



FuelCell Energy  
World Leader in Ultra-Clean Power

## **FOR IMMEDIATE RELEASE**

### **FuelCell Energy Sells Megawatt Power Plant to Turlock Irrigation District in California**

*Fuel cell will generate electricity using renewable fuel from wastewater treatment plant,  
providing energy for 1,000 homes and businesses*

**DANBURY, Conn. – August 29, 2007 --** FuelCell Energy, Inc. (NasdaqNM:FCEL), a leading manufacturer of Ultra-Clean power plants using renewable fuels for commercial, industrial, utility, and government customers, today announced the sale of a 1.2 megawatt (MW) power plant to the Turlock Irrigation District (TID) to help meet its growing energy needs and improve air quality in the San Joaquin Valley Air Basin.

The Direct FuelCell® (DFC®) power plant will be located at the city of Turlock's Regional Water Quality Control Facility, in California's Central Valley. By running the plant on a renewable fuel – methane gas generated from its treatment of wastewater – TID will reduce its carbon footprint by 5,200 tons annually compared to a typical fossil-fuel power plant and saves on the cost of fuel.

DFC power plants have a system efficiency of 47% – significantly better than traditional power plants which means they use less fuel to produce a MW of electricity. By using waste heat, these power plants can achieve up to 80% efficiency—providing substantial improvement in fuel costs, air quality and reducing California's reliance on fuels like coal.

Located about 75 miles east of San Jose, the TID was California's very first publicly owned irrigation district. It is the electric service provider for approximately 220,000 people and 97,000 retail establishments in a 662-square-mile region that encompasses northern Merced County and Southern Stanislaus County, as well as small sections of Tuolumne and Mariposa counties. Electricity generated by its DFC1500™ unit will provide energy for approximately 1,000 homes and businesses in the area.

“We researched multiple solutions, including engines, turbines and other fuel cell manufacturers, to address our need to use a valuable renewable resource in the cleanest and most efficient way possible,” said Larry W. Weiss, TID's General Manager. “We selected the DFC product as the best way to generate the maximum amount of electricity while negating the harmful impact on the air quality of our community and air basin.”

TID is headquartered within the city of Turlock, a city of 69,000. The City's award-winning Regional Water Quality Control Facility is responsible for wastewater treatment for Turlock and the community service districts of Denair, Keyes, and a portion of the

<Continued>

city of Ceres. As the principal provider of methane gas for the fuel cell power plant, the city views the fuel cell project as a benefit to the environment as well as the region's residents.

"Our partnership with TID for this project will provide an additional beneficial use of a valuable byproduct of the wastewater treatment process—methane," said Dan Madden, the city's Municipal Services Director. "A further reduction in air emissions, as well as the efficient production of energy utilizing the Direct FuelCell process, only makes sense."

"Wastewater treatment facilities are the perfect application for our fuel cells in the state of California," said William Karambelas, Vice President of Business Development for FuelCell Energy. "By their nature, wastewater treatment facilities are located near population centers, many of which are growing fast, so there is a critical need for added power generation to be not only highly efficient, but also Ultra-Clean."

FuelCell Energy currently has over 14 MW of power plants installed or on order for California customers, of which 4.85 MW are for wastewater applications.

California's Self Generation Program (SGIP), which was developed to foster the installation of clean and renewable generation sources throughout the state, contributed \$4.5 million toward this project. The power plant will be installed in the summer of 2008 by TID, and once operational will be serviced by FuelCell Energy.

# #

#### **About FuelCell Energy Inc.**

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<sup>®</sup> fuel cells are generating power at over 60 locations worldwide. The company's power plants have generated more than 180 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, trading companies and power companies around the world. The company also receives substantial funding from the US Department of Energy and other government agencies for the development of leading edge technologies such as hybrid fuel cell/turbine generators and solid oxide fuel cells. For more information please visit our website at [www.fuelcellenergy.com](http://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, the risk that commercial field trials of the Company's products will not occur when anticipated, general risks associated with product development, manufacturing, changes in the utility*

*regulatory environment, potential volatility of energy prices, rapid technological change, and competition, 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 Information:**

Lisa Lettieri  
FuelCell Energy, Inc.

203-830-7494  
[ir@fce.com](mailto:ir@fce.com)