

Clean Energy Solutions for Biogas Utilization

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ESSRE Presentation Outline

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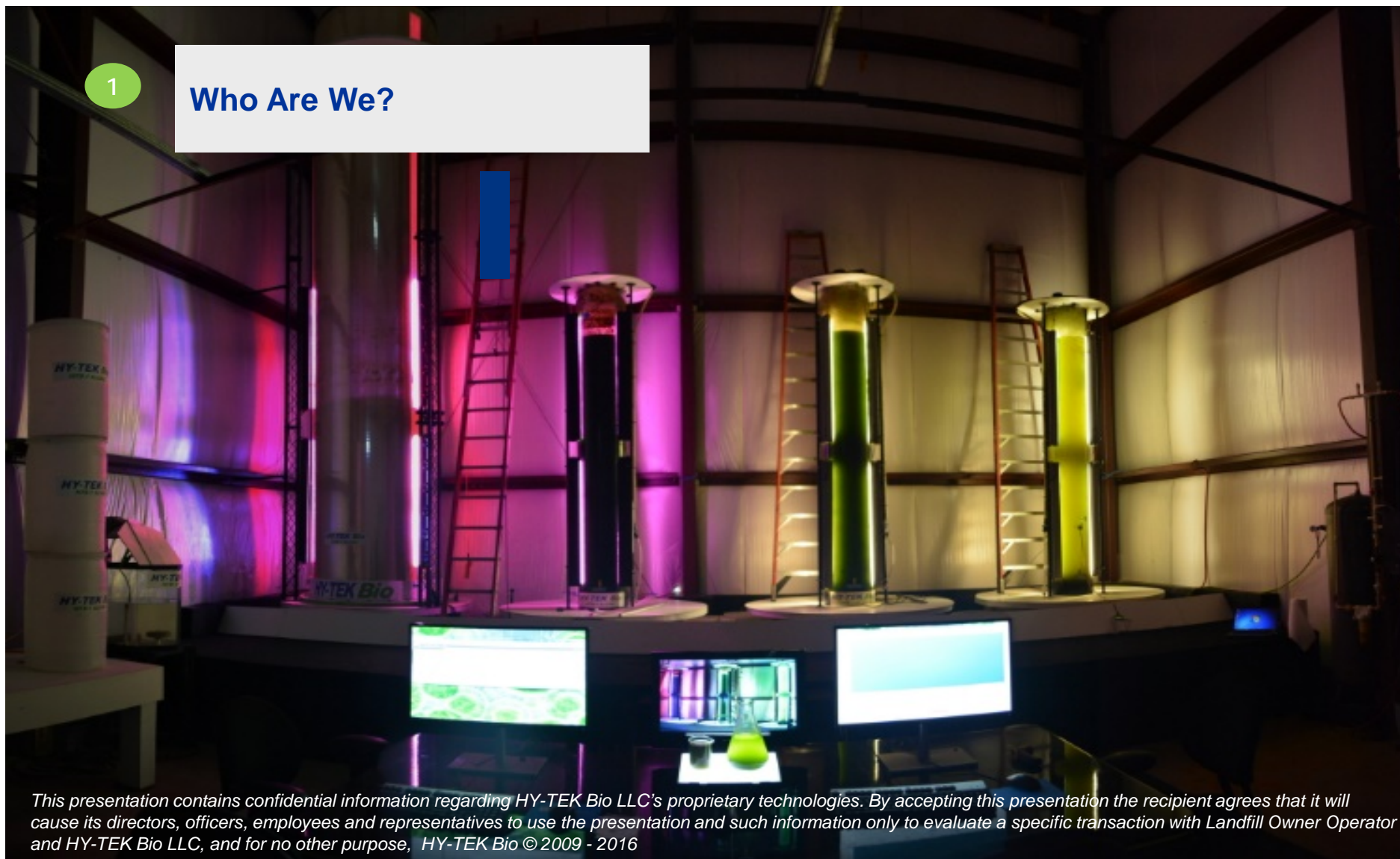
Business Model & \$\$ Sharing

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Outline

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Who Are We?



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HY-TEK Bio, LLC.

Role: Technology provider; engineering, procurement and construction support.

- **Privately held – Headquartered in Dayton, Maryland between Baltimore and Washington, DC; Technology Center located at Baltimore's Back River Waste Water Treatment Plant**
- **Original Equipment Manufacturer (OEM) of patent-pending Algae-based GHG Mitigation & related systems/processes**
- **Currently mitigating up to 5% of a 3 MW Digester Gas Plant since July 2012**
- **CO₂ and NO_x mitigation rates of 85% and 100% respectively, via one-fifth sized pilot scale bioreactors; fully scaled system will provide 100% mitigation capability**



The Team



President & CEO, Robert M. Mroz, is co-author of the technology, B.S.E.E. and Computer Science, University of Maryland College Park, 30 years with the Federal Communications Commission as District Director and Director of FCC Advanced Technologies Group and 36 years experience running his own technology company producing World Class Sports Software, Professional Weapons Management software and various leading edge technology products.

