FOR IMMEDIATE DISTRIBUTION

FuelCell Energy Power Plant to Provide Ultra-Clean Energy for Government Buildings in California’s Sonoma County

Highly efficient 1.4 MW fuel cell power plant will supply 100 percent of baseload electricity needed to run a jail and county office buildings, and reduce greenhouse gas emissions

DANBURY, Conn., June 5, 2009 -- FuelCell Energy, Inc. (NasdaqNM:FCEL), a leading manufacturer of high efficiency, ultra-clean power plants using renewable and other fuels for commercial, industrial, government and utility customers, today announced the sale of a megawatt-class Direct FuelCell® (DFC®) power plant to California’s Sonoma County to supply 100 percent of the baseload electricity needed to operate a county jail and county office buildings in Santa Rosa.

The DFC1500™ power plant will generate 1.4 megawatts of ultra-clean electricity and its byproduct heat will be recovered and used to replace approximately half the natural gas the County currently purchases to make hot water for space heating, cleaning, and cooking. Overall, the County of Sonoma expects significant energy cost savings during the first year of operation.

When operating in a Combined Heat and Power (CHP) mode such as this, DFC power plants can achieve up to 80 percent efficiency. This high efficiency will substantially reduce carbon dioxide emissions. By comparison, typical grid electricity is only 33 percent electrically efficient. In addition, since DFC power plants produce electricity without combustion, they produce near-zero nitrous oxides, sulfur oxides and particulate matter, and are one of the most effective means of meeting air quality standards with around-the-clock electric generation.

The state of California is one of the country’s leading environmental advocates with over 75 different laws and incentive programs to further the use of clean energy and reduce greenhouse gas production. These include AB32 that caps carbon dioxide emissions; the state’s Renewable Portfolio Standard requiring 33 percent clean energy generation by 2020; and its government office building initiative to reduce energy use by 20 percent (1,935 megawatts) by 2015 from a 2003 baseline. Additionally, the California Air Resources Board’s CARB07 strictly regulates distributed generation power plants, specifying limits for nitrous oxides, carbon monoxide and volatile organic compounds. DFC fuel cells meet all of these limits.

“Installing a DFC fuel cell power plant is not only a wise financial decision,” said Jose Obregon, head of Sonoma County’s General Service Department. “It also demonstrates we’re being responsible stewards of the environment by dramatically lessening the impact of County operations on our community. No distributed power generation alternative we evaluated was able to compete with its high efficiency combined with its environmentally responsible benefits.”

Sonoma County considered numerous options before deciding that the DFC unit was the best solution for its needs. The fuel cell installation is a major component of the $22 million...
Comprehensive Energy Project to make Sonoma County buildings energy efficient, reduce greenhouse gas emissions, and meet the reduction targets established in the County’s Climate Protection Action Plan.

“Our DFC power plants are efficient, quiet, clean and easy to site,” said Bruce Ludemann, Senior Vice President of FuelCell Energy. “And because they operate 24/7 producing ultra-clean baseload power, they’re an ideal solution when keeping the power on is critical and for customers that want to reduce their carbon footprint like jails, government buildings, hospitals, hotels, and wastewater treatment facilities.”

Sonoma County’s purchase of the DFC unit through its site contractor AirCon Energy was partially funded with a $3 million grant under California’s Self-Generation Incentive Program administered by Pacific Gas and Electric Company. Aircon Energy has been specializing in the design, engineering and installation of comprehensive energy solutions since 1974 with a focus on local governments in the state of California. The DFC power plant is scheduled to be in operation in spring of 2010.

About FuelCell Energy
FuelCell Energy is the world leader in the development and production of stationary fuel cells for commercial, industrial, municipal and utility customers. FuelCell Energy’s ultra-clean and high efficiency DFC® fuel cells are generating power at over 50 locations worldwide. The company’s power plants have generated more than 275 million kWh of power using a variety of fuels including renewable wastewater gas, biogas from beer and food processing, as well as natural gas and other hydrocarbon fuels. FuelCell Energy has partnerships with major power plant developers and power companies around the world. The company also receives funding from the U.S. Department of Energy and other government agencies for the development of leading edge technologies such as fuel cells. For more information please visit our website at www.fuelcellenergy.com

This news release contains forward-looking statements, including statements regarding the Company’s plans and expectations regarding the continuing development and commercialization of its fuel cell technology. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that could cause such a difference include, without limitation, general risks associated with product development, manufacturing, changes in the utility regulatory environment, potential volatility of energy prices, rapid technological change, competition, and the Company’s ability to achieve its sales plans and cost reduction targets, as well as other risks set forth in the Company’s filings with the Securities and Exchange Commission. The forward-looking statements contained herein speak only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statement to reflect any change in the Company’s expectations or any change in events, conditions or circumstances on which any such statement is based.


Contact: Lisa Lettieri
ir@fce.com
(203) 830-7494

# # # #