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Capstone Turbine Advocates for Legislation to Make U.S. Businesses More Efficient

Measures Would Cut Costs for American Manufacturers and Businesses, Create Up to One Million Jobs and Slash Greenhouse Gas Emissions

WASHINGTON, April 15, 2010 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, joined more than 80 business, labor, environmental and government organizations this week urging Congress to adopt a new tax policy to significantly enhance industrial energy efficiency. If adopted, the United States can expect increased manufacturing competitiveness, creation of new jobs and reduced pollution.

On April 12, Capstone and other supporters sent letters to the Senate Finance Committee and the House Ways and Means Committee asking for tax credits to expand use of combined heat and power (CHP) and waste-energy recovery. Both technologies are capable of roughly doubling the energy efficiency of an industrial plant or other energy user. The result is significantly lowered energy costs and a reduction of greenhouse gas emissions.

"Capstone's American-made, ultra clean microturbine products have helped customers worldwide reduce energy consumption and lower pollution for more than a decade," said Darren Jamison, President and CEO. "An increased tax credit will enable future customers to purchase the cleanest and most efficient technologies available and receive shorter paybacks."

Supporters of industrial and commercial energy efficiency are asking for passage of the bipartisan S. 1639, which is sponsored by Senators Jeff Bingaman (D-NM) and Olympia Snowe (R-ME). The supporters are also requesting passage of H.R. 4144, which is sponsored by Representative Jay Inslee (D-WA), and H.R. 4751, which is sponsored by Representative Paul Tonko (D-NY). The legislation encourages near-term, shovel-ready projects that will create and maintain thousands of jobs within the industrial and commercial sectors. In addition, the bills support the manufacture, installation and operation of CHP and waste-energy recovery equipment.

According to Oak Ridge National Laboratory, a large-scale expansion of CHP could provide 20 percent of U.S. generating capacity by 2030, generate \$234 billion in new investment and create nearly 1 million highly-skilled, technical jobs in America. Such an expansion would reduce CO₂ emissions by more than 800 million tons per year, the equivalent of taking more

than half the current U.S. passenger vehicles off the road.

Waste-energy recovery, which captures waste energy from industrial facilities, now receives no tax benefits. Combined heat and power (CHP), a process by which manufacturers and businesses generate electricity and heat on site, obtains only a 10 percent investment tax credit for the first 15 megawatts of a project limited to 50 megawatts in size. The bills now in the House and Senate would remove the limitation to small projects and apply the tax credit to a project's first 25 megawatts (S. 1639 and H.R. 4144), and provide a 30 percent tax credit for recycled energy and CHP with efficiencies above 70 percent (H.R. 4751).

Supporters of the legislation include:

Business

Capstone Turbine Corporation

Caterpillar

Cummins Power Generation

Dow Chemical

Fluor

GE Energy

Ingersoll Rand

Libbey Glass Inc.

LS Power

Mosaic Company

Ormat

PPG Industries

Primary Energy

Saint-Gobain Containers

Solar Turbines

United Technologies Corporation

Veolia Energy North America Holdings

ACCO Engineered Systems (California,
Washington, Idaho, Nevada)

ACR Sheet Metal Company

Avalon Consulting, Inc. (Illinois)

BHP Energy (Ohio)

Calnetix Power Solutions, Inc. (Florida)

Charles P. Blouin Inc. (New Hampshire)

Circle "R" Mechanical, Inc. (Indiana)

Climate Energy (Massachusetts)

DCO Energy (New Jersey)

Dresser-Rand/Aircogen (Massachusetts)

Earthwise Energy Technologies (Rhode
Island)

E-Finity Distributed Generation
(Pennsylvania)

ECR International (New York)

Endurant Energy LLC (Illinois)

Energenic LLC (New Jersey)

Energy Solutions Center (Washington,
D.C.)

Ernest D. Menold, Inc (Pennsylvania)

Five Star Electric (Texas)

GEM Inc. (Ohio and Georgia)

KGRA Energy Corporation (Illinois)

Interstate Power Solutions (Missouri)

Lewis and Lambert Industries, Inc.
(Texas)

National Heating & Ventilating (New
Mexico)

NV Energy (Nevada)

New Loop Energy (Illinois)
Melrose Metal Products (California)
Midwest Fabricators, LLC
Office Power Energy Solutions (New York)
Pumps and Service (New Mexico and Texas)
Reagan Equipment (Florida and Louisiana)
Recycled Energy Development (Illinois)
Regatta Solutions Inc. (California)
RHP Mechanical Systems (Nevada)
RSP Systems (New York)
Rudolph Libbe Companies (Ohio and
Michigan)
Sheet Metal Engineering, Inc. (Iowa)
Tal-Mar Custom Metal (Illinois)
Turbine Air Systems (Texas)
Turbosteam (Massachusetts)
Tweet/Garot (Wisconsin)
Unison Solutions (Iowa)
Zeledyne (Michigan, Oklahoma, Tennessee)

Contractor and Industry Associations
American Chemistry Council
American Forest and Paper Association
The Association of Union Constructors
Electricity Consumers Resource Council
Glass Manufacturing Industry Council
International District Energy
Association
Mechanical Contractors Association of
America
National Council for Advanced
Manufacturing
National Electrical Contractors
Association
Sheet Metal and Air Conditioning
Contractors' National Association
Steel Founders' Society of America
U.S. Clean Heat and Power Association

Labor
International Brotherhood of
Boilermakers
Sheet Metal Workers International
Association

Environmental/Government/Non-Profit
Alliance to Save Energy
Association of State Energy Research &
Technology Transfer Institutions
Business Council for Sustainable Energy
Center for American Progress Action Fund
Energy Future Coalition
National Association of State Energy
Officials
Northeast-Midwest Institute
Sierra Club
World Alliance for Decentralized Energy

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST) is the world's leading producer of low-emission microturbine systems, and was the first to market commercially viable microturbine energy products. Capstone Turbine has shipped over 5,000 Capstone MicroTurbine(R) systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone Turbine is a member of the U.S. Environmental Protection Agency's Combined Heat and Power Partnership, which is committed to improving the efficiency of the nation's energy infrastructure and reducing emissions of pollutants and greenhouse gases. A UL-Certified ISO 9001:2000 and ISO 14001:2004 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the New York metro area, Mexico City, Nottingham, Shanghai, Singapore and Tokyo.

The Capstone Turbine Corporation logo is available at
<https://www.globenewswire.com/newsroom/prs/?pkgid=6212>

This press release contains "forward-looking statements," as that term is used in the federal securities laws, about the adoption of new federal tax policies and receipt of tax credits for use of our products. Forward-looking statements may be identified by words such as "expects," "objective," "intend," "targeted," "plan" and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone's filings with the Securities and Exchange Commission that may cause Capstone's actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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CONTACT: Capstone Turbine Corporation
Investor and investment media inquiries:
818-407-3628
ir@capstoneturbine.com