



# **BiG<EAST**

## **Biogas study tour**

**Esbjerg 7-9 September 2009**

## **Agricultural biogas production in Denmark**

***Teodorita Al Seadi, MSc***

*Research coordinator*

*University of Southern Denmark*

*Institute of Chemical Engineering, Biotechnology and Environmental Technology*





## Content:

- **Agricultural biogas production in Europe**
- **Biomass feedstock for agricultural biogas plant**
- **Biogas in Denmark**
- **Farm scale versus centralised plants**
- **Actual incentives for establishment of biogas plants:**
- **Planning building and operating a biogas plant**
- **Biogas pictures**





## Agricultural biogas production in Europe

### Estimated number of biogas plants in Europe (2007):

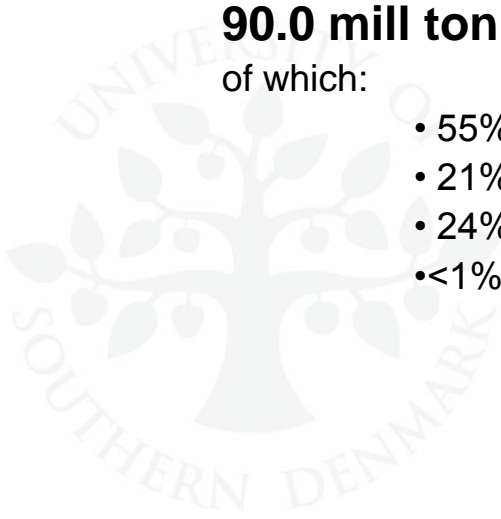
- 4,242 farm-scale
- >26 centralised biogas plants

### Estimated amount of biomass feedstock supplied to the European agricultural biogas plants (2007):

**90.0 mill tonnes**

of which:

- 55% animal manure
- 21% energy crops
- 24% other organic waste from food industry
- <1% municipal waste





## Agricultural biogas production in Europe

### Estimated biogas production (2007):

- Annual biogas production from agricultural biogas plants in Europe  **$1.85 \times 10^9$  m<sup>3</sup>**
- Energy production from agricultural biogas plants in Europe: **50.02 PJ**

### Estimated biogas potential

- The potential for biogas based energy production in Europe, originating from animal manure alone is estimated to **827 PJ**.

### Background for estimations:

Standard methane content in biogas of 65%

Average biogas yield of 20 m<sup>3</sup> per tonne biomass

1000 m<sup>3</sup> of biogas = 22 GJ; 1 GJ=10<sup>9</sup>J; 1 PJ= 10<sup>15</sup> J

### Example from Denmark

- Energy conversion efficiency of biogas used for CHP production is about 80%
  - 40% electricity
  - 40% utilised heat
  - 20% losses
    - 10% used to heat up the biomass
    - 10% engine loss when using the heat



# Biomass feedstock for agricultural biogas plants

## Animal manure and slurries

- Pig manure/slurry
- Cattle manure/slurry
- Poultry manure
- Deep litter

## Energy crops

- Maize and maize silage
- Green harvested crops

## Agro-industrial residues

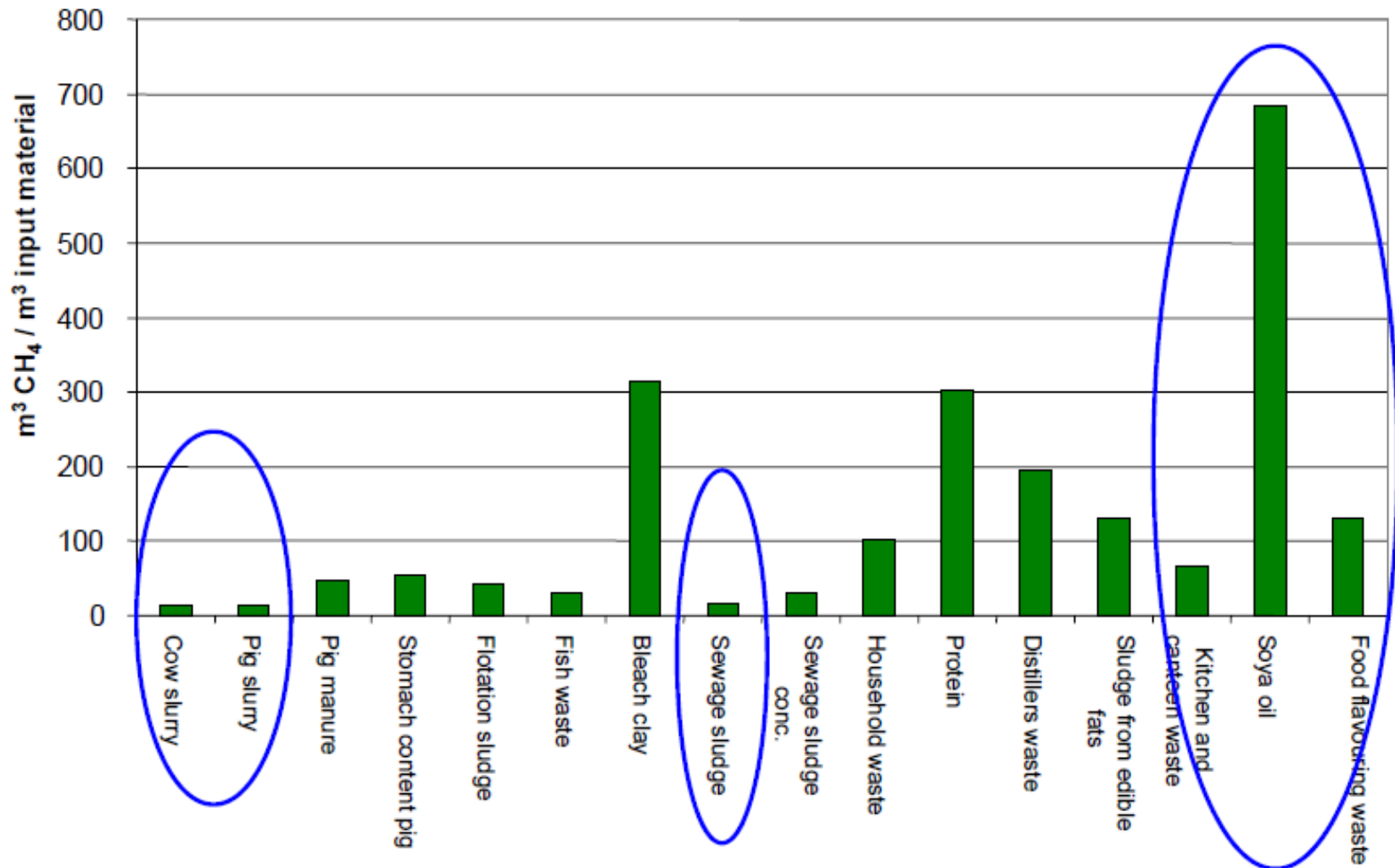
- Stomach and intestinal content from slaughterhouses
- Flotation sludge and other slaughterhouse waste
- Waste from dairies
- Waste from fish industries (fish waste and fish oil)
- Glycerine
- Residues from vine industry
- Waste from plant oil production
- Waste from sugar industries
- Meat and bone meal

## Municipal waste

- Source sorted household waste
- Municipal sludge (waste water treatment plants)



# Biomass feedstock for agricultural biogas plants





## Biogas in Denmark

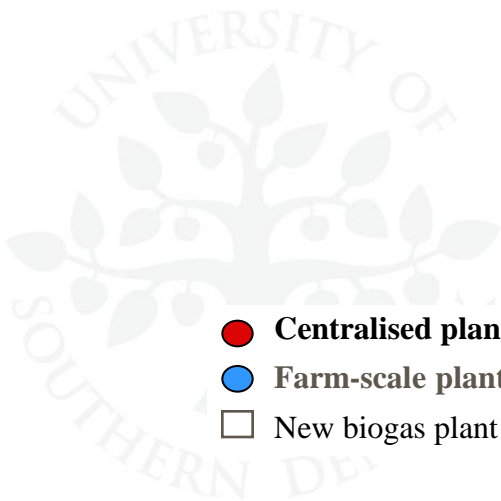
Type of plant	Nr.	Production PJ	Potential
- Centralised co-digestion	20	1,70	
- Farm scale plants	60	0,91	
- 2,14 mill tonnes animal slurry (5 % of the total)			
- 0,4 mill tonnes organic waste			27,0
- Waste water treatment plants	64	0,87	4.0
- Industry plants	5	0,14	4,5
- Landfill gas recovery plants	25	0,44	1,0
- Household waste			2,5
<b>Total</b>		<b>4,06</b>	<b>39,0</b>



