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Tecogen CHP Equipment Enables Tax Credits Under Inflation Reduction Act

Waltham, MA, Aug. 24, 2022 (GLOBE NEWSWIRE) -- [via NewMediaWire](#) -- Tecogen Inc. (OTCQX: TGEN), a clean energy company providing ultra-efficient and clean on-site power, heating and cooling equipment, is pleased to confirm that the increased and expanded tax credits available under the Inflation Reduction Act of 2022 apply to systems incorporating certain low emission technologies, including Tecogen's combined heat and power (CHP) equipment.

The Inflation Reduction Act increased tax credits, including the investment tax credit (ITC), to up to thirty percent (30%) of the project cost for projects incorporating certain low emission technologies, including CHP equipment, that begin construction before January 1, 2025, provided that the taxpayer satisfies requirements relating to the payment of prevailing wages and the use of apprentices. It is important to note that there is a project size threshold of 1 MW before the prevailing wage requirements are triggered, which would not apply to the vast majority of Tecogen's projects, allowing owners more flexibility with regard to system installers. The tax credits may be increased by an additional ten percent (10%) if the taxpayer satisfies additional requirements relating to domestic content. Certain tax credits also apply to microgrid projects beginning construction before January 1, 2025, as well as a variety of low or no emission technologies including solar, wind, hydrogen, biomass, and other technologies. State and local governments and tax-exempt entities may also benefit from certain tax credits through direct payments or transfers of tax credits to unrelated third parties. This particular new direct pay option is especially impactful given the fact that many ideal facilities for CHP systems are not-for-profit, including many healthcare and hospital facilities, schools and universities, as well as recreation centers. These customers historically have not been able to benefit from previous iterations of the ITC, so the company is hopeful that it will see increased uptake in these market verticals.

Under the federal definition for CHP systems, all the Company's products, including our air-conditioning and refrigeration models (TecoChill and Tecofrost) qualify for the tax credit when heat recovery is incorporated into the system design.

"We are pleased that the tax provisions in the Inflation Reduction Act recognize the benefits available from CHP equipment and provide incentives for incorporating CHP equipment into HVAC systems," noted Benjamin Locke, Tecogen's CEO. "We believe that the expanded and increased tax credits provide meaningful incentives for purchases of our CHP equipment, and we look forward to working with customers who wish to take advantage of significantly improved economics associated with an investment in Tecogen cogeneration equipment and chillers that provide energy cost savings, near zero emissions, and increased resiliency to grid power shortages, outages, and demand charges."

About Tecogen

Tecogen Inc. designs, manufactures, sells, installs and maintains high efficiency, ultra-clean, cogeneration products including combined heat and power, air conditioning systems and high-efficiency water heaters for residential, commercial, recreational and industrial use. The company provides cost efficient, environmentally friendly and reliable products for energy production that nearly eliminate criteria pollutants and significantly reduce a customer's carbon footprint.

In business for over 35 years, Tecogen has shipped more than 3,000 units, supported by an established network of engineering, sales and service personnel throughout North America. Tecogen's run hours on its InVerde cogeneration systems exceeds 5 million run hours. For more information, please visit www.tecogen.com or contact us for a free Site Assessment.

Tecogen, InVerde e+, Ilios, Tecochill, Tecofrost, Tecopack, Tecopower, and Ultera are registered or pending trademarks of Tecogen Inc.

Forward Looking Statements

This press release contains "forward-looking statements" which may describe strategies, goals, outlooks or other non-historical matters, or projected revenues, income, returns or other financial measures, that may include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "likely" or "may" and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements.

In addition to the Risk Factors described in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q under "Risk Factors," factors that could cause our actual results to differ materially from past and projected future results include the impact of the coronavirus pandemic on demand for our products and services, the availability of incentives, rebates and tax benefits relating to our products, changes in the regulatory environment relating to our products, competing technological developments, and the availability of financing to fund our operations and growth.

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