



News Release

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Tecogen Awarded \$1 Million from California Energy Commission to Develop Next Generation Combined Heat and Power Engine

Waltham, MA – June 17, 2009 – Tecogen today announced a \$1 million research grant from the California Energy Commission to support its proposal, “New Engine Technology for California’s Combined Heat and Power Market.” Of the 14 proposals submitted for review, Tecogen’s proposal received the highest rank in the competitive solicitation. Funds will be allocated from the Energy Commission’s Public Interest Energy Research budget.

The proposal was submitted to the Commission in response to the solicitation aimed at applying advanced mobile engine technology to the stationary Distributed Energy Resources, which include Tecogen products.

The goal of the research project will be to introduce a technically advanced engine platform for a group of new Tecogen products. This innovative power source will also be utilized under an exclusive arrangement for the ultra-high efficiency heating products being developed by the newly formed Tecogen subsidiary, Ilios Inc.

Depending on the product application, the engine rating will be approximately 40 horsepower and be derived from a modern, automotive four-cylinder block. Changes to the engine will be made to ensure compatibility with natural gas fueling, however, the emphasis is on achieving the emissions levels required in California. The engine will be configured to the “Atkinson” power cycle for optimal efficiency, as is featured in the newer hybrid vehicles.

“The advanced engine platform is a significant advantage for Tecogen relative to our plans of expanding our technology into smaller Distributed Generation (DG) products,” explained Bob Panora, President of Tecogen. “In reviewing the features that have been introduced into automotive engines in recent years and comparing these to current, stationary DG power sources, we found the benefits of the project extremely compelling. If we are successful, we will have an engine that is incomparable relative to its cost, efficiency, and emissions.”

Tecogen will work in collaboration with the California Tech Center of AVL, the world’s largest privately owned and independent company for the development of powertrain systems, for key technical portions of the project. The project is expected to begin early this summer after contract signing.

About Tecogen

Tecogen is a leading manufacturer of combined heat and power products including natural gas engine-driven cogeneration and air conditioning systems for industrial and commercial use. Tecogen systems supply electric power or cooling while heat from the engine is recovered and purposefully used at the facility. The benefits are reductions in both energy costs and greenhouse gas emissions. Tecogen has an installed base of 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