# Biogas in Denmark 2009



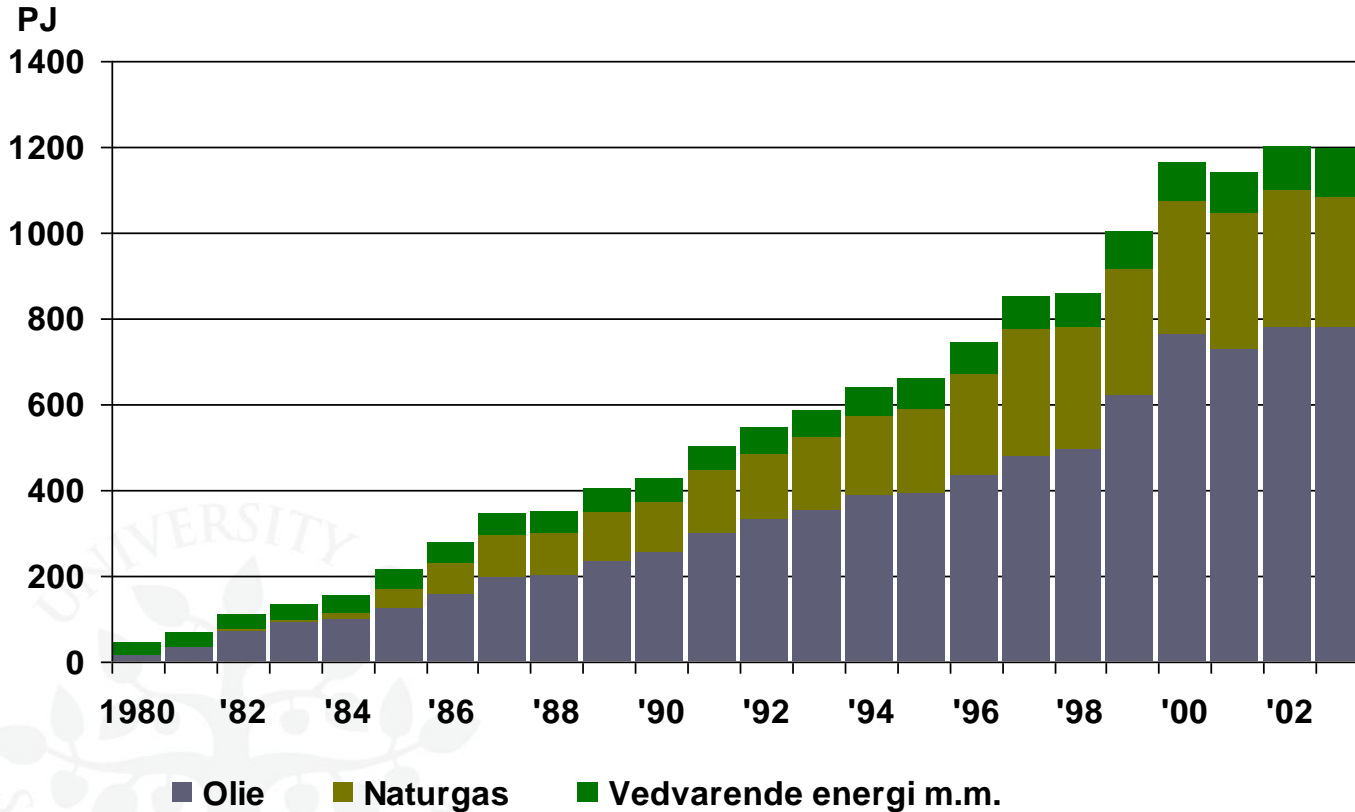
- Centralised plants
- Farm-scale plants
- New biogas plant projects







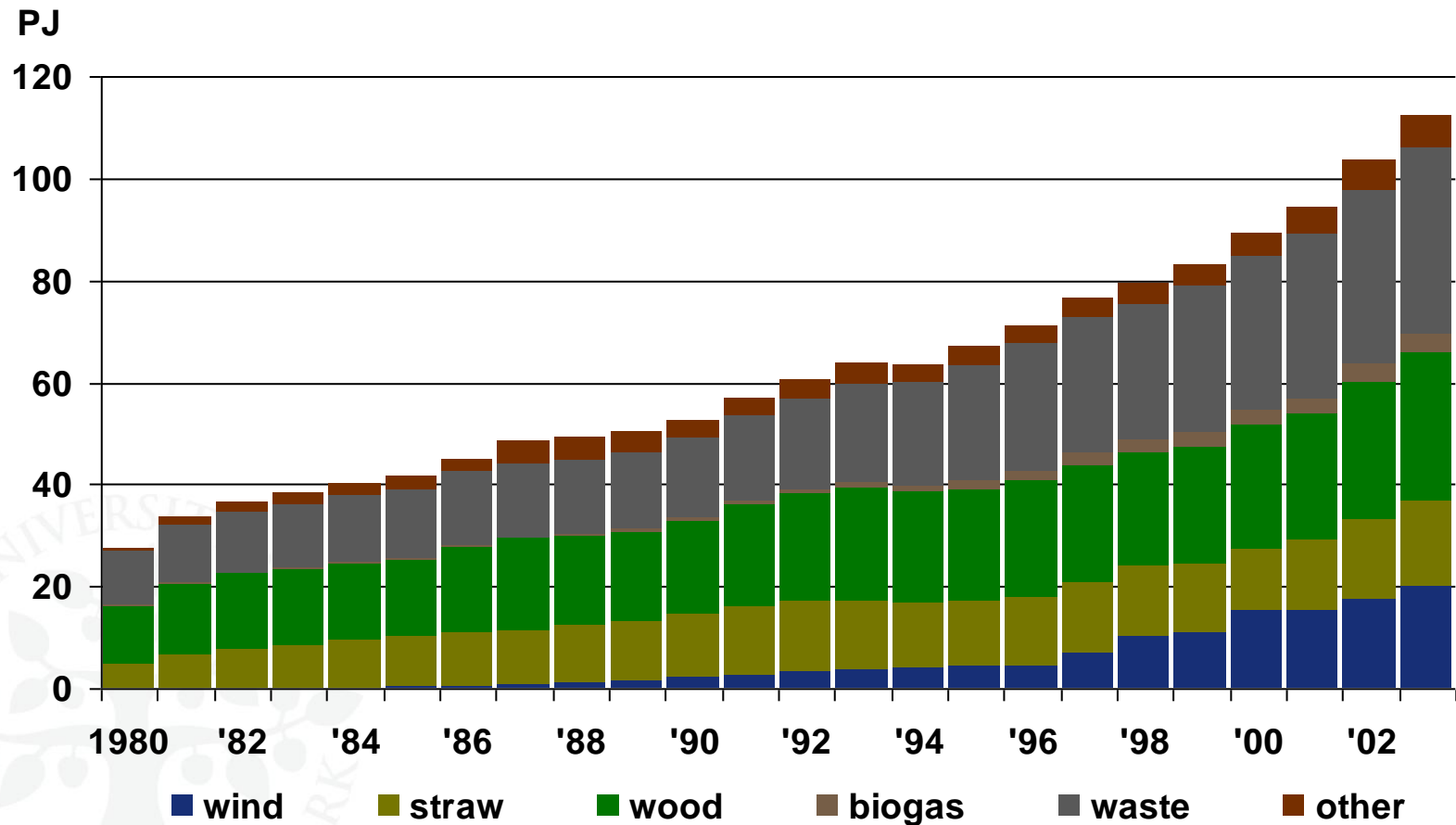
## Primary energy production in Denmark



112,3 PJ renewable energy, 13,6% of gross energy consumption (850 PJ / year)



## Renewable energy production PJ/year



**Biomass = 41% of the total renewable energy production**



## Denmark needs more biogas plants

### Why biogas?

Renewable energy and e security of energy supply

- Biogas is a cost-efficient tool for GHG reduction
- Protection of water environment
- Cheap recycling and utilisation of organic residues for energy and fertiliser
- Brings economic and environmental benefits to involved farmers and to the society
- Creates jobs and local development

Manure based biogas is economically and socio – economic feasible if:

- Organic waste is co-digested with animal manure and slurries
- Environmental and economic externalities are taken into account

### Necessary framework to achieve the political goal

- Fair electricity prices and price guaranty
- Availability of co-digestion substrates (other than animal slurries)
- Simpler rules for plant approvals and operation
- Supportive overall framework (agricultural, environmental and veterinary legislation)
- Improved public perception of biogas
- Founding for RD&D ( externalities, new substrates, pre/post treatment etc

