

INTRODUCTION	XIV
STUDY GOAL AND OBJECTIVES	XIV
REASONS FOR DOING THE STUDY	XIV
CONTRIBUTION OF THE STUDY AND FOR WHOM	XV
SCOPE AND FORMAT	XV
METHODOLOGY AND INFORMATION SOURCES.....	XVI
DISCLAIMER	XVI
AUTHOR CREDENTIALS	XVI
RELATED BCC, INC. WORK CREDENTIALS	XVII
MONTHLY NEWSLETTER.....	XVII
BCC ON-LINE SERVICES.....	XVII
 SUMMARY.....	 XIX
<i>SUMMARY TABLE VALUE OF STACK COMPONENTS FOR PEM FUEL CELLS IN</i>	
<i>THE U.S., THROUGH 2008 (\$ MILLIONS).....</i>	<i>XX</i>
<i>SUMMARY FIGURE VALUE OF STACK COMPONENTS FOR PEM FUEL CELLS IN</i>	
<i>THE U.S., 1990-2008</i>	<i>XX</i>
 OVERVIEW	 1
BACKGROUND	1
THE PRESENT SITUATION.....	1
COMPETING ENERGY SYSTEMS.....	2
HYDROCARBON	2
Depletion.....	2
HYDROGEN.....	3
Applications	3
Hydrogen Supply Infrastructure	3
PROFITS AND PERILS OF PURSUING A BREAKTHROUGH	
TECHNOLOGY	4
VARIABLE FACTORS.....	5
INDUSTRY ISSUES	6
GOVERNMENT AND NONGOVERNMENT INVOLVEMENT.....	6
GOVERNMENT AND NONGOVERNMENT INVOLVEMENT	
(CONTINUED).....	7
FEDERAL HYDROGEN VISIONS AND GOALS	8
America's Transition to a Hydrogen Economy in 2030.....	8
<i>TABLE 1 MAJOR FINDINGS OF THE NATIONAL HYDROGEN VISION</i>	<i>9</i>
National Vision	10
<i>TABLE 2 PROJECTED TRANSITION TO THE HYDROGEN ECONOMY.....</i>	<i>11</i>
National Hydrogen Energy Roadmap.....	11
Major Roadmap Findings	12
Major Applications.....	13
Looking Ahead	14
ROLE OF THE DOE OFFICE OF SCIENCE.....	14
NATIONAL SCIENCE FOUNDATION	15

National Science Foundation (Continued)	16
<i>TABLE 3 NATIONAL SCIENCE FOUNDATION FUNDING, BY ACCOUNT, 1951-</i>	
<i>2004 (\$ MILLIONS).....</i>	<i>17</i>
DOE-SPONSORED NATIONAL LABORATORIES INVOLVED	
IN FUEL CELL DEVELOPMENT	17
Argonne National Laboratory	17
Los Alamos National Laboratory	18
Brookhaven National Laboratory	18
Pacific Northwest National Laboratory.....	18
OTHER FEDERAL AGENCY INVOLVEMENT	18
Department Of Defense (DOD)	19
Defense Advanced Research Projects Agency.....	19
Army Research Laboratory	19
USAF Research Laboratory.....	19
Naval Research Laboratory.....	19
National Aeronautics and Space Administration	20
Jet Propulsion Laboratory	20
ACADEMIC INSTITUTIONS INVOLVED IN FUEL CELL	
DEVELOPMENT	20
University of Akron, Akron, OH	20
Case Western Reserve University, Cleveland, OH	20
Georgetown University, Washington, DC	21
Georgia Institute of Technology, Atlanta, GA.....	21
Houston Advanced Research Center, The Woodlands, TX	21
Humbolt State University, Arcata, CA.....	21
Illinois Institute of Technology, Chicago, IL	21
Massachusetts Institute of Technology, Cambridge, MA	22
Pennsylvania State University, University Park, PA.....	22
Princeton University, Princeton, NJ	22
Texas A&M University, College Station, TX.....	22
University of Connecticut, Storrs, CT	22
University of North Dakota, Grand Forks, ND.....	22
University of Washington, Seattle, WA.....	23
University of Wisconsin-Madison, Madison, WI	23
Vanderbilt University, Nashville, TN.....	23
Virginia Polytechnic Institute, Blacksburg, VA.....	23
Worcester Polytechnic Institute, Worcester, MA	23
TYPES OF FUEL CELLS	24
PROTON EXCHANGE MEMBRANE FUEL CELLS	24
LEGACY TECHNOLOGY.....	25
DIRECT METHANOL FUEL CELLS	26
PHOSPHORIC ACID FUEL CELLS	26
SOLID OXIDE FUEL CELLS	26
MOLTEN CARBONATE FUEL CELLS	26

