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Connecticut Clean Energy Fund Submits Recommendations for Clean Energy Projects to Department of Public Utility Control

Projects include 27.3 MW of FuelCell Energy multi-megawatt power plants

DANBURY, Conn. -- Sept. 17, 2008 -- FuelCell Energy, Inc. (NasdaqNM:FCEL), a leading manufacturer of high efficiency, ultra-clean power plants using renewable and other readily available fuels for commercial, industrial, government and utility customers, today announced that the Connecticut Clean Energy Fund (CCEF) has recommended five clean energy projects to the Department of Public Utility Control (DPUC) that include 27.3 MW of the Company's DFC power plants.

The CCEF recommendations were made in connection with the 25 MW Round 3 contract procurement under Connecticut's Project 150, requiring the state's utilities to put at least 150 MW of clean energy generation under contract. Under prior rounds, 16.2 MW of projects that included FuelCell Energy's 2.4 MW DFC3000 power plants were approved.

"The CCEF recommendations confirm that fuel cells play a critical role in helping Connecticut meet the requirements of Project 150," said R. Daniel Brdar, Chairman and CEO of FuelCell Energy. "With their 24/7 operation, fuel cells address electric grid congestion while reducing the need for new transmission and distribution investment. Our fuel cells provide this power with virtually no emissions, quietly and economically."

FuelCell Energy's Direct FuelCell® (DFC®) power plants electrochemically convert natural gas and biogas into ultra-clean electricity. The DFC-ERG and DFC/T power plants selected for Round 3 are approximately 60 percent electrically efficient compared to similar sized fossil fuel power plants that achieve only 30-35 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. The projects selected by the CCEF were:

- A 3.4 MW DFC-ERG for a natural gas letdown station in Bloomfield, Conn.;
- A 14.3 MW DFC fuel cell power plant with an organic rankine cycle for Bridgeport, Conn.;
- A 3.2 MW DFC-ERG for a natural gas letdown station in Trumbull, Conn.;
- A 3.2 MW DFC-ERG for a natural gas letdown station in Glastonbury, Conn.;
- A 3.2 MW DFC/T fuel cell/ unfired gas turbine project for a substation in Danbury, Conn.

Project 150 was launched to encourage long-term power contracts to facilitate clean energy project financing. In the process, the CCEF is charged with issuing requests for proposals, conducting the initial screening and evaluations, and selecting the projects that benefit ratepayers most. The projects are evaluated by cost to ratepayers, benefits to ratepayers, feasibility and financial viability. The sales value of the projects will be approximately \$84 million if accepted.

The state's two electricity distribution companies, Connecticut Light & Power and United Illuminating, have submitted their analysis of the projects under Round 3 to the DPUC. Hearings are scheduled for October 22nd through 24th and the DPUC is expected to issue a draft decision on the projects on December 16th with a final decision on January 7, 2009.

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 45 locations worldwide. The company's power plants have generated more than 230 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 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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