-
Net loss from discontinued operations	$(1,719,907)	$ (1,240,009)

On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

The Company has booked $1,719,906 loss from disposal of discontinued operations.

Income taxes	12 Months Ended Dec. 31, 2016
Income Tax Disclosure [Abstract]	
Income taxes	

Note 14: Income taxes

The provision for income taxes consists of the following:

Year ended December 31,	2016	2015
Current:		
Federal	$ -	$ -
State	7500	15000
	7500	15000
Net Operating Losses Carryback	-	-
	7500	15000
Deferred:		
Federal	(5,338,098)	(1,334,500)
State	(683,905)	(170,973)
	(6,022,002)	(1,505,473)
Valuation Allowance	6,022,002	1,505,473
	-	-
Provision for Income Taxes	$ 7,500	$ 15,000

A reconciliation of income taxes computed at the United States federal statutory income tax rate to the provision for income taxes is as follows:

Year ended December 31,	2016	2015
US Federal Statutory Rate @ 34%	$(1,499,443)	$(1,498,917)
State Taxes, Net of Federal Effect	(192,105)	(192,038)
Penalties	-	(57,534)
Stock Compensation	14,595	60,184
Valuation Allowance	6,022,002	1,505,473
Capital Loss	(4,578,815)	-
Other	288,155	18,977
Prior Period Adjustment	(54,389)	163,855
Total	$ -	$ -

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset were as follows:

Year ended December 31,	2016	2015
Current:		
Allowance for Inventory Obsolescence	$ 180,017	$ 294,752
Allowance for Doubtful Accounts	-	176,846
Accrued Interest	6,509	-
Other	42,949	63,781
	229,476	535,379
Valuation Allowance	(229,476)	(535,379)
Total	$ -	$ -
Noncurrent:		
Net Operating Losses	$ 6,614,728	$ 4,767,919
Capital Losses	4,578,815	-
Property, Equipment and Intangibles	5,205	145,238

Tax Credits	306,319	264,820
Other	3,119	2,302
	11,508,185	5,180,279
Valuation Allowance	(11,508,185)	(5,180,279)
Total	$ -	$ -

Based on the Company's current financial and operational situation, management determined that it is more likely than not that the United States federal and state deferred tax assets will not be realized through the reduction of future income tax payments. Consequently, the Company has established a full valuation allowance for its United States federal and state deferred tax assets as of December 31, 2016.

As of December 31, 2016, the Company has approximately $16.9 million and $20 million of net operating loss ("NOL") carry-forwards for federal and state income tax purposes, respectively. Expiration of the Company's NOL carry-forwards begins in 2021. Section 382 of the Internal Revenue code of 1986 provide for an annual limitation of approximately $67,000 on the utilization of net operating loss carry-forwards as the Company underwent an ownership change in 2008, as defined in section 382. This limitation has been reflected in the United States federal and state net operating loss carry-forwards.

The Company adopted uncertain tax position in accordance with ASC 740 on January 1, 2007 and has not recognized any material increase in the liability for unrecognized income tax benefits as a result of the implementation. The Company estimates that the unrecognized tax benefit will not change within the next twelve months. The Company will continue to classify income tax penalties and interest, if any, as part of interest and other expenses in its statements of operations. The Company has incurred no interest or penalties as of December 31, 2016 and 2015.

The Company has identified United States federal and Oregon as major jurisdictions. The Company is currently open to audit under United States and state statute of limitations by the taxing authorities for 2013 through 2016.

Subsequent events	12 Months Ended Dec. 31, 2016
Subsequent Events [Abstract]	
Subsequent Event	**Note 15: Subsequent events** On January26, 2017, the Company borrowed $1,100,000 loan payable from Lu Pacific. The loan has interest rate of 7.0% and is due on January 26, 2019. If the Company fails to cure a Payment Default or fails to make payment upon Maturity as requested by Holder, Holder, at its discretion, is entitled to take ownership of and sole possessory interest in Company's Intellectual Property. On March 16, 2017, the Company borrowed $2,000,000 loan payable from Wolf Creek Capital, LLC. The loan has interest rate of 6.0% and is due on March 16,2019. On March 21, 2017, the board of directors of the company authorized the issuance of one share of the company's Common Stock in exchange for each share of Series A stock. All Series A Preferred Stock was cancelled.

Description of Business and History And Summary of Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2016
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Basis of preparation	**Basis of preparation** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
Principles of consolidation	**Principles of consolidation** The accompanying financial statements include the accounts of Powin Energy Corporation. All intercompany transactions and balances have been eliminated. Equity investments through which the Company exercises significant influence over but does not control the investee and is not the primary beneficiary of the investee's activities are accounted for using the equity method. Investments through which the Company is not able to exercise significant influence over the investee are accounted for under the cost method.
Foreign currencies	**Foreign currencies** Assets and liabilities recorded in foreign currencies are translated to U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated to U.S. dollars at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are recorded to other comprehensive income ("OCI"). The reporting currency of the Company is the U.S. dollars. The results of operations and cash flows conducted in foreign currency are translated at average exchange rates during the period, and assets and liabilities are translated at the unified exchange rates at the balance sheet dates, and equity is translated at the historical exchange rates. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding accounts on the balance sheets. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of stockholders' equity. Translation adjustments for the years ended December 31, 2016 and 2015 were $(35,695) and $(30,033), respectively. The cumulative translation adjustment and effect of exchange rate changes on cash, which was recorded as accumulated other comprehensive loss on the balance sheet, as of December 31, 2016 and 2015 were $0 and $(56,176), respectively. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.
Use of estimates	**Use of estimates** The preparation of financial statements in accordance with GAAP requires the use of management's estimates. These estimates are subjective in nature and involve judgments that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates. We maintain allowances for accounts receivable for estimated uncollectable accounts receivable due to the inability of our customers to make required payments. We maintain impairment for inventory for estimated inventory loss. We maintain allowances for returns for estimated losses resulting from product returns. These estimates have historically been within our expectations and the provisions established.
Revenue recognition	**Revenue recognition**

The Company recognizes revenue when persuasive evidence of an arrangement exists, the service is performed or delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured.

For product shipped directly from the Company's warehouse or manufactured by the Company in the United States and then shipped to the customer, revenue is recognized at time of shipment as it is determined that ownership and title has passed to the customer at shipment and revenue is recognized. Amounts billed to customers for freight and shipping are classified as revenue.

Products imported from China and shipped directly to the customer may be either FOB Port of Origin or FOB Shipping Destination United States. If the product is shipped FOB Port of Origin revenue is recognized at time of delivery to the Company's representative in China, when the proper bills-of-lading have been signed by the customer's agent and ownership passed to the customer. For product shipped FOB Shipping Destination U.S., revenue is recognized when product is off-loaded at the United States Port of Entry and delivered to the customer, when all delivery documents have been signed by the receiving customer, and ownership has passed to the customer.

For orders placed requiring customized manufacturing, the Company requires the customer to issue its signed purchase order with documentation identifying the specifics of the product to be manufactured. Revenue is recognized on customized manufactured products upon delivery of the product. If the customer cancels the purchase order after the manufacturing process has begun, the Company invoices the customer for any manufacturing costs incurred and revenue is recognized. Orders canceled after delivery has occurred are fully invoiced to the customer and revenue is recognized, provided all other revenue recognition criteria are met.

Cost of goods sold

Cost of goods sold

Cost of goods sold includes cost of inventory sold during the period, net of discounts and allowances, freight and shipping costs, warranty and rework costs, and sales tax.

