



Department of Justice

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JUSTICE DEPARTMENT APPROVES PLAN TO DEVELOP
ALTERNATE MEANS TO GENERATE ELECTRICITY

WASHINGTON, D.C. -- A Washington, D.C. fuel coalition whose members include electric and gas utility companies and independent power producers from around the United States and Canada, can join with a Connecticut energy corporation to develop an alternate means to generate electricity, under a plan approved by the Department of Justice's Antitrust Division.

The Fuel Cell Commercialization Group proposes to help Energy Resource Corporation, a Danbury, Connecticut, manufacturer of molten carbonate fuel cells (MCFCs), overcome the technical and economic barriers to the commercial use of MCFCs as a source of clean and reliable electrical power.

The Fuel Cell Commercialization Group, a nonprofit membership corporation, is a cooperative research and development venture pursuant to the National Cooperative Research Act of 1984. Its members include 37 electric and gas utility companies, municipal utilities, municipalities, regional utility organizations, and independent power producers who are interested

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in the development of fuel cells as an alternate means of generating electricity.

The Department indicated that it had no current intention to challenge the fuel coalition's proposed conduct in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to counsel for the Fuel Cell Commercialization Group.

Bingaman stated that Fuel Cell's plan to help Energy Resource Corporation overcome the technical and economic barriers to the commercial use of MCFCs does not appear likely to reduce competition in the market for research and development. On the contrary, the Fuel Cell's commercialization program may facilitate research and development of MCFC power plants.

Bingaman also said that the formation and operation of Fuel Cell is not likely to facilitate price fixing or otherwise reduce competition among its members in the sale of electricity for two reasons, or reduce competition in the development of alternate energy sources.

First, Fuel Cell's members do not generally compete for residential or commercial customers. To the extent that they do, Fuel Cell's activities are sufficiently limited that they would be unlikely to impair competition between its members. Moreover, since Fuel Cell's members are free to participate in other energy development projects and Fuel Cell itself will be open to other utilities on reasonable terms, it is unlikely that the joint

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venture will retard competition between members and non-members or reduce competition amongst alternate fuel sources.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division would challenge the action as a violation of federal antitrust law.

A file containing the business review request and Department's response will be made available in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review request will be added to the file.

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