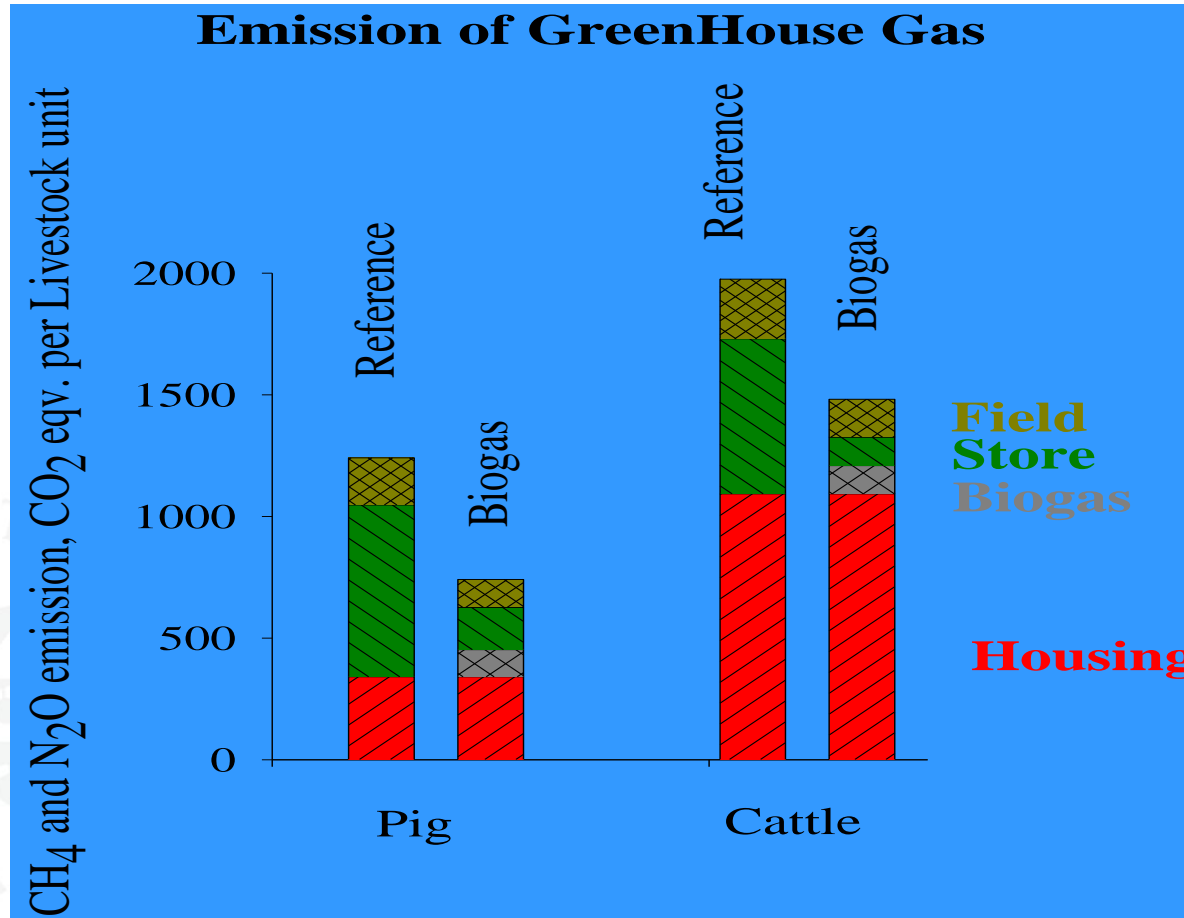


## **Actual incentives for establishment of biogas plants (Case: Denmark)**

- **Socio-economic benefits of biogas production**
- **Fulfilment of environmental policies**
  - cheap tool for reduction of GHG emissions ( 5,37 Euro/tons CO2 equivalent)
  - 90 kg CO2 EQ. / t biomass treated
- **Agricultural benefits**
  - cheap slurry storage
  - less transport
  - less odours and flies
  - less CH4 emissions from storage and spreading
  - cheap redistribution of slurry ( centralised co-digestion)
  - sanitation and pathogens control
  - NPK declaration of digestate
  - high N-utilisation and less N- leaching in digestate
  - possibility of fibre separation

