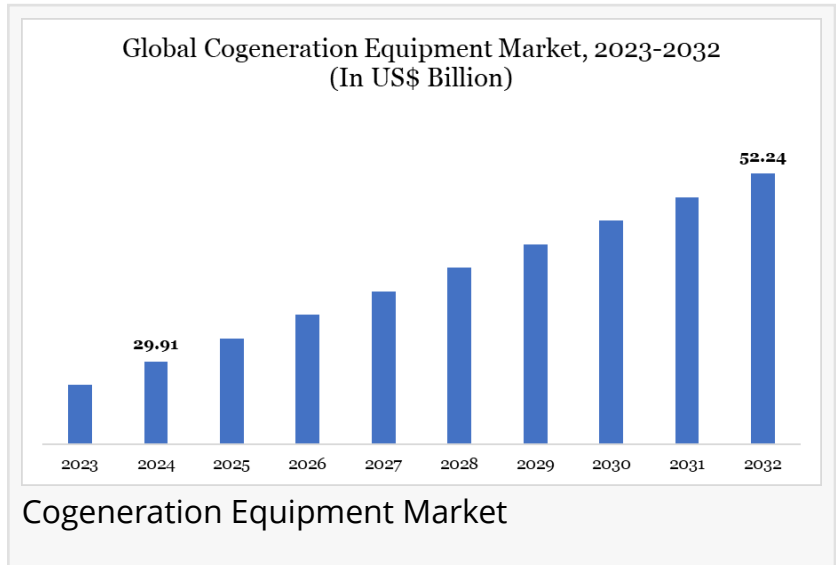


Cogeneration Equipment Market to Reach \$52.24B by 2032 | CAGR 7.22% Forecast (2025–2032)

The Cogeneration Equipment Market is set to grow from \$29.91B in 2024 to \$52.24B by 2032, driven by rising energy efficiency demand and a 7.22% CAGR.

AUSTIN, TX, UNITED STATES, June 9, 2025 /EINPresswire.com/ --
Cogeneration Equipment Market Outlook 2025

The [Cogeneration Equipment Market Size](#) was valued at USD 29.91 billion in 2024 and is expected to grow consistently, reaching nearly USD 52.24 billion by 2032, with a strong compound annual growth rate.



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The U.S. Cogeneration Equipment Market leads globally, driven by industrial demand and energy efficiency goals, contributing over 35% to the \$29.91B global market in 2024.

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DataM Intelligence

The global cogeneration equipment market has been witnessing consistent growth. The market, valued at around \$30 billion in recent years, is expected to surpass \$32 billion by the end of 2025. Several factors are fueling this upward trend, including rising energy demand, stricter emission regulations, and the global shift toward decentralized energy systems.

To Download Sample Report:

<https://datamintelligence.com/download-sample/cogeneration-equipment-market>

Latest Developments:

In November 2024, Yanmar Energy System Co., Ltd., part of Yanmar Holdings, finalized the

acquisition of TEDOM Group, a top producer of cogeneration units. This strategic acquisition strengthens Yanmar's role in the decentralized energy market by combining TEDOM's expertise and international reach to deliver advanced energy solutions and services.

Why Cogeneration Is Booming

One of the biggest advantages of cogeneration systems is their ability to improve energy efficiency. Traditional power plants waste a significant portion of energy in the form of heat. CHP systems capture waste heat and repurpose it for industrial or heating needs, boosting efficiency up to 80%, versus about 50% in traditional setups.

Another key driver is the growing use of natural gas, biogas, and hydrogen-based fuels, which align well with cogeneration technology. As energy prices continue to fluctuate, industries are increasingly turning to CHP systems to stabilize energy costs while lowering carbon footprints.

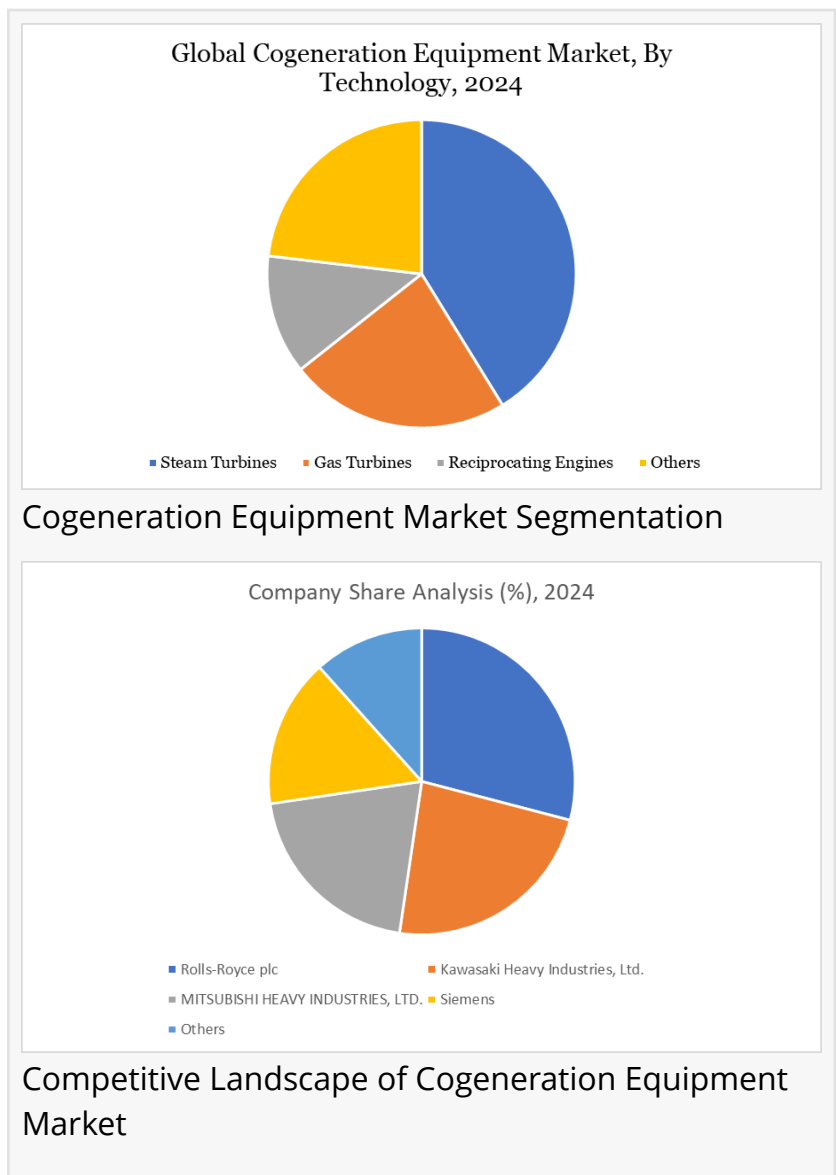
Large industries, universities, hospitals, and manufacturing plants are among the biggest adopters of cogeneration systems. Even residential areas and data centers are beginning to explore compact, efficient systems as backup or primary power sources.