Advertising

Advertising

The Company expenses the cost of advertising as incurred. For the years ended December 31, 2016 and 2015, the amount charged to advertising expense was $49,382 and $163,936, respectively.

Research and development

Research and development

Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other headcount-related expenses associated with product development. Research and development expenses also include third-party development and programming costs, localization costs incurred to translate software for international markets, and the amortization of purchased software code and services content. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached, which for our software products, is generally shortly before the products are released to manufacturing. Once technological feasibility is reached, such costs are capitalized and amortized to cost of revenue over the estimated lives of the products.

Loss Per Share

Loss Per Share

Basic loss per share is based on the weighted-average effect of all common shares issued and outstanding, and is calculated by dividing net loss by the weighted-average shares outstanding during the year. Diluted loss per share is calculated by dividing net income by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is antidilutive. Please refer to Note 6 for further discussion.

Comprehensive loss

Comprehensive loss

Comprehensive loss is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive loss requires that all items that are required to be recognized under current accounting standards as components of comprehensive loss be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company's comprehensive loss includes net loss and foreign currency translation adjustments and is presented in the consolidated statements of comprehensive loss.

Cash

Cash

The Company considers all highly liquid investments with maturity of years or less to be cash equivalents. The cash deposits in U.S. financial institutions exceed the amounts insured by the U.S. government. The standard insurance amount is $250,000 per depositor, per insured bank. Non-performance by these institutions could expose the Company to losses for amounts in excess of insured balances. At December 31, 2016 and 2015, the Company's bank balances exceeded insurances balances by $53,643 and $2,583,046, respectively. At December 31, 2016 and 2015, the Company had no cash equivalents.

Accounts receivable

Accounts receivable

Accounts receivable are carried at their estimated collectible amounts. Credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventories, net

Inventories, net

Inventories consist of parts and equipment including electronic parts and components. Inventory is valued at the lower of cost (first-in, first-out method) or market. The Company capitalizes applicable direct and indirect costs incurred in the Company's manufacturing operations to bring its products to a sellable state. For the years ended December 31, 2016 and 2015, the Company recorded an inventory obsolescence recovery of $28,393 and provision for inventory obsolescence of $45,054, respectively, which is included in cost of sales. The components of inventories were as follows:

	December 31, 2016	December 31, 2015
Raw materials	$ 434,092	$ 303,730
Work in progress	113,861	196,092
Finished goods	1,221,001	621,303
Reserve for slow moving and obsolete inventory	(469,333)	(497,726)
Inventories, net	$ 1,299,621	$ 623,399

Property and Equipment

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. For financial reporting and income tax purposes, the costs of property and equipment are depreciated and amortized over the assets estimated useful lives, using principally the straight-line method for financial reporting purposes and an accelerated method for income tax purposes. Costs associated with repair and maintenance of property and equipment are expensed as incurred. Changes in circumstances, such as technological advances, changes to the Company's business model or capital strategy could result in actual useful lives differing from the Company's estimates. In those cases where the Company determines that the useful life of property and equipment should be shortened, the Company would depreciate the asset over its revised remaining useful life thereby increasing depreciation expense.

The Company depreciates property and equipment over the following estimated useful lives:

Equipment	7-15 years
Leasehold improvements	39 years

Computers	3-5 years
Vehicles	5-7 years
Furniture and fixtures	3-5 years

The Company reviews the carrying value of property, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment, no impairment expenses for property, and equipment was recorded in operating expenses during the years ended December 31, 2016 and 2015.

Intangible Assets

Intangible Assets

All of our intangible assets include websites and also patents that are subject to amortization and are amortized using the straight-line method over their estimated period of benefit, ranging from 3 to 5 years. We evaluate the recoverability of intangible assets periodically by taking into account events or circumstances that may warrant revised estimates of useful lives or that indicates the asset may be impaired.

Non-controlling interests

Non-controlling interests

On August 8, 2014, the Company and its then wholly-owned subsidiary, Powin Energy Corporation (collectively "Powin") and SF Suntech, Inc. ("Suntech") signed a Share Subscription Agreement ("Subscription Agreement") for an investment of $12,500,000 from Suntech. On April 1, 2015 and April 2, 2015, Powin Energy issued 1,765 shares and 378 shares of Powin Energy Common Stock to Suntech, respectively. Professional expenses of $750,000 related to the issuances were deducted from the proceeds received. After the shares issuance, the Company owns 82.35% of Powin Energy. On October 6, 2016, the merger between Powin Corporation and Powin Energy Corporation became effective, pursuant to a First Amended and Restated Agreement and Plan of Merger and Liquidation dated, (the "Merger Agreement"). Powin Corporation is the surviving entity with a name change to Powin Energy Corporation and will continue to be traded under the stock symbol PWON.

Non-controlling interests on the financial statements as of December 31, 2015 includes minority interest of Mexico, an 85% owned subsidiary from February 2011 to January 2016. On January 2016, the company spent $15,747 and bought the 15% minority interest in the company's Mexico subsidiary.

Effective October 3, 2016(see Note13), the Company entered into a Stock Purchase Agreement with Powin Industries, SA de CV ("Powin Mexico") and Rolland Holding Company, LLC ("Rolland")pursuant to which Company sold to Rolland 99 shares of the Series A Common Stock and the 167,452 shares of the Series B Common Stock of Powin Mexico which represents 99% of the Series A Common Stock and 100% of the Series B Common Stock (collectively the "Shares") of Powin Mexico. The closing date of the Agreement was October 4, 2016 ("Closing").

Income taxes

Income taxes

Deferred tax assets and liabilities are recorded based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company calculates a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different treatment of items for tax and accounting purposes. In determining the future tax consequences of events that have been recognized in the financial statements or tax returns, judgment and interpretation of statutes is required. Additionally, the Company uses tax planning strategies as a part of its tax compliance program. Judgments and interpretation of statutes are inherent in this process.

The accounting guidance for uncertainties in income tax prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company recognizes a tax benefit from an uncertain tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority's widely understood administrative practices and precedents.

Prior to July 8, 2008, the Company had elected under the Internal Revenue Code to be taxed as an S Corporation. In lieu of corporation income taxes, the stockholder of an S Corporation is taxed on his proportionate share of the Company's taxable income. Due to the merger on July 8, 2008, the Company is now subject to Federal income tax.

Fair Value Measurements

Fair Value Measurements

The fair value accounting guidance defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The definition is based on an exit price rather than an entry price, regardless of whether the entity plans to hold or sell the asset. This guidance also establishes a fair value hierarchy to prioritize inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying value of the Company's equipment borrowing and short term line of credit borrowing at December 31, 2016 and 2015, is considered to approximate fair market value, as the interest rates of these instruments are based predominantly on variable reference rates. The carrying value of accounts receivable, trade payables and accrued liabilities approximates the fair value due to their short-term maturities.

Stock-Based Compensation

Stock-Based Compensation

The Company measures stock-based compensation expense for all share-based awards granted to employees based on the estimated fair value of those awards at grant-date under ASC 718. The cost of restricted stock awards is determined using the fair market value of our common stock on the date of grant. The fair values of stock option awards are estimated using a Black-Scholes valuation model. The compensation costs are recognized net of any estimated forfeitures on a straight-line basis over the employee requisite service period. Forfeiture rates are estimated at grant-date based on historical experience and adjusted in subsequent periods for any differences in actual forfeitures from those estimates.

Reclassifications

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications have no impact on our consolidated net earnings, financial position or cash flows.

