

CHP Integrated with Packaged Boilers

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CMCE, Inc. and Altex Technologies Corporation

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U.S. DOE Industrial Distributed Energy Portfolio Review Meeting

Washington, D.C.

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EXECUTIVE SUMMARY

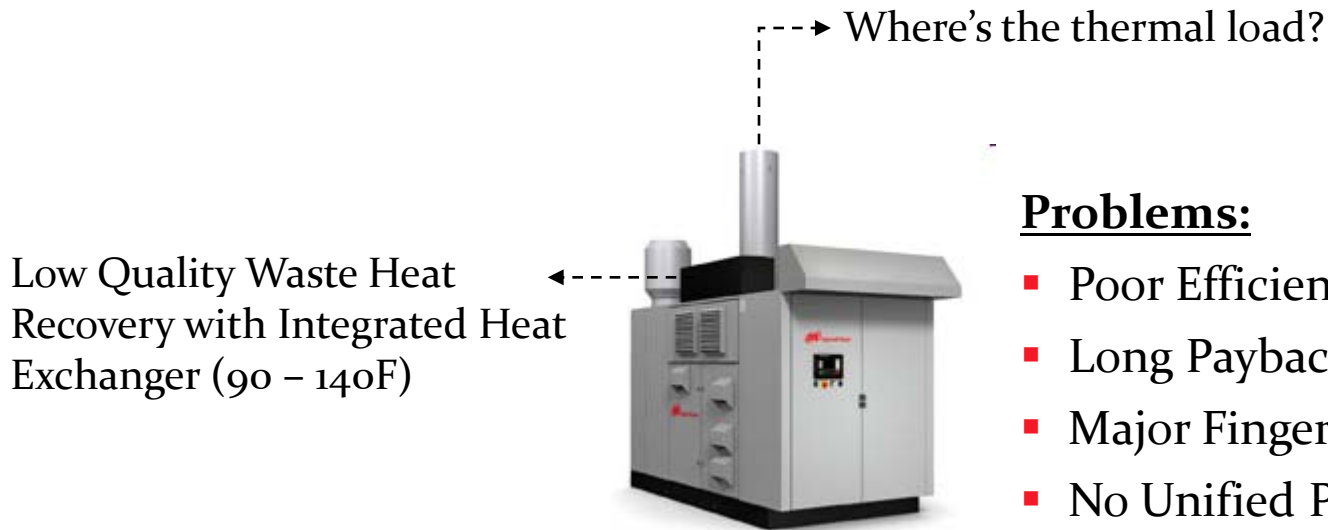
- Surveyed Boiler OEM Designs for Key Burner Retrofit Features
- Developed BBEST Design Specifications to Address Population
- Developed Engineering and Target Specifications
- Developed PI&D and Key Component Designs
- Engineered Microturbine Changes for Simple Cycle
- Engineered and Designed Integrated Burner-Microturbine Package
- Engineered and Designed New Ultra Low NO_x Combustor
- Developed Integrated Control Logic and Initiated Procurement
- Executed Purchase of Microturbine and Auxiliary Components
- Expanded Test Laboratory with New Firetube Boiler for Lab Testing
- Secured Host Site in California
- Initiated Fabrication of BBEST Components

PROJECT OBJECTIVE

- *Engineer, Design, Fabricate, and Field Demonstrate a Boiler-Burner-Energy System Technology (BBEST) to Replace Conventional Low NO_x Burners on Packaged Boilers (5-50 MMBtu/hr)*
- BBEST: Integration of a 100 kW Simple Cycle Microturbine with an Ultra Low NO_x Burner into one Assembly with Integrated Controls
 - CARB 2007 CHP Compliance
 - 9-ppm NO_x Boiler Compliance
 - 3,800 Btu/kWh Heat Rate with Corresponding Reductions in CO₂ by 0.18-0.64 tons/MWh (0.40 tons/MWh average)
 - Integrated Boiler and Microturbine Controls
 - Improved Boiler Efficiency Compared to Conventional 9-ppm Burners
 - Reliability on Par with Conventional Burners
 - Other Synergistic Benefits for Boiler Operation

STATE OF ART: CONVENTIONAL DG

- Problem: Today's CHP Focuses on Power First
 - Difficult Market Entry
 - Limited to Niche Markets



Problems:

- Poor Efficiency (~60%)
- Long Payback (5+)
- Major Finger Pointing
- No Unified Process Controls

