
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 4, 2006

CAPSTONE TURBINE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	001-15957	95-4180883
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification No.)

21211 Nordhoff Street, Chatsworth, California 91311
(Address of principal executive offices) (Zip Code)

(818) 734-5300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 - Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement.

In connection with the election of Darren R. Jamison as President, Chief Executive Officer and a director of Capstone Turbine Corporation (the

"Company"), the Company and Mr. Jamison entered into a Letter Agreement (the "Agreement") regarding Mr. Jamison's employment with the Company as President and Chief Executive Officer as of December 18, 2006.

The Agreement provides that Mr. Jamison will receive an annual salary of \$400,000 with an annual bonus based on performance targets of 100% of base salary payable only in years in which the Company has an operating profit, a special performance bonus of \$100,000 to be paid upon achievement of the Company attaining positive cash flow for any two consecutive quarters during the first two years of employment and a signing bonus of \$150,000. In the event that Mr. Jamison is terminated without cause during the first three years of his employment with the Company, he will be entitled to receive a termination benefit of continuation of his base salary for one year. In lieu of this benefit, if his employment is terminated during the first three years of employment in connection with a change of control, he will be entitled to salary continuation for eighteen (18) months and full acceleration of vesting of his stock options and restricted stock. He is also eligible to be covered by the Company's Change of Control Severance Plan (the "Change of Control Plan") which provides that in the event an executive is terminated from the Company within twelve months of a change in control, the executive shall be entitled to receive annual base salary plus cash incentive compensation for the year in which the change in control occurs; provided that Mr. Jamison will only receive benefits under the Change of Control Plan to the extent they exceed the severance benefit described above.

In addition, Mr. Jamison will receive a 10-year stock option grant to purchase 2,000,000 shares of the common stock of the Company. Conditioned on continued employment, the right to exercise the option will become 25% vested after one year and, thereafter, will become vested pro rata each month over the next 36 months. The exercise price for the option will be the fair market value of the Company's common stock at the close of trading on the date his employment commences. In addition, Mr. Jamison will receive a restricted stock grant for 500,000 shares of the Company's common stock that will become 25% vested each year of service over four years.

Section 5 - Corporate Governance and Management

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(c) Appointment of Principal Officers

On December 4, 2006 the Company entered into the Agreement, effective December 18, 2006, providing that Darren R. Jamison, 40, will serve as President, Chief Executive Officer and a director of the Company. Prior to joining the Company, Mr. Jamison served as President and Chief Operating Officer of Northern Power Systems, Inc. since 2004. Previous to Northern Power Systems, he was Vice President and General Manager of Distributed Energy Solutions for Stewart & Stevenson Services, Inc. from 1994 to 2003.

Mr. Jamison will receive an annual salary of \$400,000, a signing bonus and opportunities for performance bonuses, a restricted stock grant of 500,000 shares of the Company's common stock and a stock option grant to purchase 2,000,000 shares of the Company's common stock, all as further described above under Item 1.01.

The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Section 9 -- Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.

(d) Exhibits.

<i>Exhibit Number</i>	<i>Description</i>
99.1(1)	Press Release of Capstone Turbine Corporation, dated December 6, 2006

(1) Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAPSTONE TURBINE CORPORATION
(Registrant)

Date: December 6, 2006

By: /s/ Walter J. McBride

Walter J. McBride
Chief Financial Officer

Capstone Turbine Corporation Announces Darren Jamison as President and CEO

CHATSWORTH, Calif.--(BUSINESS WIRE)--Dec. 6, 2006--Capstone Turbine Corporation (www.microturbine.com) (NASDAQ:CPST) today announced that it has named Darren R. Jamison as its new President and Chief Executive Officer. Mr. Jamison will also be a member of the Board of Directors of Capstone effective as of December 18, 2006.

"We are pleased to announce that Darren Jamison has joined us as our new President and Chief Executive Officer," said Eliot Protsch, Chairman of the Board. "Darren will be a great fit as we were looking for someone with a very specific set of skills combined with the experience necessary to take Capstone to the next level of success. Our search resulted in several well qualified candidates, but Darren possessed the experience, expertise, market knowledge and leadership success that we were seeking."

Prior to joining Capstone, Mr. Jamison had been President and Chief Operating Officer of Northern Power Systems, Inc. since 2004. Under Mr. Jamison's direction, Northern Power experienced significant growth, including substantial increases in revenue and improved margins. Previous to Northern Power Systems he was Vice President and General Manager of Distributed Energy Solutions for Stewart & Stevenson Services Inc. from 1994 to 2003. Mr. Jamison has an outstanding track record of working with customers to develop financially attractive solutions.

"We are grateful for the leadership Mark Gilbreth provided during his role as Interim President and CEO," Protsch continued, "Mark was effective in leading the organization during the search process and we thank him for this as well as his efforts and dedication as he continues his role as Executive Vice President and Chief Operating Officer."

In addition to the other terms of his employment with Capstone Turbine Corporation, Mr. Jamison will receive a 10-year stock option grant to purchase 2,000,000 shares of the common stock of the Company. Conditioned on continued employment, the right to exercise the option will become 25% vested after one year and, thereafter, will become vested pro rata each month over the next 36 months. The exercise price for options granted to Mr. Jamison will be the fair market value of Capstone Turbine Corporation's common stock on the date of grant, which is expected to be the price per share at close of market on December 18, 2006. In addition, Mr. Jamison will receive a restricted stock unit grant for 500,000 shares of the Company's common stock that will become 25% vested each year of service over four years.

About Capstone Turbine

Capstone Turbine Corporation (www.microturbine.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 more than 3,500 Capstone MicroTurbine 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 certified company; Capstone Turbine is headquartered in the Los Angeles area with sales and/or service centers in New York, Mexico City, Milan, Nottingham, Shanghai and Tokyo.

"Capstone Turbine Corporation" and "Capstone MicroTurbine" are registered trademarks of Capstone Turbine Corporation. All other trademarks mentioned are the property of their respective owners.

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