Recently Issued Accounting Pronouncements -Not Adopted

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. The new guidance provides a new model to determine when and over what period revenue is recognized. Under this new model, revenue is recognized as goods or services are delivered in an amount that reflects the consideration we expect to collect. In March 2016, the FASB issued an ASU, Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the principal versus agent guidance in the new revenue recognition standard. In April 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing, which clarifies the guidance on accounting for licenses of intellectual property and identifying performance obligations in the new revenue recognition standard. In May 2016, the FASB issued another ASU, Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedient, which clarifies the transition, collectability, noncash consideration and the presentation of sales and other similar taxes in the new revenue recognition standard. The guidance is effective for fiscal years beginning after December 15, 2017; early adoption is permitted for periods beginning after December 15, 2016. The new standard is required to be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying it recognized at the date of initial application. We have not yet selected a transition method and are evaluating the impact of adopting this guidance.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements – Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15")*. ASU 2014-15 requires management to evaluate whether there is substantial doubt about the entity's ability to continue as a going concern and, if so, provide certain footnote disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, including interim reporting periods thereafter. We adopted ASU 2014-15 as of December 31, 2016, and have provided related disclosures in note 2 of our financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU is effective for reporting periods beginning after December 15, 2018 and early adoption is permitted. The ASU will require lessees to report most leases as assets and liabilities on the balance sheet, while lessor accounting will remain substantially unchanged. The ASU requires a modified retrospective transition approach for existing leases, whereby the new rules will be applied to the earliest year presented. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation — Stock Compensation (Topic 718)*: Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 will become effective for us beginning with the first quarter of 2017. The adoption of this guidance is not expected to have a material impact on our financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments (Topic 230)*. The ASU addresses the following eight specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. We are currently evaluating the potential impact of adopting the ASU on our financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfer of Assets Other than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. ASU 2016-06 will be effective for the Company in its first quarter of 2019. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In October 2016, the FASB issued ASU 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control*. The amendments affect reporting entities that are required to evaluate whether they should consolidate a variable interest entity in certain situations involving entities under common control. Specifically, the amendments change the evaluation of whether a reporting entity is the primary beneficiary of a variable interest entity by changing how a reporting entity that is a single decision maker of a variable interest entity treats indirect interests in the entity held through related parties that are under common control with the reporting entity. The amendments are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Basically these amendments provide a screen to determine when a set is not a business. If the screen is not met, the amendments in this ASU first, require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and second, remove the evaluation of whether a market participant could replace missing elements. These amendments take effect for public businesses for fiscal years beginning after December 15, 2017 and interim periods within those periods, and all other entities should apply these amendments for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.The Company does not expect that the adoption of this guidance will have a material impact on its financial statements.

Segment reporting

Segment reporting

ASC 280, Segment Reporting, formerly known as Statement of Financial Accounting Standards No. 131, Disclosure about Segments of an Enterprise and Related Information, requires use of the "management approach" model for segment reporting. Under this model, segment reporting is consistent with the manner that the Company's management organizes segments within the company for making operating decisions and assessing performance. Reportable segments are based on products and services, geography, legal structure, management structure or any other manner in which management disaggregates a company.
A description of our operating segments as of December 31, 2015, follows.

Contract manufacturing (formerly OEM):

Outsourced manufacturing for North American companies, including senior citizen safety products; steel gun safes; outdoor cooking equipment; trampolines; plastic products and small electronic appliances. Contract manufacturing also offers logistic services and a qualified engineer team to support and provide in-house design.

Manufacturing (formerly QBF):

Our manufacturing segment, Powin Manufacturing formerly named Quality Bending and Fabrication ("QBF"), manufactures various truck parts and components primarily for Freightliner Trucks, a division of Daimler Trucks North America, the largest manufacturer of heavy-duty vehicles in North America. Daimler Trucks North America designs, builds and markets a wide range of Class 3-8 vehicles including long-haul highway tractors, heavy-duty construction and vocational trucks, mid-range trucks for distribution and service, school and transit buses, fire and emergency service apparatus, and chassis for step vans, school and shuttle buses, and motor homes. Freightliner Trucks is headquartered in Portland, Oregon, with truck manufacturing facilities located in Portland and throughout the United States and Mexico.

Manufacturing is completed at the Company's leased facility in Tualatin, Oregon as well as arranging the outsourced manufacturing at a third-party factory in Qingdao, China.

Energy:

Powin Energy has developed market leading architecture that utilizes proprietary patented energy storage technology for scalable grid energy storage systems, power supply units for electric vehicles, and transportation applications. Through December 31, 2015, the Energy segment has focused on identifying target markets and applications and finalizing the development of products to serve those markets and applications. In 2016, the Company continued to develop products and marketing strategies for this operating entity.

Product & Service (formerly Channel Partner Program, Warehousing and Wooden)

The Product & Service segment contains the legacy operations of Channel Partner Program, a distribution channel for North American companies to sell their products in China as well as selling certain consumer products through U.S.-based retailers and marketplaces, including online; and Warehousing, which provides warehousing services in support of the Company's customers across all segments. On January 1, 2015, the Product & Service segment had been incorporated into our contract manufacturing segment.

Powin Mexico:

Powin Mexico is a manufacturing segment, currently manufacturing gun safes, but also capable of manufacturing heavy truck parts. Operations began in 2013.

As of December 31, 2016, there is only one segment Powin Energy.

Description of Business and History And Summary of Significant Accounting Policies (Tables)	12 Months Ended
	Dec. 31, 2016
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Schedule of Inventories	The components of inventories were as follows:

	December 31, 2016	December 31, 2015
Raw materials	$ 434,092	$ 303,730
Work in progress	113,861	196,092
Finished goods	1,221,001	621,303
Reserve for slow moving and obsolete inventory	(469,333)	(497,726)
Inventories, net	$ 1,299,621	$ 623,399

Schedule of Property and Equipment Estimated Useful Lives

The Company depreciates property and equipment over the following estimated useful lives:

Equipment	7-15 years
Leasehold improvements	39 years
Computers	3-5 years
Vehicles	5-7 years
Furniture and fixtures	3-5 years

Notes and other receivables (Tables)	12 Months Ended Dec. 31, 2016
Receivables [Abstract]	
Schedule of Notes and Other Receivables	Notes and other receivables consist of the following:

	December 31,2016	December 31,2015
Notes receivable from third parties- current	177,530	-
Notes receivable from third parties–non current	829,427	-
Other	4,570	883
Notes and other receivables, net	$ 1,011,527	$ 883

Property and equipment, net (Tables)	12 Months Ended Dec. 31, 2016
Property, Plant and Equipment [Abstract]	
Schedule of Property and Equipment	The components of property and equipment were as follows:

	December 31, 2016	December 31, 2015
Equipment	$ 50,385	$ 50,385
Leasehold improvements	7,564	92,131
Computers	99,365	38,338
Vehicles	32,983	32,983
SCE project asset*	4,882,025	-
	5,072,322	213,837
Accumulation depreciation	(81,755)	(54,330)
Property and equipment – net	$ 4,990,567	$ 159,507

* SCE project asset is a project under construction in Irvine, CA.The Company capitalized the production cost because design and development preproduction costs related to Long-Term supply arrangements should be capitalized.

