

Where fuel cells fit in today's energy market

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ultra-clean power

delivered to customers around the world



FuelCell Energy

FuelCell Energy Inc Profile

- Ø Delivering commercial products now with advanced Direct FuelCell® technology
- Ø Strong commercial relationships with major distributors in the U.S., Canada, Germany, Japan and Korea
- Ø #1 high temperature stationary fuel cell manufacturer and developer including carbonate and solid oxide applications
- Ø A leading fuel cell technology developer for over 30 years – over \$450 million invested
- Ø Headquarters in Danbury, CT
Manufacturing in Torrington, CT
- Ø 53 plants operating world-wide by end of 1Q06



FuelCell Energy Core Products – 250kW-10MW



DFC300MA



DFC1500



DFC3000

Product Characteristics

- Ø High temperature, high efficiency, carbonate fuel cell power plants for base load commercial and industrial applications
- Ø High value waste heat by-product for cogeneration
- Ø Internally generated hydrogen from readily available fuels such as natural gas and digester gas
- Ø Certifications for product safety, interconnection, performance and installation



Multi-MW Grid Support



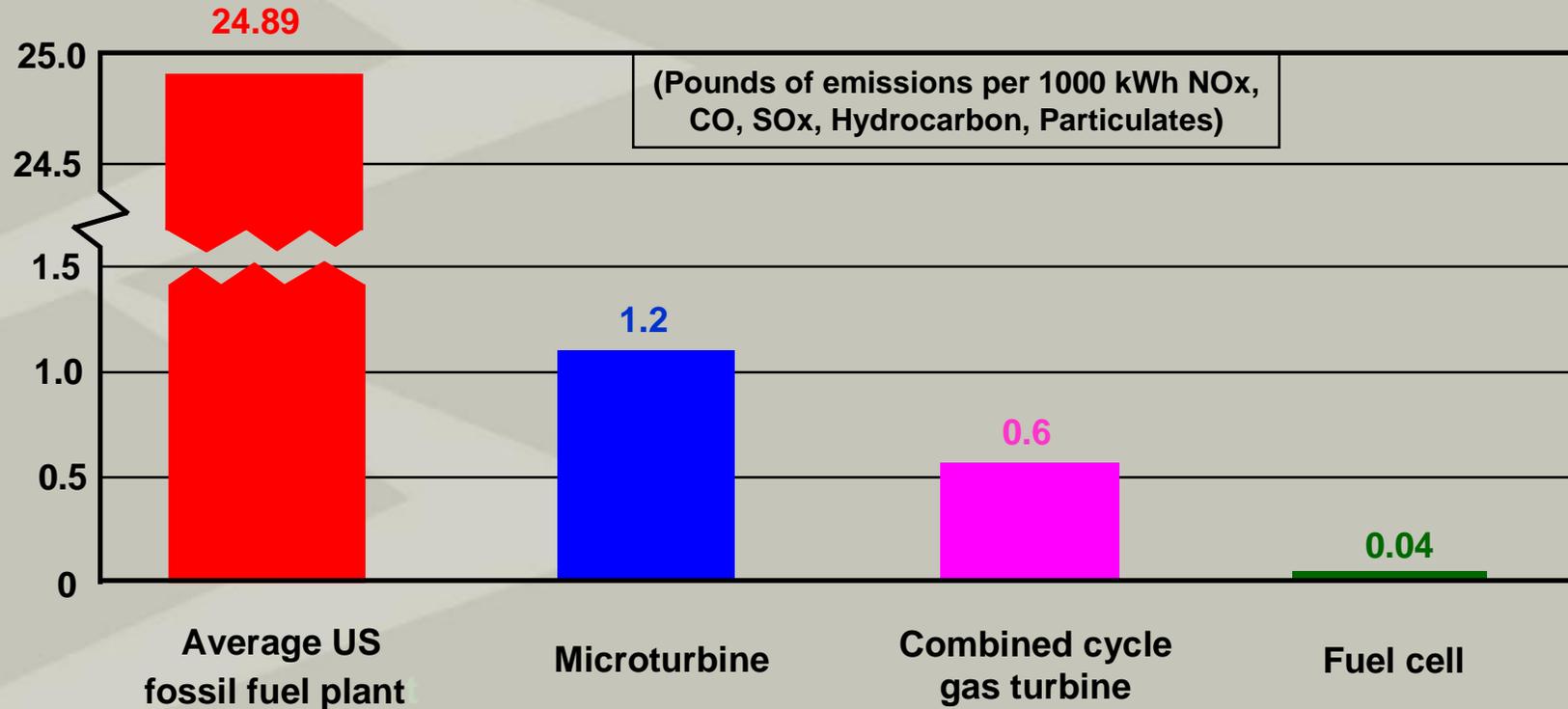
Value Proposition

'Ultra-Clean' Distributed Generation Technology

- Ø Virtually no emissions: 5% CO₂, no CO, SO_x or NO_x
- Ø High efficiency reduces fuel cost relative to competing DG power generation
- Ø Significantly reduces the likelihood of a complete loss of power
- Ø Low noise: < 57 db at 10 ft
- Ø Enhances security by locating smaller, incremental power plants in dispersed locations

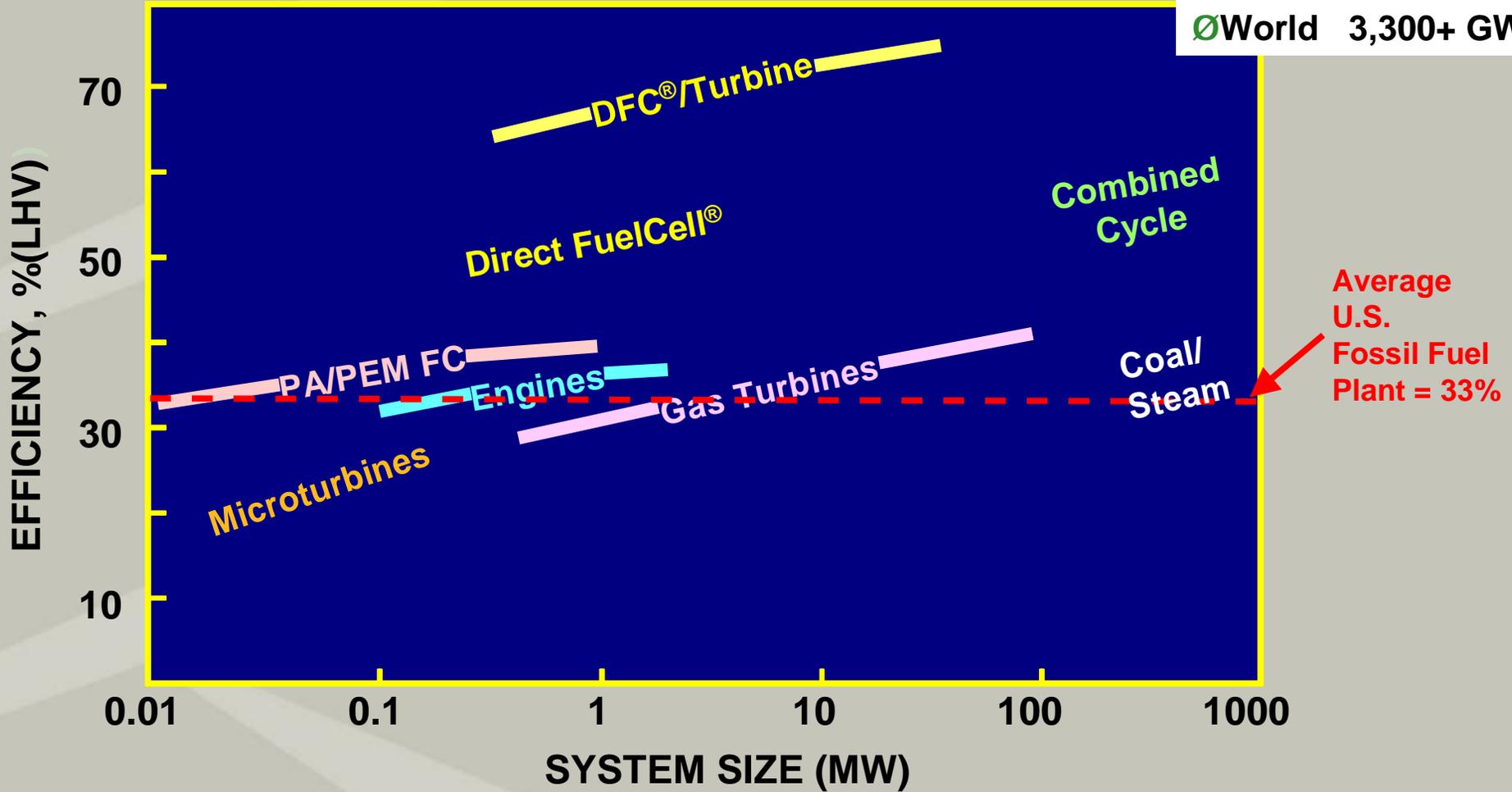


Unmatched Emissions Performance



High Efficiency for Distributed Generation

Installed Generation:
Ø U.S. 800+ GW
Ø World 3,300+ GW



Global Markets



Japan/Korea

Ø Drivers

- Ø Very high electricity prices
- Ø Kyoto Protocol
- Ø Strong government support