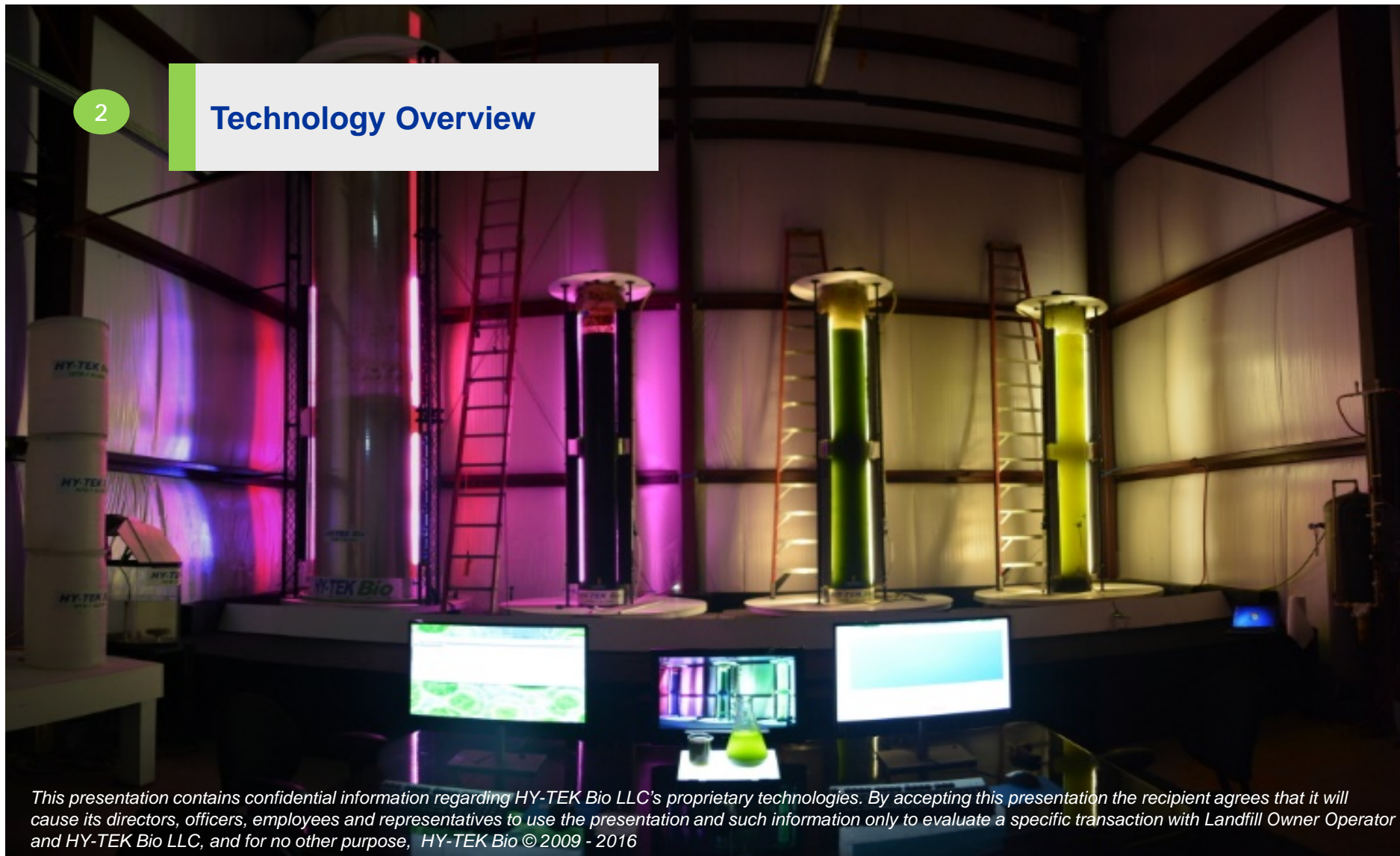
Board of Advisors consisting of business owners and operators with advanced technology backgrounds, automation control design and implementation, extensive fabrication experience with multiple materials, marketing, business development, legal and financial management expertise.



Outline

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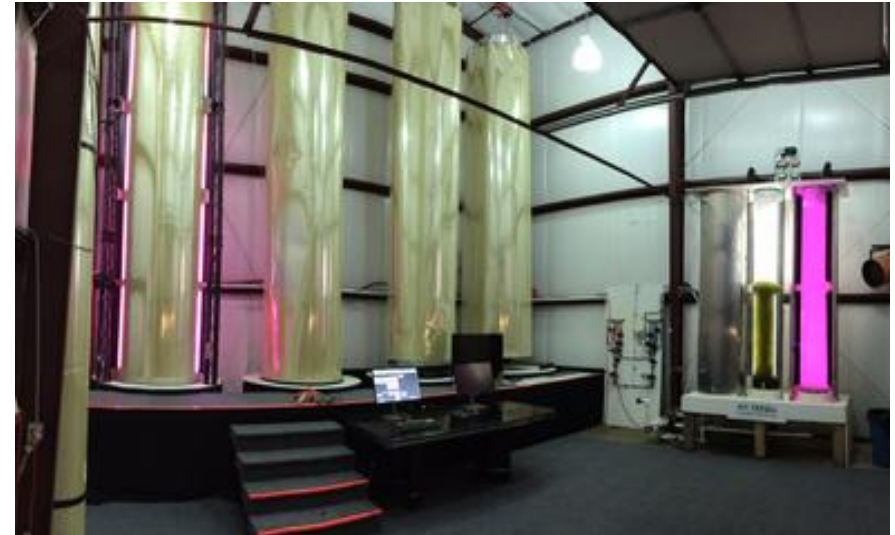
Technology Overview