Loss per share (Tables)

Loss per share (Tables)	12 Months Ended Dec. 31, 2016

Loss per share:

Components of Loss per Share

The components of basic and diluted loss per share are as follows:

	For the years ended December 31, 2016		For the years ended December 31, 2015	
Net loss attributable to Powin Corporation(A)		(6,671,705)		(4,625,848)
Less preferred share dividends		(127,200)		(113,500)
Net loss available to Powin Corporation (B)		(6,798,905)		(4,739,348)
Weighted average outstanding shares of common stock (C)		22,916,392		16,248,368
Dilutive effect of securities		-		-
Common stock and common stock equivalents (D)		22,916,392		16,248,368
Loss per share				
Basic (B/D)	$	(0.29)	$	(0.29)
Diluted (B/D)	$	(0.29)	$	(0.29)

Number of shares of common stock underlying outstanding options, warrants, and convertible debt

The following sets forth the number of shares of common stock underlying if all outstanding options, warrants, and convertible debt were converted as of December 31, 2016 and 2015:

	December 31, 2016	December 31, 2015
Series A preferred stock	230,180	204,740
Warrants	100,000	100,000
Stock options	102,000	158,000
August 2015 preferred stock	-	13,625,826
	432,180	14,088,566

Notes Payable (Tables)	12 Months Ended Dec. 31, 2016

Debt Disclosure [Abstract]

Schedule of Total Carrying Value of Long-Term Debt

The total carrying value of notes payable was as follows:

	December 31, 2016		December 31, 2015	
	Current	Non Current	Current	Non Current
Equipment loan starting December 18, 2012, due January 1, 2017, with 3.05% interest rate, with no collateral. The loan was fully paid back by December 31, 2016.	$ -	$ -	$ 19,271	$ -
Loan from a third party, starting July 5, 2016, due July 4, 2017, with 6% interest rate, with no collateral	1,484,118	-	-	-
Accrued interest	44,234	-	-	-
Total notes payable, including accrued interest	$1,528,352	$ -	$ 19,271	$ -

Commitments (Tables)

	12 Months Ended Dec. 31, 2016
Commitments and Contingencies Disclosure [Abstract]	
Schedule of Future Minimum Lease Payments Under Non-Cancelable Operating Leases	

Year ending December 31,	
2017	$ 423,078
2018	429,402
2019	435,906
2020	442,602
2021	343,275
Thereafter	1,296,192
Total	$3,370,455

Capital stock (Tables)

	12 Months Ended Dec. 31, 2016
Capital stock [Abstract]	
Schedule of preferred stock issued to settle notes payable	In August 2016, 13,625,826 shares of August 2015 preferred stock had converted into common stock.

Lender	Borrower	Amount	Number of Shares of Preferred Stock
3U Trading Co., Limited	Powin Corporation	$ 2,451,195	4,377,133
3U Trading Co., Limited	Powin Industries S.A. DE C.V.	$ 211,474	377,631
Joseph Lu	Powin Corporation	$ 3,333,091	5,951,947
Danny Lu	Powin Corporation	$ 560,565	1,001,009
Peter Lu	Powin Corporation	$ 560,565	1,001,009
Lu Pacific Properties, LLC	Powin Corporation	$ 513,574	917,097
Total		$ 7,630,464	13,625,826

Schedule of Warrants

The exercise period of each Warrant is 60 months from the date of issuance and may be exercised in whole or in part at any time prior to April 15, 2018. As of December 31, 2016 and 2015, all 100,000 warrants remain outstanding.

	Warrants	Weighted average exercise price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	100,000	$ 25	2.4	$ -
Exercisable at December 31, 2015	100,000	$ 25	2.4	$ -
Warrants granted	-	-	-	-
Warrants exercised	-	-	-	-
Warrants forfeited	-	-	-	-
Outstanding at December 31, 2016	100,000	$ 25	1.4	$ -
Exercisable at December 31, 2016	100,000	$ 25	1.4	$ -

Stock options (Tables)	12 Months Ended Dec. 31, 2016

Disclosure of Compensation Related Costs, Share-based Payments [Abstract]

Fair Value Assumptions in Options Valuations

The following assumptions were used to determine the fair value of the options at date of original issuance on August 6, 2013:

Dividend Yield	0%
Expected volatility	161.80%
Risk-free interest rate	1.39%
Term in years	9.92

Summary of Stock Option Activity

A summary of option activity as is presented below:

	Options	Weighted average exercise price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	158,000	$ 5.8	5.84	$ 312,000
Exercisable at December 31, 2015	99,095	$ 6.8	5.05	$ 149,931
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options forfeited	(56,000)	5.9	-	-
Outstanding at December 31, 2016	102,000	$ 5.7	4.88	$ -
Exercisable at December 31, 2016	84,059	$ 6.5	4.28	$ -

Business segment reporting (Tables)	12 Months Ended Dec. 31, 2016
Segment Reporting [Abstract]	
Summary of Information by Segment	Revenues and net loss before income taxes of each of the Company's segments are as follows:

	Years ended December 31, 2016	Years ended December 31, 2015
Revenue		
Energy	337,153	183,187
Consolidated	$ 337,153	$ 183,187

Description of our geographic segments

	Years ended December 31, 2016	Years ended December 31, 2015
(Loss) before income taxes		
Energy	(5,468,287)	(4,431,681)
Corporate	-	99,264
Consolidated	$(5,468,287)	(4,332,417)

Discontinued Operations (Tables)	12 Months Ended Dec. 31, 2016
Discontinued Operations and Disposal Groups [Abstract]	
Schedule of Balances for Powin Mexico and Q Pacific Corporation	Balances for Powin Mexico and Q Pacific Corporation as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Assets held for sale - current	$ -	$ 4,317,419
Assets held for sale- noncurrent	-	1,077,143
Liabilities held for sale - current	-	1,682,603

The operating results of Powin Mexico and Q Pacific Corporation for the years ending December 31, 2016 and 2015 classified as discontinued operations are summarized below:

	Years Ended December 31,	
	2016	2015
Sales	$ 7,135,534	$10,837,448
Cost of Goods Sold	6,121,675	9,300,054
Gross Profit	1,013,859	1,537,394
Operating Expenses	2,831,687	2,760,400
Other Income (Expense)	97,921	(17,003)
Income Tax Expense	-	-
Net loss from discontinued operations	$(1,719,907)	$ (1,240,009)

Income taxes (Tables)	12 Months Ended Dec. 31, 2016
Income Tax Disclosure [Abstract]	
Schedule of Provision for Income Taxes	The provision for income taxes consists of the following:

Year ended December 31,	2016	2015
Current:		
Federal	$ -	$ -
State	7500	15000
	7500	15000
Net Operating Losses Carryback	-	-
	7500	15000
Deferred:		
Federal	(5,338,098)	(1,334,500)
State	(683,905)	(170,973)
	(6,022,002)	(1,505,473)
Valuation Allowance	6,022,002	1,505,473
	-	-
Provision for Income Taxes	$ 7,500	$ 15,000

Schedule of Income Tax at Effective Tax Rate

A reconciliation of income taxes computed at the United States federal statutory income tax rate to the provision for income taxes is as follows:

Year ended December 31,	2016	2015
US Federal Statutory Rate @ 34%	$(1,499,443)	$(1,498,917)
State Taxes, Net of Federal Effect	(192,105)	(192,038)
Penalties	-	(57,534)
Stock Compensation	14,595	60,184
Valuation Allowance	6,022,002	1,505,473
Capital Loss	(4,578,815)	-
Other	288,155	18,977
Prior Period Adjustment	(54,389)	163,855
Total	$ -	$ -

Schedule of Deferred Tax Assets

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset were as follows:

Year ended December 31,	2016	2015
Current:		
Allowance for Inventory Obsolescence	$ 180,017	$ 294,752
Allowance for Doubtful Accounts	-	176,846
Accrued Interest	6,509	-
Other	42,949	63,781
	229,476	535,379
Valuation Allowance	(229,476)	(535,379)
Total	$ -	$ -
Noncurrent:		
Net Operating Losses	$ 6,614,728	$ 4,767,919
Capital Losses	4,578,815	-
Property, Equipment and Intangibles	5,205	145,238
Tax Credits	306,319	264,820
Other	3,119	2,302
	11,508,185	5,180,279

