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Tecogen's Ultra Emission System Applied to a Natural Gas Standby Generator

WALTHAM, Mass., Oct. 21, 2014 /PRNewswire/ -- Tecogen Inc. (NASDAQ: TGEN) -- Tecogen announced the sale today of its patented emissions retrofit system, *Ultra*, to a Fortune 500 industrial customer for application to a natural gas emergency generator. Under the contract, the Ultra system will be retrofitted to a system supplied by the customer and its emissions performance validated at the Tecogen factory. This will be the first sale of the Ultra system into the emergency (or standby) power market. If the performance meets the required specification, the engine will be capable of non-emergency operation and the customer will retrofit other generators operating at its Southern California facility.

Under the contract, the unit must demonstrate compliance with South Coast Air Quality Management District (SCAQMD) Rule 1110.2 for non-emergency electrical generation. Currently, standby generators are exempt from the strict requirements of the rule if their annual operation does not exceed 200 hours. For this facility, however, the customer desires to increase the operating allowance beyond the 200 hour limit, necessitating the permit upgrade to the non-emergency use classification.

Permitting of a natural gas generator for operation as a non-emergency operator is the most strict permit category in Rule 1110.2. This is because the single purpose engine-generator must achieve the base limits published in rule without the heat recovery credit afforded Combined Heat and Power (CHP) systems.

"We believe that no non-CHP engine generator has been permitted for non-emergency use in the SCAQMD territory," said Robert Panora, Tecogen's president. "However, based on our CHP product permitting in the region and elsewhere, we are confident that our system will succeed."

"More importantly, a simple natural gas generator that can be permitted without any use restriction has real value in a very large market. Current sales of natural gas engines in the 50 to 500 horsepower range in North America are over 80,000 units, many of which are for backup power. Owners in emission-sensitive areas would be able to utilize their otherwise inactive back-up generators to peak shave their electric use, removing the most punitive kilowatt-hours from their monthly utility bill. This type of proactive load shedding, referred to as Demand Response, is increasingly popular and incentivized by many US utilities."

About Tecogen

Tecogen manufactures, installs, and maintains high efficiency, ultra-clean combined heat and power products including natural gas engine-driven cogeneration, air conditioning systems, and high-efficiency water heaters for industrial and commercial use. Tecogen has shipped more than 2,000 units, supported by an established network of engineering, sales,

and service personnel across the United States. For more information, please visit www.tecogen.com.

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