ALKALINE FUEL CELLS	26
REGENERATIVE OR REVERSIBLE FUEL CELLS	26
FUEL CELL CHARACTERISTICS	27
FUEL PROCESSING	27
LIFE-CYCLE COSTS.....	28
ECONOMIES OF SCALE.....	28
<i>TABLE 4 COSTS VS. NUMBER OF UNITS PRODUCED ANNUALLY</i>	<i>28</i>
PLATINUM—THE MAJOR CATALYTIC ELEMENT	28
CHARACTERISTICS	29
AVAILABILITY	29
HYBRIDS	30
MICROTURBINE COGENERATION	30
PRESSURIZED HYBRID SYSTEM.....	31
SYSTEM COMPONENTS	32
<i>FIGURE 1 SCHEMATIC PEM FUEL CELL SYSTEM.....</i>	<i>32</i>
DIRECT HYDROGEN FUELING	32
METHANOL FUELING	33
PERFORMANCE AND CONSTRUCTION.....	33
BARRIERS TO FUEL CELL COMMERCIALIZATION	34
GENERAL CONCLUSIONS	34
GENERAL CONCLUSIONS (CONTINUED).....	35
A BRIEF LOOK AT THE MEMBRANE INDUSTRY	36
MEMBRANE TECHNOLOGY	36
END USE MARKETS	37
MEMBRANE STRUCTURE	37
MEMBRANE RESISTANCE	38
MEMBRANE THICKNESS	39
TRANSMEMBRANE PRESSURE	39
CROSSFLOW FILTRATION	39
MEMBRANE PROCESSES	39
<i>FIGURE 2 RELATIVE SIZE SEPARATIONS FOR MEMBRANES.....</i>	<i>40</i>
PRICE STRUCTURE	41
DIALYSIS	41
ELECTROCHEMICAL	42
ELECTRODIALYSIS	42
<i>FIGURE 3 SCHEMATIC OF MEMBRANE ELECTRODIALYSIS.....</i>	<i>43</i>
PROTON EXCHANGE MEMBRANE (PEM) FUEL CELL.....	44
<i>TABLE 5 VALUE U.S. ELECTROCHEMICAL MEMBRANE MARKET BY</i>	
<i> APPLICATIONS, THROUGH 2008 (\$ MILLIONS).....</i>	<i>45</i>
MICROFILTRATION	46
ULTRAFILTRATION	46
REVERSE OSMOSIS.....	47
NANOFILTRATION	48
PERVAPORATION	48
GAS SEPARATION	49