Valuation Allowance	(11,508,185)	(5,180,279)
Total	$ -	$ -

Description of Business and History And Summary of Significant Accounting Policies (Description of Business and History) (Details) - USD ($)							1 Months Ended	12 Months Ended		
	Oct. 03, 2016	Apr. 03, 2015	Apr. 02, 2015	Mar. 02, 2015	Jan. 15, 2015	Aug. 29, 2014	Oct. 18, 2016	Dec. 31, 2016	Dec. 31, 2015	Jan. 31, 2016
Shares outstanding								37,096,415	16,243,839	
Translation adjustments								$ (35,695)	$ (30,033)	
Cumulative translation adjustment and effect of exchange rate changes on cash									(56,176)	
Minority Interest								$ 0	(3,139,600)	
Mexico subsidiary										
Ownership interest								100.00%		
Ownership interest held										15.00%
Minority Interest										$ 15,747
Powin Energy Corporation [Member]										
Ownership interest								82.35%		
Number of shares issued in investment repurchase agreement		378	1,765							
First Closing Date April 2, 2015 [Member] | Powin Energy Corporation [Member]										
Amount received in first closing as per amendment of agreement			$ 7,450,000	$ 50,000	$ 2,000,000	$ 3,000,000				
Aggregate amount received as per amendment of agreement			$ 12,500,000							
Accumulated Other Comp. Income [Member]										
Translation adjustments								$ (35,695)	$ (30,033)	
WeipingCai [Member] | Q Pacific Corproation [Member]										
Cash payment							$ 200,000			
Percentage of EBITDA of QPM							35.00%			
WeipingCai [Member] | Joseph Lu and Lu Pacific Properties, LLC [Member]										
Promissory note							$ 265,000			
Rolland Holding Company, LLC [Member]										
Purchase price	$ 999,000									
Cash payment	99,000									

Principal amount of short term debt	$ 100,000
Interest rate on debt	4.00%
Promissory note	$ 800,000
Interest rate on long term debt	5.00%
Non-interest bearing promissory note	$ 125,000
Monthly installments	$ 31,250
Rolland Holding Company, LLC [Member] | Series A Common Stock [Member]	
Number of shares sold in purchase agreement	99
Percentage of common stock sold	99.00%
Rolland Holding Company, LLC [Member] | Series B Common Stock [Member]	
Number of shares sold in purchase agreement	167,452
Percentage of common stock sold	100.00%

Description of Business and History And Summary of Significant Accounting Policies (Details)	Apr. 03, 2015 shares	Apr. 02, 2015 shares	12 Months Ended Dec. 31, 2016 USD ($) Segment	Dec. 31, 2015 USD ($)
Standard insurance amount per depositor, per insured bank			$ 250,000	
Bank balances exceeding insurances balances			53,643	$ 2,583,046
Reserve for slow moving and obsolete inventory			28,393	(195,880)
Inventory write down			(60,505)	45,054
Advertising expense			$ 49,382	163,936
Professional expenses				$ 750,000
Number of Segment | Segment			1	
Powin Energy Corporation [Member]				
Ownership interest			82.35%	
Number of shares issued in investment repurchase agreement | shares	378	1,765		
POWIN Industries CA de CV [Member]				
Ownership interest				85.00%
Minimum [Member]				
Estimated useful life				3 years
Maximum [Member]				
Estimated useful life				5 years

Description of Business and History And Summary of Significant Accounting Policies (Schedule of Inventory) (Details) - USD ($)	Dec. 31, 2016	Dec. 31, 2015
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
Raw materials	$ 434,092	$ 303,730
Work in progress	113,861	196,092
Finished goods	1,221,001	621,303
Reserve for slow moving and obsolete inventory	(469,333)	(497,726)
Inventories, net	$ 1,299,621	$ 623,399

Description of Business and History And Summary of Significant Accounting Policies (Schedule of Property and Equipment Estimated Useful Lives) (Details)	12 Months Ended
	Dec. 31, 2016
Equipment [Member] | Minimum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	7 years
Equipment [Member] | Maximum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	15 years
Leasehold improvements [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	39 years
Computers [Member] | Minimum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	3 years
Computers [Member] | Maximum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	5 years
Vehicles [Member] | Minimum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	5 years
Vehicles [Member] | Maximum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	7 years
Furniture and fixtures [Member] | Minimum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	3 years
Furniture and fixtures [Member] | Maximum [Member]	
Property, Plant and Equipment [Line Items]	
Estimated useful life	5 years

Going concern (Narrative) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Going Concern Narrative Details		
Operating losses	$ 6,671,705	$ 4,625,848
Accumulated deficit	$ 28,732,576	$ 22,060,870

Notes and other receivables (Details) - USD ($)	Dec. 31, 2016	Dec. 31, 2015
Receivables [Abstract]		
Notes receivable from third parties- current	$ 177,530	
Notes receivable from third parties- non current	829,427	
Other	4,570	833
Notes and other receivables, net	$ 1,011,527	$ 833

Property and equipment, net (Details) - USD ($)		12 Months Ended	
		Dec. 31, 2016	Dec. 31, 2015
Property, Plant and Equipment [Line Items]			
Property and equipment, gross		$ 5,072,322	$ 213,837
Accumulated depreciation		(81,755)	(54,330)
Property and equipment - net		4,990,567	159,507
Depreciation		32,503	24,732
Equipment [Member]			
Property, Plant and Equipment [Line Items]			
Property and equipment, gross		50,385	50,385
Leasehold improvements [Member]			
Property, Plant and Equipment [Line Items]			
Property and equipment, gross		7,564	92,131
Computers [Member]			
Property, Plant and Equipment [Line Items]			
Property and equipment, gross		99,365	38,338
Vehicles [Member]			
Property, Plant and Equipment [Line Items]			
Property and equipment, gross		32,983	32,983
SCE project asset [Member]			
Property, Plant and Equipment [Line Items]			
Property and equipment, gross	[1]	$ 4,882,025	

[1] SCE project asset is a project under construction in Irvine, CA.The Company capitalized the production cost because design and development preproduction costs related to Long-Term supply arrangements should be capitalized.

Loss per share (Narrative) (Details)		1 Months Ended	12 Months Ended		19 Months Ended		
	Apr. 15, 2013 USD ($) $ / shares	Apr. 15, 2013 USD ($) $ / shares	Dec. 31, 2016 USD ($) $ / shares shares	Dec. 31, 2015 USD ($) $ / shares shares	Dec. 31, 2013 shares	Dec. 31, 2012 shares	Aug. 31, 2016 shares
Class of Stock [Line Items]							
Options granted | shares					1,640,000	1,170,000	
Stock option comp expense | $			$ 88,130	$ 156,908			
Warrants issued to purchase common | $							
Warrants outstanding | shares			100,000	100,000			
Stock options outstanding | $			$ 102,000	$ 158,000			
Series A Preferred Stock [Member]							
Class of Stock [Line Items]							
Preferred stock, face value | $ / shares			$ 100	$ 100			
Preferred stock, conversion rate			0.05	0.05			
Preferred stock, shares outstanding | shares			11,509	10,237			
2015 August stock [Member]							
Class of Stock [Line Items]							
Preferred stock, face value | $ / shares			$ 0.56	$ 0.56			
Preferred stock, conversion rate			1	1			
Preferred stock, shares outstanding | shares			0	13,625,826			
Preferred stock converted into common stock | shares							13,625,826
Global Storage Group, LLC [Member]							
Class of Stock [Line Items]							
Warrants issued to purchase common | $	$ 70,000	$ 70,000					
Exercise price | $ / shares	$ 25.00	$ 25					
Exercise period of warrant	60 days	60 days					
Virgil L. Beast [Member]							
Class of Stock [Line Items]							
Warrants issued to purchase common | $	$ 30,000	$ 30,000					
Exercise price | $ / shares	$ 25.00	$ 25					
Exercise period of warrant	60 days	60 days					