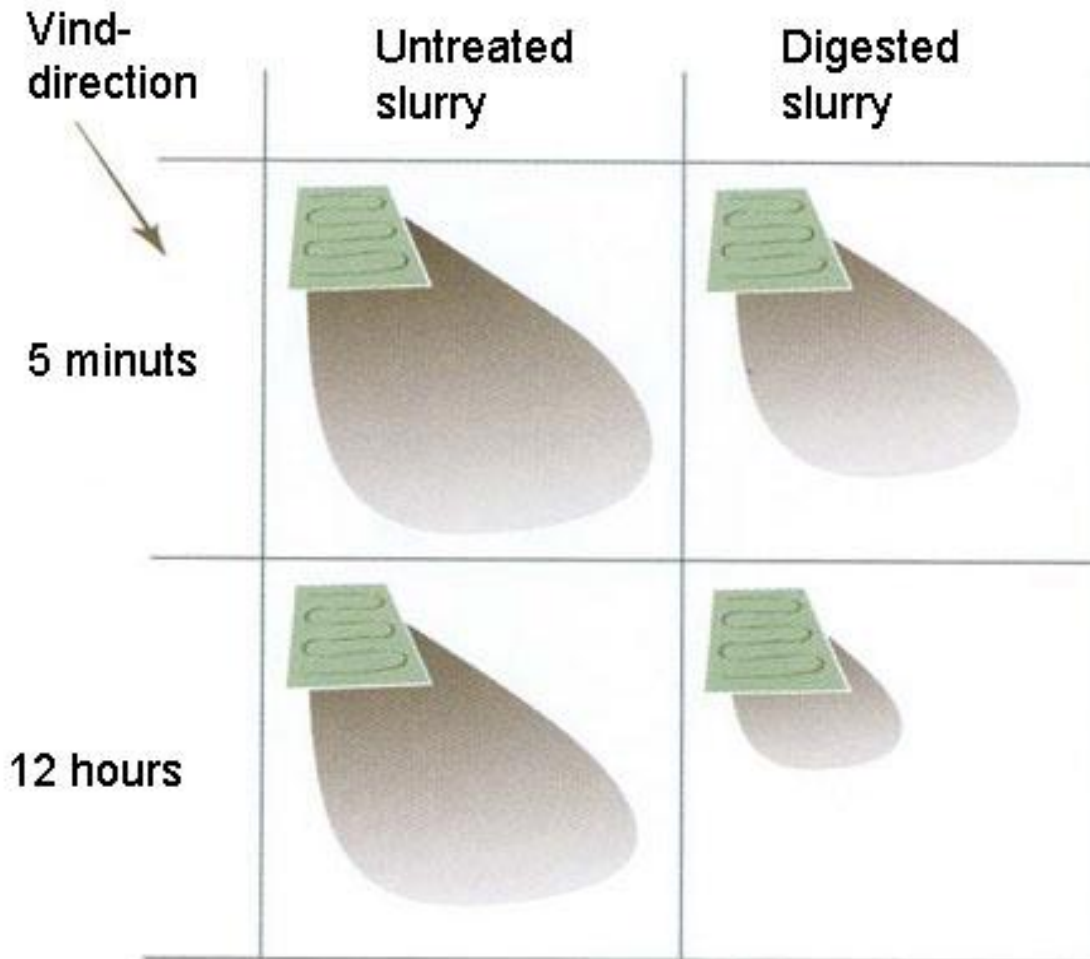


## GHG emission, with and without biogas production

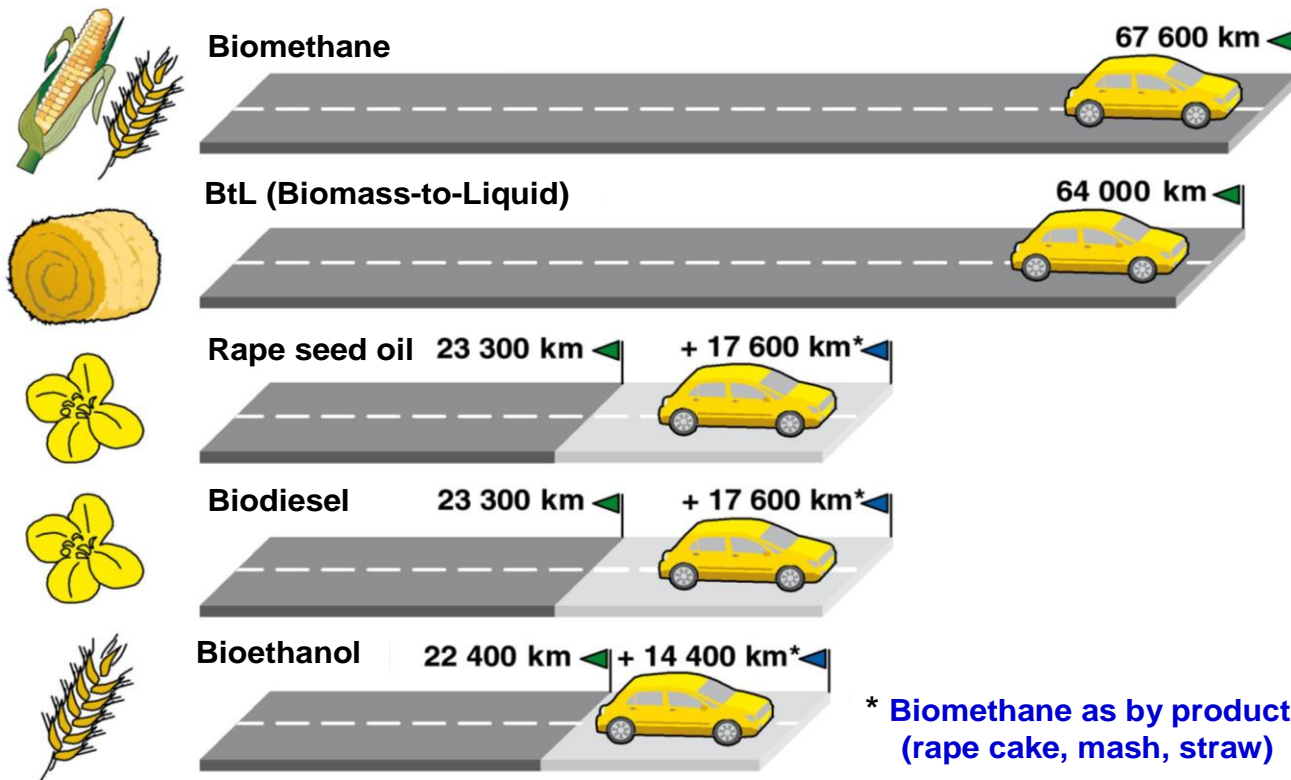




## Odour reduction by application of digestate



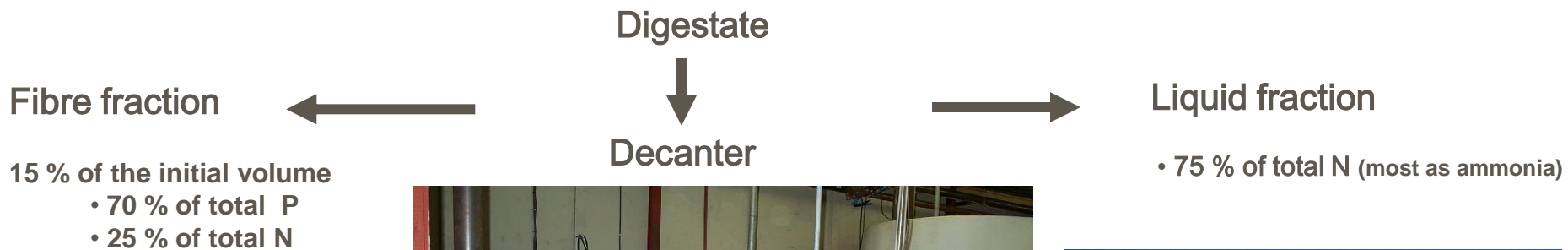
## Biogas as vehicle fuel, compared to other biofuels



Vehicle fuel consumption: gasoline engine 7.4 l/100km,  
diesel engine 6.1 l/100 km



## Biogas and slurry separation



### Problems:

- Costs of drying fibre fraction ( 50 EUR /t) exceed nutrient value of fibres
- Heavy metals concentrations could be a problem for utilisation as fertiliser (removal expensive)
- Incineration seen like an alternative ( further documentation and approvals necessary)





## Biogas in Denmark

- **25 years experience**
  - proven technology
- **Anaerobic co-digestion**
  - manure and organic residues a sound concept
- **Sustainable solutions**
  - energy production and agriculture
- **Developed in close co-operation**
  - agriculture, industry, authorities, research institutions
- **Driven by suitable framework conditions**
- **Ensures further development of agriculture**





## Biogas in Denmark

### Existing framework

- Price of sold m<sup>3</sup> CH<sub>4</sub>: 0,40 Euro
- Heat production: exempted from energy and CO<sub>2</sub> taxation
- Power-production: price guaranty of 0,08 Euro/kWh the next 10 years and of 0,053Euro/ kWh further 10 years ( only for plants established before 2007)
- Co-digestion of organic waste - a “must” for a balanced economy of the plant
- Decreasing investment grants

### Barriers

- Economy (power prices, gate fees, operation costs, transport)
- Gas yield (dependency of co-digesting organic waste)
- Public image location of site ( odours, trafic)
- Approval procedures for establishment



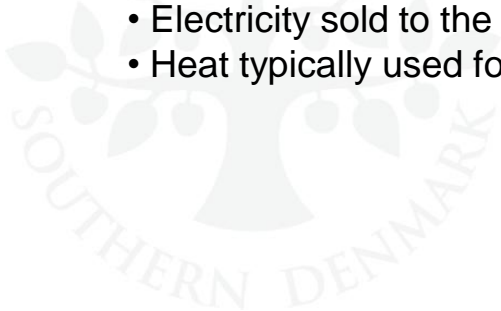
## Types of agricultural biogas plants in Denmark

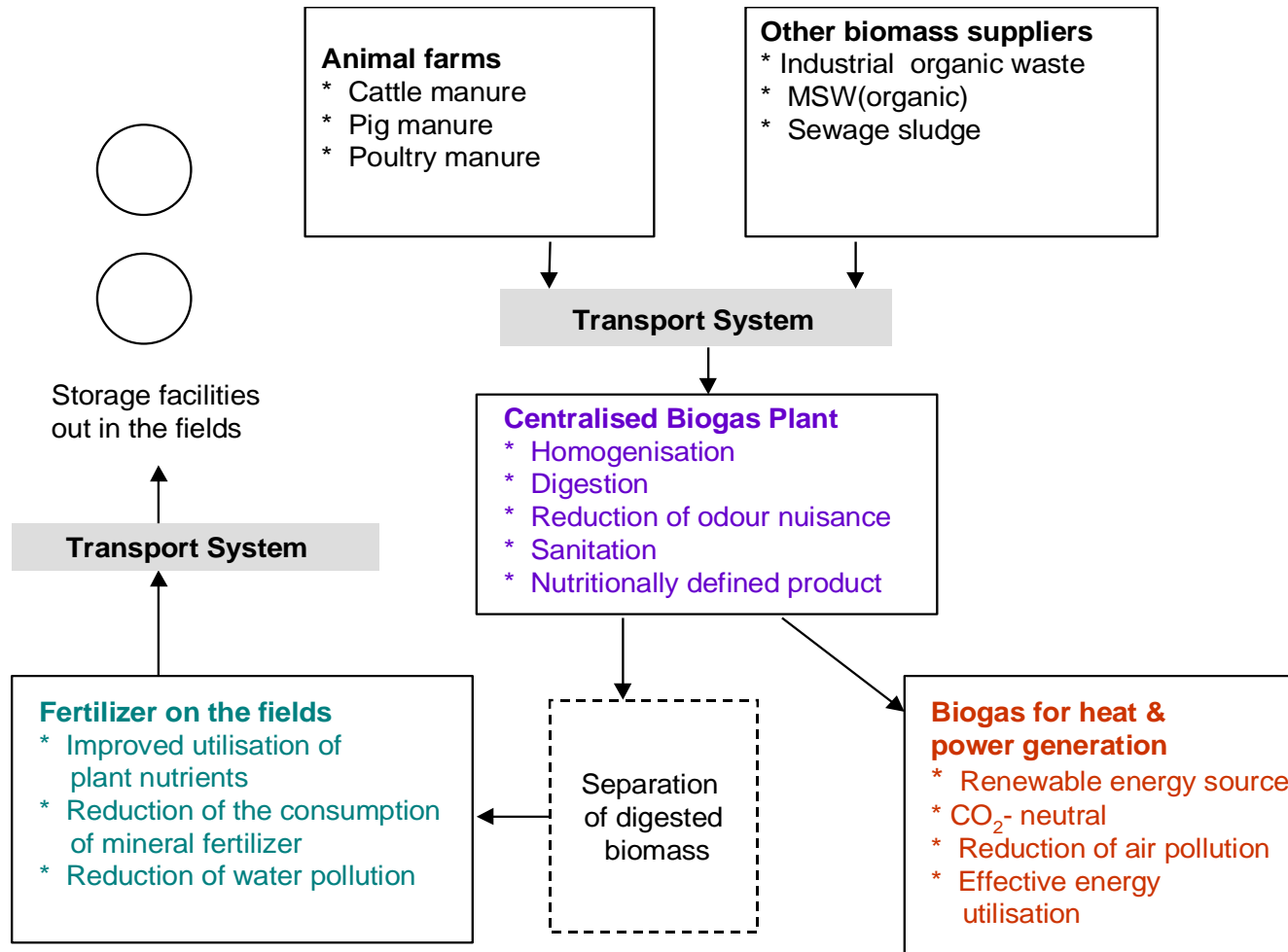
### Farm biogas plants

- Almost always located on a farm
- Usually treating biomass produced on the respective farm
- Waste from food industry is co-digested ( boost biogas production )
- Biogas used for electricity production (sold to the public grid)
- Heat production used at the farm (process heat) and/or cooled away

