

Improving Coal Power Economics: Retrofitting Flameless Pressurized Oxy-Combustion with Integral CO2 Capture

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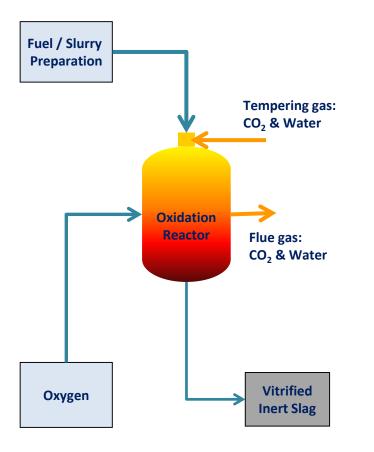


Agenda

- FPO technology
 - Philosophy and performance vs. traditional combustion
 - Added value
 - Development path
- Large Pilot Planning
 - Update on DOE Project DE-FE0031580
 - Cycle diagram
 - Plan for commercial-scale cycle
- LCOE for FPO with Integral CC
 - Comparison with SCPC technology, with and without PCC
 - FPO firing PRB coal, New-Build and Retrofit
- FPO Retrofitting
- Projected Output of New-Build and Retrofit Plants
- Outlook for Commercialization



FPO versus traditional combustion processes



Philosophy and purpose

- Recover energy from low ranking coal and other brown fuels
- Enable CO₂ capture on an economically viable basis
- Minimize emissions of NOx, particulates and heavy metals

Proven technology outperforms traditional combustion

- Flameless combustion using industrial oxygen in an atmosphere of CO₂ and water vapor
- Complete oxidation: low TOC & zero soot at combustor exit
- Zero thermal NOx: organic nitrogen converted to N₂
- Flue gas volume reduced by ~ 85% minimizes scrubbing cost
- No fly-ash: all Incombustibles end in zero carbon slag



Added Value of Itea FPO

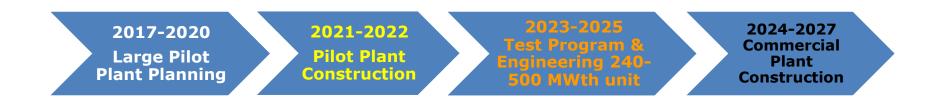
- Accepts up to 65% water content: fuels fired as slurry in water
- Enables use of low-ranking coals up to 40% ash, including alkaline ash
- Enables CO₂ capture (CC) on an economically viable basis
- Addresses peaking by fast response: from 5% to 100% capacity in <1/2 hr
- **Retrofittable** to supercritical and subcritical pulverized coal plants
- Potential for Small Modular Power Plants 80 to 350-MWe



FPO - Development Path

Planned development

- Large Pilot for coal power with CO₂ Capture Planning Project started leading to
- 240 to 500-MWth Modular Unit for commercial coal power plant with Integral CO₂ Capture (CC) – Retrofit or New-Build





