



FuelCell Energy
Ultra-Clean, Efficient, Reliable Power

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FuelCell Energy to Supply Direct FuelCell Power Plants to California Utility

Enters into Contract with PG&E to Deliver 2.8 MW

Danbury, CT – June 3, 2010 – FuelCell Energy, Inc. (NASDAQ: 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 Pacific Gas and Electric Company (PG&E) has ordered two 1.4 Megawatt DFC1500 fuel cell power plants to install as utility-owned fuel cells on the campuses of California State University East Bay – Hayward Hills (CSU – East Bay) and San Francisco State University (SFSU). The total value of these contracts is approximately \$12.6 million, which will include engineering, procurement and construction services for the installation of the power plants.

This order follows the recent approval by the California Public Utilities Commission (CPUC) for PG&E to pursue utility owned fuel cell installations at two California universities. The CPUC approval acknowledged that the installation of fuel cells on university campuses will help to advance the development and understanding of fuel cell technology. Further, the CPUC noted the important role of fuel cells in the State's future energy mix, as illustrated by the support of Governor Schwarzenegger for fuel cell projects.

“Just as California is serving as a model for the rest of the nation in enacting ambitious policies to reduce climate change and our dependency on oil, these partnerships are also leading the way in moving us toward a cleaner, more sustainable future,” said Governor Schwarzenegger. “Fuel cells are another great resource to provide clean and efficient energy while reducing emissions. I applaud all of these groups for coming together and working towards a shared solution of helping to power these campuses with clean energy.”

The fuel cell power plants will be configured to utilize the by-products of the fuel cell energy conversion process, including waste heat and waste water to meet campus needs. CSU East Bay plans to utilize the waste heat for heating a swimming pool and utilize the waste water for landscape irrigation. SFSU plans to utilize the waste heat for facility management. The fuel cell plants are expected to be operational in 2011. In conjunction with the installation of the fuel cell power plants, the state universities are expected to incorporate fuel cell technology into their respective curriculums to teach students and the public about the benefits of fuel cell systems.

“We are excited to be working with PG&E to be providing a utility owned power generation solution that is highly efficient and ultra-clean,” commented R. Daniel Brdar, Chairman and CEO of FuelCell Energy, Inc. “Universities are an ideal location for our fuel cell power plants, particularly with the Combined Heat & Power (CHP) application that captures the heat byproduct for use by the university. This type of CHP application has attained efficiency levels approaching 80%, well above alternate methods for generating electricity.”

About FuelCell Energy

DFC® fuel cells are generating power at over 50 locations worldwide. The Company's power plants have generated over 500 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 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, commercialization and financing of its fuel cell technology and business plans. 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 regulatory environment, customer strategies, 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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