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Fuel Cells: An Emerging Force in NC's Economy?

Industry, Academia, and Government converge to capitalize on economic opportunity

RALEIGH, N.C. (January 24, 2005) - Having stood on the sidelines of North Carolina's technology-based economic development strategy for years, the state's emerging fuel cell industry met last week and agreed to shoot for the end zone by endorsing legislation and other policy measures supporting industry development.

The North Carolina Fuel Cell Alliance (NCFCA), formed from representatives of industry, academia and government, seeks ways to capitalize on opportunities for developing the fuel cell industry within the state. Alliance members include all types and sizes of businesses from global market leaders such as DuPont Fuel Cells to small start-up nano-material importers such as EC Systems, and research firms like Microcell and INI Power.

At the Alliance meeting last Thursday in Raleigh, participants agreed to support simplified interconnection guidelines which provide standards for connecting to the electricity grid. These standards would allow electricity generated from fuel cells to supply homes and businesses in North Carolina.

Participants also discussed providing industry recruitment incentives to fuel cell manufacturers similar to those available to manufacturers of renewable energy equipment. North Carolina currently has no incentives supporting the recruitment or growth of fuel cell companies.

Fuel cell markets are growing rapidly. Clean Edge, Inc., a venture capital research firm specializing in clean technology, predicts the market for fuel cells to grow from \$700 million today to over \$13 billion by 2013. Since North Carolina is home to several leading fuel cell research and manufacturing firms, rapid industry growth should equal rapid job growth.

According to Dr. Robert McMahan, Governor Easley's Senior Science and Technology Advisor, the fuel cell industry could bolster North Carolina's economy by providing well-paying high-tech jobs and provide a new avenue for the transfer of technology from university research labs into private businesses.

Fuel cells generate electricity using hydrogen which can be produced from water in a process called electrolysis. Since North Carolina has no indigenous fossil fuel resources, any energy generated from non-

fossil, renewable sources helps reduce the \$7-plus billion spent outside the state every year on imported fuel.

Fuel cells were originally identified as an area of interest for economic development during the planning process for the N.C. State Energy Plan. A recurring theme during this planning phase was the state's economically detrimental reliance on imported fossil fuels such as oil, natural gas, and coal.

The Alliance was formed at the urging of the North Carolina Energy Policy Council after researchers from the Energy Center at Appalachian State University identified an emerging fuel cell presence in North Carolina. Some of these companies include: Porvair Fuel Cell Technology, located in Hendersonville; Microcell Corp., located in Raleigh; DuPont Fuel Cells, located in Fayetteville; INI Power, recently located in Cary, NC; Southern Research Institute, located in RTP; and several other smaller start-ups spread across the state.

For more information visit the North Carolina Fuel Cell Alliance web site at <http://www.energy.appstate.edu/fuelcells/>, or contact the State Energy Office at 919-733-2230 or the Energy Center at Appalachian State University at 828-262-7515.

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