Ø Market Potential

- Ø Japan: 5,000+ MW
- Ø Korea: 300 stationary power plants by 2012

Ø Partners

- Ø Marubeni
- Ø KHI
- Ø POSCO

North America

Ø Drivers

- Ø Regionally high electricity costs
- Ø Grid constraints
- Ø Environmental reqmnts.

Ø Market Potential

- Ø 3,000+ MW

Ø Partners

- Ø Caterpillar
- Ø Enbridge
- Ø PPL
- Ø Alliance
- Ø LOGAN
- Ø Chevron

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Europe

Ø Drivers

- Ø Increasing electricity prices
- Ø Reducing CO₂
- Ø CHP applications

Ø Market Potential

- Ø €100 M EU funding for hydrogen and fuel cells

Ø Partners

- Ø MTU/RWE

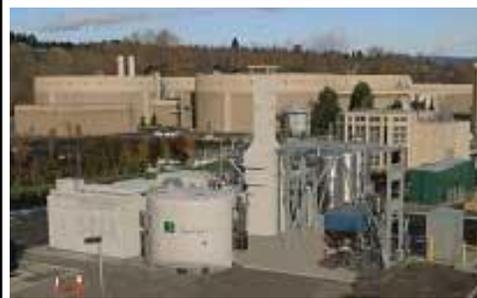


FuelCell Energy

Digester Gas Applications



Fukuoka (Marubeni)



King County (EPA)



Santa Barbara (Alliance)



'Super Eco Town' (Marubeni)



Terminal Island (LADWP)



Sierra Nevada (Alliance)



Kirin (Marubeni)



Palmdale (CAT)



Hotels



**Sheraton Edison
(PPL)**



Sheraton NY (PPL)



Sheraton San Diego (Alliance)



Sheraton Parsippany (PPL)



Hospitals & Universities



**Pohang Univ.
(Marubeni/POSCO)**



Grand Valley State Univ.



