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PRESS RELEASE

WADE ANNUAL DECENTRALIZED ENERGY SURVEY: DECENTRALIZED ENERGY TAKES 24% SHARE OF POWER GENERATION MARKET IN 2005

According to WADE's latest annual DE market assessment, the *World Survey of Decentralized Energy – 2006*, published today, 24% of electricity output from newly installed power generation plants in 2005 was derived from decentralized energy systems (DE)¹. This share is up from 13% in 2002.

The pioneering research (based on DE industry interviews, market information provided by WADE members and other publicly available sources) indicates a clear momentum in many international markets towards greater use of DE.

DE's growing competitive position is based on a rapidly emerging recognition of the economic benefits of generation at the point of demand which results in reduced need for high cost investment in transmission and distribution networks. Other drivers include the environmental benefits, fuel savings and increased security of electricity supply.

A high share of DE generation is based on high efficiency cogeneration (CHP), which accounts for the majority of the capacity and generation additions emerging from the study. Standby and peaking DE systems have lower shares, while PV and onsite wind sectors continue to enjoy high global growth rates - although their share of the overall DE market remains small.

WADE's goal is to achieve a 20% market share of total capacity for DE by 2025; the current level is around 8-9%. This goal now appears achievable provided that persistent policy and regulatory barriers (based on the continued conventional wisdom that remote central generation based on large power

¹ DE technologies consist of the following forms of power generation systems that produce electricity at or close to the point of consumption: 1. High efficiency cogeneration / combined heat and power. 2. On-site renewable energy systems. 3. Energy recycling systems, including the use of waste gases, waste heat and pressure drops to generate electricity on-site. WADE classifies such systems as DE regardless of project size, fuel or technology, or whether the system is on-grid or off-grid.

plants remains the optimal form of power generation and supply) are eliminated.

Countries such as Denmark, the Netherlands and Finland, where the DE share of generation is around 40-50%, provide clear evidence that such a goal is not only achievable, but is consistent with the provision of efficient and reliable generation.

The *World Survey* can be downloaded from www.localpower.org.

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WADE is a non-profit research and advocacy organisation that was established in June 2002 to accelerate the worldwide deployment of decentralized energy (DE) systems. WADE is now backed by national cogeneration and DE organisations, DE companies and providers, and a range of national governments. In total, WADE's direct and indirect membership support includes over 200 corporations around the world. DE technologies consist of the following forms of power generation systems that *produce electricity at or close to the point of consumption*, including:

- High efficiency cogeneration/CHP
- On-site renewable energy systems
- Energy recycling systems, including the use of waste gases, waste heat and pressure drops to generate electricity on-site.

Such systems are classified by WADE as DE regardless of project size, fuel or technology, or whether the system is on-grid or off-grid.