



Hybrid UPS a Secure Power Solution

August 2009





Safe Harbor Statement

During the course of this presentation, we may make projections or other forward-looking statements regarding future events or financial performance of the Company within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including:

- reference to the potential market for our products;
- future results of operations and achieving profitability;
- sales expectations;
- distribution capabilities and agreements with certain new distributors;
- manufacturing improvements and cost reductions;
- increased production capacity;
- low emissions, energy efficiency and reliability of our products;
- our business initiatives and relationships with third parties and related expanded market opportunities;
- the advantages of our products over our competitors and competing technologies;
- expanded aftermarket service and remanufacturing business;
- compliance with government regulations;
- new products and product platforms, including our C200 and C1000 products;
- the application of our products in the solar market; and
- the value and savings to be realized by our customers.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties which may cause Capstone's actual results to be materially different from future results predicted or implied in such statements, including:

- our expectations about expansion into additional markets;
- new applications of our products may not be realized;
- certain strategic business initiatives may not be sustained and may not lead to increased sales;
- we may not be able to reduce costs, improve customer satisfaction, or increase our cash flow or profitability;
- our release of new products such as the C200 and C1000 may be delayed or new products may not perform as we expect;
- we may not be able to comply with all applicable government regulations;
- we may not be able to obtain or maintain customer, distributor and other relationships that result in an increase in volume and revenue; and
- we may not be able to retain or develop distributors or dealers in our targeted markets, in which case our sales would not increase as expected and product quality expectations may not be met.

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Topics to be Covered

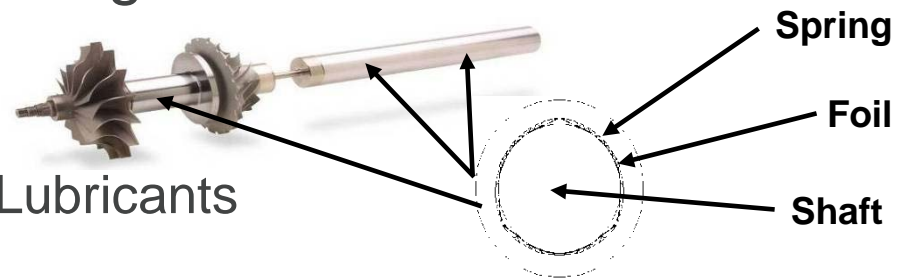


- **Capstone Overview**
- **Microturbine Introduction**
- **Generating Technology Comparison**
- **Hybrid UPS Secure Power Solution**
- **SU Green Data Center Project**
- **Contacting Capstone**