### Centralized (joint) biogas plants

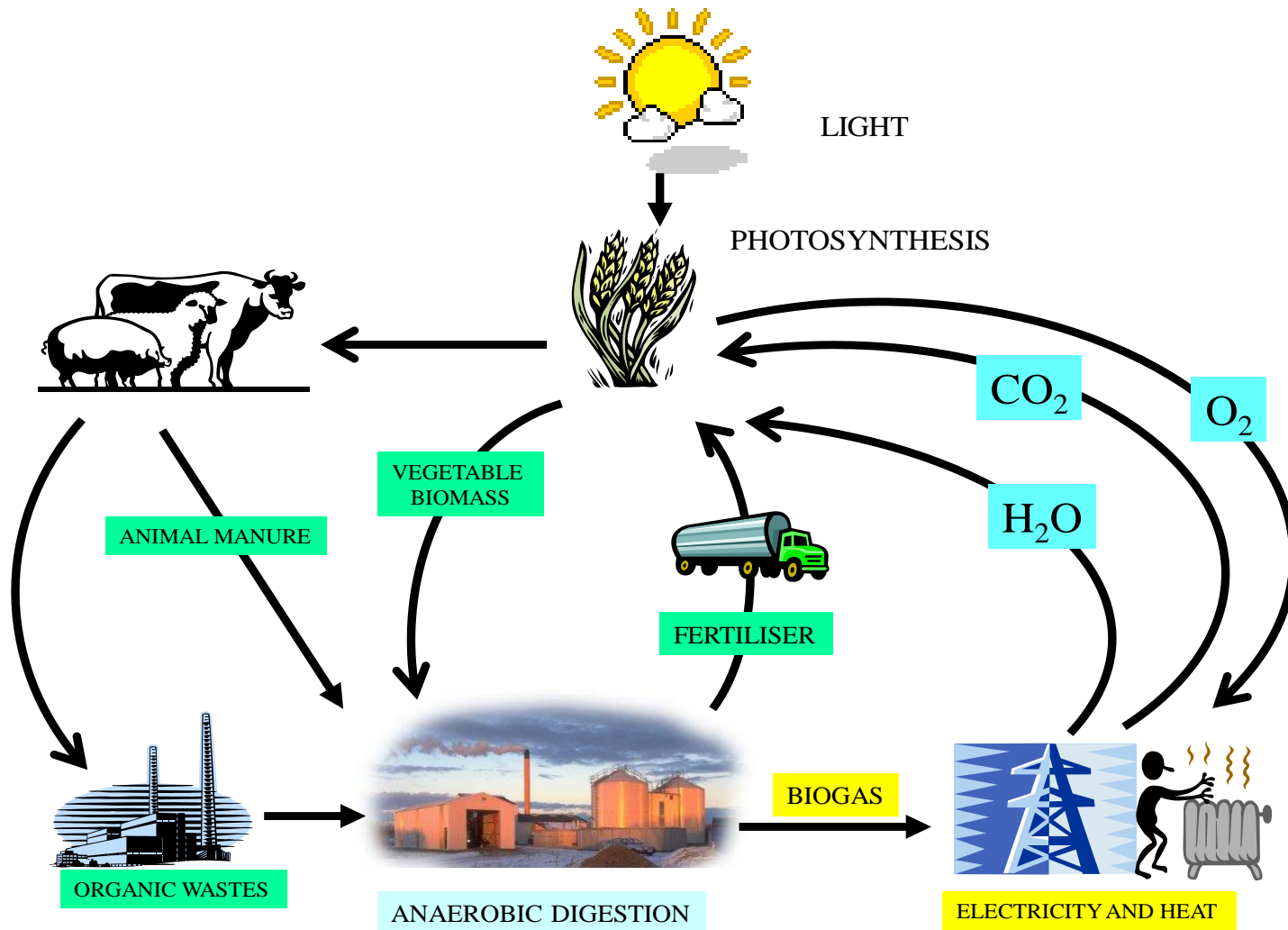
- Co-digesting biomass ( animal slurries, manure, vegetable biomass), supplied by several farms
- Located centrally in the farming area
- Co-digesting various wastes from food industries etc
- Biogas used for CHP production
- Electricity sold to the public grid
- Heat typically used for district heating or industrial purposes







## The concept of centralized (joint) biogas plants

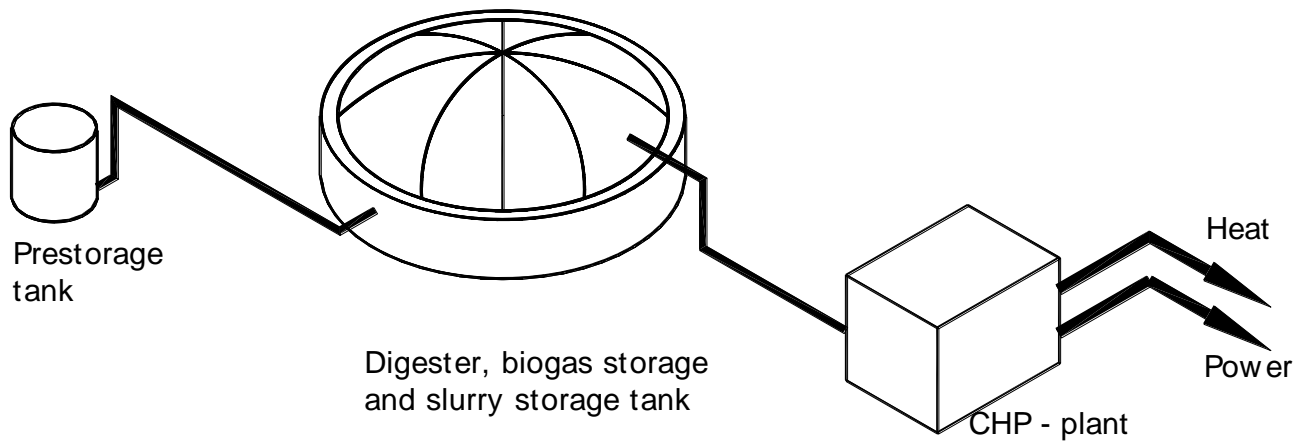








## Farm scale biogas plant







## Farm scale biogas plant





## Farm scale versus centralised plants

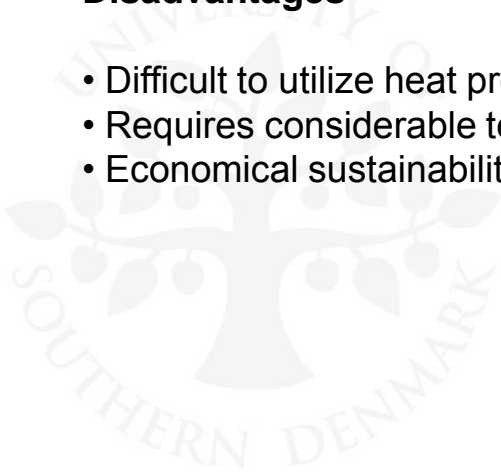
### Farm-scale biogas plants

#### Advantages

- Technical simplicity( digester can just be "inserted" between the slurry canals and the slurry storage tank)
- Low operational costs (compared to centralized plants)

#### Disadvantages

- Difficult to utilize heat produced from cogeneration at the farm (especially in summer)
- Requires considerable technical skills and interest from the farmer
- Economical sustainability requires a certain size of the farm