Regional Outlook

North America

North America particularly the United States represents one of the most established and advanced markets for cogeneration systems. The region benefits from strong infrastructure, policy incentives, and a demand for reliable power in sectors like chemicals, paper, and food processing. The move toward energy independence and sustainability is also pushing companies to adopt self-generation systems.

Europe



Europe has long been a pioneer in cogeneration. Countries like Germany, Denmark, and the Netherlands have integrated CHP into their energy planning, often offering tax benefits or subsidies. As Europe pursues aggressive climate goals, the role of decentralized energy generation is expected to increase even more.

Asia-Pacific

Asia-Pacific is the fastest-growing region in this market. The rapid pace of industrialization in countries like China, India, and Indonesia, combined with urban expansion, has led to increasing interest in cogeneration systems. Japan and South Korea are emerging as key players in the market, driven by their strong emphasis on clean energy and energy security.

Key Companies Driving Innovation

Rolls-Royce plc

Kawasaki Heavy Industries, Ltd.

MITSUBISHI HEAVY INDUSTRIES, LTD.

Siemens

GE Vernova

Wärtsilä

AB HOLDING SPA

Clarke Energy

YANMAR HOLDINGS CO., LTD.

Cummins Inc.

Market Segmentation:

By Fuel: Coal, Natural Gas, Biomass, Others

By Technology: Steam Turbines, Gas Turbines, Reciprocating Engines, Others

By Capacity: Up to 30 MW, 31-50 MW, Above 50 MW

By Application: Industrial, Commercial, Residential

Latest News from the USA

In the United States, the cogeneration market continues to evolve with a clear push toward cleaner fuels and higher efficiency. Several energy-intensive industries have either upgraded or committed to cogeneration installations as part of their carbon reduction strategies.

One notable trend is the increasing investment in natural gas-based CHP systems. Many industrial plants are transitioning away from coal-fired systems and embracing gas turbines or reciprocating engines to meet both electricity and thermal demands. This has the added benefit of reducing dependency on the grid, which has become less predictable due to rising extreme weather events.

Several state-level incentive programs especially in California, New York, and Texas are encouraging businesses to invest in cogeneration. These programs provide grants, tax credits, or rebates to companies that install qualified systems. Moreover, the inclusion of CHP in resilience and emergency preparedness plans following recent natural disasters has made it an attractive option.

Universities and medical campuses are also leading adopters. Their need for reliable power, along with heating and cooling, makes cogeneration a smart choice for operational efficiency and energy security.

Latest News from Japan

Japan has long been a strong proponent of cogeneration, especially in the aftermath of the Fukushima disaster, which led to a national rethink of energy policies. The country has since focused on diversifying its energy mix and reducing dependence on nuclear and imported fossil fuels.

Recently, there has been growing interest in hydrogen-fueled cogeneration systems. Japanese manufacturers are investing heavily in compact hydrogen-based CHP units suitable for residential and commercial settings. The government has also rolled out pilot projects in smart cities where cogeneration is integrated with solar and battery storage to form microgrids.

Tokyo and Osaka have introduced policies to promote energy resilience, especially in high-rise buildings and critical facilities. Cogeneration systems are increasingly being deployed in hospitals, schools, and government facilities to ensure uninterrupted power during emergencies.

Furthermore, major Japanese corporations are developing export-ready CHP units tailored for Southeast Asian markets, focusing on compact design, low emissions, and ease of installation.

Conclusion

The cogeneration equipment market is experiencing steady and sustained growth. As nations seek sustainable energy strategies, cogeneration offers a practical, efficient, and increasingly clean solution. With strong adoption in the U.S., innovation in Japan, and growing interest across the globe, this sector is poised to play a pivotal role in reshaping how we produce and use energy. By 2025 and beyond, expect cogeneration to move from a niche solution to a mainstream energy cornerstone.

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Sai Kiran

DataM Intelligence 4Market Research

+1 877-441-4866

Sai.k@datamintelligence.com

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