

United Tech CEO Hints At Sale Of Fuel Cell Firm

Stephen Singer, AP Business Writer

HARTFORD, Conn. (AP) — The chief executive officer of industrial conglomerate United Technologies Corp. hinted Tuesday that it could sell its fuel cell business.

CEO Louis Chenevert of the Hartford-based company — which owns jet engine manufacturer Pratt & Whitney, Otis elevator, Carrier heating and cooling and other aviation and building systems companies — told analysts Tuesday that United Technologies is evaluating the future of UTC Power as it reviews its portfolio.

"We continue to look at our strategic options around the UTC fuel cell business," he said.

Chenevert did not elaborate.

Spokesman John Moran said United Technologies "evaluates strategic alternatives for its businesses as part of an ongoing process" to remain competitive and deliver value to customers and investors. He would not comment further.

United Technologies is selling another energy business, Clipper Windpower, to help finance its \$16.5 billion purchase of aviation parts manufacturer Goodrich Corp.

Chenevert said greater use of natural gas and weak renewable energy markets have pressured wind power. He said United Technologies expects to close on the Clipper deal by the end of the year.

He said the Goodrich purchase will close by late July.

Chenevert also said significant changes in Carrier businesses are "essentially complete." Watsco Inc. announced April 30 it completed the acquisition of 60 percent of Carrier's heating, ventilation and air conditioning distribution network in Canada.

Chenevert said United Technologies will now turn its attention to refashioning its Fire & Security business. Chenevert repeated the company's intent to focus on its core businesses of aerospace and building systems.

A change in ownership of the South Windsor, Conn.-based fuel cell business, which employs 405 workers, introduces uncertainty in an industry touted by Connecticut officials. In addition to UTC Power, Fuel Cell Energy Inc. operates in Danbury.

Connecticut has subsidized fuel cells, using them at a state complex. In addition, UTC Power's fuel cells run buses for a bus-only corridor being built in central Connecticut. State and federal officials gathered Tuesday in Hartford for the ground-breaking for the CTfastrak.

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"I understand everyone has to look at options," said Rep. John Larson, D-Conn., a booster of fuel cells. "That would be a major development."

Connecticut Environmental Commissioner Dan Esty said officials still believe the state will continue to be a leader in the fuel cell industry. He said fuel cells are close to being competitive with other alternative energy sources.

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