STATE OF THE ART: BOILER PROBLEMS

Rising Electricity Prices



Tighter Emission Regulations



Poor Energy Efficiency

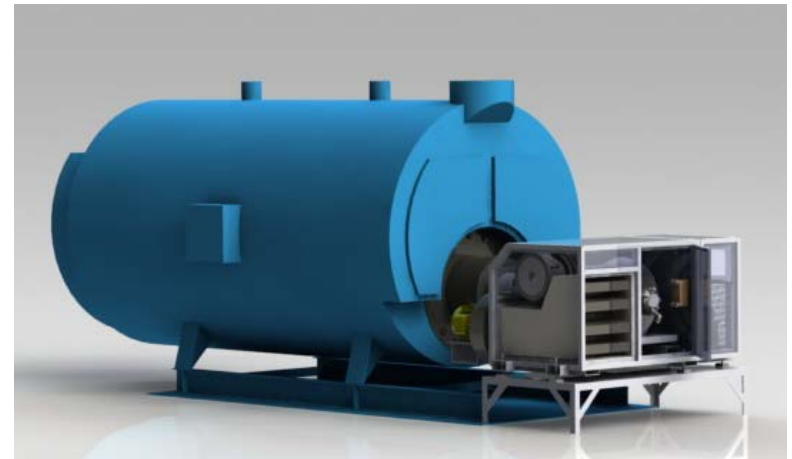
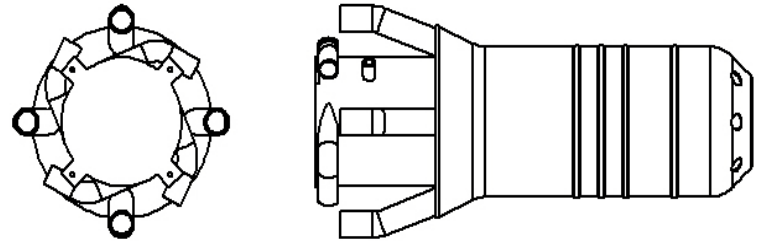


TECHNICAL APPROACH

BBEST Most Cost-Effective Combined Heat and Power CHP System Plug-and-Play Retrofit

Innovations:

- Integrated the Exhaust from a CARB-Compliant Simple Cycle Microturbine with a Commercially Proven Ultra Low NOx Burner
- Operates Like a Conventional Burner that Co-generates Peak Efficiency Power
- Microturbine Flow Energy Recovery to Increase Energy Efficiency
- Low Cost for Quick Payback (<2 yrs)
- Industrial Reliability and User Friendly



TECHNICAL APPROACH

Leadership Positions:

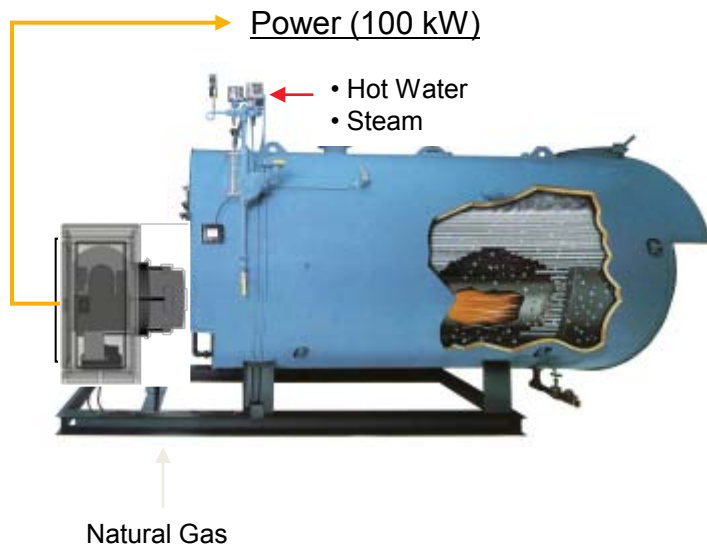
- CHP Experience of CMCE with Commercialization of Altex Burner Technologies

Market Execution:

- Investment into Commercialization
- Securing Key Suppliers of Key Components
- Engineering and Building Proprietary Systems
- Securing Boiler OEM Partnership
- Building Commercial Pipeline
- Securing Industry Representation
- Executing Field Services Agreements



TRANSITION & DEPLOYMENT



- Boilers
- 5-50 MM BTU/hr Firing Rate
- Industrial, Commercial, Municipal
- Population Estimate: 450K worldwide

