



For More Information:

Gregg Walker
Propane Education & Research Council
202-452-8975
gregg.walker@propanecouncil.org

PERC Study Identifies Key Markets for Propane-Fueled Distributed Generation

WASHINGTON (June 24, 2010) — A new study sponsored by the Propane Education & Research Council (PERC) estimates that advanced propane distributed generation applications could consume more than 500 million gallons of propane per year. Achieving this potential could drive industry growth and increase year-round propane demand.

The *Propane Distributed Generation Market Assessment*, conducted by Resource Dynamics Corp., identifies advanced DG applications with the greatest potential to increase U.S. propane sales and estimates the size of the market for each. The study also outlines a commercialization strategy for the largest market opportunities.

“New technology has created new and improved applications, while opening new markets for propane DG,” said Greg Kerr, PERC director of research and development. “The study will help us concentrate our technology development and commercialization efforts on systems that can have the biggest impact on propane sales.”

Researchers reviewed a variety of propane applications in states where market conditions were more favorable for propane DG. They also included states with a significant and growing population of off-grid homes. Researchers then integrated pricing, technology, and site information to estimate the potential markets for each application across a range of established and emerging residential, commercial, and industrial end uses.

Combined heat and power applications in the commercial and industrial sectors stood out as the largest potential market for propane. Study estimates indicate a total potential of more than 430 million gallons of propane per year, with possible payback periods of less than five years for CHP systems in industrial settings and of seven years or less for commercial CHP systems in apartment buildings, hotels, and hospitals in selected states.

To help capture this potential, PERC is pursuing a number of commercial and industrial CHP promotion efforts, including the installation of the 1.2-kilowatt Freewatt Plus system for demonstration at three small commercial sites in the Northeast. PERC is also supporting a field test of a large CHP system at a resort in Kauai, Hawaii; small-commercial demonstration of the 10-kilowatt Yanmar micro-CHP system; and field test of the 4.7-kilowatt Ecopower micro-CHP system at a greenhouse in Pennsylvania.



The Propane Education & Research Council was authorized by the U.S. Congress with the passage of Public Law 104-284, the Propane Education and Research Act (PERA), signed into law on October 11, 1996. The mission of the Propane Education & Research Council is to promote the safe, efficient use of odorized propane gas as a preferred energy source.

The study cites gas heat pumps as another large market opportunity for propane — a potential market of more than 140 million gallons per year. PERC is working to support the growth of this market through the development and demonstration a prototype 10-ton rooftop gas heat pump air conditioning package unit for commercial use.

Emerging markets for propane DG were also identified in the study. Estimates indicate that renewable hybrid power generation systems for off-grid homes could represent more than 50 million gallons of propane sales per year, largely because of the long life and low maintenance of new premium generators. Researchers also found that systems for use at remote telecommunications and radio tower sites represent nearly 12 million gallons of potential propane sales per year, while systems for cathodic protection of pipelines, ships, and offshore oil structures represent more than 13 million gallons of potential propane sales per year.

To get more information about the *Propane Distributed Generation Market Assessment* or to download a copy of the report, visit www.propaneresearch.com or get in touch with PERC's Brandon Robinson at brandon.robinson@propanecouncil.org.

<end>



The Propane Education & Research Council was authorized by the U.S. Congress with the passage of Public Law 104-284, the Propane Education and Research Act (PERA), signed into law on October 11, 1996. The mission of the Propane Education & Research Council is to promote the safe, efficient use of odorized propane gas as a preferred energy source.