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Big power companies invest in mini generators

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Mark Milner, industrial editor

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Two of Britain's leading energy suppliers have signed agreements with companies aiming to put mini-power stations into Britain's homes.

Centrica is investing more than £20m in Ceres Power, an Aim-quoted fuel cell company, for the development of combined heat and power (CHP) products and E.ON is linking with Energetix in Chester to produce a CHP unit.

The initiatives come as the government is pushing forward with a series of measures aimed at curbing Britain's carbon dioxide emissions. Domestic CHP units recycle heat and generate electricity that can be used in the home or sold to the National Grid. They produce electricity more efficiently than conventional fossil fuel-fired power stations, offering the prospect of lower fuel bills. According to E.ON, the Energetix CHP unit could cut energy bills by £150 a year.

British Gas, a Centrica subsidiary, said that about 1.5m boilers were replaced in Britain every year and that industry and government forecasts suggested CHP could take 30% of the market by 2015.

Centrica's chief executive, Sam Laidlaw, said: "Fuel-cell technology has the potential to transform the domestic central heating market, enabling our customers to generate cheap, reliable and low-carbon electricity in their own homes."

Under the agreement with Ceres, Centrica will pay £20m for a near-10% stake in the company and will spend a further £5m to help fund continuing development and the commercial launch of the CHP units. It has also agreed to buy a minimum of 37,500 units over a four-year period.

Under the deal between E.ON and Energetix, the utility will fund the testing and evaluation of Energetix's Genlec micro-CHP system and its commercial potential.

Charles Bradshaw-Smith, E.ON's head of innovation, said: "We're already looking at a range of micro-generation options for the UK, all of which have the potential to help our customers become more energy efficient."

Another Aim-listed energy company, Renewable Energy Holdings, said yesterday that it had reached agreement with EDF Energies Nouvelles that will allow the French company to use REH's wave-power technology in the northern hemisphere. EDF has invested £3m in the project.

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