FuelCell Energy
World Leader in Ultra-Clean Power

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Connecticut Department of Public Utility Control Issues Final Decision Approving 16.2 Megawatts of Projects using FuelCell Energy Power Plants

Projects help the state reach its clean and renewable goals for power generation

DANBURY, Conn. -- Jan. 31, 2008 -- FuelCell Energy, Inc. (NasdaqNM: FCEL), a leading manufacturer of high efficiency ultra-clean power plants for commercial, industrial and utility customers, announced that the Connecticut Department of Public Utility Control (DPUC) has issued its final decision approving 16.2 megawatts (MW) of projects incorporating six of the company's DFC3000™ fuel cells under Connecticut's Project 150.

In the decision, the DPUC approved projects totaling 109.2 MW including the 16.2 MW of fuel cell projects. As part of the decision, the DPUC gave contingent approval to an additional fuel cell project, the 19.6 MW Danbury "Triangle" project. If the DPUC finds that projects amounting to 20 MW or more fail to meet the obligation to provide a binding financial commitment letter within 90 days, Triangle's contingent approval will become final.

"This draft decision marks a milestone on the path to Connecticut fulfilling its mandate to satisfy its Renewable Portfolio Standards (RPS) for 800 MW of clean power generation," said R. Daniel Brdar, Chairman and CEO of FuelCell Energy. "By including 16.2 MW of our ultra-clean DFC3000™ fuel cells, the DPUC has confirmed fuel cells are an important part of Connecticut's Project 150 clean energy program. With their 24/7 reliability, fuel cells can relieve electric grid congestion while reducing the need for new generation, transmission and distribution investment."

Connecticut is one of 25 states and Washington D.C. that have Renewable Portfolio Standards (RPS). Under Connecticut's RPS, utilities are required to purchase 20 percent or approximately 800 MW of their power from clean energy sources by 2020. Fuel cells are an ideal part of the clean energy solution for RPS states because they provide reliable baseload power 24 hours a day, with near-zero emissions and low CO2. Because of their quiet operation, low profile and siting flexibility, fuel cells can be located in grid constrained areas where the power is most needed. In addition, distributed generation fuel cells can be economical compared to the cost of building new large central generation power plants and associated transmission and distribution.

Direct FuelCell® (DFC®) power plants use an electrochemical process (not combustion) to produce power so they produce near-zero nitrous oxides (NO_X), sulfur oxides (SO_X) and particulate emissions. FuelCell Energy's power plants are also more efficient compared to similar sized fossil fuel combustion plants. This higher efficiency means that DFC power plants deliver more ultra-clean power for each unit of fuel used, substantially reducing CO2 emissions.

The three projects approved are:

- *DFC-ERG Milford, LLC* – A 9.0 MW DFC-ERG™ project that pairs three DFC3000 power plants with a 1.8 MW pipeline turbo expander. The DFC-ERG system will capture the heat byproduct from FuelCell Energy's fuel cells and use the heat in the turbo expander process. FuelCell Energy is partnered with Enbridge, Inc. and Southern Connecticut Gas Company for the project which is expected to achieve an electrical efficiency of approximately 60 percent.
- *Stamford Hospital* – A 4.8 MW project for Stamford Hospital will use two DFC3000 power plants in a combined heat and power application providing lower cost thermal energy to the hospital as well as ultra-clean electricity to the utility grid. The project is expected to achieve a combined heat and power efficiency of over 60 percent.
- *Waterbury Hospital* – A 2.4 MW project for Waterbury Hospital that will use one DFC3000 power plant in a combined heat and power application providing lower cost thermal energy to the hospital as well as electricity to the grid. The project is expected to achieve a combined heat and power efficiency of over 60 percent.

  Both the Waterbury Hospital and Stamford Hospital projects were developed by Hospital Energy Development LLC and EMCOR Energy Services.

The project with contingent approval:

- *Elemental Power Group – Danbury* – A 19.6 MW project consisting of eight DFC3000 power plant units which incorporate an organic rankine cycle that converts excess thermal energy from the fuel cells to deliver additional low-emissions electrical output. The project is located in the southwestern part of the state.

In today's decision, the DPUC requested that the Connecticut Clean Energy Fund CCEF file with the Department its proposed schedule for Round 3 within 30 days of the date of this Decision.

For FuelCell Energy, the 16.2 MW project approvals represent an estimated $43 million in potential product sales after project developers finalize electricity purchase agreements and project financing.

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® fuel cells are generating power at over 40 locations worldwide. The company's power plants have generated more than 200 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.

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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