

New Energy Capital Invests in Largest U.S. Fuel Cell Project

November 18, 2010 - Hanover, NH – The New Energy Capital Cleantech Infrastructure Fund (NECCIF) today announced the financial closing of a \$23.5 million investment in the largest integrated fuel cell project in the United States. The project, which includes three fuel cells totaling 4.5 megawatts of generating capacity, will be located on sites owned by the University of California San Diego (UCSD) and the City of San Diego. The fuel cells will run on renewable biogas directed from the San Diego Wastewater Treatment Facility.

The \$23.5 million facility will employ molten carbonate fuel cells produced by Fuel Cell Energy, Inc. of Danbury, Connecticut, and will run on renewable biogas produced by an affiliate of BioFuels Energy, LLC (“BFE”) from wasted methane gas at the City of San Diego wastewater treatment plant. Electricity from the fuel cells will be sold to UCSD and the City of San Diego, off-setting their power requirements with clean, renewable energy. The three fuel cells will produce approximately 35 million kilowatt hours of electricity per year, reduce annual CO₂ emissions by more than 25 million pounds, and save the City of San Diego and UCSD more than \$2 million in electricity costs over ten years.

BFE develops renewable energy projects utilizing various biogas sources and is located in Encinitas, California. BFE will be utilizing the services of Otto H. Rosentreter Company of Santa Fe Springs, California, a leader in the design and installation of fuel cell systems. The project will create approximately 15 full-time jobs during the construction period at the City’s South Bay Wastewater Treatment Plant and the UCSD campus, as well as 50 direct jobs at Fuel Cell Energy.

“We are grateful to the California Public Utility Commission and the California Center for Sustainable Energy (San Diego) for providing grant benefits through the California Self Generation Incentive Program which have enabled this project to come to fruition,” said Ken Frisbie, Managing Director of BFE.

New Energy Capital partnered with the CleanTech Alliance Fund, managed by North Sky Capital, to finance the project through a complex combination of equity, California Self Generation Incentive Program Grants, New Markets Tax Credits, and Investment Tax Credits. US Bancorp provided tax credit financing in collaboration with New Markets Community Capital, a division of TELACU. “This was the most complicated financing we have ever undertaken, but we were blessed with good partners. We believe this will be a model for other biogas projects in the years to come,” said Scott Brown, CEO of New Energy Capital. New Energy Capital was represented by Rath, Young & Pignatelli of Concord, NH.

About New Energy Capital

New Energy Capital Cleantech Infrastructure Fund (www.newenergycapital.com) invests in, owns and operates renewable energy, energy efficiency, waste recycling, and distributed generation projects. The Fund is managed by New Energy Capital Partners, Hanover, NH and partners with the CleanTech Alliance Fund, which is managed by North Sky Capital in Minneapolis, MN.

About Rath, Young & Pignatelli

Rath, Young & Pignatelli (www.rathlaw.com), based in Concord, NH, provides professional legal assistance to renewable energy project developers, financiers, and technology companies throughout the



United States.

About BioFuels Energy, LLC

BioFuels Energy, LLC, based in Encinitas, California, develops innovative renewable energy projects utilizing various waste resources including wastewater treatment facilities and landfills.

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