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HY-TEK Bio Technology – Algae-based CO₂ GHG/NO_x Mitigation

- A breakthrough technology that can profitably mitigate 100% of CO₂, NO_x and provide Carbon Capture & Utilization (CCU).
- A CCU solution for any source of CO₂ (landfill, WWTP, power plant or other carbon emitter).
- “Natural” NO_x mitigation without the use of chemicals or catalysts
- An innovative LED Grow Light System which increases algal growth, reduces heat and power consumption and increases mitigation/volume of algae.
- Modular/scalable design speeds implementation and works with any generating capacity - from small landfills to large power plants.
- Over 12,000 hours of operating experience backed by credible third party validation.
- **CCU: Produces algae and oxygen as marketable, high-value products which generates significant revenue sharing opportunities.**



Greenhouse Gas Emission Mitigation Rates	
Emission	Rate
CO ₂ , NO _x , SO _x , VOCs	85-99% *

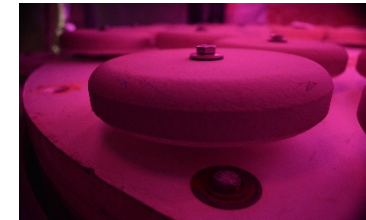
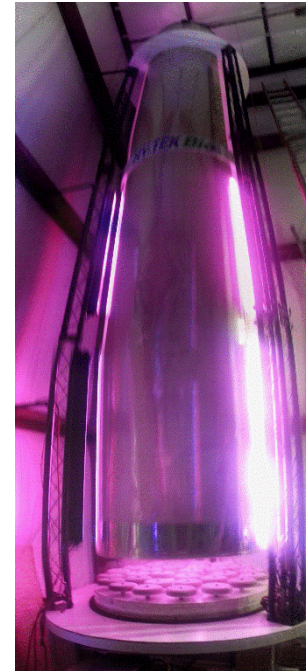
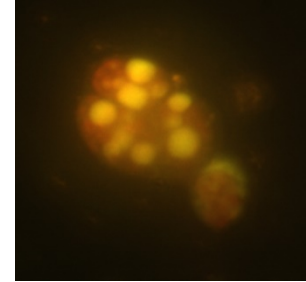
* Note: Obtained from Algae Demonstration Center.

HY-TEK Bio, LLC.

A Break-through, Patent-Pending, Natural, Clean Energy Solution

FIVE KEY COMPONENTS TO GHG MITIGATION

1. **ALGAE** – A unique strain of algae indigenous to the Chesapeake Bay that rapidly consumes NO_x, CO₂ GHGs and other emissions; *thrives at up to 100% CO₂ levels*; and, is high in lipid oil and other marketable products
2. **CONTAINMENT** – Employs a patent-pending tank construction using a laminated Mylar/Kevlar bond that reduces the cost of closed bioreactors by 90%
3. **LIGHTING** – Employs a patent-pending high intensity LED Grow Light System that uses only photosynthesis light combined with a “flash effect” that enhances algal growth to produce more mitigation per volume of algae
4. **GAS INJECTION** – A patent-pending gas injection system that insures rapid transfer of gas chemistry to the algal culture for enhanced algal growth
5. **NUTRIENT** – Uses a patent-pending process that converts poultry litter or wastewaters into a concentrated nutrient solution for cost-effective maximum growth and density of the algal strain.



Initial Algae Pilot GHG Mitigation

■ CO₂ Results

- 85% Removal Efficiency (RE) in just 9 feet
- 11.8 % vol CO₂ IN; 1.8% vol CO₂ OUT

■ NO_x Results

- ~100% Reduction
- 208 ppmv IN – Non-Detect (ND) OUT

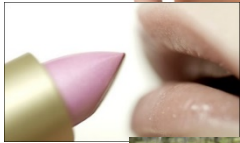
■ Data Derived from 1/15th Scale Bioreactor

- Approx. 5 cfm, 1.5 ft. diam., 9 ft. algae culture

■ Early Version Reactor Design -

- All of the Key Technology Components were not used

Commercial Demonstration Project: Why Algae?