## Centralized biogas plants

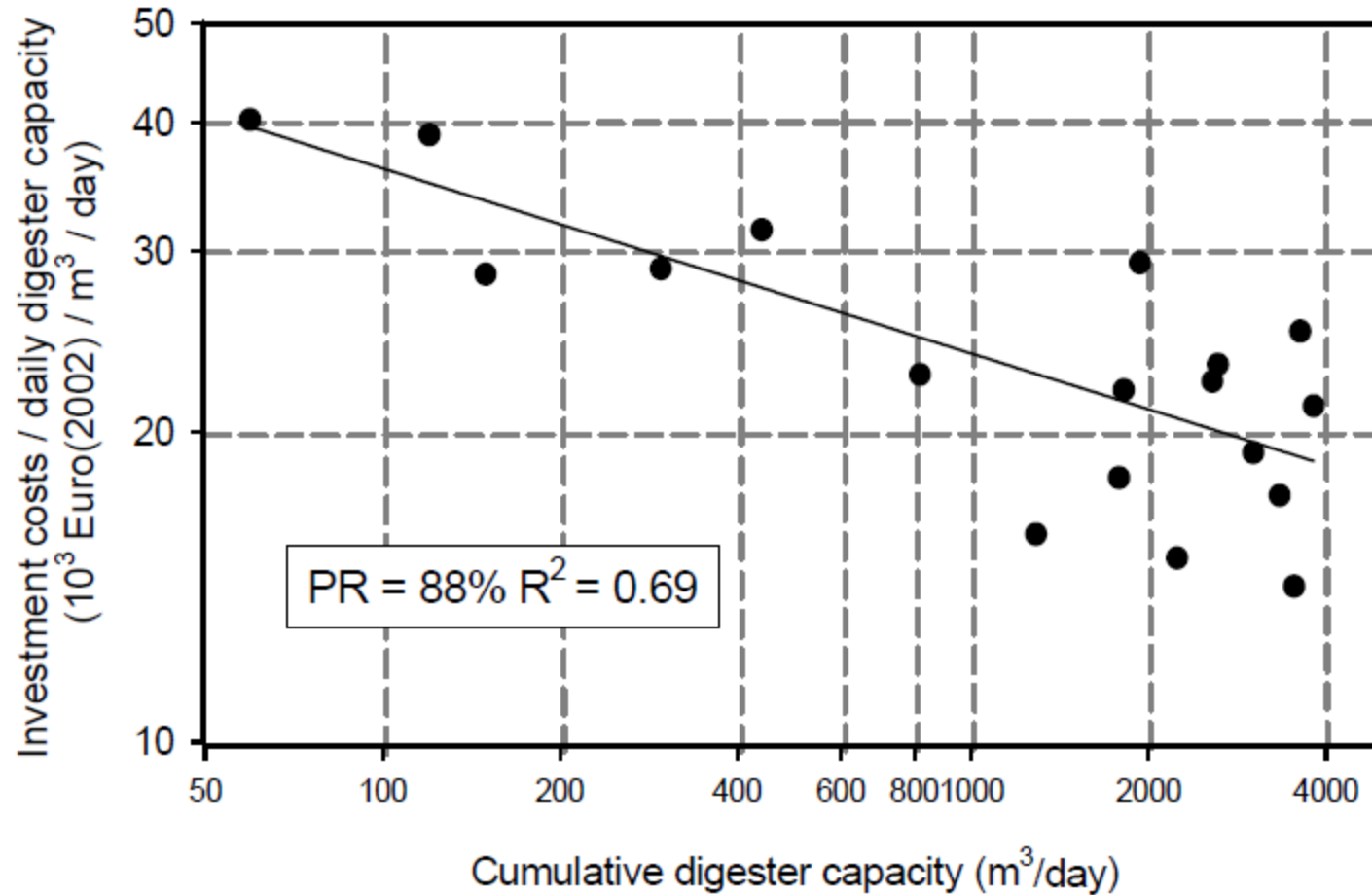
### Advantages

- All farms ( large and small) can be involved
- Recycling of organic waste products
- Skilled and trained staff
- Better territorial redistribution of distribution of nutrients from animal manure and slurries.
- Economy of scale; (prices per tonne of biomass treated decrease with the size)
- utilizing heat production (district heating)

### Disadvantages

- Technically more complex
- Transportation, receiving and loading facilities have to be established
- Higher costs;
  - Higher investment costs
  - Higher operation costs (e.g. transportation costs etc.)
- Often difficult to find a suitable location for the plant
- Veterinary safety: there is a potential danger of spreading of disease between farms (never the case in Denmark)

**Investment costs per digester capacity**  
**Case: Danish biogas plants**





## Planning and building a biogas plant

- Project idea
- Pre-feasibility / Feasibility study
- Detailed planning
- Getting the permits
- Construction of the biogas plant
- Running in period
- Operation and maintenance
- Re-investment, renewal and replacement of components





## Defining a concrete biogas project idea

- What is the aim of the biogas project?
- What is the capacity of the investor to realise the project?
- How can continuous and uniform supply of feedstock be ensured?
- Where can the biogas plant be located?





## Further planning steps

- Assessment of project feasibility in local conditions
- Defining and evaluating a business plan and a financing strategy
- Involving an experienced planning company
- Involving, from very early stages of the project, **all the other key actors:**
  - local authorities
  - municipalities
  - feedstock suppliers
  - financing companies
  - the public



## How to secure continuous feedstock supply

### Feedstock supply schemes

#### Single supplier

A farm or organic waste producer has enough manure, organic waste, agricultural land or all of the above, to provide the feedstock necessary to run the biogas plant

No feedstock supplying problems







## Feedstock supply schemes

### Several suppliers

Several farms, organic waste producers etc. work together in a consortium to build, run and supply feedstock to a biogas plant

- Cooperative company
- Limited company
- Other form of association

*Aim: To secure constant and long term supply of the necessary AD feedstock*

*How: Every supplier signs a long term contract, stipulating as a minimum:*

- Contract duration
- Guaranteed amount of feedstock supply or area of cultivation (for energy crops)
- Quality description of the feedstock supplied
- Guaranteed quality of the delivered biomass
- Payments conditioned by the delivered quantity and quality
- Bonus and penalty



## Where to locate the biogas plant

### Criteria:

#### Suitable distance from residential areas

- to avoid conflicts related to odours and increased traffic

#### ▪ Consider the direction of the dominating winds

- to avoid wind born odours reaching residential areas

#### ▪ Easy access to infrastructure

- electricity grid - sale of electricity

- transport roads - transport of feedstock and digestate

#### ▪ Investigate the geological condition of the terrain before starting the construction

- avoid location in potential flood affected areas

#### ▪ Close or central to the feedstock production area (manure, slurry, energy crops)

- minimise distances, time and costs of feedstock transportation

#### ▪ As close as possible to potential users of the produced heat, or bring potential heat users closer to the biogas plant site (heat demanding industry, greenhouses)

- cost efficient heat transmission

NB: The size of the site must be suitable for the activities performed and for the amount of biomass supplied



## Getting the permits ?





## Start up of a biogas plant

### General considerations:

- Must be conducted by experienced people, who are familiar with the design of the plant and with the microbiology of the AD process.
- Should always be done by the company who designed and built the plant
- Use the running in period to train the plant manager and the staff in charge with the plant operation
- Before starting up, the plant owner must check if all the obligations included in the building permission are fulfilled

### Start up procedure :

- Filling up the digesters with manure or with digestate from a well functioning biogas plant (inoculation)
- Heating up the feedstock to process temperature
- Starting the feeding up of digesters



## The construction of the plant

### Entrepreneurs

- A single farmer
- A consortium of farmers
- A municipality

### Success criteria

#### A. Controllable factors = The rightness of the strategic decisions

- Investment costs
- Operation costs
- Technology
- Tendering
  - Operational cost of CHP incl. all services and spare parts (amount/kWh)
  - Maintenance costs of biogas plant in total. (% of investment/year)
  - Own electrical energy demand, including demand of CHP (kWh/year)
  - Average working hours/day of staff (maintenance and feeding the system)



## B. Uncontrollable factors

- Interest terms
- Grid access and feed in tariffs
- World market prices for feedstock (e.g. energy crops)
- Competition for feedstock from other sectors

## Study/ calculation of profitability

- Often required by the banks
- Normally done by experienced planning/ consulting company (part of the preliminary planning)
- For single farm biogas projects, can be done by the project developer
  - the project developers/ partners get a close view of the project
  - no external costs occurred in case of cancelling the project

Mandatory to be done by consulting company in case of a biogas plant treating municipal waste  
more complex handling of feedstock