Large Pilot Planning - Update

DOE funded planning projects

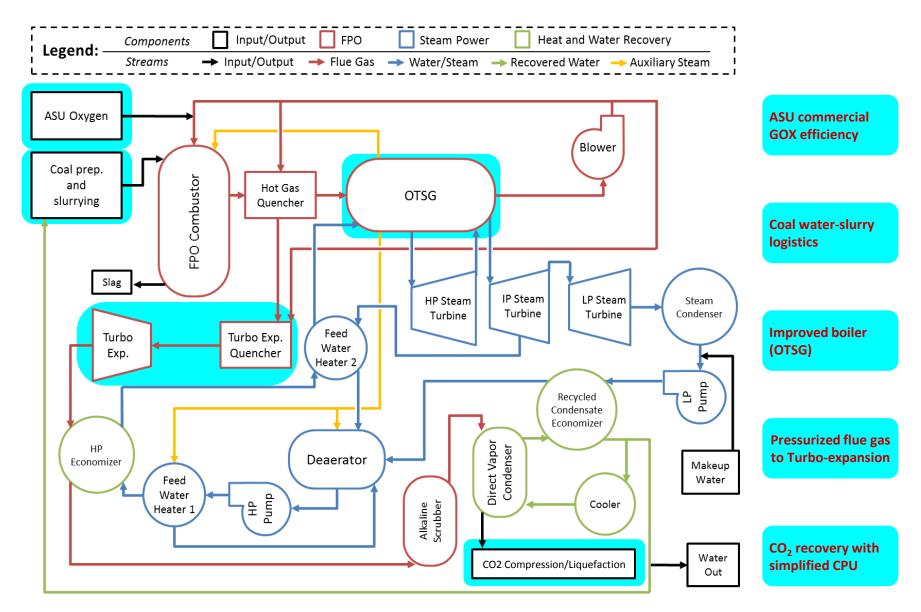
- DE FE0027771 Completed early 2019
- DE-FE0031580 (Phase 1) Started July 2018
- Development of a Large Pilot as a scale up of 5-MWth pilot plant operating at Itea's Gioia del Colle R&D Centre, Italy since 2006
- Pre-FEED
- Cycle modeled in Aspen Plus
- Cycle design and optimization complete
- Near complete combustion shown with zero fly ash and high purity of CO2
- Pilot will fire high- and low-rank coals over 2 year test program

Next step

• Phase 2 FEED



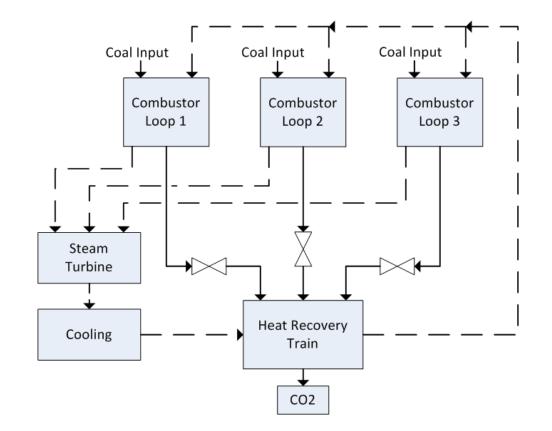
FPO Commercial Application– Cycle Diagram





Plan for Commercial-Scale Cycle

- Combustor scaled from Large Pilot to 240 to 500-MWth
- 500-MWe with ASU and CO2
 Separation is possible with 3 X
 500-MWth combustors
- Modular approach limits costs of combustor and steam generator
- Turbo-expander acts as control from pressurized loop to heat recovery and cleanup
- Potential CHP format could provide improved economics in favorable locations





Comparison of LCOE for SCPC, PCC and FPO 550-MWe

Parameter	Unit	PRB SCPC no CC Baseline (S12A) updated to \$2018	PRB SCPC with PCC Baseline (S12B) updated to \$2018	Projected n th -of-a- kind PRB FPO / Integral CC based on ITEA Projection	
Power-in (LHV)	MWth	1,369	1,963	1,453	Post CC Power-in
Gross Power	MWe	583	673	700	high for reboiler steam cogen
Parasitic Power	MWe	33	123	150	
Net Power	MWe	550	550	550	FPO efficiency high due to heat
Efficiency	% LHV	40.4%	28.0%	37.9%	recovery
Total Plant Cost	\$M	\$1,293	\$2,281	\$1,327	Turbo-expander boosts FPO
per kWe	\$/kWe	\$2,351	\$4,147	\$2,413	efficiency for PRB (and Lignite)
LCOE	\$/MWh	\$92.3	\$178.1	\$109.6	
LCOE compared to S12A Baseline			193%	119%	Affordable COE with CO2 Capture
LCOE compared t	o S12B Bas	eline	61.5%		

• PRB Coal LHV 19.7 MJ/kg (8,486 Btu/lb), S 0.2%, 4.5% ash, 27% moisture

• Projected nth-of-a-kind based on 350-MWe ENEL detailed engineering study, scaled up to 550-MWe for Italy location. Used NETL methods for technology comparative studies

• For USA location capital cost, applied exchange rate of \$1.12/€1.00 throughout. For USA operating cost, applied exchange rate of \$1.12/€1.00 to Italian costs.

