

China's Renewable Energy Solution — Methanol Fuel





China's Modernization is Facing Two Major Problems

Energy security
 Air Pollution



• Energy Security



Latest data from the customs general administration show :

In the 1st quarter of 2017, China's crude oil imported exceeded 100 million tons and reached 0.5blllion tons. The foreign dependence of oil imports will reach as high as 69%, far exceeding the internationally recognized warning line. The relevant agencies predict that by 2030, China's dependence on foreign energy



will exceed 80%.



Air Pollution



According to China's environmental conditions data:

In 2016, the average number of days exceeded the national standard (ie the air quality index is greater than 100 days) accounted for 21.2% of the 338 cities, 32 cities with more than 30 days of heavy or more pollution days, mainly distributed in Xinjiang, Hebei, Shanxi, Shandong, Henan , Beijing, Shaanxi and other places.

At the same time, there were 2,464 heavy pollutions and 784 serious pollutions in 338 cities. The number of days with PM2.5 as the primary pollutant accounted for 80.3% of the days with severe pollution and above, 20.4% with PM10 as the primary pollutant, and O3 as the chief Pollutants account for 0.9% of the population and seriously affect the health of residents.





Variety of renewable energy

In order to solve the two major problems, the government introduced various policies to promote the development of renewable energy.

However, these renewable energy stll faces various problems that cannot be solved!





Human ultimate energy

Hydrogen Energy

Hydrogen energy is a green, efficient secondary energy source that is recognized worldwide and is called the "ultimate energy source" of the 21st century.

Fuel cells are the best tool for the efficient and clean use of hydrogen energy, and related technologies have made major breakthroughs in the international area and have begun to enter the stage of commercial operation in various application fields.







Up to now, Beijing, Shanghai, Foshan, Guangdong, Jinan, Shandong, Jiangsu Rugao, Taizhou, Zhejiang, Wuhan, Hubei, Zhangjiakou, Hebei and other places have introduced the relevant hydrogen energy development plan.

There have been existed a few Hydrogen Industrial Parks in China and more are under planning.

The Blue Book on the Development of China's Hydrogen Energy Infrastructure (2016) predicts that by 2030, the output value of China's hydrogen energy industry will reach trillions of yuan.



Problems in the promotion of hydrogen fuel cells

- H_2 is a gas with the smallest molecular weight and is very active. There is a safety problem in storage (hydrogen embrittlement).
- Hydrogen compression is very difficult.
- Hydrogen storage conditions are harsh.
- Hydrogen transport costs are high.





Methanol Energy

American Nobel Laureate, Dr. George Ola - Methanol Economy: Methanol is the Best Secondary Energy Source.





- ▶ It is liquid at room temperature.
- ▶ It is easy to store and transport.
- Mature methanol production process.
- ▶ Perfect methanol matching chain.



Methanol Energy - Energy with Chinese Characteristics

1

China's coal resources are abundant. Coal-tomethanol can ensure China's century-long energy security. Future methanol can also be made from biomass, crop stalks, etc.

2

As of 2016, the global methanol production capacity is approximately 129 million tons/year, and China's methanol production capacity has reached 80 million tons/year, accounting for more than 60% of world production.

3

China is increasing the construction of the methanol industry and it is expected that 20 million tons of new production capacity will be added in the future. Methanol production technology is mature, and the cost is lower than petrol and diesel.

4

Methanol Energy - Energy with Chinese Characteristics

15 years ago, methanol cars were listed as national key science and technology projects and pilot projects were promoted in multiple cities.

In 2014, the Ministry of Industry and Information Technology expanded the methanol car pilot to China's "four provinces and one city": Shanxi Province, Shaanxi Province, Shanghai Municipality, Guizhou Province, and Gansu Province In the future, we will further expand the scope of the pilot.

The 2017 methanol car pilots have all been accepted by the State Ministry of Industry and Information Technology.



Methanol Energy Specification



In 2015, the General Office of the Ministry of Industry and Information Technology of China issued Notice on "Code for Construction of Vehicle Methanol Fueling Station" and "Safety Specification for Methanol Fuel Used in Vehicles"

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The use of methanol as an energy source









No hydrogen storage, safe and reliable!



Palcan MFC system





• Technical Advantages

► Highest energy conversion efficiency



40-46%

Technical Advantages

CO₂ emissions per 1kwh



每输出1kWh能量对应的CO2排放量 (单位:kg/kWh)

►CO₂ emission is lower than current pure electric emission!

To make the current level of electricity average emission reach the level of methanol, it needs to reduce the proportion of coal thermal power generation to below 45%!









Technical Advantages

US Department of Energy - Comparison of Energy Security

	DANGER	PETROL	DIESEL	METHONAL	LPG	
	Leakage	3	1	2	5	
High energy security	Evaporation	3	1	2	4	
	Released to the atmosphere	5	6	3	4	
Relative risk of several fuels	Released in a closed room	2	5	4	3	
Divided in seven levels (1=low, 7=high)	Automatic ignition	6	5	4	3	
	Spark ignition	2	1	-	3	
	Flame propagation	2	1	5	3	
	Flash fire	5	6	1	2	
	Radiation from the flame	6	7	1	5	
	Health effects	7	5	6	4	
	Total	41	34	28	36	



Technical Advantages

Take Dongfeng T7 for example, the operation costs are lowest!