➤ Algae and algae oil is used in the following products (partial list)

- ✓ Eye surgery and eye cleansing solutions
- ✓ Skin conditioners
- ✓ Omega-3 Fatty Acid, Nutraceutical products



- ✓ Cosmetic and paint thickeners



- ✓ Bioplastics



- ✓ Animal and human food supplements

- ✓ Biofuels



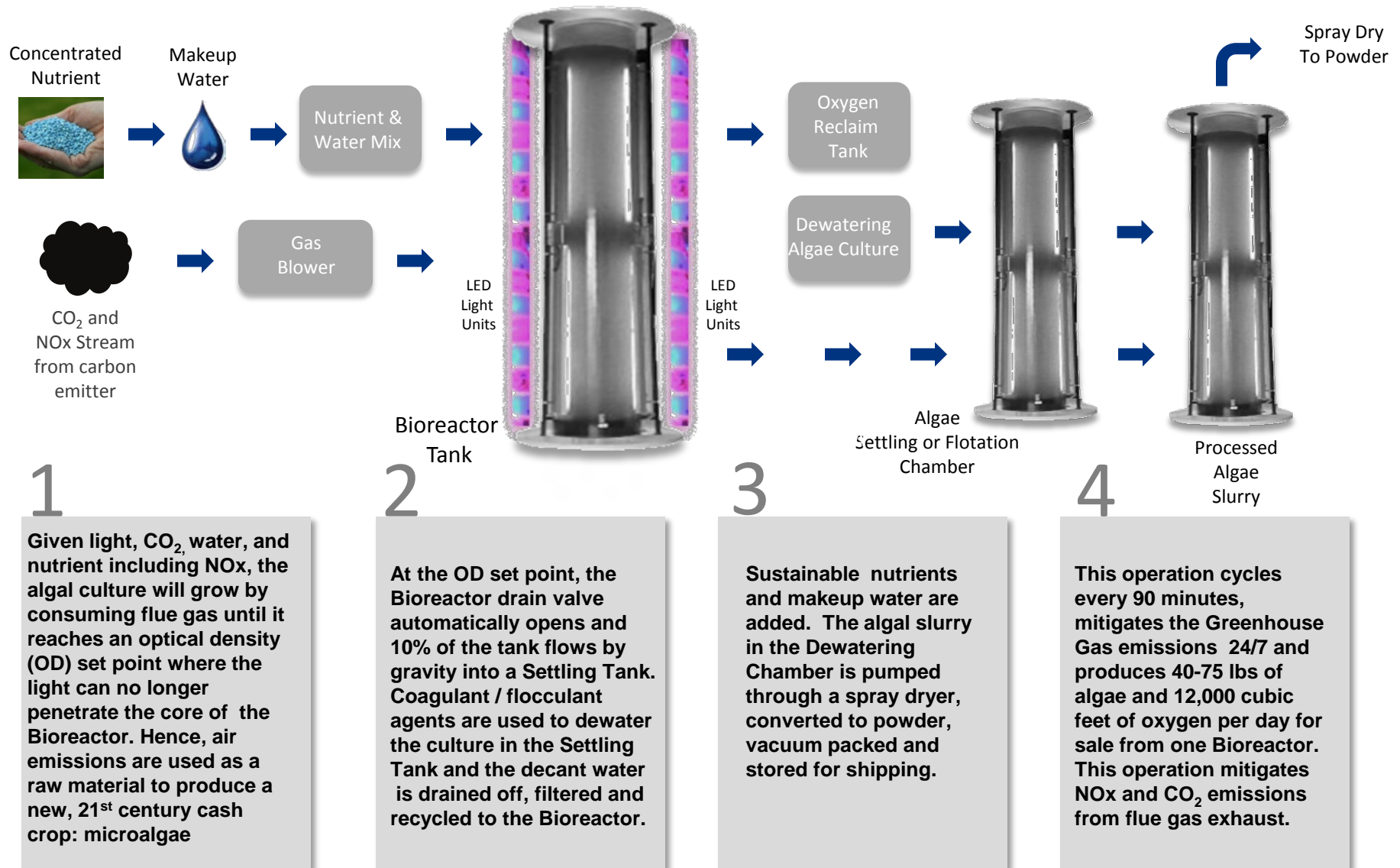
- ✓ The HY-TEK Bio algae s.*HTB-1* can bring as much as \$40/lb from an algae brokerage house

