



NEWS RELEASE

## FuelCell Energy Applauds the Extension of the U.S. Carbon Oxide Sequestration Credit

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- Increases the value of carbon capture credits
- Eliminates cap on amount of available credits
- Extends credits to industrial re-use of CO<sub>2</sub>, sequestration and enhanced oil recovery

DANBURY, Conn., March 07, 2018 (GLOBE NEWSWIRE) -- **FuelCell Energy, Inc.** (Nasdaq:FCEL), a global leader in delivering clean, innovative and affordable fuel cell solutions for the supply, recovery and storage of energy, applauds the extension of the carbon oxide sequestration credit included in the Bipartisan Budget Act of 2018. Known as the 45Q bill, it will give a credit of up to \$50 per ton for CO<sub>2</sub> that is sequestered and up to \$35 a ton for CO<sub>2</sub> that is re-utilized. Businesses would have 12 years to take advantage of the credits and no limit would exist on the amount of CO<sub>2</sub> that can be sequestered or re-used. The original bill, passed in 2009, was enacted at \$10 per metric ton and capped at 75 million metric tons. The new legislation also extends the tax credit to industrial utilization of captured CO<sub>2</sub>, which should significantly accelerate adoption of carbon capture.

"This bi-partisan bill is a smart investment for America's economy and environment," said Chip Bottone, Chief Executive Officer, FuelCell Energy, Inc. "FuelCell Energy has been focused on developing a carbon capture commercial application for many years, using fuel cells in place of less affordable and scalable existing scrubber capture technology. This tax credit will encourage additional investment in carbon capture technology by the energy producers in the United States. Finance incentives, such as this carbon oxide tax credit, are instrumental to establishing a value for captured carbon."

Carbonate fuel cells have the ability to concentrate carbon dioxide in dilute flue gas streams while making power, making this approach to carbon capture more economical than existing scrubber conventional capture technology.

The potential breakthrough comes from an increase in electrical output using the fuel cells, which generate power, compared to a nearly equivalent decrease in electricity using conventional technology. FCE is developing the technology for capture of CO<sub>2</sub> from coal based power generation, in a development and demonstration project supported by the US Department of Energy. The company is also pursuing the use of carbonate fuels cells for carbon capture from natural gas power systems and in parallel is progressing a pilot plant for capture from natural gas fueled systems in a joint development program with ExxonMobil.

Concentrating carbon dioxide is a normal side reaction for our proprietary fuel cell's electrochemical generation process. In the carbon capture context, power plant exhaust is directed to the fuel cell, replacing air that is normally used in combination with natural gas during the fuel cell power generation process. As the fuel cell generates power, the carbon dioxide becomes more concentrated, allowing it to be more easily and affordably captured from the cell's exhaust and stored. Utilizing fuel cells, 90% of the CO<sub>2</sub> emissions can be captured, as well as destroying 70% of NO<sub>x</sub> from a plant's emission stream.

Fuel cells use chemistry to convert a fuel source into electricity and heat in a highly efficient process that emits virtually no pollutants as the fuel is not burned. The combination of near-zero pollutants, modest land-use needs, and quiet operating nature of these stationary fuel cell power plants facilitates installation in urban locations where the power is used. Customers benefit with operating cost reductions delivered in a manner that supports sustainability goals and enhances power reliability. With high availability and capacity factors, fuel cell power plants make meaningful contributions to Renewable Portfolio Standard targets.

#### About FuelCell Energy

FuelCell Energy (NASDAQ:FCEL) delivers efficient, affordable and clean solutions for the supply, recovery and storage of energy. We design, manufacture, undertake project development, install, operate and maintain megawatt-scale fuel cell systems, serving utilities, industrial and large municipal power users with solutions that include both utility-scale and on-site power generation, carbon capture, local hydrogen production for transportation and industry, and long duration energy storage. With SureSource™ installations on three continents and millions of megawatt hours of ultra-clean power produced, FuelCell Energy is a global leader with environmentally responsible power solutions. Visit us online at [www.fuelcellenergy.com](http://www.fuelcellenergy.com) and follow us on **Twitter**.

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