Loss per share (Components of Basic and Diluted Loss Per Share) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Loss per share:		
Net loss attributable to Powin Corporation (A)	$ (6,671,705)	$ (4,625,848)
Less preferred share dividends	(127,200)	(113,500)
Net loss available to Powin Corporation (B)	$ (6,798,905)	$ (4,739,348)
Weighted average outstanding shares of common stock (C)	22,916,392	16,248,368
Dilutive effect of securities		
Common stock and common stock equivalents (D)	22,916,392	16,248,368
Loss per share		
Basic (B/D)	$ (0.29)	$ (0.29)
Diluted (B/D)	$ (0.29)	$ (0.29)

Loss per share (Shares In Event of Conversion) (Details) - shares	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]		
Number of shares of common stock	432,180	14,088,566
Series A Preferred Stock [Member]		
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]		
Number of shares of common stock	230,180	204,740
Warrant [Member]		
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]		
Number of shares of common stock	100,000	100,000
Stock Options [Member]		
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]		
Number of shares of common stock	102,000	1,580,000
August 2015 preferred stock[Member]		
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]		
Number of shares of common stock		13,625,826

Notes Payable (Details) - USD ($)	12 Months Ended Dec. 31, 2016	Dec. 31, 2015
Debt Instrument [Line Items]		
Total long-term debt, including current portion and accrued interest, Current	$ 1,528,352	$ 19,271
Total long-term debt, including current portion and accrued interest, Non Current	2,013,648	
Accrued interest	44,234	79,836
Equipment loan due January 1, 2017 [Member]		
Debt Instrument [Line Items]		
Total long-term debt, including current portion and accrued interest, Current		19,271
Total long-term debt, including current portion and accrued interest, Non Current		
Accrued interest		
Interest rate on related party loan	3.05%	
Debt instrument, beginning maturity date	Dec. 18, 2012	
Debt instrument, ending maturity date	Jan. 01, 2017	
Loan from a third party, due July 4, 2017 [Member]		
Debt Instrument [Line Items]		
Total long-term debt, including current portion and accrued interest, Current	$ 1,484,118	
Total long-term debt, including current portion and accrued interest, Non Current		
Interest rate on related party loan	6.00%	
Debt instrument, beginning maturity date	Jul. 05, 2016	
Debt instrument, ending maturity date	Jul. 04, 2017	

Commitments (Narrative) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Operating Leased Assets [Line Items]		
Rent and lease expense	$ 282,722	$ 281,440
Lu Pacific Properties LLC [Member]		
Operating Leased Assets [Line Items]		
Rent and lease expense	17,707	
3U Millikan, LLC [Member]		
Operating Leased Assets [Line Items]		
Rent and lease expense	$ 17,550	

Commitments (Schedule of Future Minimum Lease Payments Under Non-Cancelable Operating Leases) (Details)	Dec. 31, 2016 USD ($)
Commitments and Contingencies Disclosure [Abstract]	
2017	$ 423,078
2018	429,402
2019	435,906
2020	442,602
2021	343,275
Thereafter	1,296,192
Total	$ 3,370,455

Capital stock (Narrative) (Details) - USD ($)	1 Months Ended				3 Months Ended						12 Months Ended		
	Apr. 15, 2013	Oct. 20, 2016	Oct. 17, 2016	Apr. 15, 2013	Sep. 30, 2016	Jun. 30, 2016	Dec. 31, 2015	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2016	Dec. 31, 2015	Aug. 31, 2016
Class of Stock [Line Items]													
Preferred shares dividend, percentage											12.00%		
Preferred dividends declared													
Shares issued for services rendered		177,251	176,369		89,961	6,000	3,000	3,000	3,000	3,000			
Price per share		$ 0.141	$ 0.141		$ 0.30	$ 0.30	$ 0.65	$ 0.90	$ 0.56	$ 1.95		$ 0.65	
Shares issued for services rendered, value							$ 1,980	$ 2,700	$ 1,680	$ 5,850	1,800	$ 12,180	
Warrants issued to purchase common stock													
Warrants outstanding							100,000				100,000	100,000	
Series A Preferred Stock [Member]													
Class of Stock [Line Items]													
Preferred dividends declared, shares											1,272	1,135	
Preferred dividends declared											$ 127,200	$ 113,500	
Shares issued for services rendered													
Shares issued for services rendered, value													
Warrants issued to purchase common stock													
Series A Preferred Stock [Member]													
Class of Stock [Line Items]													
Preferred stock, face value							$ 100				$ 100	$ 100	
Conversion rate											$ 1		
Preferred stock shares outstanding							10,237				11,509	10,237	
2015 August stock [Member]													
Class of Stock [Line Items]													
Number of shares of convertible preferred stock that can be converted													13,625,826
Preferred Stock liquidation preference per share											$ 0.56		
Preferred stock, face value							$ 0.56				$ 0.56	$ 0.56	
Preferred stock shares outstanding							13,625,826				0	13,625,826	
Virgil L. Beast [Member]													
Class of Stock [Line Items]													
Warrants issued to purchase common stock	$ 30,000			$ 30,000									
Warrant, exercie price	$ 25.00			$ 25									

Exercise period of warrant	60 days	60 days
Global Storage Group, LLC [Member]		
Class of Stock [Line Items]		
Warrants issued to purchase common stock	$ 70,000	$ 70,000
Warrant, exercie price	$ 25.00	$ 25
Exercise period of warrant	60 days	60 days

Capital stock (Schedule of Preferred Stock Issued to Settle Notes Payable) (Details) - USD ($)	1 Months Ended Aug. 31, 2015	12 Months Ended Dec. 31, 2015
Debt Conversion [Line Items]		
Notes payable amount	$ 7,630,464	$ 7,630,464
Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	13,625,826	
3U Trading Co Limited [Member] | Powin Corporation [Member]		
Debt Conversion [Line Items]		
Notes payable amount	$ 2,451,195	
3U Trading Co Limited [Member] | Powin Corporation [Member] | Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	4,377,133	
3U Trading Co Limited [Member] | Powin Industries SADECV [Member]		
Debt Conversion [Line Items]		
Notes payable amount	$ 211,474	
3U Trading Co Limited [Member] | Powin Industries SADECV [Member] | Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	377,631	
Chief Executive Officer [Member] | Powin Corporation [Member]		
Debt Conversion [Line Items]		
Notes payable amount	$ 3,333,091	
Chief Executive Officer [Member] | Powin Corporation [Member] | Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	5,951,947	
Danny Lu [Member] | Powin Corporation [Member]		
Debt Conversion [Line Items]		
Notes payable amount	$ 560,565	
Danny Lu [Member] | Powin Corporation [Member] | Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	1,001,009	
Peter Lu [Member] | Powin Corporation [Member]		
Debt Conversion [Line Items]		
Notes payable amount	$ 560,565	
Peter Lu [Member] | Powin Corporation [Member] | Preferred Shares [Member]		
Debt Conversion [Line Items]		
Number of Shares of Preferred Stock	1,001,009	
Lu Pacific Properties LLC [Member] | Powin Corporation [Member]		
Debt Conversion [Line Items]		