Industrial



Food



Chemical

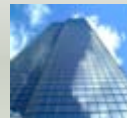
Commercial



Hospital



Hotel



Office

Municipal



College



Gov

MEASURE OF SUCCESS

Gas-fired Power Plant
40% Efficient

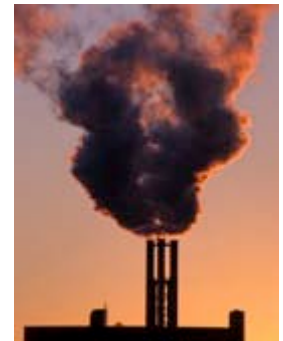


BBEST



	Natural Gas Usage (kW)	
	<u>Before</u>	<u>After</u>
Boiler Blower*	50 kW	0 kW
Electricity (100 kWh)	250 kW	111.3 kW
Total	300 kW	111.3 kW

**Coal-fired
Power Plant**



85% Less CO₂

63% Less Fuel and CO₂

BENEFITS

■ ENERGY BENEFITS:

- 3,000 Btu/kWh savings compared to Modern Central Station; 6,000 Btu/kWh savings compared to Coal Plant
- Energy savings = $(0.5 * 3,000 + 0.5 * 6,000 \text{ Btu/kWh}) * (\text{net generation of SCMT}) * (\text{no of units}) * (\text{load factor hrs/yr})$
- ~ 130,000 U.S. Installations == $0.4 \times 10^{15} \text{ Btu/yr}$ (0.4 Quads)

■ ECONOMIC BENEFITS:

- Generating Power Cheapest Way Possible @ 2.5 c/kWh (\$0.70/therm)
- \$85,000-\$120,000/yr savings (electricity and boiler efficiency gains)

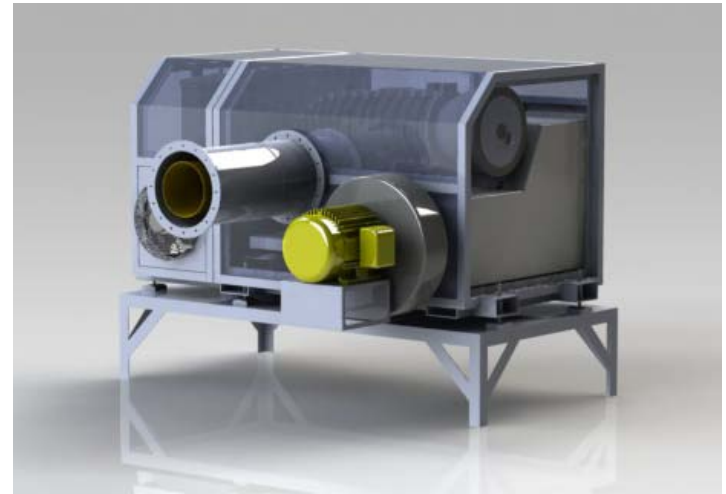
■ ENVIRONMENTAL BENEFITS:

- 33 million tons/yr CO₂ Reduction

$$\frac{\text{tons CO}_2}{\text{yr}} = 10^6 * \left(0.5 * \frac{0.77 \text{ lb C}}{\text{lb gas}} * \frac{\text{lb gas}}{23,600 \text{ Btu}} + 0.5 * \frac{0.87 \text{ lb C}}{\text{lb coal}} * \frac{\text{lb coal}}{12,000 \text{ Btu}} \right) * \frac{44}{12} \frac{0.4 * 10^9 \text{ MBtu}}{(\text{yr}) * 2,000 \text{ lb / ton}} = 33 * 10^6$$

COMMERCIALIZATION APPROACH

- Founded a new company (Leva Energy, Inc.) to commercialize BBEST
- Funded by CMCE, Inc. and Altex Technologies Corporation
- Receiving investor/customer interest (lead funder identified)
- Growing pipeline
- Scale beta unit design to fabricate/manufacture commercial units
- Target high-rate markets where combo of incentive/regulation exists
- Established Supply, Product and OEM channels



PROJECT MANAGEMENT & BUDGET

- Total Project Investment: \$2.827 million (incl. 40% cost share)
- Accelerated project timeline to meet NOx compliance mandates in CA, commercialization, and market opportunities
- On track to complete project by 2012 (depending on Host Site)

Task	Completion %	Complete Date
Task 1	15	March 2013
Task 2	50	June 2011
Task 3	60	September 2011
Task 4	10	September 2011
Task 5	10	October 2011
Task 6	0	November 2011
Task 7	0	January 2012
Task 8	0	March 2012

PROJECT MANAGEMENT & BUDGET

Project Budget				
	FY11	FY12	FY13	FY14
DOE Investment	\$849,949	\$585,316	\$250,349	
Cost Share	\$251,075	\$323,116	\$570,199	
Project Total	\$1,098,024	\$908,432	\$820,548	