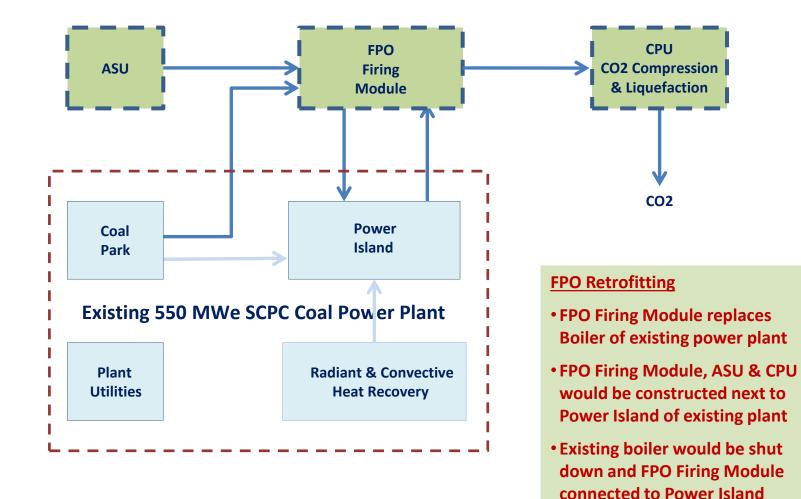


FPO Performance Firing PRB Coal, New-Build & Retrofit

Parameter	Unit	PRB SCPC no CC Baseline (S12A) updated to \$2018	PRB SCPC with PCC Baseline (S12B) updated to \$2018	Projected n th -of-a-kind FPO / Integral CC based on ITEA Projection	
				New Build	Retrofit
Power-in (LHV)	MWth	1,369	1,963	1,453	1,500
Gross Power	MWe	583	673	700	719
Parasitic Power	MWe	33	123	150	169
Net Power	MWe	550	550	550	550
Efficiency	% LHV	40.4%	28.0%	37.9%	36.7%
Total Plant Cost	\$M	\$1,293	\$2,281	\$1,327	\$736
per kWe	\$/kWe	\$2,351	\$4,147	\$2,413	\$1,338
LCOE	\$/MWh	\$92.3	\$178.1	\$109.6	\$83.5
LCOE compared to S12A Baseline 193%				119%	90.5%
LCOE compared to S12B Baseline				61.5%	46.9%



FPO Retrofitting





Retrofit FPO Plant with Integral CO2 Capture Firing PRB Coal (ITEA Prospect)

	CAPEX	Efficiency	Capacity	CO2
	(\$M)	(% LHV)	(MWe net)	(t/hr) [1]
Retrofit to Subcritical	\$760	31.5%	567	600
Retrofit to SCPC	\$736	36.7%	550	500

[1] Assumes capture of 90% of CO2 produced



Outlook for Commercialisation

FPO provides a pathway towards affordable, efficient, and clean coal power with integral CO2 capture

With growth of renewables, U.S. market will need more load-following plants

- High availability based on standby at 5% capacity rate and coal storage on site
- FPO fast response to fluctuating demand
- FPO can operate as base load, daily cycling or renewable cycling response

CO2

• FPO captures over 90% of CO2 as clean stream ready for compression and liquefaction

Opportunities for FPO Technology

- Retrofitting FPO to coal plants in favourable locations provides solution for potentially stranded assets, reducing CO2 emissions by 90% and increasing revenue by producing CO2 and load-following.
- High efficiency and CO2 capture firing low-ranking coals as-mined, without drying
- Potential for Small Modular Power Plants 80 to 350-MWe