

PPL Corp. Signs Agreement to Distribute Fuel Cells

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Further building on its position as a leading energy solutions provider for businesses, PPL Corp. (NYSE: PPL) Thursday (9/21) announced that it has signed an agreement to become the first North American distributor of fuel cells manufactured by FuelCell Energy, Inc. (NASDAQ: FCEL). PPL also has made an equity investment in FuelCell Energy of about \$10 million, or roughly one percent of FuelCell's equity.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981015/PHTH025>)

"This agreement is an important step forward for energy users because it significantly expands the range of energy solutions that we can provide," said William F. Hecht, chairman, president and chief executive officer of PPL.

A key part of PPL's energy solutions approach is distributed generation -- providing small power generators to customers at their location. PPL offers a variety of distributed generation solutions through its GenSelect(SM) program, ranging from diesel generators to cutting-edge microturbines and fuel cells.

"Distributed generation presents an important opportunity for continued growth of PPL Corp.," said Hecht. "With the range of solutions we now offer, we clearly are a leader in the distributed generation business."

Fuel cells produce energy through a chemical reaction, rather than through combustion, by converting hydrogen and oxygen into electricity. This emerging technology has enormous potential to transform the traditional energy business.

Fuel cells are highly reliable and generate electricity in an environmentally responsible manner. Customers are expected to include hospitals, schools, data centers and other commercial and industrial electricity users.

"FuelCell Energy has a superior technology with a high probability of near-term commercialization," said Hecht. The company was selected after PPL's extensive study of the fuel cell industry. FuelCell Energy expects its units will be commercially available in 2001 and 2002.

Jerry Leitman, president and CEO of FuelCell Energy, said, "We're delighted to have PPL, a leading supplier of competitively priced electricity and energy services in the Mid-Atlantic region, as our first distribution partner in North America.

"PPL is a successful company, with a solid growth strategy, and is highly qualified to help us penetrate the market for distributed generation solutions through its energy marketing arm, PPL EnergyPlus," Leitman said.

PPL expects to establish several demonstration sites for fuel cells over the next two years, Hecht said. The company already has distributor relationships with companies that manufacture other types of distributed generation.

PPL's leadership position in distributed generation will be built upon its reputation as a leading marketer in competitive energy markets and strong brand recognition. Another significant factor is the company's network of profitable regional mechanical services companies, which will support the installation and service of fuel cells.

PPL Corp. has continued to experience improved performance on already strong earnings growth across its business lines.

Based on this earnings performance -- combined with the positive impact on earnings from an acquisition by PPL's subsidiary in the United Kingdom, a set of business fundamentals that the company believes will continue, and conservative assumptions about future business conditions -- PPL in late August increased its earnings forecast to \$3.00 per share for the year 2000 and to between \$3.20 and \$3.30 per share for 2001. The company had previously forecasted earnings of between \$2.80 and \$2.90 per share for this year and between \$3.10 and

\$3.20 per share for 2001.

Based in Allentown, Pa., PPL Corp. is a FORTUNE 500® company that delivers electricity and natural gas to more than 1.3 million customers in Pennsylvania; markets wholesale or retail energy in 43 U.S. states and Canada; provides energy services for businesses in the Mid-Atlantic and Northeastern U.S.; generates electricity at power plants in Pennsylvania, Maine and Montana; delivers electricity to 1.4 million customers in southwest Britain; and delivers electricity to nearly 1.8 million customers in Chile, Bolivia, El Salvador and Brazil.

FuelCell Energy, Inc. -- <http://www.fce.com/> -- formerly Energy Research Corp., is a world-recognized leader for development and commercialization of high- efficiency fuel cells for electric power generation. The company's Direct FuelCell technology eliminates external fuel processing to extract hydrogen from a hydrocarbon fuel. This results in a product whose cost, combined with high efficiency, simplicity and reliability, results in product advantages for stationary power generation. FuelCell Energy is based in Danbury, Conn. The company has been developing DFC technology for stationary power plants with the U.S. Department of Energy through the National Energy Technology Laboratory, whose advanced fuel cell research program is focused on developing a new generation of high-performance fuel cells that can generate clean electricity at power stations or in distributed locations near the customer, including hospitals, schools, data centers and other commercial and industrial applications.

Certain statements contained in this news release, including statements with respect to future earnings, subsidiary performance, business expansion, product commercialization and new technology, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corp. believes that the expectations and assumptions reflected in these forward- looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: market demand and prices for energy, energy services, capacity and fuel; weather variations affecting customer energy usage; competition in retail and wholesale power markets; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corp. and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of plants and other facilities; environmental conditions and requirements; system conditions and operating costs; performance of new ventures; development of new markets and technologies; political, regulatory or economic conditions in countries where PPL Corp. or its subsidiaries conduct business; capital market conditions; foreign exchange rates; and the commitments and liabilities of PPL Corp. and its subsidiaries. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corp.'s Form 10-K and other reports on file with the Securities and Exchange Commission.

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