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

DPUC's decision fosters clean energy projects

DANBURY, Conn. -- Dec. 24, 2007 -- FuelCell Energy, Inc. (NasdaqNM: FCEL), a leading manufacturer of high efficiency ultra-clean power plants using a variety of fuels for commercial, industrial and utility customers, announced that the Connecticut Department of Utility Control (DPUC) has issued its draft decision approving 16.2 megawatts (MW) of projects incorporating six of the company's DFC3000™ fuel cells. The final decision by the DPUC is scheduled for January 9, 2008.

“This draft decision marks a milestone on the path to Connecticut's 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, Inc. “These selections firmly establish fuel cells' role in deploying ultra-clean energy capacity. With their 24/7 reliability, fuel cells can solve electric grid congestion while reducing the need for new generation, transmission and distribution investment. Our fuel cells provide this power with virtually no emissions.”

For FuelCell Energy, these project approvals represent an important achievement that represents an estimated \$43 million in potential product sales.

Under Connecticut's 2003 energy act, utilities in the state are required to enter into long term power purchase agreements with developers. Three projects incorporating six DFC3000 plants were approved in the draft decision released on December 21, 2007 by the DPUC. After the DPUC issues its final decision, project developers will be in a position to finalize electricity purchase agreements with utility companies and finalize project financing.

Because Direct FuelCell® (DFC®) power plants use an electrochemical process (not combustion) to produce power they produce near-zero nitrous oxides (NO_x), sulfur oxides (SO_x) and particulate emissions. FuelCell Energy's power plants are also 47 percent efficient compared to similar sized fossil fuel combustion plants that operate at 30 to 35 percent efficiency. When used in Combined Heat and Power applications, DFC power plants achieve even higher efficiencies since the byproduct heat from the fuel cell is used to produce additional clean energy. These high efficiencies mean that DFC power plants deliver more ultra-clean power for each unit of fuel used, lowering the cost of generated power and substantially reducing CO₂ emissions.

The FuelCell Energy projects approved in the draft decision include:

- *DFC-ERG Milford, LLC* – A 9.0 MW DFC-ERG™ project that pairs 7.2 MW of DirectFuel Cell® (DFC®) power plants with a 1.8 MW pipeline turbo expander. When natural gas is transferred from transcontinental pipelines to local distribution pipelines,

the gas cools. The DFC-ERG system will capture the heat byproduct from FuelCell Energy's DFC3000 fuel cell and use the heat to warm the gas to its proper distribution temperature. Excess power from the DFC-ERG system will be exported to the grid. 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.

- *Hospital Energy Development LLC/EMCOR* – A 4.8 MW project for Stamford Hospital will use 2 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 and will be developed by EMCOR Energy Services and Hospital Energy Development LLC.
- *Hospital Energy Development, LLC/EMCOR* – A 2.4 MW project for Waterbury Hospital that will use 1 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.

"These projects will increase our existing sales backlog of 25 MW by more than 50 percent when the projects are accepted. This volume will enable additional cost reduction and expansion of our facilities." Brdar said.

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 50 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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