MEMBRANE FABRICATION.....	50
TABLE 6 MEMBRANE FABRICATION TECHNIQUES	50
SUMMARY VALUE MEMBRANE TECHNOLOGIES	51
TABLE 7 SUMMARY VALUE OF U.S. MEMBRANES BY TYPE IN THE U.S., THROUGH 2008 (\$ MILLIONS)	52
FIGURE 4 SUMMARY VALUE OF U.S. MEMBRANES BY TYPE IN THE U.S., THROUGH 2008 (\$ MILLIONS)	52
SUMMARY VALUE MEMBRANE TECHNOLOGIES (CONTINUED).....	53
PROTON EXCHANGE MEMBRANES FOR FUEL CELLS	54
CHALLENGE TO MATERIALS	54
CHOOSING NEW ELECTROLYTE MEMBRANES	55
TABLE 8 SYNTHESIS VARIABLE FOR NEW ELECTROLYTE MEMBRANES.....	55
TABLE 9 PEM ELECTROLYTE ISSUES.....	56
OTHER OPTIONS	56
Alternative Organic Fuels.....	56
Pretreatment of Membranes	57
WATER TRANSPORT PROCESSES	58
FIGURE 5 WATER TRANSPORT IN A PEM FUEL CELL	59
Protonated Water Clusters	59
Importance of Membrane Thickness	60
POLYMERS FOR PROTON EXCHANGE MEMBRANES	60
Perfluorocarbonsulfonic Acid Ionomers.....	61
Nafion.....	62
TABLE 10 NAFION PRODUCT THICKNESSES	63
FIGURE 6 GENERALIZED STRUCTURE OF NAFION	63
TABLE 11 PROS AND CONS OF NAFION IN PEM FUEL CELLS	64
Cost.....	64
Ion Exchange/Nonfunctional Polymer Blends.....	65
Gore Select	66
TABLE 12 CONDUCTANCES COMPARISONS.....	67
Composites	67
Other Sulfonated Perfluorinated Polymers.....	68
Dow's XUS 13204.1	68
FIGURE 7 DOW MONOMER.....	69
Sulfonated Trifluorostyrenes and BAM.....	69
BAM2G	70
BAM3G Basics	70
FIGURE 8 GENERALIZED SCHEMATIC FOR SYNTHESIS OF BAM3G MEMBRANE	71
Comparisons with Nafion 117	72
3M's Sulfonated Perfluorocyclobutane.....	73
Other Sulfonated Polystyrenes and Hydrocarbons.....	73
Triblock Polymers	74
FIGURE 9 SCHEMATIC DAIS ION SELECTIVE MEMBRANE TRIBLOCK COPOLYMER.....	75

Ethylene Styrene Interpolymers	75
Polystyrene Sulfonic Acid/Polyvinyl Alcohol Blend.....	76
Polyphosphazene-Based/Polybenimidazole (Pbi)	76
Celanese and Celtec	76
<i>FIGURE 10 STRUCTURAL UNIT OF PBI.....</i>	<i>77</i>
<i>TABLE 13 ADVANTAGES OF A HIGHER TEMPERATURE MEMBRANE FOR A</i> <i>PEM FUEL CELL</i>	<i>77</i>
Sulfonate Polyphosphazenes	78
Polyphosphazenes	79
Poly(Bisbenzoxazole) [PBO]	80
Other Modifications of PBI.....	80
<i>FIGURE 11 PHOSPHORIC ACID DOPED PBI POLYMER COMPLEX.....</i>	<i>81</i>
Sulfonated Polyimides	82
Tailored Imides	82
Polyetherether Ketone (PEEK).....	83
<i>FIGURE 12 REPRESENTATION OF PEEK VARIATIONS</i>	<i>84</i>
Sulfonated Poly(Arylene Ether) Sulfones	84
<i>FIGURE 13 STRUCTURE OF BPSH-XX.....</i>	<i>85</i>
<i>TABLE 14 VIRGINIA TECH BPS MEMBRANE PROPERTIES COMPARED WITH</i> <i>NAFION 117.....</i>	<i>86</i>
Direct Synthesis	86
Reduced Electro-Osmotic Drag	87
Conductivity	88
Novel Ion Selective Membrane Research	88
Glass Membrane	88
Glass Layer Improves Humidity	89
Metallized Bio-Cellulosics	89
Ionic Gel Fill.....	90
Other Concepts.....	90
MEMBRANES FOR DIRECT OXIDATION FUEL CELLS	91
Anode Problems	91
Medis' Conductive Polymer	92
Generics' Tactic.....	93
<i>TABLE 15 CMR COST COMPARISONS</i>	<i>94</i>
<i>TABLE 15 (CONTINUED).....</i>	<i>95</i>
Energy Ventures Research.....	95
Additional Proposed Innovations.....	95
Catalyst Preparation	96
Binder Layer Prevents Crossover	97
Toshiba Approach	97
Composites	98
Aniline as Barrier	98
Johnson Matthey Approach.....	98
Further Progress.....	99
Smart Fuel Cell.....	99
Direct Methanol Fuel Cell Corp.	100