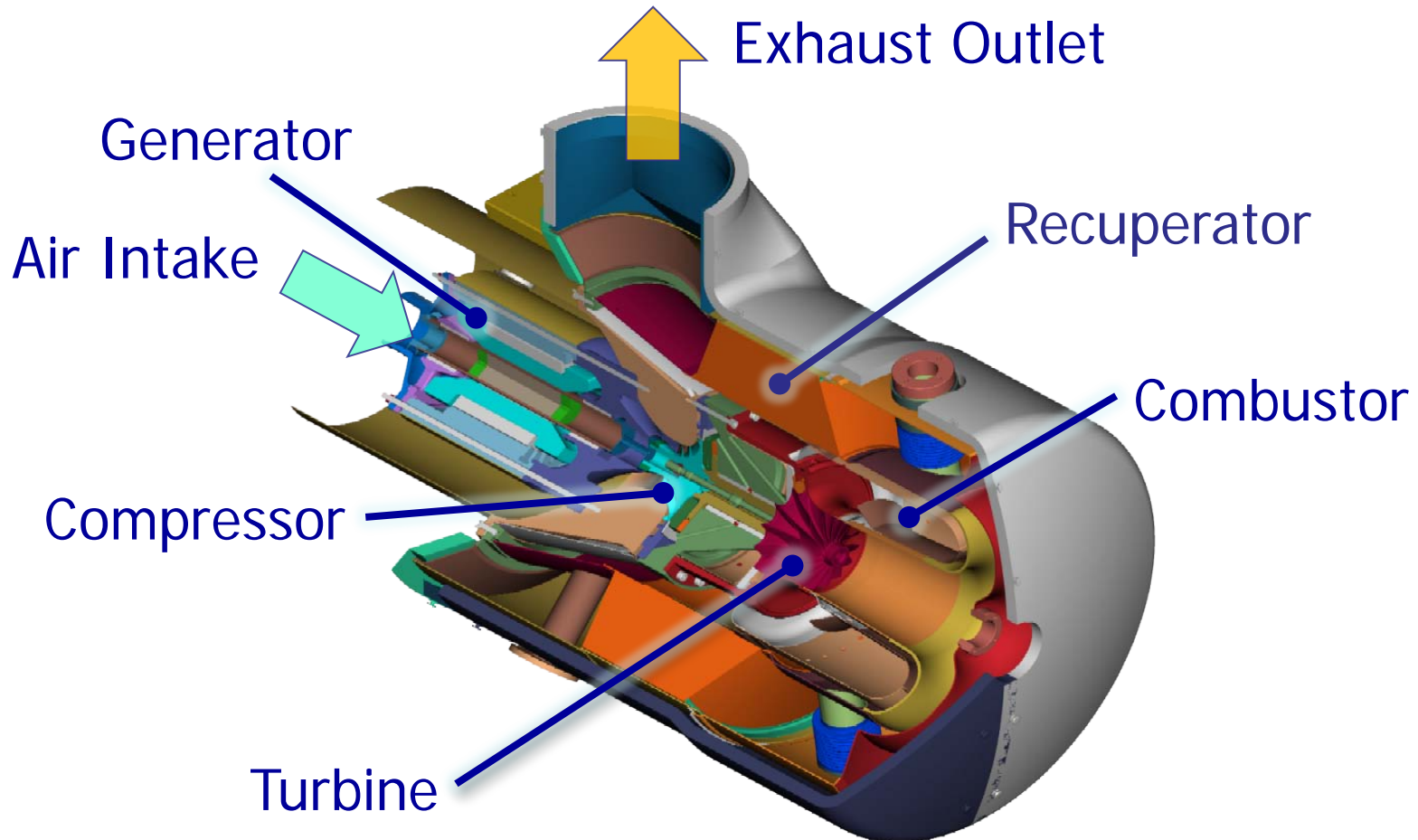
Capstone Turbine Corporation



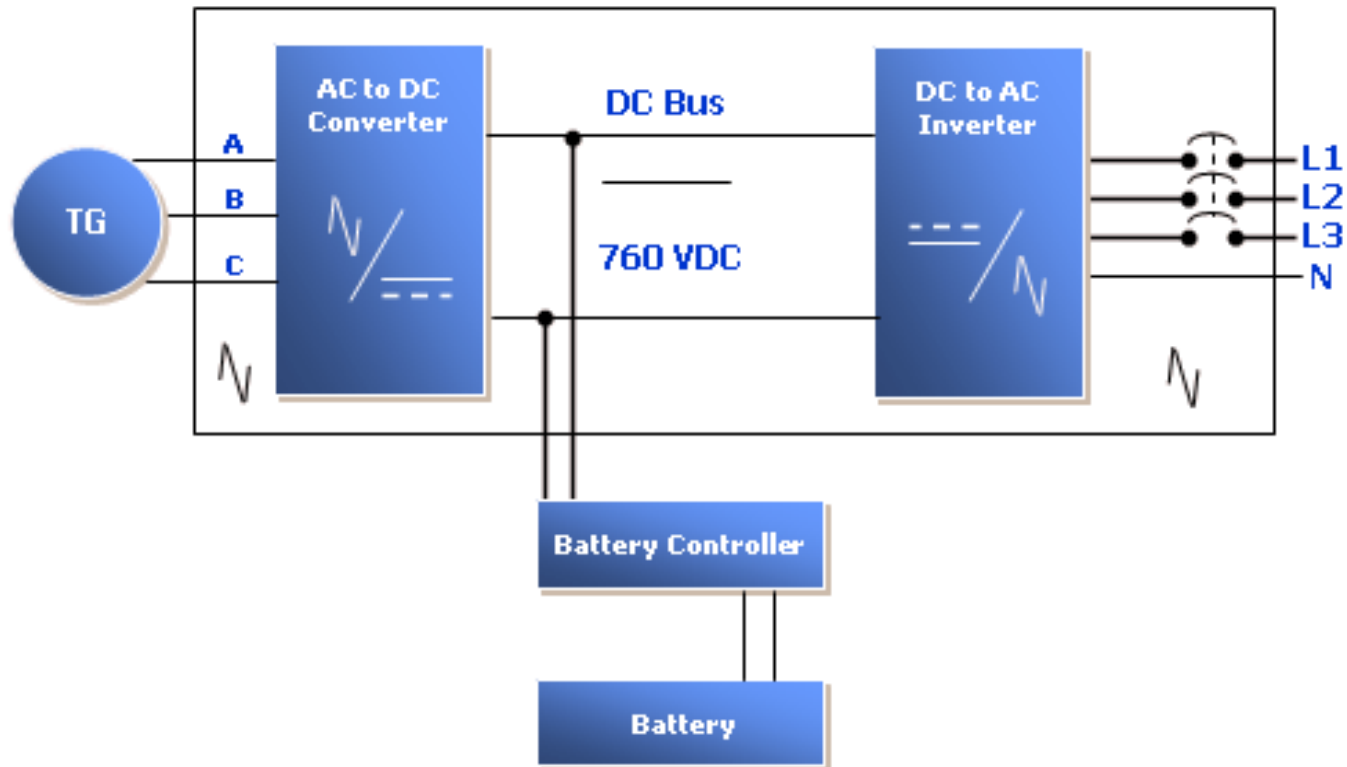
- Founded 1988 - Commercial launch in 1998
- Public Corporation 2000 (NASDAQ "CPST")
- World Leader in Microturbines
- 4 "Frame" Ratings:
 - ❑ C30 (30kW)
 - ❑ C65 (65kW)
 - ❑ C200 (200kW)
 - ❑ C1000 (five C200 Power Modules in a Single Package)
- Nearly 5,000 units shipped
- 20,000,000 cumulative operating hours
 - > 16,000 hour MTBF C65
- 100 Patents Worldwide
 - Air Bearings Eliminate Liquid Lubricants
- ISO 9001 & ISO 14001



Capstone C65 MicroTurbine



Inverter Based Electronics



Certifications



Standard

Description

Benefit

UL 2200



Engine Generator Sets

Expedites Building Approval (e.g. NYC)

UL 1741/IEEE 1547.1

Inverters for Utility Grid Connection

Simplifies Utility Interconnection (e.g. CA Rule 21, NY)