Notes payable amount	$ 513,574
Lu Pacific Properties LLC [Member] | Powin Corporation [Member] | Preferred Shares [Member]	
Debt Conversion [Line Items]	
Number of Shares of Preferred Stock	917,097

Capital stock (Schedule of Warrants) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Average Remaining Contractual Life		
Average Remaining Contractual Life, Exercisable	4 years 3 months 11 days	5 years 18 days
Aggregate Intrinsic Value		
Outstanding at the end of the period	$ 102,000	$ 158,000
Warrant [Member]		
Warrants		
Outstanding at the beginning of the period	100,000	100,000
Warrants granted		
Warrants exercised		
Warrants forfeited		
Outstanding at the end of the period	100,000	100,000
Exercisable at the end of the period	100,000	100,000
Weighted average exercise price		
Outstanding at the beginning of the period	$ 25	$ 25
Warrants granted		
Warrants exercised		
Warrants forfeited		
Outstanding at the end of the period	25	25
Exercisable at the end of the period	$ 25	$ 25
Average Remaining Contractual Life		
Average Remaining Contractual Life	1 year 4 months 24 days	2 years 4 months 24 days
Average Remaining Contractual Life, Exercisable	1 year 4 months 24 days	2 years 4 months 24 days
Aggregate Intrinsic Value		
Warrants granted		
Outstanding at the end of the period		
Exercisable at the end of the period		

Stock options (Narrative) (Details) - USD ($)			12 Months Ended		19 Months Ended
	Aug. 06, 2016	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2013	Dec. 31, 2012
Options granted				1,640,000	1,170,000
Stock option comp expense		$ 88,130	$ 156,908		
Remaining unvested stock expenses		$ 46,126	$ 225,017		
Vested Immediately [Member]					
Vesting percentage	20.00%				

Stock options (Fair Value Assumptions in Options Valuation) (Details)	12 Months Ended Dec. 31, 2016
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]	
Dividend yield	0.00%
Expected volatility	161.80%
Risk-free interest rate	1.39%
Term in years	9 years 11 months 1 day

Stock options (Summary of Stock Option Activity) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Options		
Outstanding, Options	158,000	2,070,000
Options exercisable	99,095	
Options granted		
Options exercised		
Forfeited	(56,000)	(490,000)
Outstanding, Options	102,000	158,000
Options exercisable at the end of the year	84,059	99,095
Weighted average exercise price		
Outstanding	$ 5.8	
Options exercisable	6.8	
Granted		
Exercised		
Forfeited	5.9	
Outstanding	5.7	$ 5.8
Options exercisable at the end of the year	$ 6.5	$ 6.8
Average Remaining Contractual Life		
Outstanding	4 years 10 months 17 days	5 years 10 months 2 days
Exercisable at the end of the year	4 years 3 months 11 days	5 years 18 days
Aggregate Intrinsic Value		
Outstanding	$ 312,000	
Options exercisable	$ 149,931	
Granted		
Exercised		
Forfeited		
Aggregate Intrinsic Value		$ 312,000
Exercisable at the end of the year		$ 149,931

Related party transactions (Narrative) (Details) - USD ($)	1 Months Ended				12 Months Ended	
	Oct. 14, 2016	Dec. 30, 2016	Oct. 27, 2016	Oct. 18, 2016	Dec. 31, 2016	Dec. 31, 2015
Related Party Transaction [Line Items]						
Rent expense					$ 282,722	$ 281,440
Accounts payable to a related party					2,447,348	
Due to related parties					$ 903,422	
Yangzhou Finway Energy Tech Co. [Member]						
Related Party Transaction [Line Items]						
Ownership percentage by Lu Family					49.00%	
Purchases from related parties					$ 3,694,031	0
Due to related parties					2,447,347	43,156
Lu Pacific One [Member]						
Related Party Transaction [Line Items]						
Borrowed from related parties			$ 2,000,000			
Interest rate			7.00%			
Accrued interest					13,648	
Interest expense					25,315	
Maturity date			Oct. 31, 2018			
Lu Pacific [Member]						
Related Party Transaction [Line Items]						
Borrowed from related parties				$ 150,000		
Interest rate				6.00%		
Accrued interest					1,825	
Interest expense					1,825	
Maturity date				May 31, 2017		
Sales to related parties					260,446	0
3U Millikan, LLC [Member]						
Related Party Transaction [Line Items]						
Rent expense					0	0
Powin Pacific Properties Llc [Member]						
Related Party Transaction [Line Items]						
Rent expense					282,722	281,440
Joseph Lu [Member]						

Related Party Transaction [Line Items]					
Borrowed from related parties			$ 115,000		
Interest rate			6.00%		
Accrued interest				1,399	
Interest expense				1,399	
Maturity date			Jan. 31, 2017		
Joseph Lu One [Member]					
Related Party Transaction [Line Items]					
Borrowed from related parties		$ 600,000			
Interest rate		6.00%			
Accrued interest				99	
Interest expense				99	
Maturity date		Jun. 30, 2017			
Xilong Zhu [Member]					
Related Party Transaction [Line Items]					
Borrowed from related parties	$ 35,100				
Interest rate	0.00%				
Accrued interest				0	
Interest expense				0	
Maturity date	Mar. 01, 2017				
Quailhurst Vineyard Estates [Member]					
Related Party Transaction [Line Items]					
Purchases from related parties				8,529	0
Due to related parties				$ 3,332	$ 0

Business segment reporting (Narrative) (Details) - Rolland Holding Company, LLC [Member]	Oct. 03, 2016 USD ($) shares
Purchase price for the Shares	$ 999,000
Short term Promissory note	$ 100,000
Short term Interest rate	4.00%
Long term promissory note	$ 800,000
Long term interest rate	5.00%
Prime Rate	5.00%
Non-interest bearing promissory note	$ 125,000
Monthly installments	31,250
Powin Mexico Note [Member]	
Non-interest bearing promissory note	125,000
Powin Mexico Note [Member] | Installment on December 31, 2017 [Member]	
Monthly installments	31,250
Powin Mexico Note [Member] | Installment on December 31, 2018 [Member]	
Monthly installments	31,250
Powin Mexico Note [Member] | Installment on December 31, 2019 [Member]	
Monthly installments	31,250
Powin Mexico Note [Member] | Installment on December 31, 2020 [Member]	
Monthly installments	$ 31,250
Series A Common Stock [Member]	
Number of shares sold in purchase agreement | shares	99
Purchase price for the Shares	$ 999,000
Cash payment	$ 99,000
Percentage of common stock sold	99.00%
Series B Common Stock [Member]	
Number of shares sold in purchase agreement | shares	167,452
Percentage of common stock sold	100.00%

Business segment reporting (Schedule of Revenues and net loss before income taxes) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Segment Reporting Information [Line Items]		
Revenue	$ 337,153	$ 183,187
(Loss) before income taxes	(5,468,287)	(4,332,417)
Energy [Member]		
Segment Reporting Information [Line Items]		
Revenue	337,153	183,187
(Loss) before income taxes	(5,468,287)	(4,431,681)
Corporate [Member]		
Segment Reporting Information [Line Items]		
(Loss) before income taxes		$ 99,264