- complex biological stability of the system
- more complex plant design

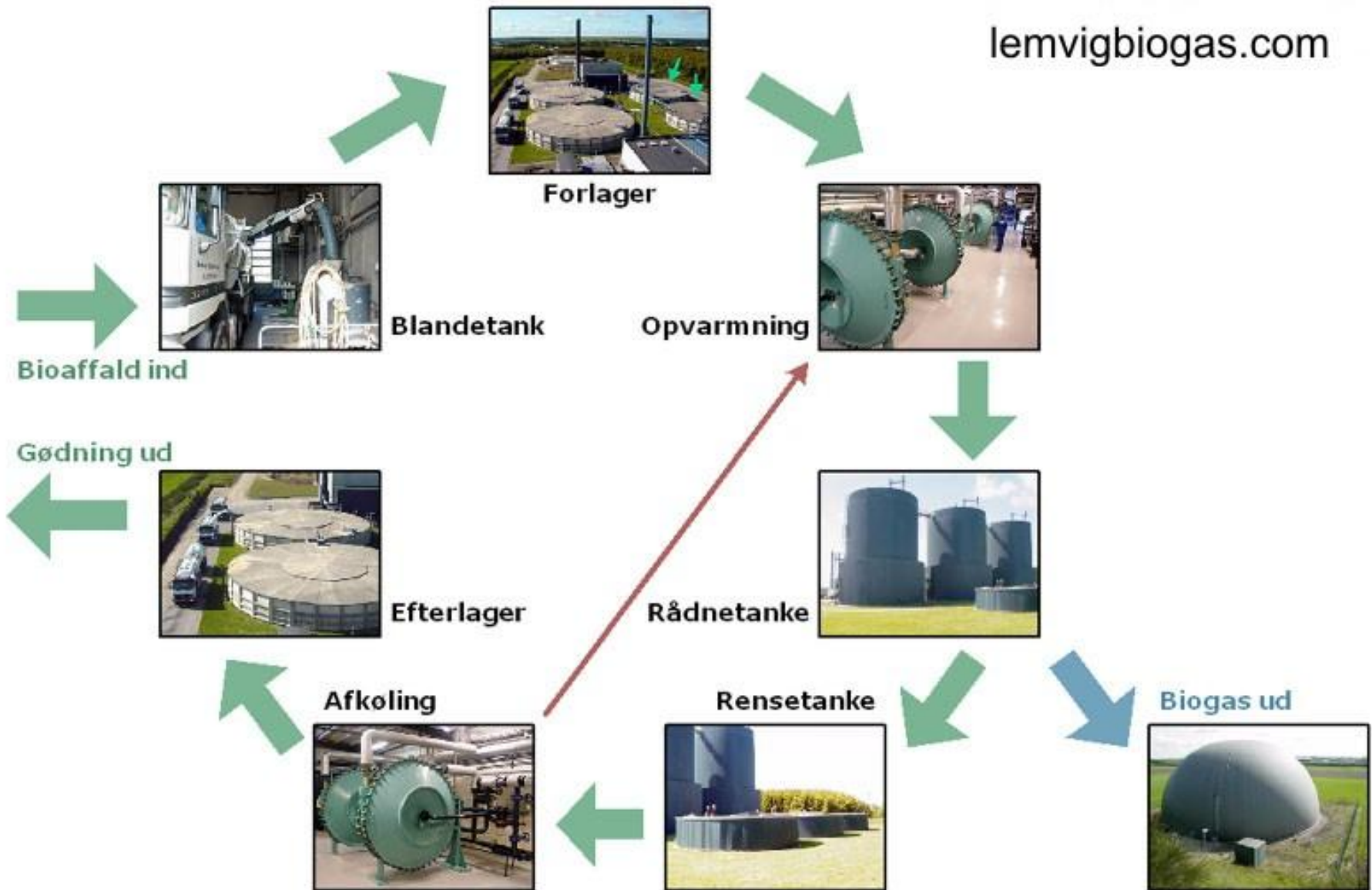
### **Attention!**

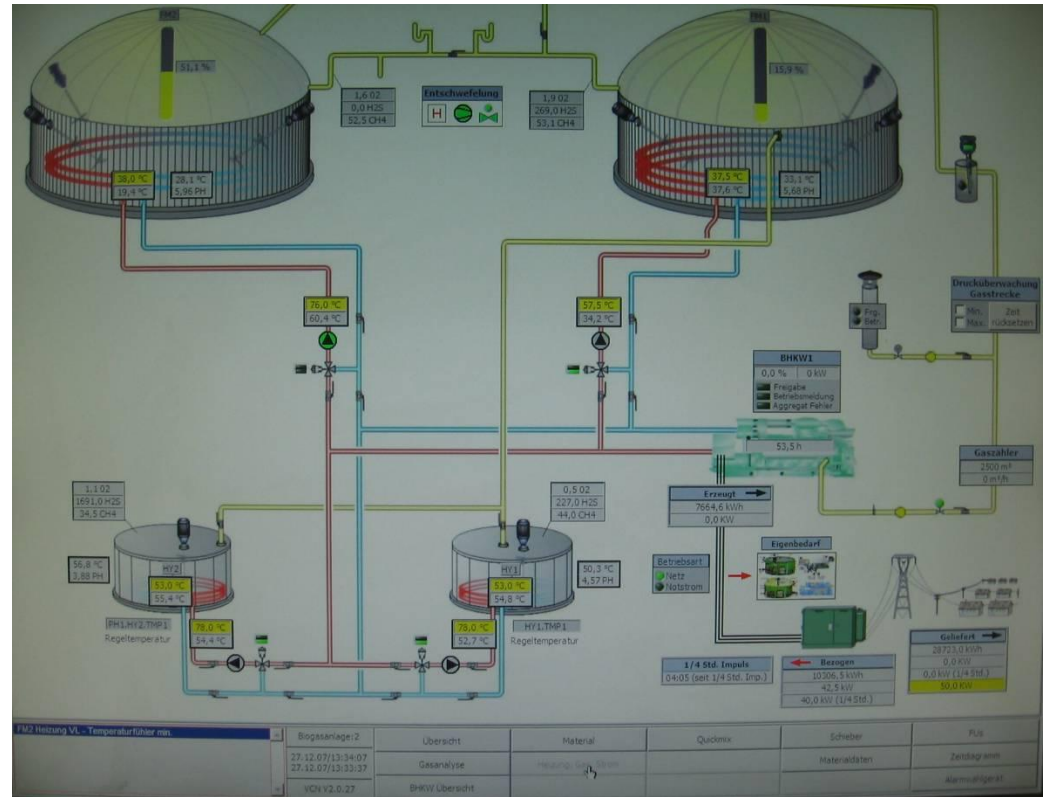
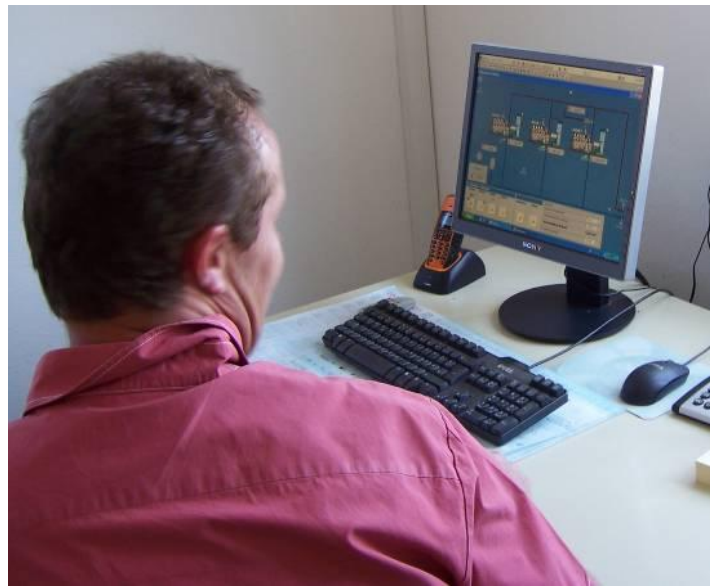
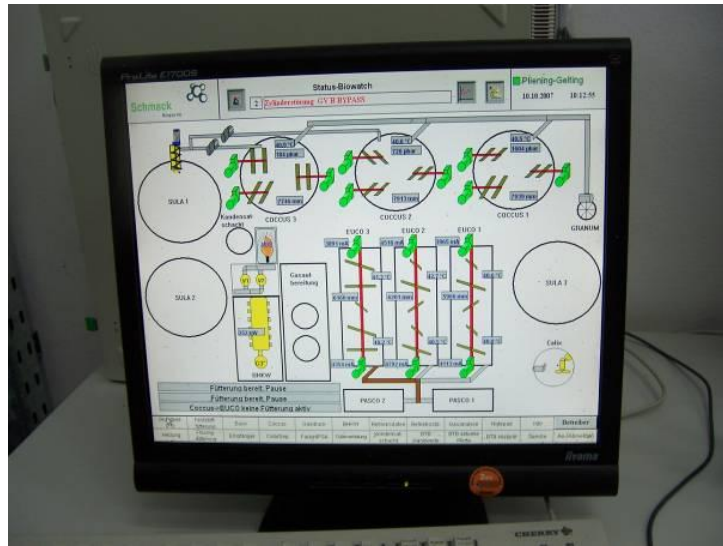
**Industrial waste suppliers face problems securing long term availability of the feedstock. (rarely contracts for periods longer than five years)**