CARB

California Air Resources Board DG Standard

Eliminates or simplifies air permitting





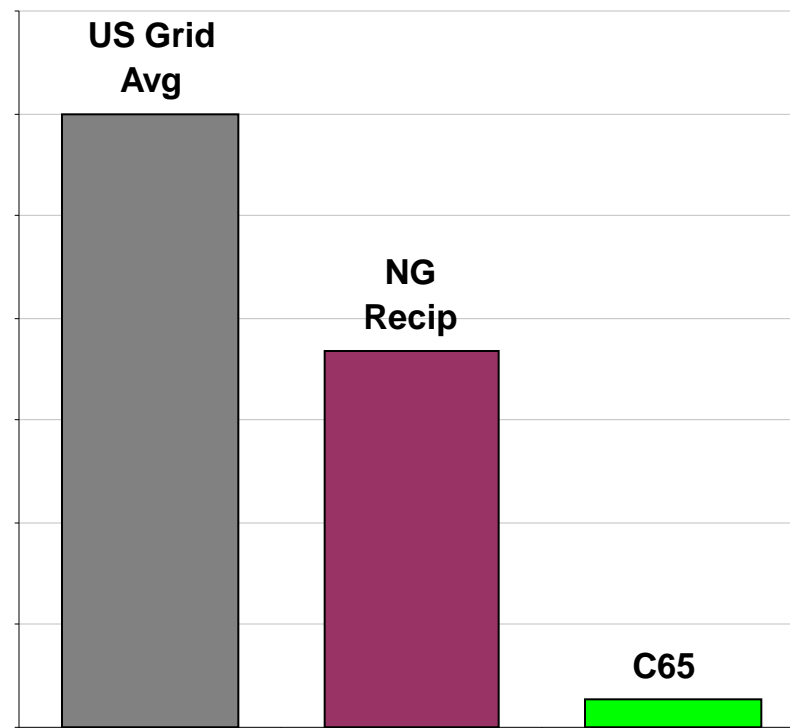
Ultra Low Emissions



CARB Natural Gas Emission Standard				
	Units	2003	2007	Reduction
NOx	lb/MWh	0.5	0.07	86%
CO	lb/MWh	6.0	0.10	98%
VOC	lb/MWh	1.0	0.02	98%

- CARB 2007 is an extremely stringent emissions standard that exceeds the requirements of federal standards
- Only Microturbines, Fuel Cells, Solar and Wind meet standard

Relative NOx Emissions



Source: EPA and ASME

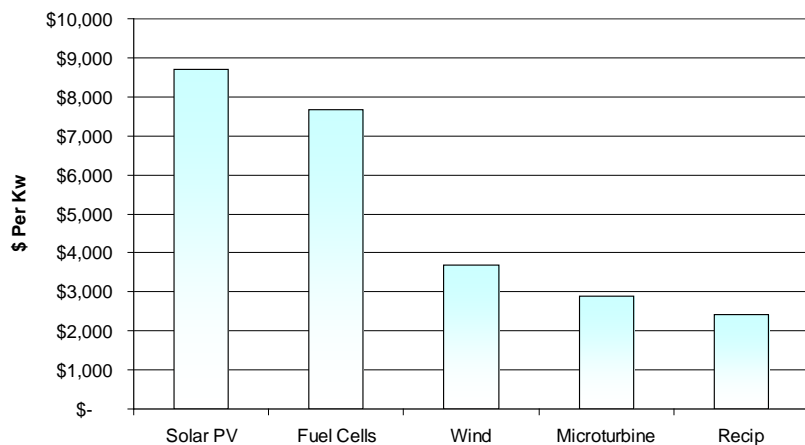
High Efficiency – CHP/CCHP



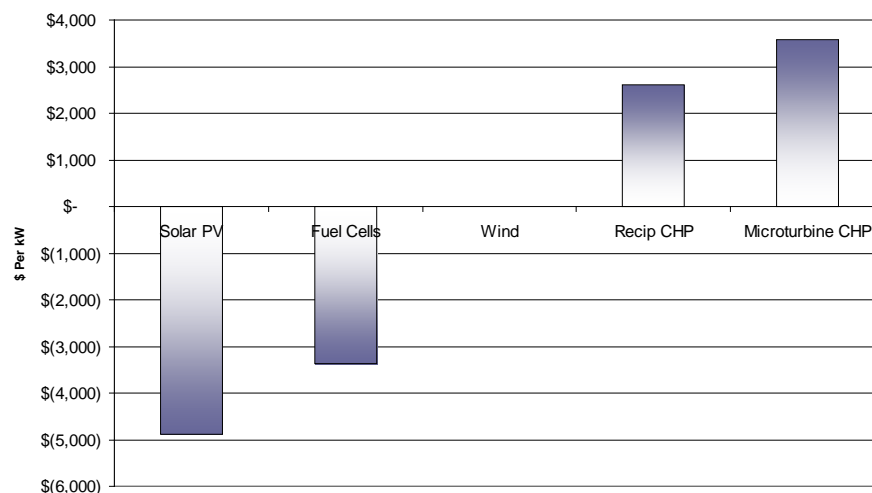
Manufacturer/Type	Efficiency		Notes
	Electric	Total	
Capstone C65 ICHP	29.0%	80.6%	60°C Inlet Water
UTC PureComfort 240 CCHP	29.0%	89.4%	142RT Cooling

