

PPL Completes Fuel Cell Installation at Coast Guard Air Station Cape Cod; First of its Kind at a Coast Guard Shore Facility

PRNewswire-FirstCall
BOURNE, Mass.

A PPL Corporation (NYSE: PPL) subsidiary has completed the installation of a clean, reliable fuel cell energy system at one of the largest U.S. Coast Guard air stations on the East Coast, the company announced today.

At a dedication ceremony today at the air station, PPL's distributed generation and energy services subsidiary said it recently completed the installation, commissioning and testing of a 250-kilowatt fuel cell system at the United States Coast Guard Air Station Cape Cod in Bourne, Mass. The system provides electricity to the air station, including its hangars and administrative buildings, and supplies hot water for use in the air station's barracks.

FuelCell Energy (NASDAQ: FCEL) of Danbury, Conn., manufactured the air station's fuel cell power plant, which uses natural gas that will be supplied by KeySpan Energy Delivery, New England, for fuel. PPL has an equity investment in FuelCell Energy and is a distributor of its fuel cells in the U.S.

The Coast Guard contracted with PPL for this on-site fuel cell system because it needed a power source its personnel can count on, particularly when fierce Atlantic storms knock out power on the traditional electricity grid.

"PPL is proud to supply Coast Guard Air Station Cape Cod with an efficient, reliable on-site energy system," said Paul Champagne, president of PPL EnergyPlus. "A reliable supply of electricity is essential to these skilled pilots as they undertake life-and-death rescue operations.

"Until recently, this type of energy technology was not available commercially, and its practical use was very limited," Champagne said. "But fuel cells are now part of a growing range of environmentally friendly energy solutions that PPL is a pioneer in providing to our customers."

Fuel cells generate electricity with no combustion. They are, in effect, like large, continuously operating batteries that generate electricity as long as fuel, such as natural gas, is supplied. Since the fuel is not burned, there is no pollution commonly associated with the combustion of fossil fuels. Because hydrogen is generated directly within the fuel cell module from readily available fuels such as natural gas and wastewater treatment gas, DFC power plants are ready today and do not require the creation of a hydrogen infrastructure.

"The Coast Guard strives to be a conscientious steward of our natural and fiscal resources and the environment," said Captain Francis Dutch, commanding officer of the U.S. Coast Guard Research and Development Center. "The fuel cell technology will allow us to continue in our stewardship role through its supply of 'green' energy."

"The innovative leadership of the U.S. Coast Guard, PPL and FuelCell Energy will demonstrate that our DFC power plants can provide secure and reliable power," said Herbert T. Nock, FuelCell Energy's senior vice president of marketing and sales. "This project further validates that our DFC fuel cell products are commercially ready today for clean and efficient distributed generation applications."

"KeySpan is delighted to provide support for this cutting-edge technology which saves energy and protects the environment," said Nick Stavropoulos, president of KeySpan Energy Delivery, New England. "Natural gas is an efficient and clean-burning fuel, which makes it an ideal power source for fuel cells. KeySpan is committed to exploring and supporting new energy technologies like fuel cells."

Champagne said the unique new energy alliance on this project among PPL, the United States government and the Commonwealth of Massachusetts is an example of PPL's belief in reaching out to partners beyond its traditional sphere to cultivate the next generation of power supply. Funding for this \$1.7 million project came

from a variety of federal, state and private sources that support new, emerging energy technologies.

"We are thrilled that this is the site for the first commercial fuel cell installation in Massachusetts using funding from the state's Renewable Energy Trust," said Trust Director Rob Pratt. "This fuel cell ensures that critical systems will operate even under adverse conditions so that the brave men and women of the U.S. Coast Guard can continue to protect public safety along our shores."

A number of New England-based PPL subsidiaries participated in the installation, including Millennium Builders of Glastonbury, Conn.; B-G Mechanical Contractors of Chicopee, Mass.; and PPL SavageAlert of Glastonbury, Conn.

PPL has a number of other fuel cell projects that are now in various stages of development:

- In April 2002, it signed an agreement with Starwood Hotels & Resorts Worldwide Inc. to install, own and operate one 250-kilowatt fuel cell system at the Sheraton Parsippany Hotel and another at the Sheraton Edison Hotel Raritan Center. The fuel cells for both New Jersey hotels are currently being installed and will come on line in the summer of 2003.
- During the summer of 2002, it received grant approval for \$920,000 from the New York State Energy Research and Development Authority for a fuel cell project at Starwood's Sheraton New York Hotel and Towers in midtown Manhattan.
- In August 2002, it signed an agreement with Ocean County College in Toms River, N.J., to install a 250-kilowatt fuel cell. It will provide heat and electricity to several buildings on the campus.
- In October 2002, it signed an agreement with Zoot Enterprises of Bozeman, Mont., to install two 250-kilowatt fuel cells. Zoot will use the fuel cell power plant system in conjunction with traditional diesel fuel generators and the electric grid to meet the electrical reliability requirements of its building and to support future development at its high-technology campus. PPL expects to take delivery of these units in June 2003 and to complete the installation in the summer of 2003.
- In March 2003, it signed a financial assistance agreement with the Connecticut Clean Energy Fund for a fuel cell project at an industrial site in Bloomfield, Conn.

Air Station Cape Cod is one of the largest U.S. Coast Guard air stations on the East Coast, flying both fixed-wing aircraft and helicopters in support of its search-and-rescue and maritime law enforcement operations and other missions. Its crews protect life and property from the Canadian border to Long Island, N.Y., and provide logistics support for offshore lighthouses in New England.

FuelCell Energy Inc. (www.fuelcellenergy.com) is a world-recognized leader for the development and commercialization of high-efficiency fuel cells for electric power generation. The company is developing Direct FuelCell® 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, universities and other commercial and industrial applications.

PPL Corporation, headquartered in Allentown, Pa., controls about 11,500 megawatts of generating capacity in the United States, sells energy in key U.S. markets, and delivers electricity to customers in Pennsylvania, the United Kingdom and Latin America.

SOURCE: PPL Corporation

CONTACT: Jim Santanasto, +1-610-774-5997, or John Steckel, +1-610-774-4605, both of PPL Corporation, or Fax: +1-610-774-5281

Web site: <http://www.fuelcellenergy.com/>

Web site: <http://www.pplweb.com/>