Methanol price of 2017/8			
100tons	300tons	500tons	
¥ 2230	¥ 2060	¥ 1999	
Average p	¥ 2100		



Pure electrical : 1.16 yuan/kWh 47kWh/100KM 54.5yuan/100KM High pressure hydrogen FC : 52yuan/kg 4kg/100KM 200yuan/100KM



Applications-Traffic area





It has been successfully used in the transportation market of logistics vehicles, buses, and cold chain logistics vehicles.



"Extended range - to solve the problem of short mileage"

Take electric bus for example





"Methanol injection time is short - to solve the problem of long charging time of electric vehicles"



Methanol station

Mobile methanol tank

Electric charging pile

Charging time ► 1.5-8hrs

Charging time ► 1-3mins

The Sinopec has built more than 2000 methanol stations, and more are coming.
 Movable methanol tanks are available in districts lack of methanol applying.



"Low-temperature operation - Solving the problem that lithium batteries cannot be charged or discharged at -20°C"



We use "high-temperature fuel cell stack", the temperature of the heat exchanger is about 140 degrees, the heat energy can be fully utilized to heat the lithium cell and the car.



"Compared with hydrogen FC, MFC is more economical and feasible"



- ► Various ways to add methanol: methanol station, partial refit of gas station, tank truck, etc.
- ► Same volume, twice the energy of high-pressure hydrogen tank.



- ► Hard to find hydrogen station
- Construction costs and transportation costs are higher
- ► Two times higher cost than gasoline
- ► Safety hazard





"China's first 30KW Methanol Reformed FCV (Co-op with Dofeng)"





Present Market •

"China's first 30KW Methanol Reformed FCV (Co-op with Dofeng)"

报告编号: QM17EA1770031 中国认可	国家机动车	F产品质量监督检验中心(上海) 检验	报告	报告编号: QM17EA1170031 〒 共 7 页 第 1 页
2015002347Z	样品名称	甲醇重整制氢燃料电池厢式运输车/甲醇 重整制氢燃料电池载货汽车底盘	商 标	东凤
	型号规格	EQ5080XXYTFCEV2/EQ1080TTFCEVJ 2	检验类别	强制性检验
位 验 拉 古	受检单位	东风汽车公司	生产单位	东风汽车公司
燃料电池电动汽车 安全要求	送样者	范秀云	送样日期	2017年8月20日
甲醇重整制氢燃料电池厢式运输车/甲 产品名称: 醇重整制氢燃料电池载货汽车底盘	样品数量	一辆	生产日期	2017. 04
产品型号: EQ5080XXYTFCEV2/EQ1080TTFCEVJ2	检验依据	GB/T 24549-2009《燃料电池电动汽车 安 全要求》	检验项目	燃料电池电动汽车 安全要求
受检单位: 东风汽车公司 检验类别: 强制性检验	检	经检验,该样品的性能符合 GB/T	24549-200	9《燃料电池电动汽车 安全要求》的要求。
国家机动在一部一部一部一部一部一部一部一部一部一部一部一部一部一部一部一部一部一部一部	验 结 论 备注 批准;	其他说明: 1.样品情况见附录 1; 2.试验 长述人 审核: 英	照片见附身	★ 产品が (文)試験も風森・ 107 ま2: 主检: ★ ★



"China's first 30KW Methanol Reformed FCV (Co-op with Dofeng)"

Palcan' s development of the 1st methanol reformed hydrogen FCV in China, came with significant assistance from multiple government departments to work out the technical requirements and a standard for methanol reformed hydrogen FCV, which Palcan has been certified for.





"China's first 30KW Methanol Reformed FC Truck (Co-op with Dofeng)"

KX (e 中华人	民共和国工业和 and Information Technology of the Pe	l信息化部 aptrs Republic of China		
	企业申报车型公示详情	1			
	产品商标: 东	风牌 产品型号	EQ5080XXYTFCEV2	甲醇重整制 产品名称: 氢燃料电池 厢式运输车	
	企业名称: 东 司	风汽车公 注册地址	 湖北省武汉市武汉经 号 	济技术开发区东风大道特1	
	目录序号: 3	生产地址	: 湖北省十堰市		
	<u>*</u>		宣看原図	查看原图 TRUCK	
	右部	題片	后部照片	防护装置照片	
	外形尺寸(mm)	: 长:6310宽	:2200 高:2820		
	货箱栏板内尺寸 (mm):	长:3150 宽	: 2150高: 1920		
	排放依据标准:		燃料种类:		
	最高车速(km/h): 80	总质量(kg):	7600	
	载质量利用系数	: 0.58	额定载质量(kg)	: 2605	
	转向型式:		整备质量(kg):	4800	
	轴数:		准拖挂车总质量 (kg):		
	轴距(mm):		轮胎规格:		
	钢板弹簧片数(后):	前/	半挂车鞍座最大5 承载质量(kg):	论许	
	轮胎数:		驾驶室准乘人数 (人):	3	
	额定载客(含驾驶员)(座位数):				
	轮距 (前/后) m	m: 前轮距: 后轮	E: 接近角/离去角 (度):		
	反光标识生产企	业: 浙江道明光学 限公司	股份有 反光标识型号:	VCDM-4	
	反光标识商标:	道明	防抱死制动系统	: 有	
	车辆识别代号 (VIN):		前悬/后悬(mm)	: 1180/1530	