Technology Comparison

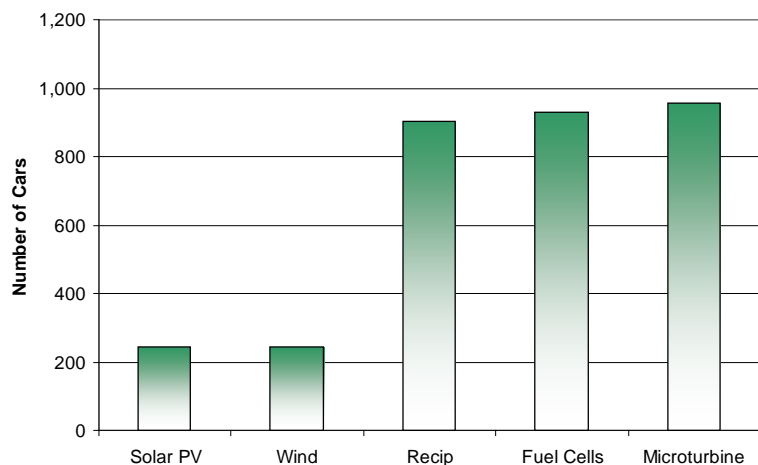
Sample Installed Cost



Sample Net Benefit of Ownership Over 10 Years



Equivalent Cars Removed (CO2) for 1 MW Project

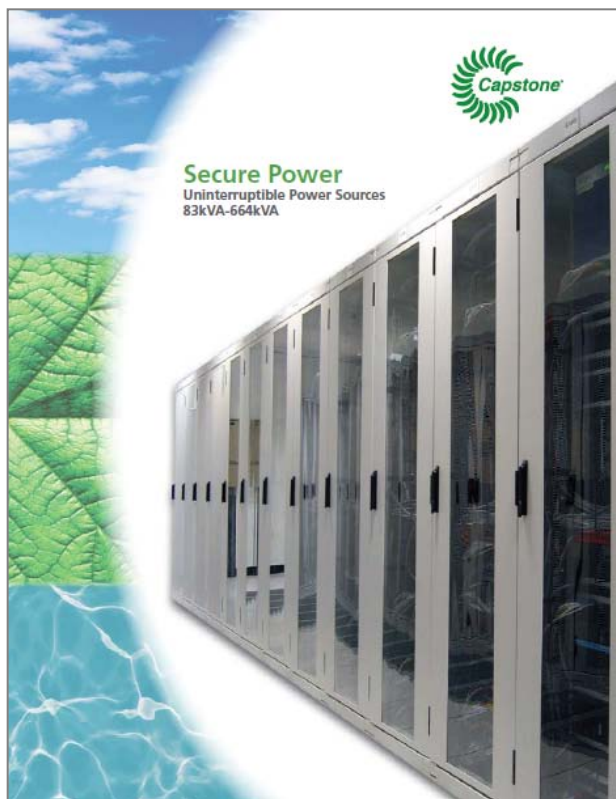


Assumptions

- Capstone C200 System
- Combined Heat and Power Systems
- Natural Gas Fueled
- California Emission Standards
- Initial Investment Data: CA Statewide SGIP Program Statistics through Q4 2007
- Analysis assumes no incentives

Hybrid UPS Solutions

The Most Reliable and Affordable Microturbine-Powered UPS Available



Secure Power's microturbines generate power and heat. Use both and you'll minimize your data center's energy bills, maximize efficiency, and reduce greenhouse gas emissions.

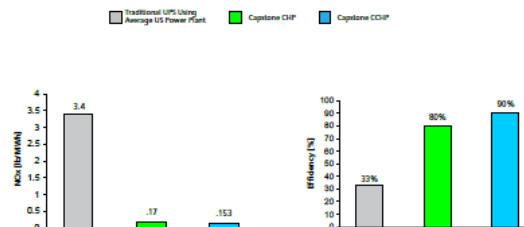
CCHP and CHP
With Secure Power in a CCHP application, the microturbines' clean exhaust is used to drive an absorption chiller to meet your data center's air-conditioning needs. Or use Secure Power as a CHP application and the waste heat energy will support your building's heating needs.

Secure Power provides air conditioning that's virtually electricity-free and cuts operating costs. You can automatically switch between cooling and heating as needed with the advanced functionality of the Secure Power Capstone microturbines.

Secure Power CCHP and CHP solutions: Cooling when it's hot, heating when it's not and reliable, affordable power every day.



Secure Power: Cleaner and More Efficient





Hybrid UPS Overview

- Clean-and-Green (ultra-low exhaust emissions)
- 99.999999% Availability
- IT-grade Power
- Up to 90% Fuel Efficient
- Multi-fuel Capable
- Multiple Power Modules – no single point of failure
- Low Maintenance – only 1 moving part, no liquid lubricants
- No Indoor Space Required (and associated costs)
- Expands to Match Load Growth
- Reduces Energy Cost
 - ✓ CHP – use waste heat for building heating
 - ✓ CCHP – use absorption chiller for air conditioning