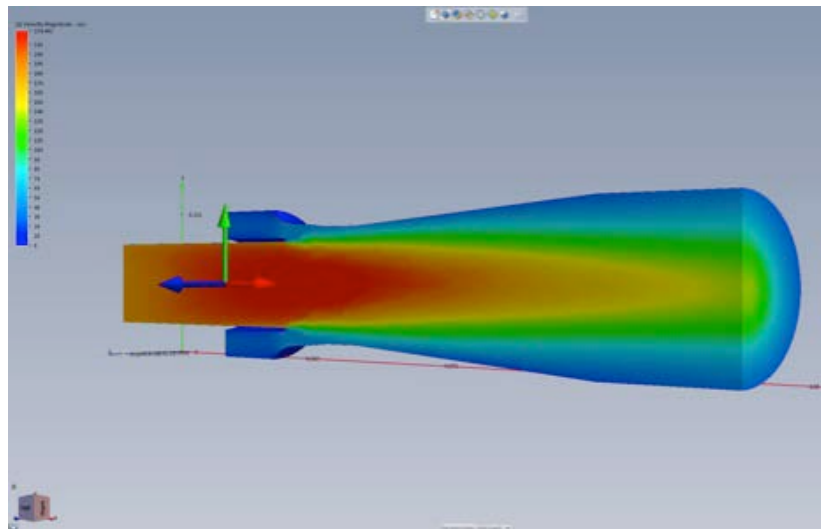
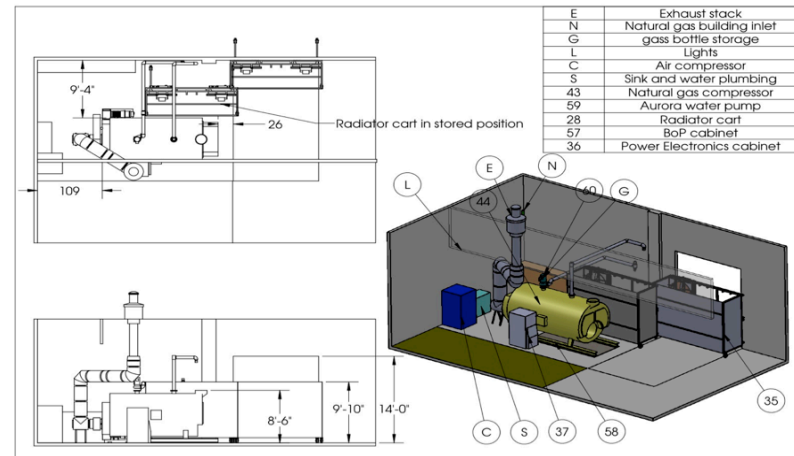
Cost Share Details (approximate):

- California Energy Commission: \$850,000
- Recipients: \$150,000
- Host Site: \$114,000

RESULTS & ACCOMPLISHMENTS

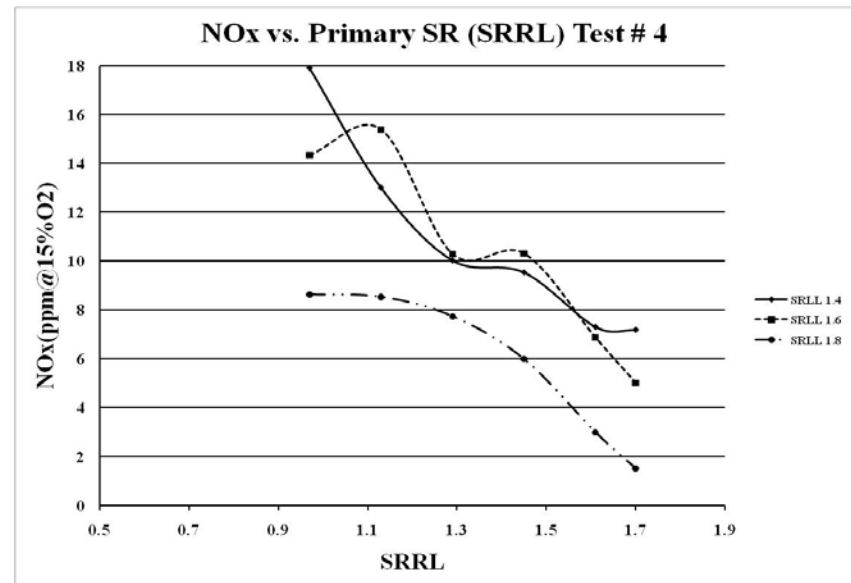
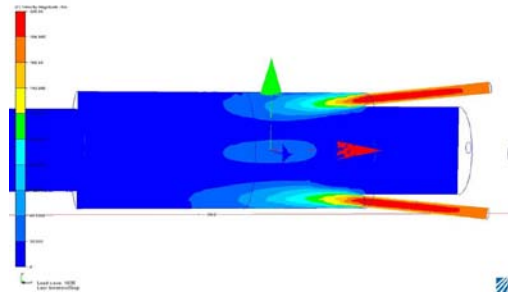
Major Accomplishments:

- Secured Key Suppliers
- Finalized Product Design/Footprint
- Performed CFD Testing on Key Components
- Initiated Integrated Control Development
- Building Boiler Test Cell
- Established Boiler OEM Partnerships for Testing/Integration



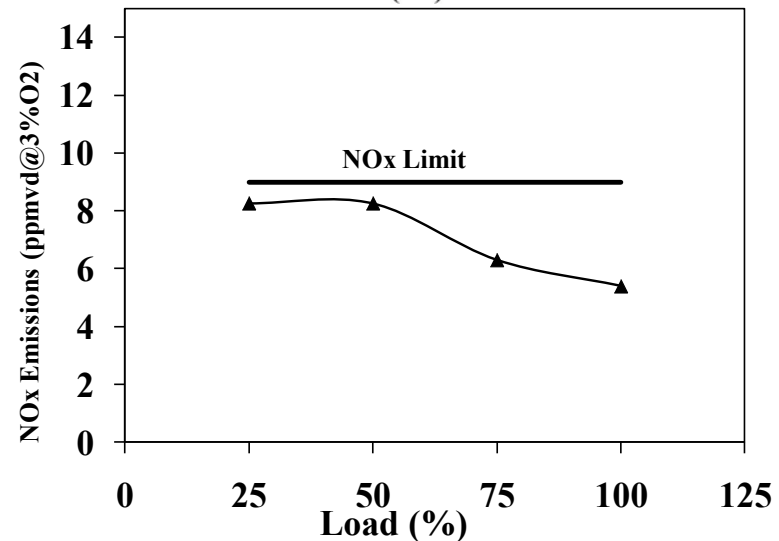
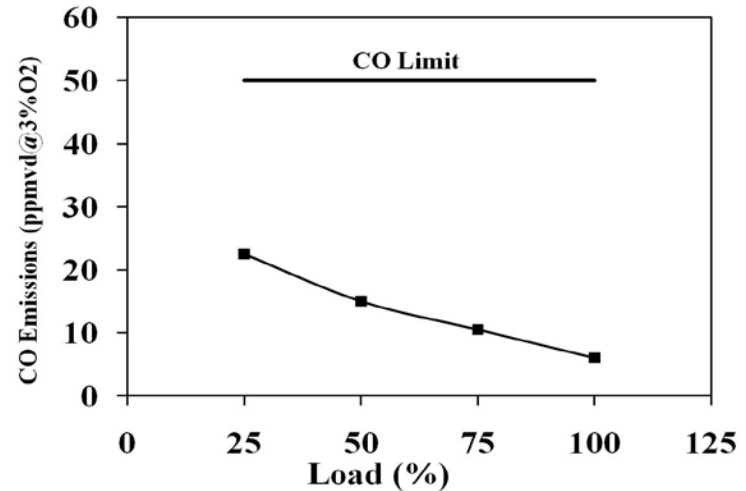
RESULTS & ACCOMPLISHMENT

- Combustor Bench Scale Testing Concluded
- Detailed Modeling of Combustor Completed
- Replacement Combustor Designed and Initiated Materials Procurement
- Microturbine Housing Modifications Designed



RESULTS & ACCOMPLISHMENT

- CFD Modeling of Integration Concluded
- BBEST P&ID and Dimensions Finalized
- Integrated Burner-Microturbine Control Logic Established
- Burner Operation Matched with Fixed Turbine Exhaust
- Preliminary BBEST Emissions Performance Established at Bench Scale



PATH FORWARD

- Complete Fabrication of Microturbine Combustor / Initiate Testing
- Complete Burner and System Interface Fabrication
- Complete Integrated Burner-Microturbine Controls
- Assemble and Lab Test BBEST on Commercial Boiler
- Optimize System and Components as Necessary
- Install at Host Site
- Perform Field Application Tests
- Finalize Commercialization
- Report Final Results to DOE

QUESTIONS?