► Has been issued by the Ministry of Industry and Information Technology "new energy automotive product announcement" (2017/12/29)

► Has entered the "new energy vehicle promotion recommended list" (3rd batch of 2018)

► Has entered the "Exemption Vehicle Purchase Tax New Energy Vehicle Model Catalog" (17th batch of 2018)



"China's first 30KW Methanol Reformed FCV (Co-op with Dofeng)"



2016.05 <u>Chinese Premier Keqiang Li</u> <u>Visits our car in Dongfeng</u> 2016.05.24 Chairman of Dongfeng Yanfeng Zhu pays close attention to MFC car



"1MWh、30KW Silent mobile power Station(Co-op with Zhongqing)"



Vehicle model	Iveco NJ6495DC		
Size	5400*2000*2700		
The main components	1. Iveco vehicle2.Fuel cell module3.Methanol tank4.Lithium battery box5.Controller6.Inverter7.Other mounting accessories		
Working environment	Outdoor, onboard, stationary power generation		
Working temperature	-25°C ~ +50°C		
Relative humidity	10% ~ 90%		
Altitude	≤4000M		
Atmospheric pressure	62KPa~101KPa。(Approximate altitude0m~ 5000m)		
Vertical tilt	≤25 degree		
Total system weight	≤3.0 tons		
Total vehicle weight	≤5.5 tons		

Present Market-Mobile power



"Mobile Charging Car"



Vehicle parameters				
Total size(mm)	4205*1685*2400			
Total weight(kg)	2475			
Maintenance weight(kg)	2150			
Maximum speed(km/h)	80			
Methanol barrel capacity(L)	150L			
Mileage(km)	500			
Battery par	rameters			
Fuel cell power(kW)	10kW			
Fuel cell rated voltage(V)	358			
Fuel cell power generation(kWh)	150 (can be expanded)			
Lithium battery capacity(kWh)	27kWh			



Present Market-Backup Power

"Communication base station backup power"

1		Project	Parameter
		Output Power	2.5~10KW
		Output voltage	-48DCV
		Operating temperature	−20~50°C
	Ξ	Stack Type	HT-PEMFC
		Cooling method	Air cooling
		Certified product	CTTL certificate
		Fuel Type	Aqueous methanol solution
	-	Water tank capacity	100L*2
		Dimensions	900*900*2200mm
		Weight	425~500kg
		Communication Method	RS485/SNMP
		Monitoring method	Wireless remote monitoring

Other Markets





- Including not limited to commercial vehicles, passenger vehicles, ships, drones and other transportation areas;
- It can also be widely used in base station backup power, distributed, off-grid generation and new energy community construction.
- Government departments, financial institutions,
 big data centers, etc.
- ► When the cost is right, it can replace the traditional diesel engine and gasoline engine.



Government Supports

Supporting target	Depot (State subsidies)	Consumer (Local subsidies)			
	Pure Elect	Pure Electrical Car			
Supporting vehicles	Plug-in hy	brid Car			
	Fuel Ce	ell Car			
Subsidy standard	Subsidy standards for Li-Ion battery car are scheduled for reduction annually except fuel cell cars in 2017-2020				
	Subsidy standard(RMB)				
Fuel cell passenger	200 thousand yuan/vehicle				
Fuel cell light buses	300 thousand yuan/vehicle				
Fuel Cell Large and	ucks 500 thousand yuan/vehicle				



Government Supports





MFC Technology is defined as the technology that should be strongly supported in 2016-2030.

Palcan's technology is far ahead of China's current enterprise level and has reached the target value of 2020 in advance.



• Our Development Plan I

"High Power Fuel Cell System Module R&D (2018)"

► 20kW fuel cell system module R&D

► Market target: the passenger car market and high-power generation





• Our Development Plan II

"Build a 50,000 sets of fuel cell module production base (2018)"

Industrial Base: Cixi, Zhejiang province
 Total investment of 100 million
 Achieve 50,000 sets of fuel cell module production capacity.

► Market target : Electric logistics vehicle, mobile charging vehicle, communication backup power supply, civil-military integration.





• Our Development Plan III

"Build 200,000 sets of fuel cell module production bases (2020)"

► In 2019, start to prepare for replicate the construction of fuel cell module production bases in five different regions (Guangdong, Northeast, Northwest, Central and Southwest) across the country.

Estimated total output value reaches 25 billion yuan

Market target: to alternative gasoline engine / internal combustion engine







"Leader in Global Methanol Application"



THANK YOU !