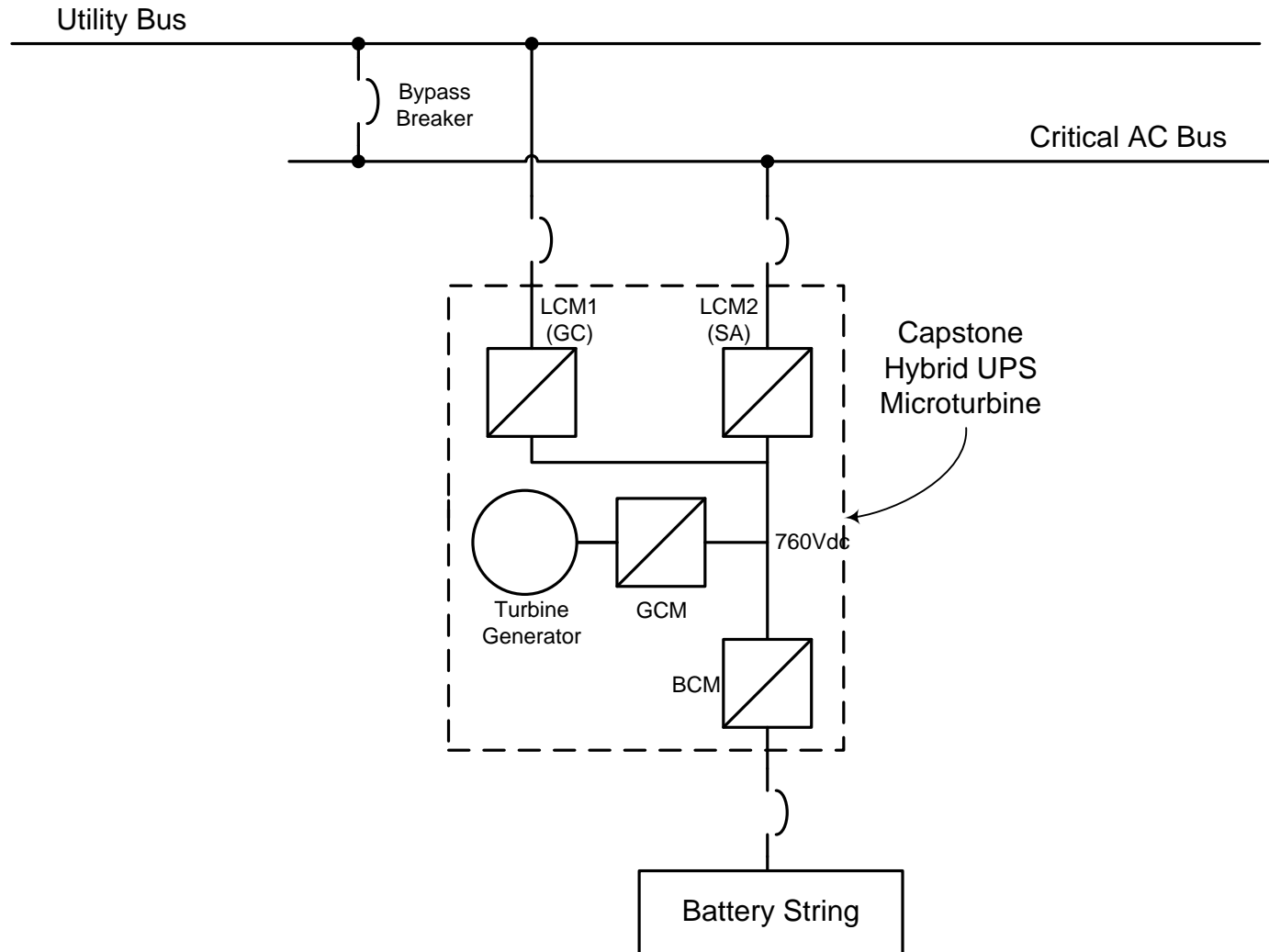


Hybrid UPS Solution

Hybrid UPS

- Microturbines are Dispatched
 - Run when Economical
- Three Power Connections
 - Stand Alone AC Output
 - Grid Connect AC Input
 - DC Battery Input
- Three Operating Modes
 - High Efficiency Mode
 - Standard UPS Mode
 - Emergency Mode
- Low Life Cycle Cost