**Gruendstadt Clinic
(MTU)**



**Bad Berka Hospital
(MTU)**



**Ocean County College
(PPL)**



Yale University



**SUNY-ESF
(Caterpillar)**



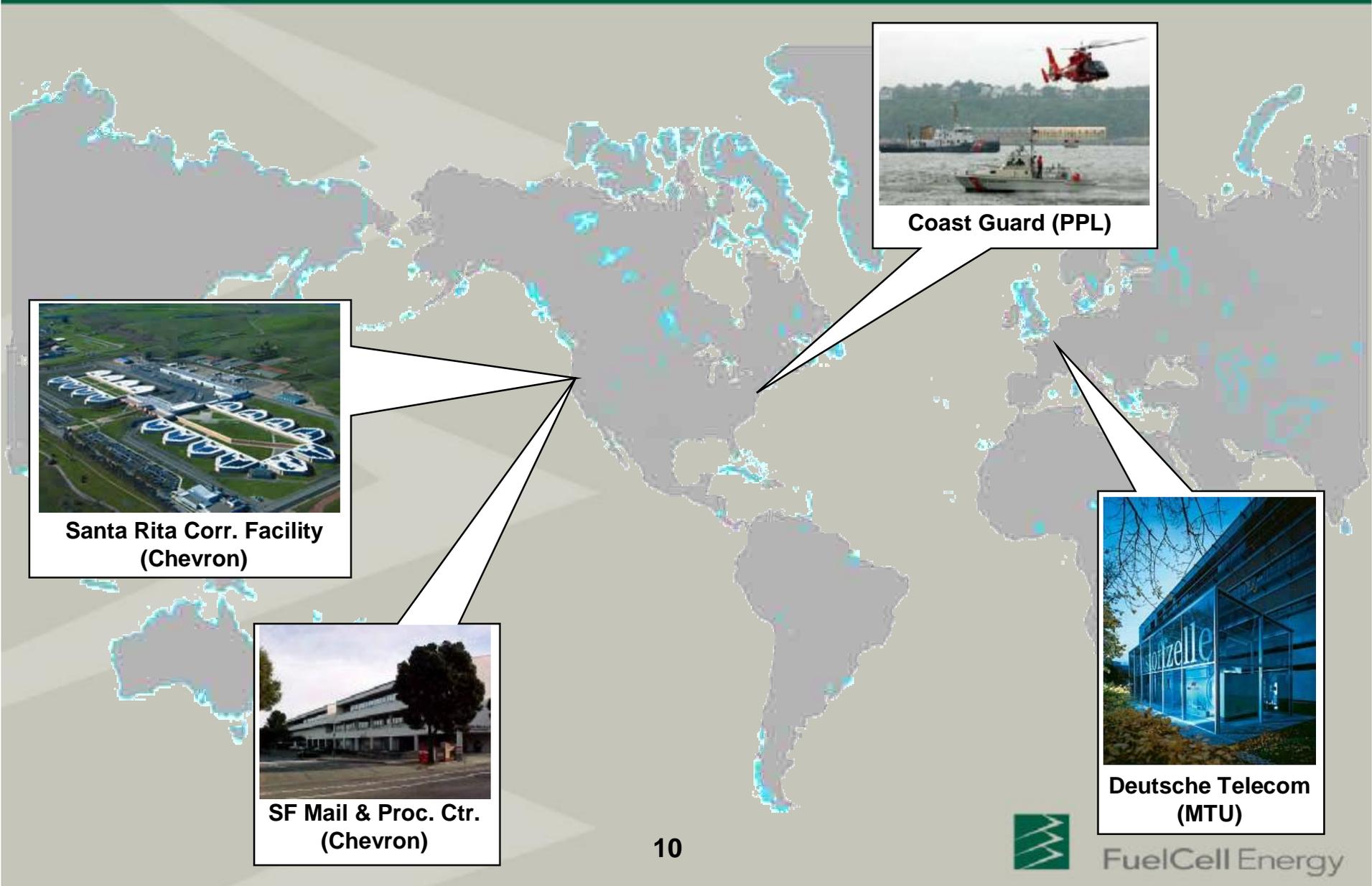
**Rhon-Klinikum Hospital
(MTU)**



**Magdeburg Clinic
(MTU)**



Mission Critical – Data/Telecommunications, Gov't



**Santa Rita Corr. Facility
(Chevron)**



**SF Mail & Proc. Ctr.
(Chevron)**



Coast Guard (PPL)



**Deutsche Telecom
(MTU)**



Manufacturing



Epson (Marubeni)



Pepperidge Farm Bakery (PPL)



Michelin (MTU)



TST Inc. (Alliance)



Kawasaki (Marubeni)



Japex (Marubeni)



IZAR (MTU)



Grid Support



Tech Center (CAT)



AMP-Ohio (CAT)



Vattenfall/BeWag Utility (MTU)



Hdqtrs., Main St. (LADWP)