Non-Controlling Interest (Details) - USD ($)								12 Months Ended		
	May 31, 2015	Apr. 03, 2015	Apr. 02, 2015	Mar. 02, 2015	Jan. 15, 2015	Aug. 29, 2014	Aug. 08, 2014	Dec. 31, 2016	Dec. 31, 2015	Jan. 31, 2016
Noncontrolling Interest [Line Items]										
Professional expenses									$ 750,000	
Proceeds received from the sale								$ 12,500,000		
Net asset value associated with sold interest								$ 1,552,272		
Mexico subsidiary [Member]										
Noncontrolling Interest [Line Items]										
Noncontrolling Interest, Ownership Percentage by Parent										15.00%
Ownership interest								100.00%		
Cash paid to acquire non controlling interest								$ 15,747		
Stake acquired in non-controlling interest								15.00%		
Powin Energy Corporation [Member]										
Noncontrolling Interest [Line Items]										
Number of shares issued in investment repurchase agreement		378	1,765							
Amount outstanding in subscription agreement							$ 12,500,000			
Ownership interest								82.35%		
Powin Energy Corporation [Member] | Second Closing Date May 31, 2015 [Member]										
Noncontrolling Interest [Line Items]										
Amount outstanding in subscription agreement	$ 12,500,000									
Number of contingently shares issuable in investment repurchase agreement	2,143									
Number of contingently shares sold in investment repurchase agreement	2,143									
Amount outstanding to be receivable from proceeds of second closing	$ 12,500,000									

Powin Energy Corporation [Member] | First Closing Date April 2, 2015 [Member]					
Noncontrolling Interest [Line Items]					
Amount received in first closing as per amendment of agreement	$ 7,450,000	$ 50,000	$ 2,000,000	$ 3,000,000	
Aggregate amount received as per amendment of agreement	$ 12,500,000				
Powin Energy Corporation [Member] | SF Suntech, Inc. [Member]					
Noncontrolling Interest [Line Items]					
Share subscription agreement					$ 25,000,000

Discontinued Operations (Narrative) (Details) - USD ($)	Oct. 03, 2016	12 Months Ended Dec. 31, 2016
Rolland Holding Company, LLC [Member]		
Purchase price for the Shares	$ 999,000	
Short term Promissory note	$ 100,000	
Short term Interest rate	4.00%	
Long term promissory note	$ 800,000	
Long term interest rate	5.00%	
Prime Rate	5.00%	
Non-interest bearing promissory note	$ 125,000	
Monthly installments	31,250	
Rolland Holding Company, LLC [Member] | Powin Mexico Note [Member]		
Non-interest bearing promissory note	125,000	
Rolland Holding Company, LLC [Member] | Powin Mexico Note [Member] | Installment on December 31, 2017 [Member]		
Monthly installments	31,250	
Rolland Holding Company, LLC [Member] | Powin Mexico Note [Member] | Installment on December 31, 2018 [Member]		
Monthly installments	31,250	
Rolland Holding Company, LLC [Member] | Powin Mexico Note [Member] | Installment on December 31, 2019 [Member]		
Monthly installments	31,250	
Rolland Holding Company, LLC [Member] | Powin Mexico Note [Member] | Installment on December 31, 2020 [Member]		
Monthly installments	$ 31,250	
Rolland Holding Company, LLC [Member] | Series A Common Stock [Member]		
Number of shares sold in purchase agreement	99	
Purchase price for the Shares	$ 999,000	
Cash payment	$ 99,000	
Percentage of common stock sold	99.00%	
Rolland Holding Company, LLC [Member] | Series B Common Stock [Member]		
Number of shares sold in purchase agreement	167,452	
Percentage of common stock sold	100.00%	
Powin Mexico and Q Pacific Corporation [Member]		
Loss from disposal of discontinued operations		$ 1,719,906

Discontinued Operations (Schedule of Balances for Powin Mexico and Q Pacific Corporation) (Details) - USD ($)	Dec. 31, 2016	Dec. 31, 2015
Assets held for sale - current		$ 4,317,419
Assets held for sale- noncurrent		1,077,143
Powin Mexico and Q Pacific Corporation [Member]		
Assets held for sale - current		4,317,419
Assets held for sale- noncurrent		1,077,143
Liabilities held for sale - current		$ 1,682,603

Discontinued Operations (Schedule of Operating results of Powin Mexico and Q Pacific Corporation) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Net loss from discontinued operations	$ (1,719,906)	$ (1,240,009)
Powin Mexico and Q Pacific Corporation [Member]		
Sales	7,135,534	10,837,448
Cost of Goods Sold	6,121,675	9,300,054
Gross Profit	1,013,859	1,537,394
Operating Expenses	2,831,687	2,760,400
Other Income (Expense)	97,921	(17,003)
Income Tax Expense		
Net loss from discontinued operations	$ (1,719,907)	$ (1,240,009)

Income taxes (Narrative) (Details)	Dec. 31, 2016 USD ($)
Operating Loss Carryforwards [Line Items]	
Annual limitation of operating loss	$ 67,000
Federal [Member]	
Operating Loss Carryforwards [Line Items]	
Net operating loss carry forwards	16,900,000
State [Member]	
Operating Loss Carryforwards [Line Items]	
Net operating loss carry forwards	$ 20,000,000

Income taxes (Schedule of Provision for Income Taxes) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Current:		
Federal		
State	7,500	15,000
Current provision for income taxes, gross	7,500	15,000
Net Operating Losses Carryback		
Current provision for income taxes	7,500	15,000
Deferred:		
Federal	(5,338,098)	(1,334,500)
State	(683,905)	(170,973)
Deferred provision for income taxes	(6,022,003)	(1,505,473)
Valuation Allowance	6,022,003	1,505,473
Provision for Income Taxes	$ 7,500	$ 15,000

Income taxes (Schedule of Effective Income Tax Rate Reconciliation) (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2016	Dec. 31, 2015
Income Tax Disclosure [Abstract]		
US Federal Statutory Rate @ 34%	$ (1,499,443)	$ (1,498,917)
State Taxes, Net of Federal Effect	(192,105)	(192,038)
Penalties		(57,534)
Stock Compensation	14,595	60,184
Valuation Allowance	6,022,002	1,505,473
Capital Loss	(4,578,815)	
Other	288,155	18,977
Prior Period Adjustment	(54,389)	163,855
Provision for Income Taxes		

Income taxes (Schedule of Deferred Tax Assets) (Details) - USD ($)	Dec. 31, 2016	Dec. 31, 2015
Current:		
Allowance for Inventory Obsolescence	$ 180,017	$ 294,752
Allowance for Doubtful Accounts		176,846
Accrued Interest	6,509	
Other	42,949	63,781
Deferred tax assets, gross	229,475	535,379
Valuation Allowance	(229,475)	(535,379)
Total		
Noncurrent:		
Net Operating Losses	6,614,728	4,767,919
Capital Losses	4,578,815	
Property, Equipment and Intangibles	5,205	145,238
Tax Credits	306,319	264,820
Other	3,119	2,302
Deferred tax assets, gross	11,508,186	5,180,279
Valuation allowance	(11,508,186)	(5,180,279)
Total		

Subsequent events (Details) - USD ($)	1 Months Ended		12 Months Ended	
	Mar. 16, 2017	Jan. 26, 2017	Dec. 31, 2016	Dec. 31, 2015
Subsequent Event [Line Items]				
Proceeds from loan payable			$ 1,219,118	$ 80,056
Subsequent Event [Member] | Lu Pacific [Member]				
Subsequent Event [Line Items]				
Proceeds from loan payable		$ 1,100,000		
Interest rate		7.00%		
Maturity date		Jan. 26, 2019		
Subsequent Event [Member] | Wolf Creek Capital, LLC [Member]				
Subsequent Event [Line Items]				
Proceeds from loan payable	$ 2,000,000			
Interest rate	6.00%			
Maturity date	Mar. 16, 2019			