GM Approach.....	124
Nisshinbo Approach.....	125
PEM Plate Approach.....	125
Porvair Approach.....	126
Sumitomo Metal Approach.....	126
SGL Technologies Approach.....	127
<i>TABLE 21 SGL SIGRACET BIPOLAR PLATE TYPICAL PROPERTIES.....</i>	<i>127</i>
Improved Gasket Approach.....	128
Generics Porous Plates Approach.....	128
<i>FIGURE 16 CMR FUEL CELL STRUCTURE.....</i>	<i>129</i>
Graftech Innovations.....	130
OTHER INNOVATIONS.....	131
Ancillary Factors.....	132
INDEX TO BIPOLAR PLATE/COLLECTOR COMPANIES.....	132
<i>TABLE 22 INDEX OF BIPOLAR PLATE/COLLECTOR COMPANIES.....</i>	<i>132</i>
<i>TABLE 22 (CONTINUED).....</i>	<i>133</i>
VALUE OF BIPOLAR PLATE/COLLECTORS.....	133
<i>TABLE 23 VALUE OF BIPOLAR PLATE/COLLECTORS FOR MEAS, THROUGH</i> <i>2008 (\$ MILLION).....</i>	<i>133</i>
GAS DIFFUSION LAYER (GDL).....	134
DESIRED ATTRIBUTES FOR GDLs.....	135
<i>TABLE 24 ATTRIBUTES NEEDED FOR GAS DIFFUSION LAYER MATERIALS.....</i>	<i>135</i>
TECHNIQUES FOR GDL MANUFACTURE.....	136
<i>TABLE 25 PROS AND CONS OF GDL MANUFACTURING TECHNIQUES.....</i>	<i>136</i>
Developments at Ballard.....	136
Developments at AET/GrafTech/Ucar.....	137
Developments at General Motors.....	138
Developments at Johnson Matthey.....	138
Developments at Mitsubishi Rayon.....	139
Developments at SGL Carbon/SGL Technik.....	139
<i>TABLE 26 TYPICAL PROPERTIES OF SIGRACET GAS DIFFUSION LAYER.....</i>	<i>140</i>
Developments at Siemens.....	140
Developments at Toray/Mitsui.....	141
Developments at Zoltek.....	141
Other Developments.....	142
INDEX OF SPECIALTY CARBON SUPPLIERS.....	143
<i>TABLE 27 INDEX OF SPECIALTY CARBON/GDL SUPPLIERS.....</i>	<i>143</i>
VALUE GDL FOR PEM FUEL CELLS.....	143
<i>TABLE 28 VALUE GDL FOR PEM FUEL CELLS, THROUGH 2008 (\$ MILLION).....</i>	<i>144</i>
CATALYST INK /ELECTRODES.....	144
ANODE LAYER.....	145
Improved Carbon Monoxide Tolerance.....	145
Changing Electrode Morphology.....	146
Graphite Nanofibers.....	146
CATHODE LAYER.....	146
Fabrication Techniques.....	147

