



FuelCell Energy
Ultra-Clean, Efficient, Reliable Power

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FuelCell Energy Sells two DFC300 Power Plants to be Fueled with Renewable Biogas to Eastern Municipal Water District

Order follows the sale of three DFC300 power plants to Eastern Municipal Water District in late 2007

Danbury, CT – August 19, 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 the sale of two 300 kilowatt DFC300 fuel cell power plants to the Eastern Municipal Water District (EMWD) in southern California to be fueled by renewable biogas. FuelCell Energy will service the power plants under a five year service agreement. The power plants will be located at the Perris Valley Regional Water Reclamation Facility in Riverside County, California. This order follows the purchase by EMWD of three DFC300 fuel cell power plants in late 2007 for its Moreno Valley wastewater treatment facility. The power plants are expected to be operational by mid 2011.

EMWD treats wastewater by breaking down biodegradable material in a structure called an anaerobic digester which uses heat and microorganisms to reduce the volume of bio-solids. Methane, a greenhouse gas, is produced by this process. The fuel cell power plants will utilize 100 percent of this renewable methane as fuel for the electrochemical reaction within the fuel cell that generates electricity efficiently and cleanly. Efficiency is further enhanced by supplying the byproduct heat from the fuel cell to the anaerobic digester, supplementing a gas fired boiler. The efficiency of fuel cells can exceed 80% when byproduct heat is utilized.

Due to the lack of combustion, virtually no harmful NO_x, SO_x or particulate matter pollutants are emitted by the fuel cells. This ultra-clean power generation will help the EMWD meet the stringent emission regulations issued by the South Coast Air Quality Management District (SCAQMD), which is the air pollution control agency with local jurisdiction. SCAQMD reports that its region, including Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties, is the smoggiest region of the U.S.

“We installed our first fuel cell power plant about two years ago and have been very pleased with the reliability of the system. We operate around the clock and value the energy security that an on-site fuel cell provides, which is about 40 percent of our total electrical demand at that plant,” said Ron Sullivan, Board President, Eastern Municipal Water District. “This Perris Valley facility is a new wastewater treatment plant under construction that has been designed to be environmentally friendly and energy efficient. The ultra-clean power generation by the fuel cell power plant was an important aspect of our purchasing decision.”

“The employees of FuelCell Energy take pride in the fact that our valued customer, the Eastern Municipal Water District, has chosen us again to meet their need for distributed generation that

provides ultra-clean and efficient power at the point of use,” said Phong Nguyen, Director Business Development FuelCell Energy, Inc. “We offer a compelling value proposition for wastewater treatment facilities by utilizing the waste methane gas as fuel for the power plant, which reduces their power costs while simultaneously providing a reliable source of power at their facility that complies with State clean air and greenhouse gas regulations.”

Fuel cells that operate on biogas such as the methane generated by the wastewater treatment process are renewable. Unlike other renewables such as wind and solar, DFC fuel cells deliver 24/7 baseload power, which is critical to the operation of waste water treatment plants. EMWD will receive a \$2.7 million grant from the State of California under the Self Generation Incentive Program for this renewable fuel cell power plant project.

Eastern Municipal Water District provides domestic and agricultural water, wastewater collection and treatment service, and recycled water in a 542 square mile service area with a population of about 687,000 in western Riverside County, California.

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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