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## Distributed Generation Growth Is Increasingly Vigorous and Consistent Compared with Past Experience

Corona, California, April 21, 2006 – **Darnell Group Inc.** announced publication of its latest report, "**Power Electronics for Distributed and Cogeneration**" This second edition, 184-page report provides a detailed and in-depth examination of the trends driving the power electronics market in a variety of distributed and cogeneration technologies. Given the rebound in the global economy and the increasing demand for reliable electric power, the projected growth in the DCG power electronics market through 2011 should be more vigorous and consistent than over the past several years. Distributed and Cogeneration (DCG) technology, including gas turbines, gensets, microturbines, wind turbines, variable speed generators, photovoltaics and fuel cells, has been gaining momentum for quite some time now. The combination of continued growth, the reduction of greenhouse gas emissions, new and innovative technologies and the need for reliable power should provide the ideal environment for growth of power electronics in the distributed and cogeneration industry. Over the next several years and into the next decade, the importance of power electronics in the DCG industry is expected to grow tremendously and be the primary facilitator of future DCG applications.

Demand for power reliability combined with increasing power shortages, inadequate power transmission and distribution capacity, utility restructuring, volatile electricity prices, technology advancements and public environmental policies have opened the market for distributed and cogeneration projects and their accompanying power electronics components. The projected worldwide dollar market for DCG power electronics is expected to increase from \$3.7 billion in 2006 to \$7.6 billion in 2011, a compounded average annual growth rate of 15.4%. The market growth rates for these projects vary from region to region.

The power electronics market potential for these projects varies depending on which DCG technology they serve. Wind turbines are the biggest market for power electronics, while photovoltaics, microturbines and fuel cells will have higher growth rates. The gas turbine and genset markets will benefit from the growing interest in the Combined Heat and Power (CHP) application. This edition also looks at the market for variable speed generators. Inverters represent a large and fast-growing opportunity. The worldwide inverter market is projected to increase from \$2.2 billion in 2006 to \$4.9 billion in 2011, a CAGR of 17.3%.

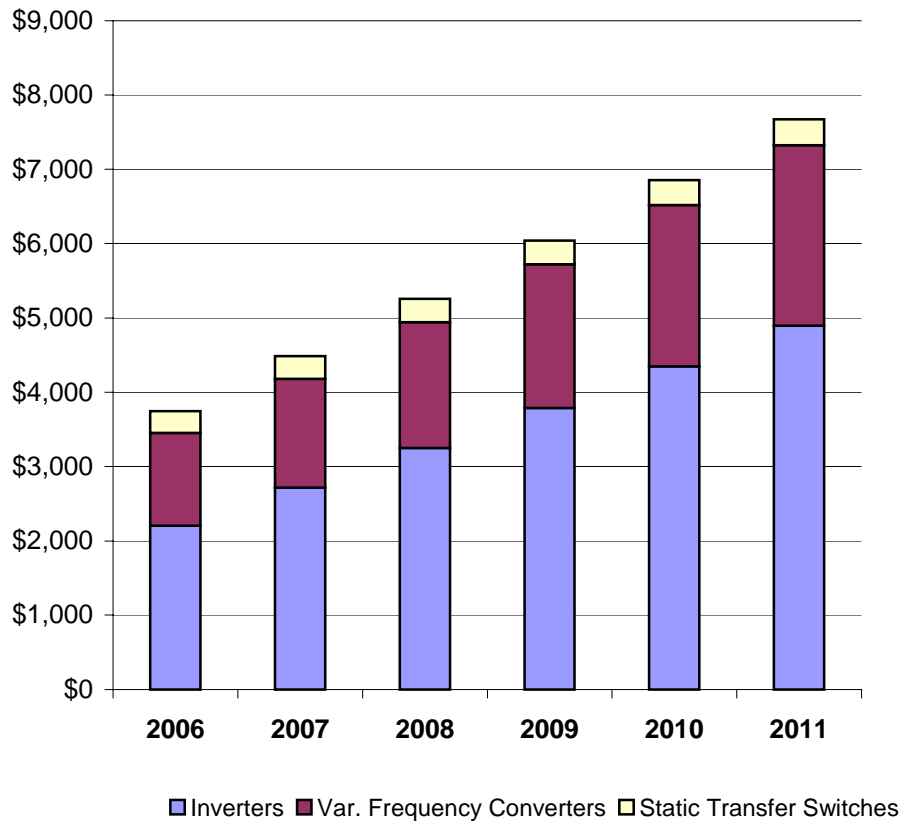
One of the biggest challenges facing DCG power electronics is how to revise and improve existing regulations so that DCG can be effectively and safely integrated into the utility grid. The on-going development of interconnection standards and regulations will present both market opportunities and technology challenges for the power electronics industry. Future research and development efforts will need to focus on improving efficiency and reliability, communication and interface, thermal management, reducing parts and points of failure, packaging and bringing down cost.

Darnell's Power Electronics for Distributed and Cogeneration report is now available. For more information, or to order the report, please contact Darnell by phone at (951) 279-6684 x240; by e-mail at [jshepard@darnell.com](mailto:jshepard@darnell.com); or visit [http://www.darnell.com/consulting/study.php?mc\\_id=28](http://www.darnell.com/consulting/study.php?mc_id=28) to view the abstract, outline and order form.

Darnell Group is the leading source for worldwide strategic information covering the full spectrum of power electronics, energy storage and generation. The company specializes in the economic/business analysis of emerging power markets and technologies.



### Worldwide DCG Power Electronics Market By DCG Product (millions of dollars)



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