- ✓ 90-95% Oxygen from photosynthesis is a marketable commodity

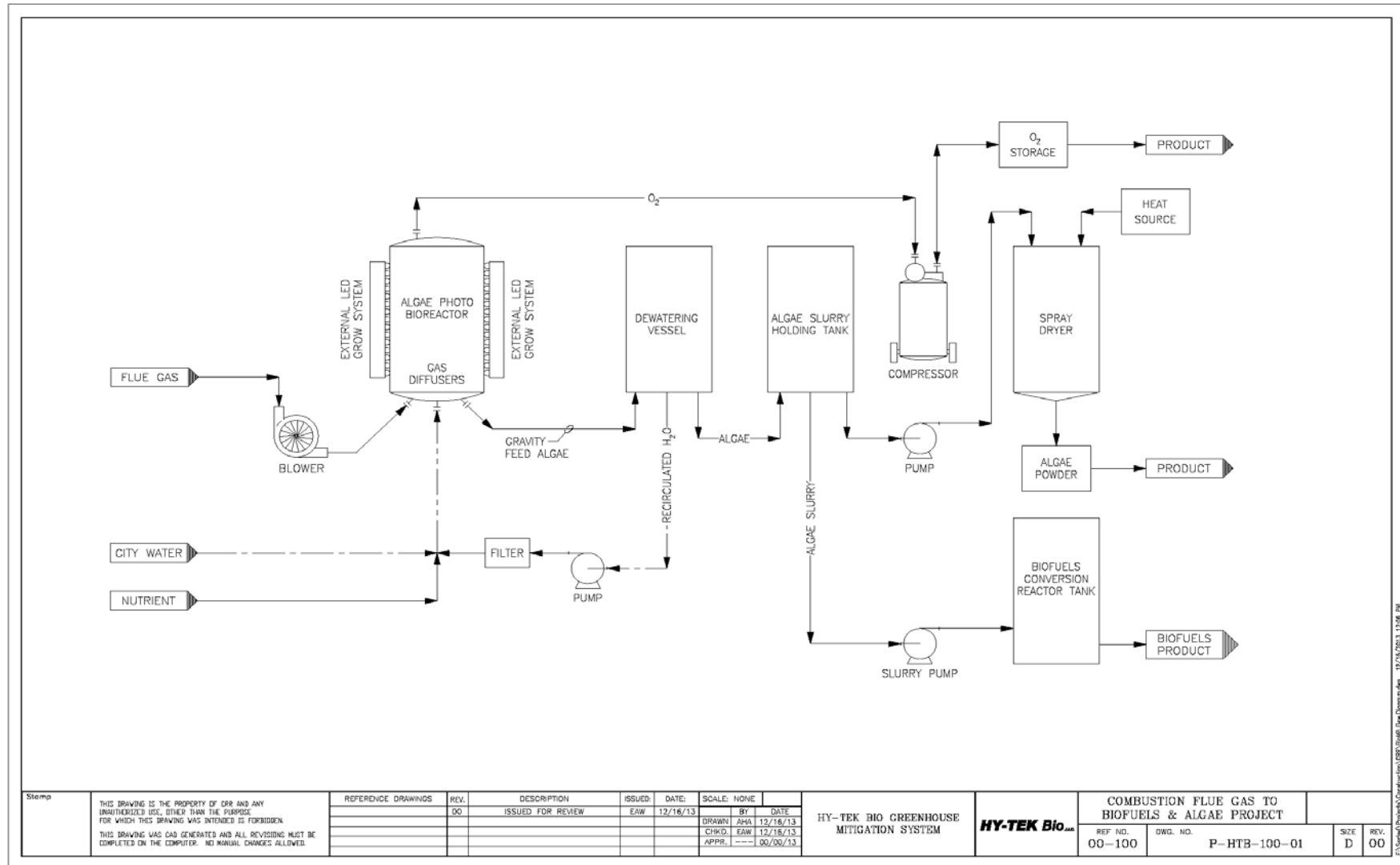
- ✓ Direct replacement for Palm Oil



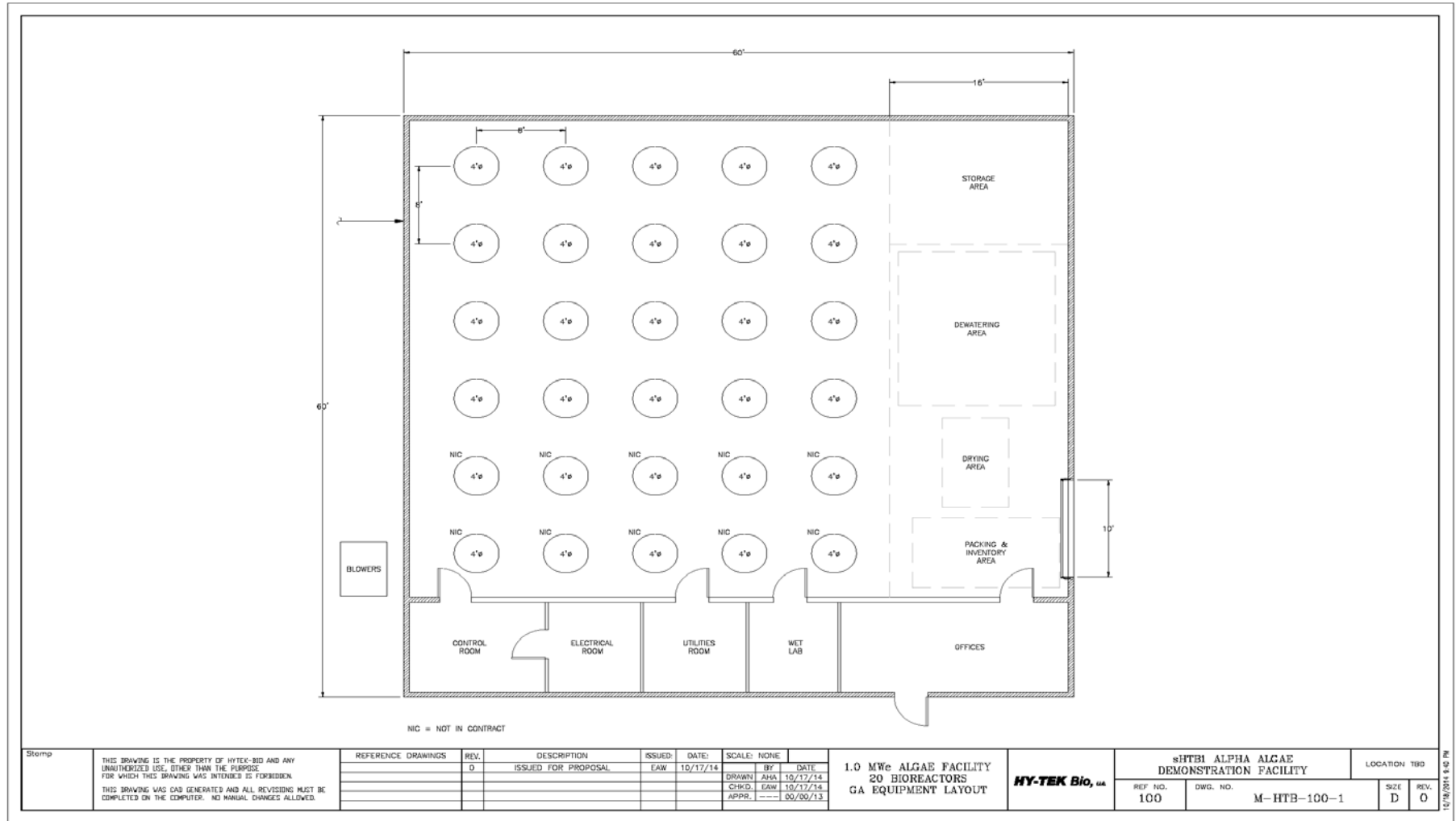
HY-TEK Bio Technology – Algae Production from CO₂



HY-TEK BIO Technology: CO₂ to Algae Process Schematic



HY-TEK BIO Technology: Algae Facility GA Equipment Layout



Outline

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Project Overview



Project Overview: Performance Metrics

HY-TEK BIO Technology: Emissions, Performance, and Layout Characteristics

Performance					
Parameter	Landfill		Engine		
	lb/hr	scfm	lb/hr	(lb/MMBtu)	(% Removal)
NO _x	?	-	0	-	To ND
SO _x	?	-	0	-	-
CO ₂	?	???	0	-	variable
VOC	?	-	0	-	-

Parameter	Dimensions	Quantity
Bioreactor	4' Diameter x 20' Tall	20
Building (Insulated Shell)	30' x 60' x 30'H and attached 12' x 60' x 12'	1
Water Consumption	GPM	3.5
Power Consumption (Heat/AC/Lights/Aux)	kW (480 3Ph/220 3Ph-1Ph/110 1Ph)	200 KW
Nutrient Consumption	GPM	0.5
Algae Production	System lbs per Day	1500
Oxygen Production	Cubic feet per Day (90-94%)	240,000 cf/day

* **Power Consumption:** This includes building heat, ventilation, AC, Lights, dewatering, spray dryer and conversion to product and averaged auxiliary use of power during the year. Assumes 100% spray drying (maximum power scenario).

