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FuelCell Energy Announces Solid Oxide Fuel Cell Development Updates

- *\$6.4 million contract award for continued sub-megawatt solid oxide fuel cell power plant development*
- *On-site biogas powered solid oxide fuel cell power plant demonstration at a dairy farm*

DANBURY, Conn., Oct. 9, 2013 (GLOBE NEWSWIRE) -- [FuelCell Energy, Inc.](#) (Nasdaq:FCEL), a global leader in the design, manufacture, operation and service of ultra-clean, efficient and reliable fuel cell power plants, today announced two updates regarding the development and commercialization of solid oxide fuel cell (SOFC) technology including a \$6.4 million cost shared cooperative agreement with the U.S. Department of Energy (DOE) to continue research and development on a demonstration sub-megawatt SOFC power plant. Separately, a DOE supported project to convert agricultural waste into renewable power utilizing an SOFC power plant is preparing for operation at a dairy farm in California in conjunction with the project partner TDA Research, Inc.

"We have a multi-faceted strategy for the commercialization of our solid oxide fuel cell technology including future coal syngas opportunities under a U.S. Department of Energy program as well as adjacent market opportunities to our existing markets including sub megawatt commercial building and wastewater treatment plant applications," said Chip Bottone, President and Chief Executive Officer. "We are evaluating potential partnerships for the commercialization of the technology including discussions with organizations in North America, Asia and Europe."

"We believe our technology is well suited for the market with industry-leading electrical efficiency of approximately 60 percent plus usable heat for combined heat and power applications, resulting in total estimated thermal efficiency between 80 and 85 percent. The technology is also fuel flexible, with the ability to utilize coal syngas, clean natural gas, on-site renewable biogas or directed biogas," said Tony Leo, Vice President Application Engineering & Advanced Technology Development, FuelCell Energy, Inc. "We have increased the size and power density of the individual fuel cells, which is critical to high volume manufacturing of an economically competitive product as we enhance the technology and prepare for commercialization."

"Our customer research on sub-megawatt applications reinforces the value of combined heat and power configurations which use the same unit of fuel to generate both electricity and heat. This supports economics and sustainability initiatives by reducing usage of combustion based boilers and their associated pollutants and greenhouse gases," continued Mr. Leo.

The objective of the DOE award is the demonstration of a sub-megawatt solid oxide fuel cell power plant configured for combined heat & power (CHP) output and connected to the electric grid at FuelCell Energy's Danbury, Connecticut facility. SOFC systems operating on coal syngas, natural gas or biogas can generate clean power with virtually zero pollutants and significant reductions in greenhouse gas emissions, particularly when configured for combined heat and power. The term of the award is 18 months.

Renewable biogas application

A solid oxide fuel cell power plant demonstration is planned for early 2014 at a dairy farm within the Sacramento Municipal Utility District (SMUD) in California, USA utilizing renewable biogas from the anaerobic digestion process to generate electricity and heat. SMUD will facilitate the installation and operation of the SOFC power system. Many agricultural operations generate more biogas and electrical generation potential than they can use for their daily operations, which is why the ability to interconnect to the electric grid is an important part of understanding the future market potential and ability to support sustainability of farms and agricultural industries.

Fuel cells electrochemically convert a fuel source into electricity and heat in a highly efficient process that emits virtually no pollutants due to the absence of combustion. The Direct FuelCell[®] stationary power plants manufactured by FuelCell Energy utilize carbonate fuel cell technology and provide continuous baseload power that is located where the power is used, including both on-site applications and electric grid support. The combination of near-zero pollutants, modest land-use needs, and quiet operating nature of these stationary fuel cell power plants facilitates locating the power plants in urban locations. The power plants are fuel flexible, capable of operating on natural gas, on-site renewable biogas, or directed biogas.

About FuelCell Energy

Direct FuelCell[®] power plants are generating ultra-clean, efficient and reliable power at more than 50 locations worldwide. With more than 300 megawatts of power generation capacity installed or in backlog, FuelCell Energy is a global leader in providing ultra-clean baseload distributed generation to utilities, industrial operations, universities, municipal water treatment

facilities, government installations and other customers around the world. The Company's power plants have generated more than 1.7 billion kilowatt hours of ultra-clean power using a variety of fuels including renewable biogas from wastewater treatment and food processing, as well as clean natural gas. For more information, please visit www.fuelcellenergy.com

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