

Sparks company to clean up with biopropane

Sally Roberts

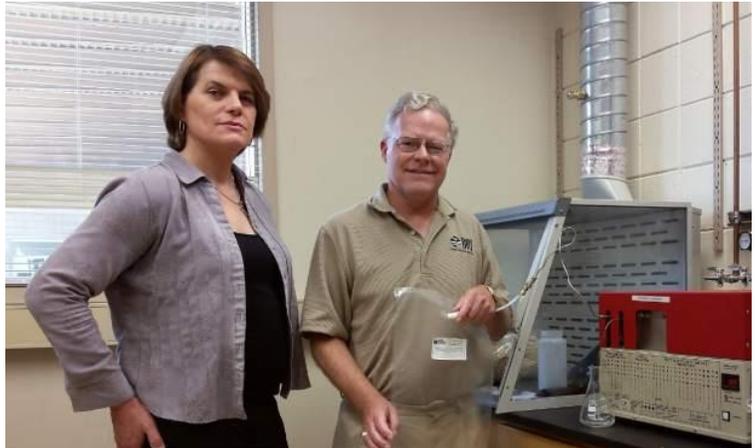
sroberts@nnbw.biz

July 13, 2015

A Sparks startup with new biofuel conversion technology has an ally in its race to beat a European giant to market.

Alkcon Corporation, founded by Lauren Scott in 2013, recently announced an agreement with Flogas Group of Leicestershire, England.

Flogas signed a letter of intent to exclusively market and sell Alkcon's methane-to-propane conversion system in the United Kingdom, Ireland, France, Norway, Sweden, Netherlands and Belgium.



Lauren Scott, left, CEO and founder of Alkcon Corporation, with Kent Hoekman of Desert Research Institute with a gas analyzer at DRI used to test gas samples from Alkcon. Hoekman, who has a Ph.D. in organic chemistry, is a technical advisor to Alkcon regarding the company's patent pending process to convert methane to biopropane.

The agreement is worth approximately \$60 million dollars over five years, starting with the deliveries of their first MP32K systems, expected to begin by mid-2016.

With a stamp of approval from Flogas, Alkcon is in a stronger position to seek investor funds to fine tune the concept and to start production.

“The Flogas agreement is based on research that we’ve been doing,” said Alkcon CEO Scott, who has more than 20 years of technical and management experience in developing process equipment for the semiconductor and biofuels industry.

The agreement “demonstrates customer acceptance of the technology.”

Propane is the third most used fuel worldwide. However, the current supply of propane is manufactured from fossil fuels.

Scott began research several years ago on a way to convert methane from organic waste into propane. Her research picked up focus last year after President Obama announced a campaign to dramatically reduce emissions from methane, a greenhouse gas 20 times more potent than carbon dioxide, that's mostly generated by cattle, landfills and oil and gas production.

“We can go after about half the methane gas currently being released,” Scott said of her process to convert methane-to-propane. She has a patent pending on the technology.

Alkcon is not the only company working to make propane a green energy source.

In October, Neste Oil announced an exclusivity agreement with SHV Energy to sell Neste's biopropane, to be manufactured in one plant in Rotterdam, in numerous European countries beginning in late 2016.

"Our job right now is to race to build the machine ... ahead of Neste," Scott said. "It's really a race for the recognition and the notoriety of being the first company to distribute biopropane."

The Neste/SHV agreement helped boost Alkcon's position. Hits on Alkcon's website spiked and phones began ringing, because the agreement locked out other European suppliers from access to biopropane.

"I've been working on biopropane pathways since 2011," Scott said. "No one was interested until the Neste agreement."

Flogas Group was first out of the gate with an exclusivity agreement with Alkcon. They have agreed to purchase over fifty MP32K units between July 2016 and June 2021.

With Alkcon gearing up to fulfill its part of the agreement with Flogas, Scott expects to hire about 25 people in the next 14 months, positions ranging from engineering to manufacturing. "The plan is to build this cargo container sized machine in Sparks," she said.

Alkcon already has a team of experts moving the propane conversion technology from concept to market. Phil Martin, Alkcon's vice president of business development, has a background in global energy markets, and Chief Technical Officer Ryan Ravenelle, holds a Ph.D. in chemical engineering.

Alkcon also has a team of technical advisors from the Desert Research Institute and University of Nevada, Reno, to critique the science and check the math.

Dr. Kent Hoekman, a Research Professor at the DRI and part of the Company's technical advisory team noted that "converting methane to propane could add substantial value to low-grade feedstocks, while significantly reducing greenhouse gas emissions."

Once the first 12 machines are delivered to Flogas, Alkcon plans to scale up. Companies around the world have expressed an interest in Alkcon's conversion system.

"Our problem is not finding where to put the machines — people are calling us all the time," Scott said.

As resources increase, expect additional technologies to hit the market. Besides the MP32K, Alkcon has concepts for smaller systems that could produce propane on individual farms from methane producing waste, larger systems that can convert the methane from landfills into propane, and a unit to convert methane now being burned off at oil and gas drilling sites.

"There's a huge potential market with all the propane being consumed today," Scott said. "Biopropane produced with our systems could be sold to any propane distributor at a premium."