Waste Water: There is no waste water from this system. All water is used in the photosynthesis process or filtered and returned to the bioreactors. Landfill leachate and flue gas condensate collection are sources of nutrients

Waste Stream: There is a minor waste stream of metabolites from the filtration process. There is nothing in that waste stream that is considered toxic or hazardous. This waste stream is able to be disposed to regular drainage.

Land Utilization: Daily production rates range from 0.8 kg/m2/day to 1.6 kg/m2/day for a 30 reactor HY-TEK Bio array

Algae Pilot Performance Metrics

■ Growth & Harvesting – *s.HTB1*

- Specific Growth = <1 day
- Culture Density = 5 g/L
- 75lbs/day/bioreactor
- Oil Lipid Content = 48%
- Aerial Utilization = 1.6 kg/m²/day (30 bioreactors)

Microalgae Benefits

■ Air Quality Improvement

- Priority air pollutant, NO_x, to Non-Detect
- S in the flue gas is reduced by consumption as a secondary macronutrient
- Lab evidence of VOCs mitigation (as an additional carbon source)
- Landfill NMOCs capture to be evaluated in the future

■ Industrial Grade O₂ Production for Reuse& GHG

■ Algae Facility Installation and Operations Are Paid for by Algae Revenue

■ Air Permit as a Separate Entity

■ Excess maintenance (and costs) for engines to comply with NO_x emissions eliminated

■ CCU & GHG Mitigation via Microalgae is Independent of Wastewater Treatment Operations