Economic forecast using BiG< EAST calculation model <http://www.big-east.eu>



lemvigbiogas.com

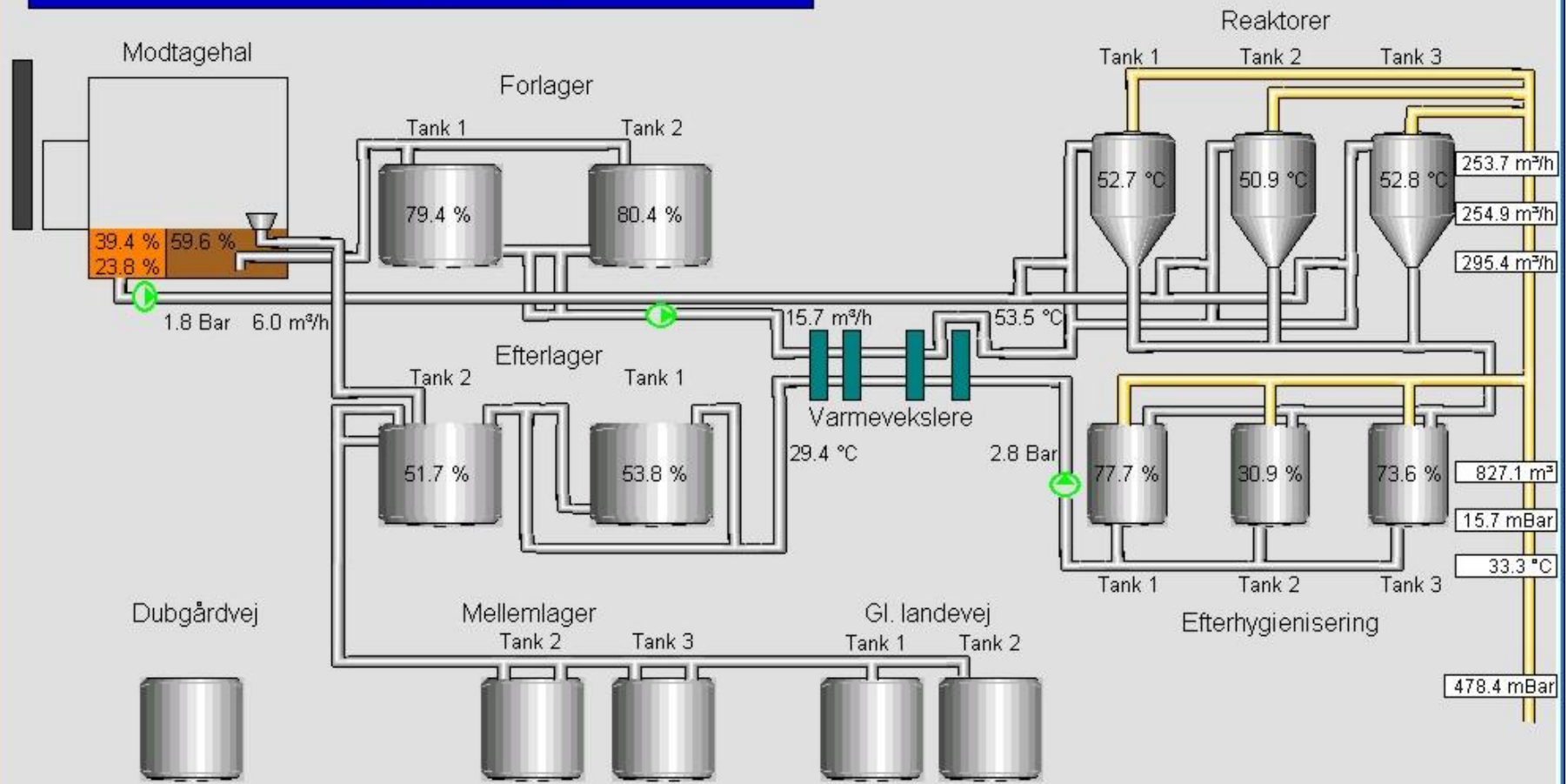






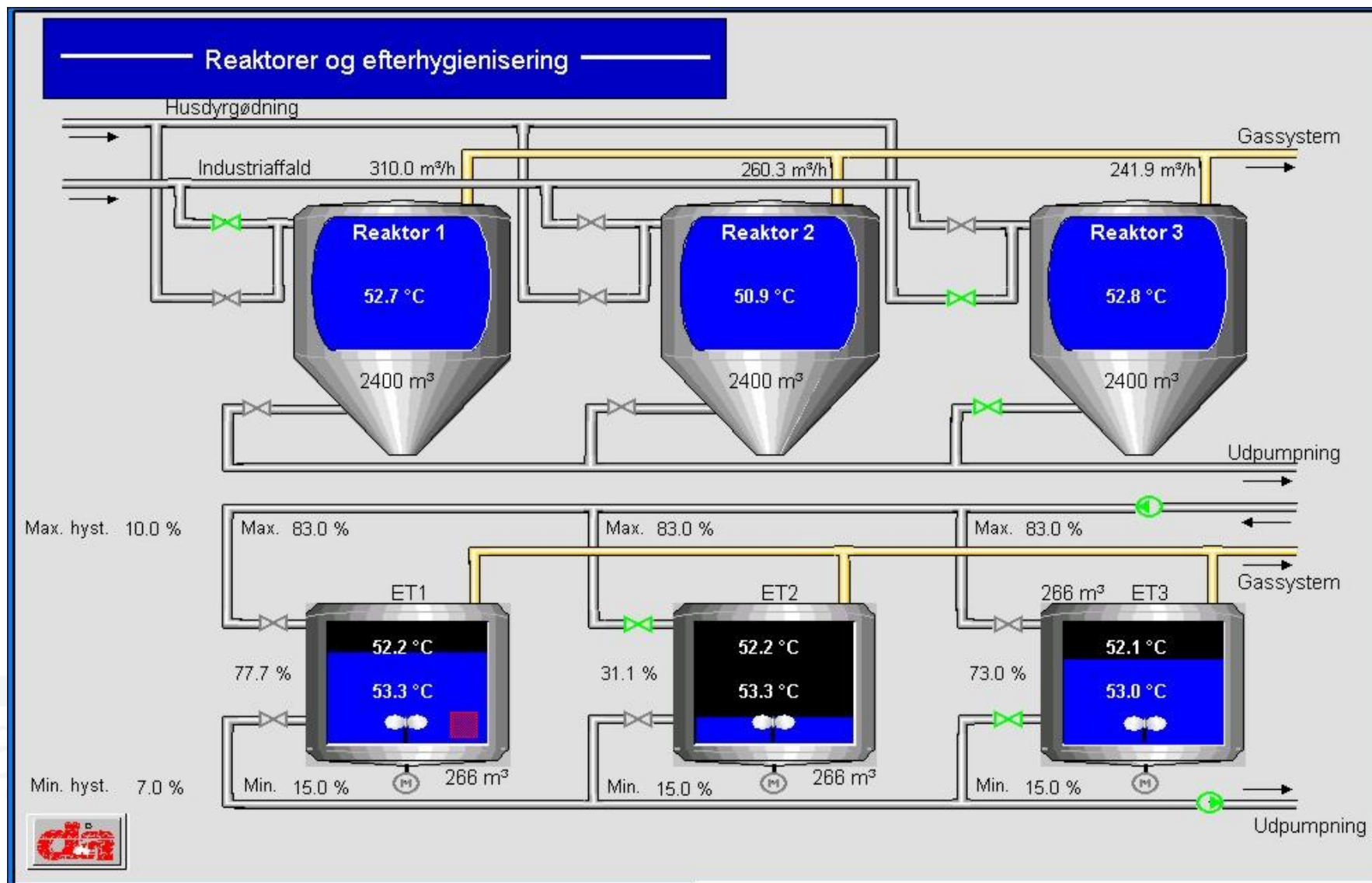


### Lemvig Biogasanlæg



UPS alarm

478.4 mBar



















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