Hybrid UPS

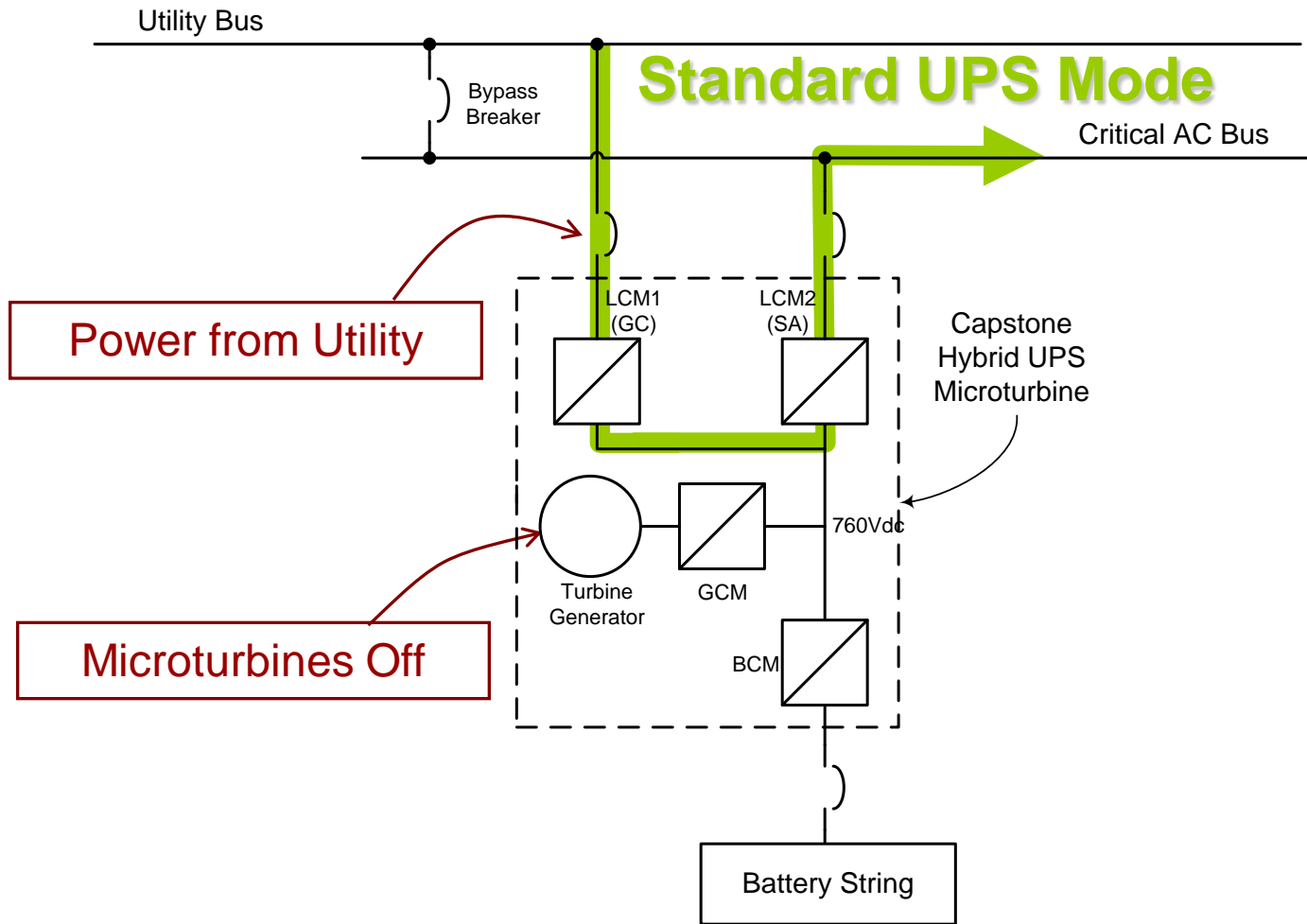




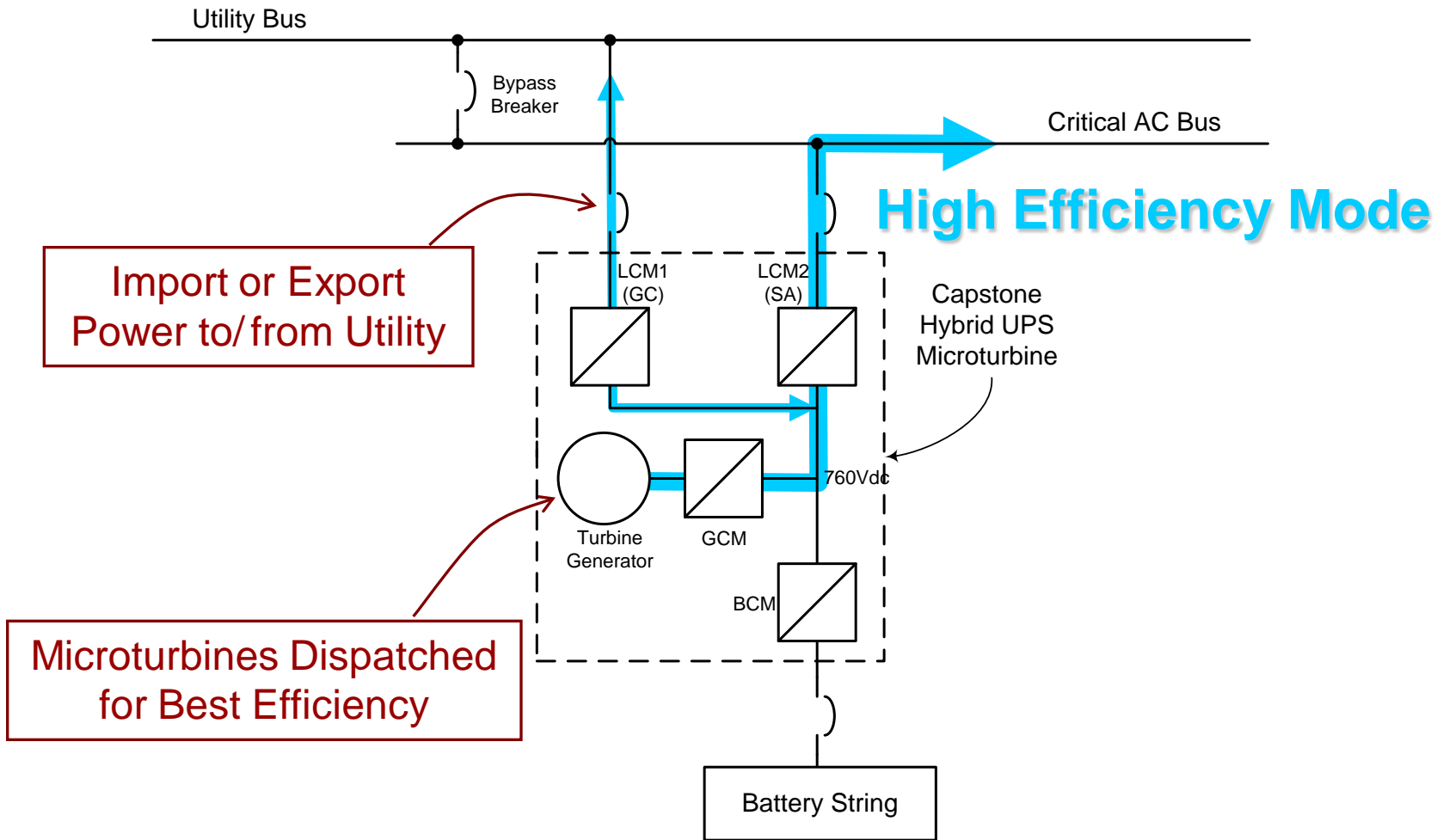
Hybrid UPS Components

Component	Function
<ul style="list-style-type: none">• Load Control Module 1	<ul style="list-style-type: none">• Grid Connected to Utility Source• Import or Export Power• IEEE 1547 Protective Functions
<ul style="list-style-type: none">• Load Control Module 2	<ul style="list-style-type: none">• Stand Alone Power Output• Maintains Synch with Utility Bus
<ul style="list-style-type: none">• Generator Control Module	<ul style="list-style-type: none">• Converts High Frequency Turbine Generator Output to 760V DC Bus• Use 760 DC to Start Microturbine
<ul style="list-style-type: none">• Battery Control Module	<ul style="list-style-type: none">• Connects Internal 760V DC to Customer DC Bus Voltage (eg 400V)• Imports Power from External Battery in Emergency Mode

