



Contacts:

Debra Beck
Allegheny Energy
301-790-6177

dbeck@alleghenyenergy.com

Keith Field
Capstone Turbine Corporation
(818) 598-5756

kfield@capstoneturbine.com

Allegheny Energy Solutions and Capstone Turbine Form Strategic Alliance

Greensburg, Pa., May 15, 2000 – Allegheny Energy Solutions, Inc., an unregulated subsidiary of Allegheny Energy, Inc. (NYSE: AYE) that invests in the development and marketing of energy-related products and services, announced a strategic alliance with Capstone Turbine Corporation. This alliance advances Allegheny Energy’s strategy to position itself as a local and national solutions provider for distributed generation services and makes the Company one of the leading system integrators for the Capstone MicroTurbine™ system in the Northeast.

Distributed generation, an emerging trend in the energy services market, is the stand-alone use of small generation, storage, and load management and information technologies to effectively meet the power quality and reliability needs of specific customers. Microturbines are a new type of power generation technology characterized by extremely low nitrogen oxide emissions. The Capstone MicroTurbine has a single moving part, is air-cooled, and uses the company’s patented air bearings, eliminating any need for lubricants, coolants, and their related systems. These aspects minimize anticipated maintenance needs and maximize uptime.

“As the world’s leading microturbine manufacturer, Capstone enhances our range of on-site solutions and provides us with a quality product to offer to our customers,” said David Cole, Director, Allegheny Energy Solutions. “We believe there will be significant growth of distributed generation opportunities over the next five to 10 years, and Allegheny Energy is seizing opportunities in this growing market.”

As part of the alliance, a Capstone MicroTurbine was installed at the site of Allegheny Energy’s Mitchell Power Station in New Eagle, Pa. Through this installation, Allegheny Energy Solutions is monitoring the technical and economical characteristics of the device and identifying new applications for the unit with Allegheny Energy’s customers, as well as for those outside of the five-state service territory.

Allegheny Energy Solutions develops competitive generation solutions (i.e., cogeneration, prime power, green power, and UPS) for customers through products such as reciprocating generators, microturbines, steam turbines, fuel cells, wind turbines, and solar cells.

About Allegheny Energy, Inc.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. The Allegheny Energy family includes *Allegheny Energy Supply Company, LLC*, which operates and markets competitive retail and wholesale electric generation and operates regulated electric generation for its affiliates; *Allegheny Power*, which delivers electric energy to about three million people in parts of Maryland, Ohio, Pennsylvania Virginia, and West Virginia; and *Allegheny Ventures*, which actively invests in and develops telecommunications and energy-related projects. Allegheny Energy Solutions is a subsidiary of Allegheny Ventures. For more information, check out our web site www.alleghenyenergy.com.

About Capstone Turbine Corporation

Headquartered in Woodland Hills, Calif., Capstone Turbine Corporation (www.capstoneturbine.com) is the world's leading manufacturer of commercial, ultra-low-emission microturbine power systems. UL-listed Capstone MicroTurbines are in operation worldwide adding power capacity, managing loads, eliminating outage costs, offering highly efficient combined heat-and-power (cogeneration) solutions, cleanly converting oilfield and biomass waste gases into electricity, improving energy economics, providing on-site power in remote locations and as onboard EPA-exempted generators for electric hybrid buses. Commercial units began shipping in December 1998.

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