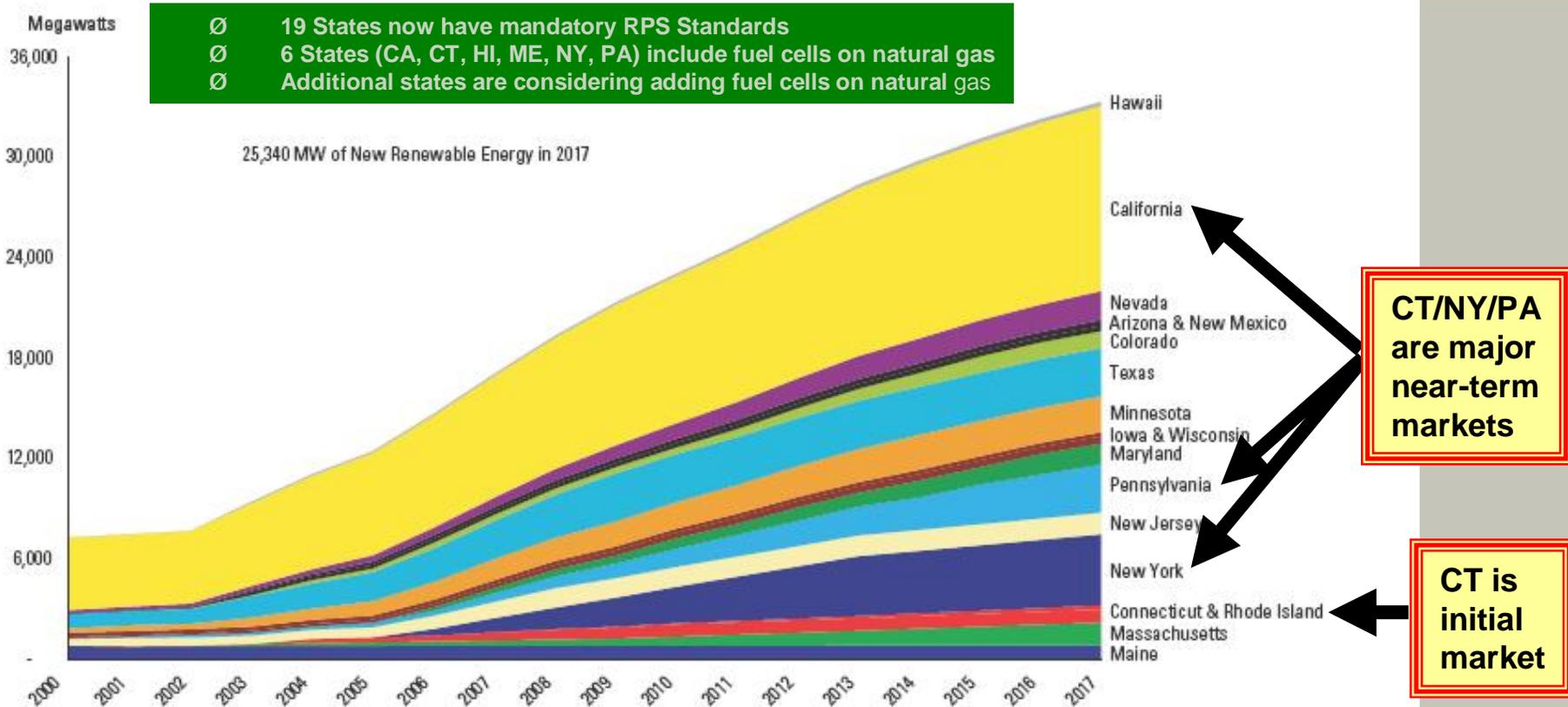
Salt River Project



RWE Energy Park (MTU)



Growth Areas in Renewable Energy



Assuming states meet their annual targets, existing state RPS laws could lead to some 25,340 MW of new renewable electricity capacity by 2017. As such, RPS legislation has become the major impetus for adding new renewable supply to the grid.

Note: Figure shows both pre-existing renewable energy and new development due to RPS mandates. Hence total renewable energy in 2017 is projected at nearly 34,000 MW.

Source: Union of Concerned Scientists



RPS Opens Multi-MW Fuel Cell Projects

States paving the way for firm, 24/7 power generation ...

Ø New York:

Ø LIPA – 10 MW RFP

Ø RPS Goal – 3,700 MW by 2013

Ø Connecticut:

