June 20, 2014

FuelCell Energy Announces Combined Heat and Power Fuel Cell Solution for University of California, Irvine Medical Center

- ***Clean, quiet and affordable on-site power that supports carbon neutrality goals***
- ***Highly efficient combined heat & power configuration will support absorption cooling***

DANBURY, Conn., June 20, 2014 (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, announced the development of a project to install a 1.4 megawatt (MW) fuel cell power plant to provide both electricity and usable high quality heat to the University of California, Irvine Medical Center. The power plant will generate about 30 percent of the facility power needs, while the heat produced will be used in a direct exhaust absorption chiller to produce 200 tons of cooling for an office building and associated institutional requirements. The medical center, a campus with a 412-bed acute care facility, will enjoy the benefits of clean, quiet and affordable on-site power while avoiding a capital investment by purchasing the power and heat under a multi-year power purchase agreement. FuelCell Energy will install, operate and maintain the plant.

"The University of California is a national leader in sustainability and effective actions to reduce greenhouse gases as we work towards carbon neutrality by the year 2025," said Morris Frieling, chief financial officer, UC Irvine Medical Center. "This fuel cell installation fits perfectly with our ambitious goals of adopting alternative energy sources, embracing energy efficiency, and supporting California's carbon Cap and Trade Program, all while enhancing our power reliability with on-site power generation."

"Stationary fuel cell power plants are a solution whose time has come for addressing the myriad of power generation challenges facing our society," said Professor Scott Samuelsen, Director, National Fuel Cell Research Center at UCI. "The value is clear, ranging from the avoidance of costly and inefficient power transmission, to enhanced power reliability from on-site generation, to the attractive emission profile of fuel cells with their low carbon footprint and virtual absence of criteria pollutants."

The power plant will be configured for combined cooling, heating and power (CCHP) so that the same unit of fuel generates both ultra-clean power and usable high quality heat that will be used both for heating water and converting a portion of the heat into cooling for air conditioning. By reducing usage of electricity based chillers for space cooling, the medical center will benefit financially through avoided electricity costs and support the environment by avoiding the pollutants and greenhouse gases emitted by centralized conventional power plants. The heat will be turned into cooling via a direct exhaust absorption chiller. This CCHP Direct FuelCell® (DFC®) power plant installation is exempt from air permitting under the California South Coast Air Quality Management District Rule 219, due to the low carbon and virtual absence of criteria pollutants, accelerating the project development process.

"This project is a private/public partnership demonstrating how private capital can support public goals with clean and affordable power for a public institution," said Chip Bottone, President and Chief Executive Officer, FuelCell Energy, Inc. "Due to the highly efficient power generation process, stationary fuel cell power plants are virtually absent of the pollutants that cause smog and acid rain and are exempt from the State of California Cap-and-Trade Program so UC Irvine Medical Center will see its Compliance Obligation reduced, avoiding carbon tax payments and increasing savings."

FuelCell Energy is developing this project and expects to close on permanent financing on or before the commercial operation date of the power plant. The medical center has entered into a multi-year power purchase agreement to buy the electricity produced by the fuel cell power plant, while the cooling benefits are provided as an additional benefit to the medical center.

Since the fuel cell power plant generates power without combustion, its exhaust is virtually pollution-free. Compared to the electric grid, the fuel cell installation will annually avoid the emission of 28 tons of smog-producing nitrogen oxide (NO_x), 64 tons of sulfur dioxide (SO_x) that causes acid rain, 3,000 pounds of particulate matter (PM^{10}) that can aggravate asthma, and more than 7,000 tons of CO_2, a greenhouse gas, which is equivalent to removing more than 1,000 cars from the road.

The National Fuel Cell Research Center analyzed the attributes and value streams of stationary fuel cells, monetizing their value compared to other distributed generation power technologies in relation to both criteria pollutants and greenhouse gases. The principal conclusions of the analysis is that fuel cells provide significant value (1) through cogeneration, digester gas use, avoided central station generation, and associated avoided emissions, and (2) to significantly reduce greenhouse gas emissions.

A chart accompanying this release is available at http://media.globenewswire.com/cache/8041/file/27143.pdf

Large fuel cell value analysis

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® (DFC®) stationary fuel cell power plants manufactured by FuelCell Energy utilize carbonate fuel cell technology and provide continuous baseload power 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 2.5 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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