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Federal Investment Tax Credit Extended through 2021 for Microturbines and Combined Heat and Power Passed into Law by U.S. President

VAN NUYS, Calif., Feb. 12, 2018 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that the 10% federal Investment Tax Credit (ITC) was extended in the bi-partisan budget through the end of 2021 for microturbines and combined heat and power (CHP) projects. The credit will continue to apply to purchases of Capstone's ultra-low emission and high-reliability microturbine systems. The final two years (2020 and 2021) of the ITC for all included technologies will contain a phase-out period. In year three of the extension, the ITC will drop to 8% and down to 6% in the final year.

Capstone personnel worked diligently in partnership with the Natural Gas Association, Combined Heat and Power Association, and other CHP industry members in support of this important new legislation as a means to accelerate the widespread adoption of CHP and microturbine technology.

Microturbines are highly efficient energy systems with low emissions that supply clean, distributed, and resilient power. Microturbine technology was invented in the United States, where the overwhelming majority of this technology continues to be produced today. The federal ITC has accelerated the deployment of microturbine technology and is an important signal to the microturbine manufacturing industry to continue investing in research and development and expanding its U.S. hiring and manufacturing base.

Additionally, the ITC has supported growth in CHP deployment with 870 megawatts in new installations in the U.S. in 2012 alone and reached an overall U.S. CHP capacity of 82.6 gigawatts. Allowing for the effective continued use of the ITC is a critical step toward supporting this growth and enhancing manufacturer competitiveness in the market.

"The extension of the 10% federal income tax credit will help improve the economics of many of our end-use customers CHP and CCHP projects and is another key component to help drive accelerated revenue growth in addition to the weakening U.S. dollar and higher crude oil prices," said Darren Jamison, President and Chief Executive Officer of Capstone. "We will work with our U.S. based distribution partners to immediately rerun the economics on all pending CHP projects to show customers the new tax impact on their project," added Mr. Jamison.

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 has shipped over 9,000 Capstone Microturbine systems to customers worldwide. These award-winning systems have logged millions of documented runtime operating hours. Capstone 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 9001:2015 and ISO 14001:2015 certified company, Capstone is headquartered in the Los Angeles area with sales and/or service centers in the United States, Latin America, Europe, Middle East and Asia.

Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal securities laws. 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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