



FOR IMMEDIATE RELEASE

Connecticut Department of Public Utility Control Issues Draft Decision Approving 6.6 Megawatts of Projects using FuelCell Energy Power Plants

DANBURY, Conn. – Jan. 16, 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 that the Connecticut Department of Public Utility Control (DPUC) has issued its draft decision approving 6.6 megawatts (MW) of projects incorporating the company's highly efficient Direct FuelCell® (DFC®) power plants. The final decision by the DPUC is scheduled for the end of January.

The DPUC approved a 3.4 MW DFC-ERG power plant for a natural gas letdown station in Bloomfield, Conn., and a 3.2 MW Direct FuelCell/Turbine (DFC/T) for a substation in Danbury Conn., subject to these projects agreeing to reflect the full value of the federal Investment Tax Credit. In its decision, the DPUC cited that the unprecedented set of economic circumstances currently being experienced requires an austere approach to the selection process in this matter.

“The award of 6.6 MW of DFC fuel cell projects helps fulfill the state’s Renewable Portfolio requirements,” said R. Daniel Brdar, Chairman and CEO of FuelCell Energy. “Ultra-clean fuel cell distributed generation can help utilities relieve grid congestion, increase reliability, and reduce the need for new central generation, transmission and distribution.”

Distributed generation fuel cells locate the power generation where it’s needed, adding 24/7, baseload power to the existing transmission and distribution network. Because the installations are smaller than typical central generation power plants, they are easier to site, permit, and finance. DFC power plants have a relatively small footprint and can be deployed in about a year compared to 36 months or longer for central generation plants that are more difficult to site because of their size and emissions. Additionally, new transmission and distribution lines can be controversial further delaying deployment.

The DFC-ERG and DFC/T power plants are approximately 60 percent electrically efficient compared to similar sized fossil fuel power plants that achieve only 30 to 40 percent efficiency. The absence of combustion virtually eliminates pollutants like NOX, SOX and particulate matter, and DFC power plants’ higher efficiency means they deliver more ultra-clean power for each unit of fuel used, substantially reducing power costs and CO2 emissions.

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 260 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 hybrid fuel cell/turbine generators and solid oxide 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.

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