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FuelCell Energy

# News Release

FOR IMMEDIATE RELEASE

## **Alameda County Completes California's First Megawatt-Class Hydrogen Fuel Cell Plant**

*Chevron-installed unit makes Santa Rita Jail the "greenest" county facility in the U.S.*

**DUBLIN, Calif., August 10, 2006** – Alameda County officials today announced the completion of California's first megawatt-class hydrogen fuel cell cogeneration plant, an alternative energy system that transforms hydrogen from natural gas into electricity and water without combustion, and captures waste heat to improve efficiency.

The project, engineered and installed at Alameda County's Santa Rita Jail by Chevron Energy Solutions, a Chevron (NYSE: CVX) subsidiary, will provide half of the facility's annual power needs, save county taxpayers more than \$260,000 a year, and benefit the environment.

The quiet one-megawatt (MW) plant, manufactured by FuelCell Energy, Inc. (NasdaqNM: FCEL) is Alameda County's latest accomplishment in its Climate Change Leadership Strategy to reduce greenhouse gas emissions. The power from the new unit, along with the jail's previously-installed 1.2-MW solar power array and energy efficiency upgrades, will shrink Santa Rita's power purchases by as much as 80 percent during the peak-demand summer months, when California's electric utility system can face capacity constraints. This lower demand will eliminate more than 3,200 tons of greenhouse gas emissions annually, equivalent to planting more than 900 acres of trees.

Completion of the ultra-clean energy plant was celebrated today at a ceremony adjacent to the jail, followed by a tour of the DFC 1500 fuel cell unit by the manufacturer, FuelCell Energy. Representatives from state and local government participated in the event along with business, academia and environmental organizations.

"With the installation of this plant, Santa Rita Jail is now the 'greenest' county facility in the country," said Keith Carson, president of the Alameda County Board of Supervisors. "Alameda County has demonstrated the feasibility of combining alternative power technologies and energy efficiency

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measures in one facility to reduce costs and help the environment. It's an important milestone on the road to sustainability, and we hope this project will encourage other counties to consider installing fuel cell technology."

The \$6.1 million total project cost was supported by \$2.4 million in grants and incentives: \$1.4 million from Pacific Gas and Electric Company's self-generation incentive program, and \$1 million from the U.S. Department of Defense Climate Change Fuel Cell Program. The remaining cost of \$3.7 million -- \$2.8 million of which was financed through a California Energy Commission Energy Partnership Program Loan -- is being funded entirely by the project's energy cost savings under a performance contract with Chevron Energy Solutions and FuelCell Energy.

"We're very pleased to provide Alameda County with a cost-effective solution that supports sustainable energy development," said Jim Davis, president of Chevron Energy Solutions. "This plant is a great example of how clean fuel cell technology can be successfully combined with heat recovery technology to maximize energy savings and minimize environmental impacts."

Chevron Energy Solutions, which develops energy efficiency and alternative power projects, has installed fuel cell plants for other institutions and businesses, including the U.S. Postal Service. FuelCell Energy currently services 45 fuel cell power plants globally and conducts research and development on next-generation fuel cell technology.

"Alameda County should be commended for combining multiple energy sources to address the jail's power requirements," said FuelCell Energy president and chief executive officer R. Daniel Brdar. "A megawatt of power from the fuel cell covers base load electricity. And by pairing the plant with a solar array for peaking power, and utilizing waste heat for hot water and space heating, the entire system delivers the highest energy efficiency possible, while improving reliability."

"This project demonstrates the benefits of ultra-clean distributed power," said Matt Muniz, Alameda County energy manager. "The fuel cell unit is quiet, self-contained and doesn't involve combustion, so siting and permitting the plant went very smoothly. Just as important, the project helps reduce peak demand for power -- and consequently greenhouse gases -- and taxpayers are saving money. It's a green solution all the way around."

For more information about Alameda County, Chevron Energy Solutions and FuelCell Energy, please visit their web sites at [www.acgov.org](http://www.acgov.org), [www.chevronenergy.com](http://www.chevronenergy.com), and [www.fuelcellenergy.com](http://www.fuelcellenergy.com).

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