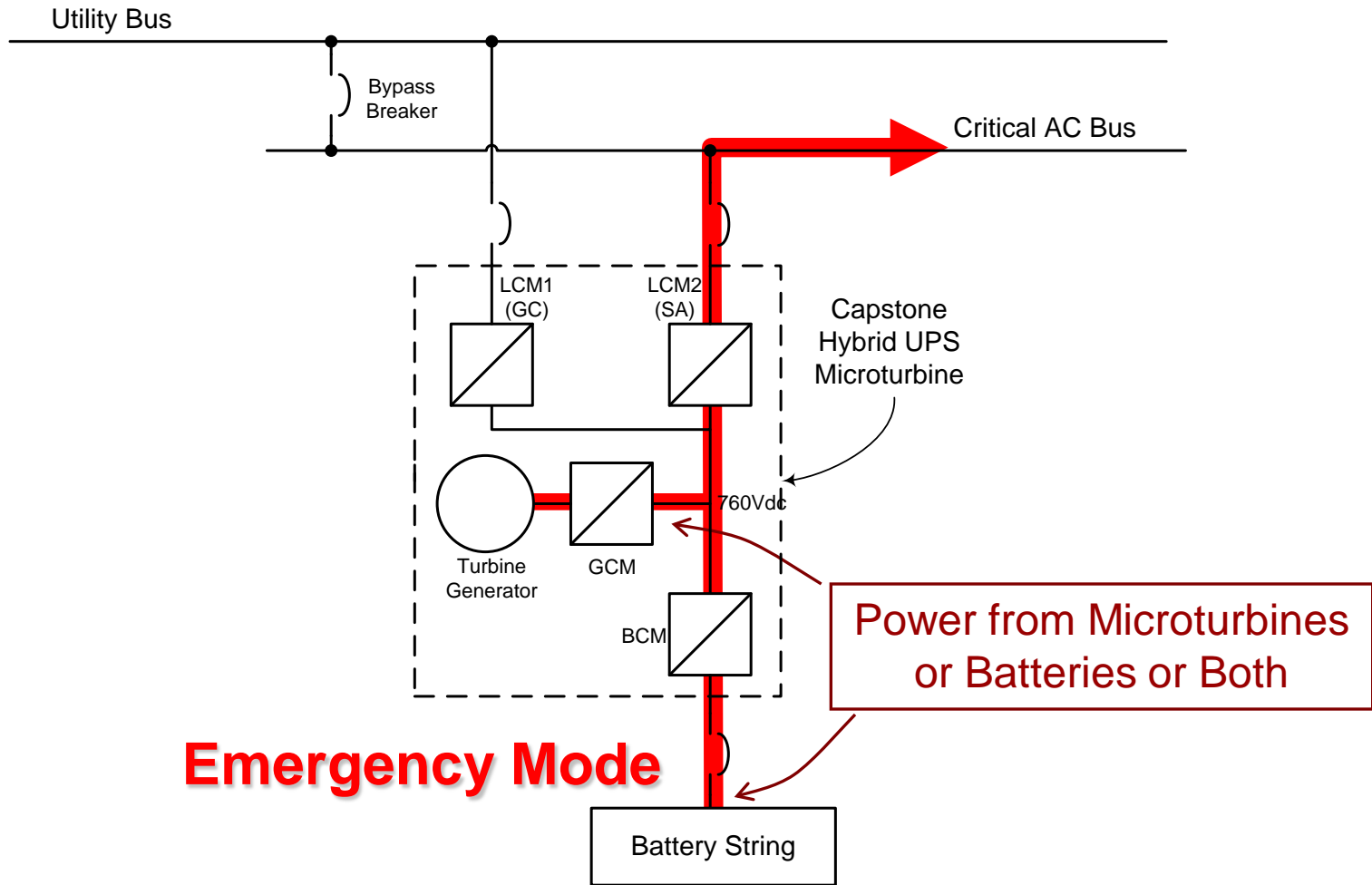
Hybrid UPS



Hybrid UPS



Hybrid UPS





Hybrid UPS – Capstone Scope

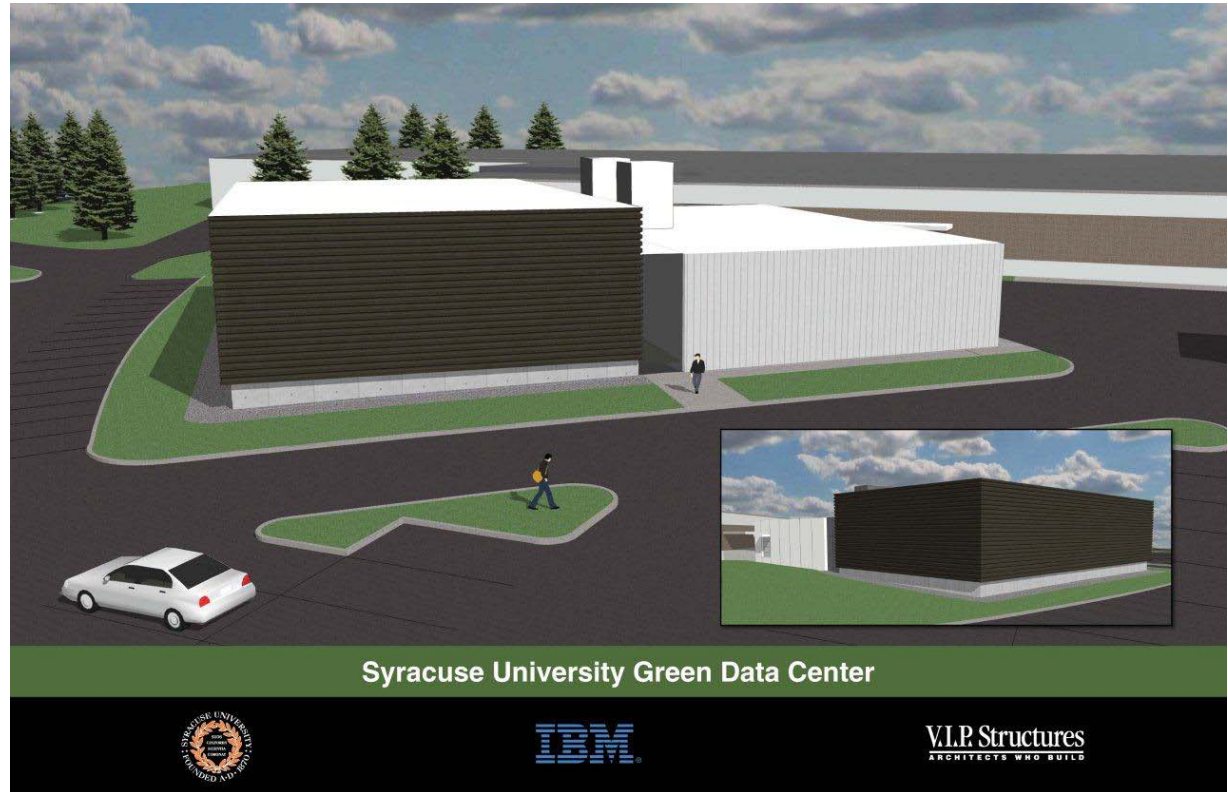
- Hybrid UPS Microturbines
 - CHP, CCHP, or Electric Only Application
 - Natural Gas Fuels
- Accessories
 - 15 Minute External Battery Packs
 - Fuel Gas Boosters
 - Capstone UPS Controller
 - Communications Accessories
- Factory Protection Plans

SU Green Data Center Project



Partners

- IBM
- NYSERDA
- Syracuse Univ.



