



CERAMIC FUEL CELLS LIMITED

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INDUSTRY NEWS

CSIRO predicts huge market for Distributed Generation

The Australian Government research organisation, CSIRO, has released a detailed study of the value proposition for distributed energy in Australia.

The 'Intelligent Grid' report is available at <http://www.csiro.au/resources/IG-report.html>. (The full report is 592 pages – it can be downloaded in parts.)

The Intelligent Grid report is the culmination of a three year research program which examined the social, technological, environmental and economic value of widespread distributed energy use in Australia.

The report outlines the potential contribution distributed energy can make to reduce greenhouse gas emissions in Australia and how these benefits can be realised.

The study estimates the value of ***wide-scale uptake of distributed energy in Australia could be worth as much as A\$130 billion in today's money by 2050.***

Australian Academy of Science Calls for Fuel Cell Feed-in Tariff

The Australian Academy of Science has released a report on '[Australia's Renewable Energy Future](#)'. The report builds on a lecture series hosted by the Academy, including a presentation by Dr Karl Föger, Chief Technology Officer of Ceramic Fuel Cells.

The report includes a strong endorsement of the need to transform Australia's energy system, and the role for highly efficient fuel cell generators.

Some notable quotes from the report (with some emphasis added):

*The adaptation of the electricity and power distribution grid to facilitate the low-carbon economy appears to be pivotal. **The current model of a 'dumb' grid, centralised power generation, and high-loss transmission is unsustainable.***

*A successful model for the low-carbon economy **must also embrace efficient non-renewable forms of energy** such as liquid natural gas (LNG). Natural gas provides notable advantages in electricity generation, heating and transport as it yields relatively less greenhouse gas emissions per energy output, and can make use of modern, efficient equipment.*

*Although not strictly a 'renewable' energy resource, the combined heat and power (CHP) technology, of which fuel cells are one type, **represent an important part of Australia's energy future**, given our very large resources of natural gas. This technology is suitable for use at both grid and domestic scales, and could save between 8 to 16 tonnes of per capita emissions of CO₂ equivalent per year.*

The advantages of fuel cell technology can be summarised as follows:

- ✓ *very high efficiency of conversion to electrical power*
- ✓ *low CO2 emissions and noise*
- ✓ *ideal for dispersed electrical generation*
- ✓ *excellent load-following capability*
- ✓ *suitable for co-generation (heat plus electricity).*

*Fuel cell technology has the potential to overcome the issue of limited load cycles associated with truly renewable energy resources such as wind and solar photovoltaic. Fuel cell grid systems provide a 'controllable' generator able to respond rapidly to changes in load, and would therefore make a **substantial contribution to grid stability**, comparable to installation of significant energy storage.*

The fuel cell technology is available 'off the shelf', but requires stimulation of demand to achieve significant market penetration in Australia, as volume manufacturing and sales are required to achieve commercially attractive cost targets.

The report recommends several options for encouraging the deployment of fuel cell products, including **a national system of feed-in tariff rates for combined heat and power (CHP) domestic generation.**

Many other markets have introduced premium feed-in tariffs for small scale natural gas fuel cell generators, including Germany, the United Kingdom, France and The Netherlands. California is consulting now on a similar policy.

Ceramic Fuel Cells will continue to lobby Governments in Australia to introduce a feed-in tariff for small scale natural gas fuel cell generators. We welcome the support of the Australian Academy of Science.

ACT Government - Electricity Feed-in Tariff Consultation

The Australian Capital Territory (Canberra, for our overseas readers!) introduced a feed-in on 1 March 2009. The ACT Government is currently consulting on the possible expansion of the scheme.

More details, including contact details for the Government department, are at <http://www.environment.act.gov.au/energy/fit>

Ceramic Fuel Cells has made a submission, calling for the scheme to be expanded to require electricity retailers to buy back power exported to the grid from small scale, low emission technologies like fuel cell generators, on a '1 for 1' feed in tariff equal to the retail electricity price. (Small scale solar PV units receive a premium feed-in tariff of 50 cents per kWh.)

Ceramic Fuel Cells' submission is available [here](#).

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For further information please contact:

Ceramic Fuel Cells

Frank Obernitz

Andrew Neilson

Tel: +49 171 330 0721

Tel: +61 419 950 771

Email: investor@cfcl.com.au

Nomura Code Securities (AIM Nomad)

Juliet Thompson / Chris Golden

Tel: +44 (0) 207 776 1200

German Media enquiries

Matthias Baumgarten, PR Partner

Tel: +49 172 850 4975

UK Media enquiries

Sarah MacLeod, Hogarth Partnership

Tel: +44 7747 602 739

Australia Media enquiries

Richard Allen, Oxygen Financial Public Relations

Tel: +613 9915 6341

About Ceramic Fuel Cells Limited

Ceramic Fuel Cells Limited is a world leader in developing fuel cell technology to provide highly efficient and low-emission electricity from widely available natural gas. The Company is developing micro combined heat and power and distributed generation units that generate electricity and heat for homes and other buildings. Ceramic Fuel Cells is developing products with leading appliance partners and utility customers in Germany, France, the United Kingdom and Japan. In 2009 the company launched its BlueGen gas-to-electricity product.

Ceramic Fuel Cells is headquartered in Melbourne, and has operations in the UK and Germany. In October 2009 the Company opened its fuel cell stack manufacturing plant in the Industriepark Oberbruch in the North Rhine-Westphalia region of Germany. The Company is listed on the London Stock Exchange AIM market and the Australian Securities Exchange (code CFU).

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