Sputter Deposition.....	147
<i>FIGURE 17 SCHEMATIC JPL SPUTTERING PROCESS FOR ELECTRODES.....</i>	<i>148</i>
GM's Vapor Deposition.....	149
INFLUENCE OF BINDER.....	149
Needs for Direct Methanol Fuel Cell (DMFC).....	150
LOWER CATALYST LOADINGS	150
Developments at Naval Research Laboratory.....	151
Developments at Southwest Research Institute (SwRI).....	151
Developments at GM.....	152
DETAILS OF INK COMPOSITION.....	153
INK MODIFICATION.....	153
Progress at SW Research and Gore	153
Progress at UTC Fuel Cells.....	154
Progress at Jet Propulsion Laboratory	154
Progress at Samsung Electronics.....	155
Progress at Aviva.....	155
VALUE OF THE CATALYST INK/ELECTRODE MARKET	155
<i>TABLE 29 VALUE OF THE CATALYST INK/ELECTRODE MARKET FOR MEAs,</i>	
<i>THROUGH 2008 (\$ MILLIONS)</i>	<i>156</i>
ASSEMBLY OF THE MEA	157
<i>FIGURE 18 SCHEMATIC FOR CONCEPTUAL MEA CREATION</i>	<i>157</i>
3M INNOVATIVE PROPERTIES CO. APPROACH	158
STRUCTURE OF THE MEA INDUSTRY.....	159
MEA COMPANY PROFILES	159
3M.....	159
Avista Laboratory, Inc.....	160
Ballard Power Systems	161
Ballard Power Systems (Continued).....	162
Celanese Ventures.....	163
DuPont Fuel Cell Enterprise	164
ElectroChem, Inc.	165
E-Tek Div. of De Nora North America, Inc.	165
General Electric.....	166
<i>FIGURE 19 GENERAL ELECTRIC AND ITS FUEL CELL RELATED ALLIANCES.....</i>	<i>167</i>
General Motors Corp.	168
Gore Fuel Cell Technologies.....	168
Johnson Matthey	169
Lynntech Industries, Ltd.	170
Materials and Electrochemical Research Corp.	171
NuVant Systems, Inc.....	172
OM Group, Inc.	172
Palcan Fuel Cells Ltd.	173
Plug Power/H Power.....	173
<i>FIGURE 20 PLUG POWER ALLIANCES AND VENTURES</i>	<i>174</i>
Plug Power/H Power (Continued).....	175

Surfact Technologies, Inc./The Bosque Group.....	176
Superior MicroPowders, LLC.....	177
Others.....	178
VALUE OF MEAs AND BIPOLAR PLATES FOR PEM FUEL CELLS.....	179
<i>TABLE 30 VALUE MEAS AND BIPOLAR PLATES FOR PEM FUEL CELLS IN THE U.S., THROUGH 2008 (\$ MILLIONS)</i>	179
<i>FIGURE 21 VALUE MEAS AND BIPOLAR PLATES FOR PEM FUEL CELLS IN THE U.S., THROUGH 2008 (\$ MILLIONS)</i>	180

A CONCISE VIEW OF THE PLATINUM AND PLATINUM GROUP

METALS.....	181
BASICS OF THE PRECIOUS GROUP METALS (PGM).....	181
PLATINUM PRODUCTION.....	182
<i>TABLE 31 SALIENT U.S. STATISTICS FOR PLATINUM GROUP METALS, 1998-2002</i>	182
<i>TABLE 31 (CONTINUED)</i>	183
Sources.....	184
<i>TABLE 32 GLOBAL MINE PRODUCTION AND PGM RESERVES, 2001 (KILOGRAMS)</i>	185
Mining.....	185
Refining.....	185
RUTHENIUM.....	186
PALLADIUM.....	186
OTHER PGMS.....	187
PLATINUM MARKETS AND CONSUMPTION.....	187
CATALYTIC CONVERTERS.....	188
PRICES AND PRICING.....	188
PRODUCER VS. CONSUMER CONFLICT.....	189
MARKET CONTROL.....	190
COST IS AN ISSUE.....	190
AVAILABILITY NOT AN ISSUE?.....	191
STRUCTURE OF THE PLATINUM/PGM INDUSTRY.....	192
<i>TABLE 33 PGM PRODUCERS' LOCATION</i>	192
WORLD FUEL CELL COUNCIL.....	193
PRODUCTION AND CONSUMER INTERACTION.....	193
Production and Consumer Interaction (Continued).....	194
<i>FIGURE 22 ANGLO PLATINUM RELATIONSHIPS</i>	195
MAJOR PGM PLAYERS.....	196
Anglo Platinum.....	196
Aquarius Platinum Pty Ltd.....	196
Aquarius Platinum Ltd.....	197
Englehard-Clal.....	197
Englehard Corp.....	197
Haraeus Holding Gmbh.....	198
Inco Limited.....	198
Impala Platinum Holding/Implats.....	199

Johnson Matthey	200
Lonmin Platinum.....	201
Lonmin Platinum (Continued)	202
Norilsk.....	203
OMG AG & Co.	203
Omg Ag & Co. (Continued).....	204
Stillwater Mining.....	205
Tanaka Kikinzoku Kogyo K.K. (TKK)	205
PGM SCENARIO IN MEAs.....	206