Major Goal is High Efficiency
“50% Less Energy than Typical Facility”

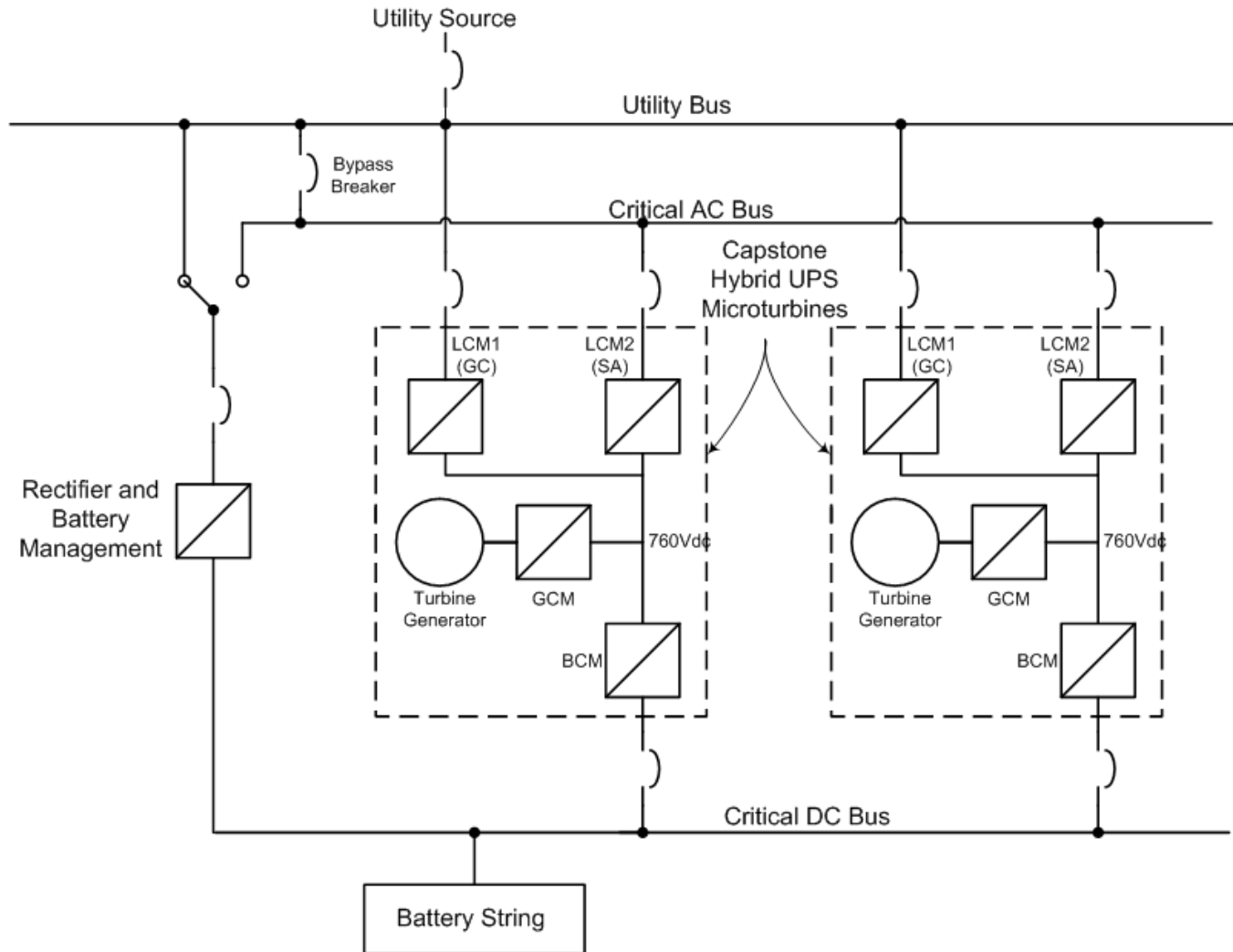


Green Data Center Overview

- SU South Campus Location
 - 12,000 ft² facility
 - 6,000 ft² data floor
- \$12.4 Million Project
 - \$5 million IBM
 - \$2 million NYSERDA
- Efficiency Improvements
 - 12 Patented Capstone 65kW Hybrid UPS Microturbines
 - Advanced CCHP System Integration by BHP Energy, LLC
 - IBM Rear Door Chilled Water HX
 - DC Power Distribution
- Performance Monitoring by Syracuse University



Example System One-Line



Project Status

- Ground Breaking – May 29, 2009
- Start Equipment Install – September 2009
- Initial Operation/Ribbon Cutting – November 2009
- More Info at:

<http://cpdc.syr.edu/>





Contacting Capstone

Website

www.capstoneturbine.com

Find A Local Distributor

www.capstoneturbine.com/company/dist/

Corporate Headquarters

21211 Nordhoff Street
Chatsworth, CA 91311
USA

Phone: +1 818-734-5300

Power When and Where You Need It.
Clean and Simple.

Capstone®
Turbine Corporation
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Reliability
21,271,473.35
Total fleet operating hours
MTR: 14,000 (C30) and 15,500 (C30)

Solutions
Choose a Solution...
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ECONOMIC CALCULATOR
FEDERAL (GSA) SALES
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Capstone Turbine Corporation Announces First Quarter Fiscal 2010 Operating Results - Capstone Turbine Corporation Announces First Quarter Fiscal 2010 Operating Results First Quarter Revenue \$13.7 Million Up 83% From ... 8/10/2009
Capstone Turbine Adds Distributor for Arkansas, Kansas and Missouri - Capstone Turbine Adds Distributor For Arkansas, Kansas And Missouri CHATSWORTH, Calif., July 27, 2009 (GLOBE NEWSWIRE) - Capstone Turbine ... 7/27/2009

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