



STATE OF CONNECTICUT
GOVERNOR DANIEL P. MALLOY

**GOV. MALLOY: FUELCELL ENERGY EXPANSION ADVANCES
CONNECTICUT'S LONG-TERM ENERGY GOALS**

Leading Fuel Cell Company to Expand and Create 325 New Jobs

(TORRINGTON, CT) – Governor Daniel P. Malloy today announced that Danbury-based FuelCell Energy Inc. (NASDAQ: FCEL) will begin a two-phased expansion of its Torrington manufacturing facility. The company expects the project to add up to 325 new jobs over the next four years to its existing Connecticut workforce of 538 employees.

“Connecticut is a hub of innovation and, in particular, we are consistently ranked among the top states leading the U.S. fuel cell industry which, in our state alone, employs thousands of workers and generates millions of dollars in economic activity and tax revenue,” Governor Malloy said. “The fuel cell industry is simply too important not to be part of our long-term energy goals to implement cleaner, cheaper, and more reliable energy sources for Connecticut’s residents and businesses. We want to ensure there is no place better for the renewable energy sector to grow and create jobs than right here in Connecticut and this project puts FuelCell Energy in the position to do just that.”

Founded in Connecticut, FuelCell Energy is a global leader in the design, manufacture, operation and service of ultra clean, efficient and reliable fuel cell power plants. The company has a manufacturing facility located in Torrington, and its corporate offices, R&D facilities and global technical assistance center — which monitors all of the company’s global installations 24 hours a day — are in Danbury.

The fuel cell power plants designed in Danbury and manufactured in Torrington are changing the global energy landscape with highly efficient and virtually pollutant free power that is generated near the point of use. These power generation solutions are enhancing the resiliency of the electric grid while supporting low carbon and sustainability initiatives. The company is also advancing new solutions such as distributed hydrogen generation for industrial and transportation applications as well as carbon capture for large-scale coal and gas fired power generation.

“The business environment in the state is conducive for growth, and FuelCell Energy has already created approximately 100 new jobs in less than two years – reflecting the global adoption of our affordable and efficient distributed power generation solutions,” Chip Bottone, Chief Executive Officer, FuelCell Energy, Inc. said. “Locating both our manufacturing and research and development in Connecticut enables alignment with state-level work force development initiatives as well as research linkages with the university system.”

FuelCell’s expansion project, which will proceed in two phases, is a multi-year investment of approximately \$23 million to construct a 90,000-square-foot addition to the Torrington manufacturing facility as well as add equipment for automation and technology for efficiency and advanced manufacturing implementation. The second phase of the expansion, estimated to cost \$42 million, will add manufacturing equipment to expand annual production capacity to at least 200 megawatts, increase on-site power capabilities with a larger fuel cell power plant, and create a new advanced technology research center.

“This is a smart investment for the state and the company, as well,” Department of Economic and Community Development (DECD) Commissioner Catherine Smith said. “Connecticut is a hub of innovation, and in particular, a center for the fuel cell industry. FuelCell Energy’s commitment to our state will bolster the edge we have developed in this important, emerging industry. Connecticut continues to supply the talented workforce, the right business climate, and the established industry connections that will position FuelCell Energy for future success.”

Department of Energy and Environmental Protection (DEEP) Commissioner Rob Klee said, “Twenty-first century technology being perfected right here in Connecticut by FuelCell Energy makes that company’s products a vital part of the solution to energy challenges facing our state and nation. In fact, FuelCell Energy installations at several locations across Connecticut are helping to demonstrate that we can achieve a cheaper, cleaner, more reliable energy future.”

In support of FuelCell Energy’s expansion project, DECD will provide the company with a \$10 million loan at two percent interest for a term of 15 years for each phase of the project as certain employment and revenue milestones are achieved. FuelCell Energy will be eligible for \$5 million in forgiveness on the first tranche of funding if the company creates 165 full-time positions and retains 538 full-time positions, for a total of 703 positions, for two consecutive years. The company can earn \$5 million in forgiveness on the second tranche of funding if it creates 160 full-time positions and retains 703 full-time positions, for a total of 863 positions, for two consecutive years. This expansion project also qualifies for up to \$10 million of Urban and Industrial Sites Reinvestment Tax Credits (URA), which the company can monetize over a ten year period.

According to the U.S. Department of Energy, Connecticut is one of the top five states leading the nation in fuel cell commercialization, including implementation of policies that support industry growth, company relocation, patents, and production and installation of fuel cell systems.

In 2010, the approximately 600 companies that play a supporting role to the state's hydrogen and fuel cell industry contributed \$267 million to Connecticut's gross state product and more than \$22 million in state and local tax revenue, and were responsible for about 1,000 industry-related jobs.

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For Immediate Release: October 29, 2014

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