Ø Project 100 – 100 MW by 2007

Ø DFC-ERG™

Ø Multi-MW gas pipeline application

Ø Optimal product for RPS market

Ø Market potential of 250 MW in CA, Northeast, and Ontario



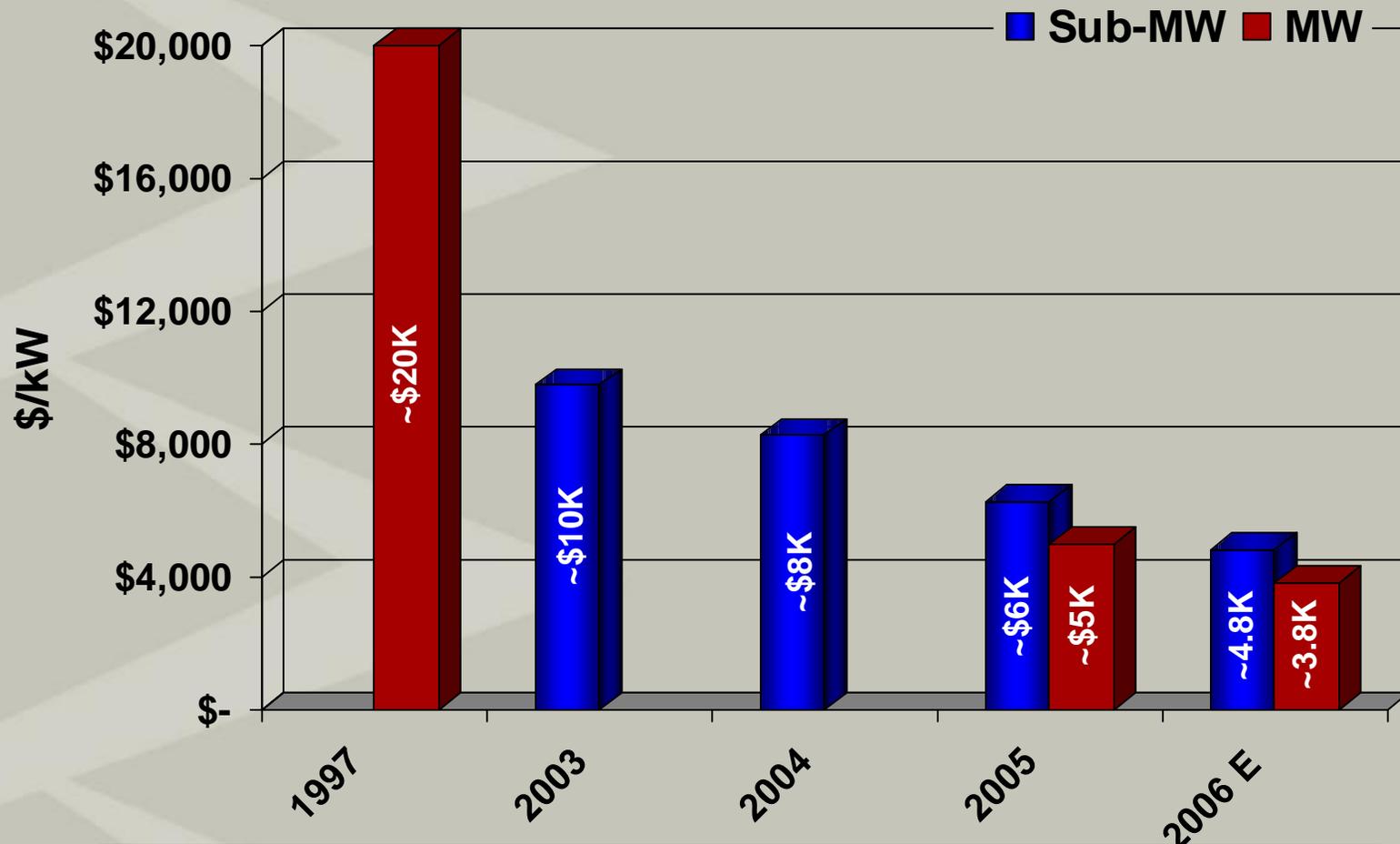
10 MW Fuel Cell Power Plant



DFC-ERG™



Value-Engineering Cost Reduction Progress



Increasing annual production volume to 50 MW/yr. can yield an additional cost reduction of 25-30 percent



Summary

- Ø Fuel cell power plants are a perfect compliment to solar and wind power in an RPS
- Ø Fuel cell performance is increasing while costs are dropping
- Ø Critical infrastructure should be protected from a grid loss using defense-in-depth including distributed generation
- Ø Fuel cell power plants are becoming the renewable of choice in difficult to site areas such as NYC, San Francisco, LA, Tokyo, and Seoul



ULTRA-CLEAN POWER
DELIVERED TO CUSTOMERS
AROUND THE WORLD



FuelCell Energy

Danbury, Connecticut (USA)

POWERING A CLEANER FUTURE TODAY



50 MW DIRECT FUELCELL POWER PLANT



KING COUNTY WASTEWATER TREATMENT FACILITY / 1 MW DIRECT FUELCELL POWER PLANT
RINTON, WASHINGTON



SIDRA NIVADA BIDDING CO. / 1 MW DIRECT FUELCELL POWER PLANT
ORCO, CALIFORNIA



SHOFRON SAN DIEGO HOTEL & MARINA / 1 MW DIRECT FUELCELL POWER PLANT
SAN DIEGO, CALIFORNIA



SHOFRON BRISON HOTEL / 250 KW DIRECT FUELCELL POWER PLANT
BRISON, NEW JERSEY



PALMDALE WATER RECLAMATION PLANT / 250 KW DIRECT FUELCELL POWER PLANT
PALMDALE, CALIFORNIA



SPON'S QUARTZ DEVICE DIVISION
800 KW DIRECT FUELCELL POWER PLANT / IMA, JAPAN



2 MW DIRECT FUELCELL POWER PLANT



SHOFRON NEW YORK HOTEL & TOWERS
250 KW DIRECT FUELCELL POWER PLANT / NEW YORK, NEW YORK



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