■ Nutrient Recovery

- No P in flue gas – requires approx. 50 lb./day P from treated wastewater, landfill leachate, or poultry litter
- 100% NO_x may not be sufficient – N recovery from wastewater

Nutrient Requirements for Mass Algae Cultivation

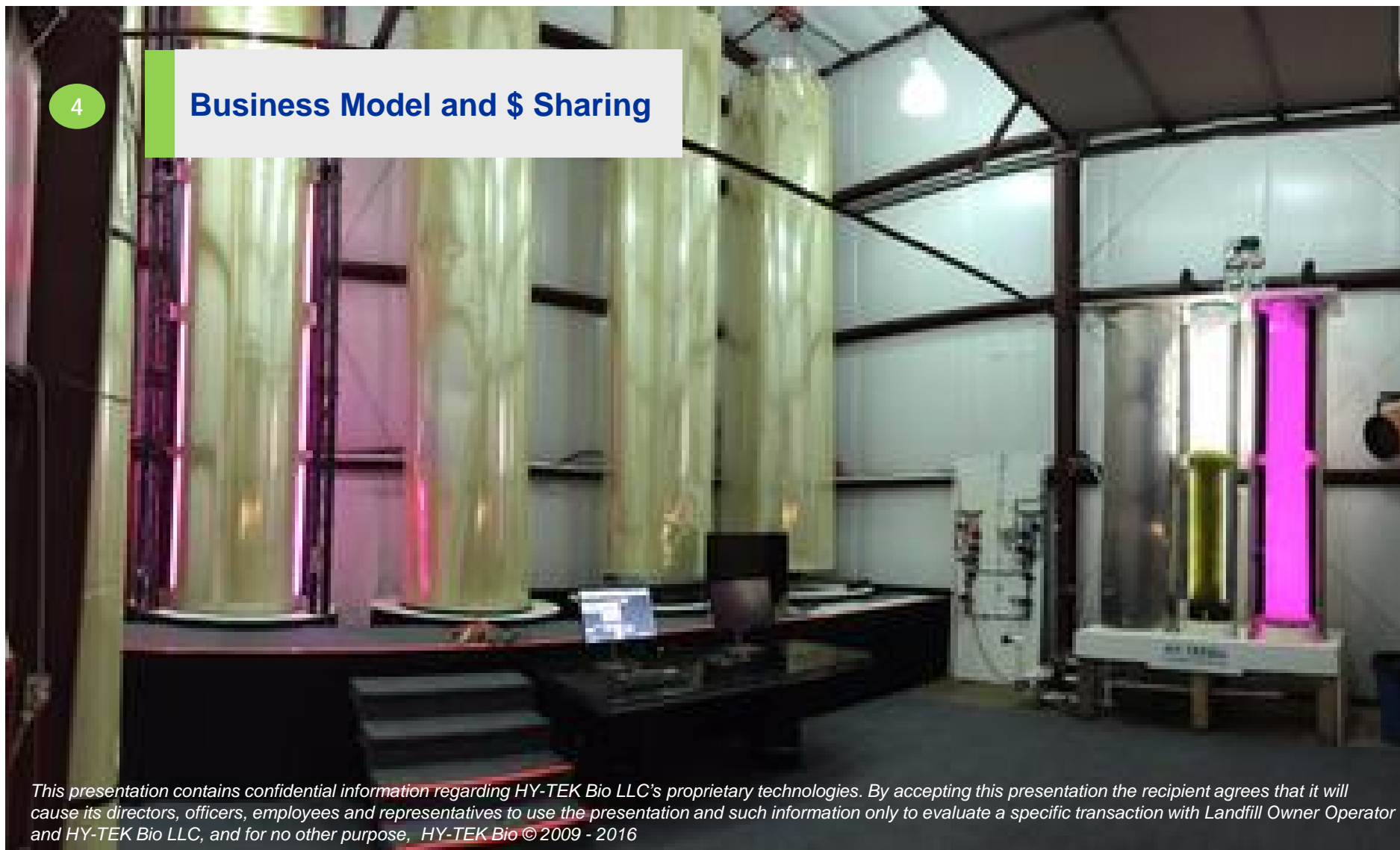


- Algae critical N:P ratio, approximately 16:1
- Most of N requirement for *s.HTB1* comes from the flue gas NO_x
- 20 Bioreactors will require approx. 50 lbs. per day P
- How to supply that P sustainably?
 - Extracted from wastewater
 - Extracted from digestate
 - Extracted from landfill leachate
 - Extracted from animal waste, e.g. Poultry Litter

Outline

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Business Model and \$ Sharing



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Commercial Project Overview:

XYZ Landfill, Inc.

- Located in Somewhere, US
- Active or Closed
- XXX scfm LFG combusted for sufficient C
- 1 MW Engine for LFG Combustion
- Electric Utility Tie-Ins
- Greening the LF: upgrade generating equipment, lower NOx emissions, reduce carbon footprint
- Interest in greening projects that generate revenue
- LFG Utilization Managed by Owner or Energy Group or Other



Commercial Project Overview: NJ Landfills, Inc.

- Located in S. New Jersey
- (1) Active and (1) Closed
- MOUs in place
- Declining LFG Curves
- At least two, 1 MW Engines Available
- Electric Utility Tie-Ins: See load requirements previous slide
- LFG Utilization Managed by Private Sector; the Other by the County Authority
- One new Algae Facility will be needed; The other, has an available, tall building available
- Alpha and Beta Algae Facilities Based on Demo Facility Metrics



Revenue Sharing: Direct Algae Revenue Components to O/O

- ✓ **Land (Space) Annual Rental Fee**

- At or Above Fair Market Rates Based on Revenue from Algae

- ✓ **Algae Facility Electric Bill**

- Parasitic load at premium above established PPA rate

- ✓ **Project Credits, O & M Credits**

- If O/O takes on Investment, becomes the creator of new jobs, and avoids cost of 3rd party O&M profit margins



NJ Specific Project Credits

- **New Jersey Clean Energy Program www.njcleanenergy.com**
 - **Biopower Solicitations (FY 2016)**
 - **Clean Power Choice Program**
 - **Renewable Energy Incentive Program**
 - **EDA Programs**
 - **Carbon Credits**
 - **Emission Reduction Credits**
-

PROJECT FINANCING (20 Bioreactor Basis)

- **800 lb. Algae per day (approx. half the pilot rate)**
- **Daily Algae Revenue = $800 * \$10/\text{lb} = \$8,000$**
- **Annual Revenue = \$2.6MM**
- **Initial Capital Investment = approx. \$4MM**
- **Simple Payback Period = < 2 years and Annual ROI = 45%;**
- **IRR = >20% (derated); > 45% at pilot production metrics**

Algae Revenue Drives the Profit Engine for Owner/Operators & Technology Providers

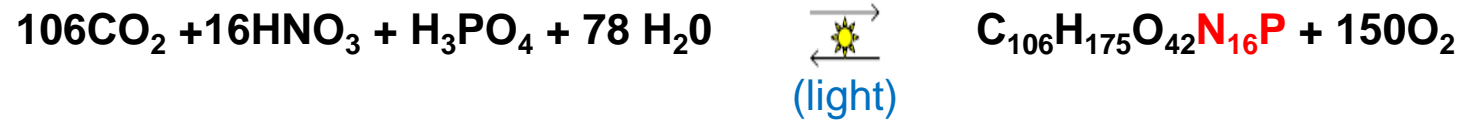
Multitude of Product Markets – Highest Valued is Lutein/Zeaxanthin at \$18,000/kg

“Natural” NOx Emissions Reduction and CO2 Utilization for Profit

“Green” Nutrient P from Waste

- Proprietary conversion process for producing a high Nitrogen (N), high Phosphorus (P) liquid soluble nutrient solution from Poultry Litter to sustain mass algae growth
- Applied to Poultry Litter, conversion process clarifies a liquid extract (“tea”) and reduces its odor
- Novel nanomaterials are used to extract and concentrate P from liquids (the above “tea”, landfill leachate, digestate, treated wastewater effluent, compost tea, aquaculture effluent, select food wastes, etc.)

GHG Calculator



- Almost half of the algae by weight is C, hence,
 - 1 Ton of Algae “FIXES” 1.83 Tons of CO₂
- 20 Algae Facilities will mitigate 4,325 Metric Tons of CO₂ annually
- The CO₂ emissions reduction from 10 Algae Facilities is equivalent to:
 - 15 acres of trees planted
 - 520 cars removed from the road
 - 1390 tons of synthetic N fertilizer (as A-NH₃)*
 - 12,015 tons of synthetic P fertilizer (as TSP)*

* Blonk Consultants Report, GHG Emissions of N, P and K Fertilizer Production A. Kool, M. Marinussen, and H. Blonk , November, 2012

Outline

SUMMARY

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Conclusions and Highlights

- ✓ **HY-TEK Bio's clean energy solution is break-through technology, which eliminates NOx emissions and has the potential to eliminate 100% of the CO2 (GHG) emissions from the flue gas it processes while generating high market value algae end products.**
- ✓ **The technology also mitigates NOx more “naturally” than SCR/NSCR with additional project benefits and uses CO2 emissions as a raw material for PROFIT.**
- ✓ **Allows flexibility - use with any size capacity and any fuel source while being able to handle either a portion or all of the O/O's flue gas emissions.**
- ✓ **The end result is Carbon Capture and Utilization (CCU)**
- ✓ **Provides designs that are modular and scalable, which speeds implementation.**
- ✓ **Requires a low CapEx compared to other NOx & GHG mitigation technologies.**
- ✓ **Provides opportunities to O/O for new revenue streams.**
- ✓ **Seeking a Gamma Commercial Demonstration Site (preferably fossil fuel plant, approx. 1 MWe and 10,000 ft2 required).**

NJWEA 101st Annual Conference & Expo

Air Pollution – Greenhouse Gases

| Atlantic City, NJ
| May 17, 2016

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?? QUESTIONS ??

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