

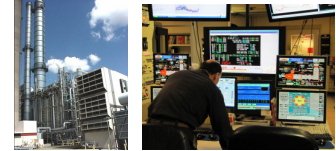
Anaerobic Digester Gas to Energy Using "Opportunity Fuel" to Benefit Society

Scott Yappen
Veolia Energy North America
Trenton | Philadelphia
syappen@veoliaenergyna.com

About Veolia Energy



- 150+ years. Founded in 1860
- 53,000+ employees in 42 countries
- 120,000+ energy systems managed
- 5,000+ MW CHP: 800+ gas turbines and engines
- 880+ district heating /cooling networks
- \$10+ billion/yr global revenue



Veolia Water Biosolids Experience – Large Plants

Technology	U.S. Experience	Global Experience
Anaerobic Digestion	Milwaukee, WI – 300 MGD Wilmington, DE – 134 MGD	Berlin, Germany – 173 MGD Prague, Czech Republic – 150 MGD
Incineration	Naugatuck, CT – 75 DT Cranston, RI – 66 DT	Berlin, Germany – 250 DT Bali, Taiwan – 80 DT
Dewatering and Thermal Drying	Chicago, IL – 200 DT Milwaukee, WI – 200 DT	Berlin, Germany – 260 DT Zaragoza, Spain – 48 DT Berlin, Germany - 260 DT
Composting	Baltimore, MD – 45 DT Hickory, NC – 20 DT	Riyadh, Saudia Arabia – 125 DT Prague, Czech Republic – 118 DT
Lime Stabilization	Oklahoma City, OK – 64 DT	Brussels, Belgium – 55 DT



Benefits of Digester Gas Utilization

- Economic
 - Reduce energy cost
- Environmental
 - Create energy from an otherwise wasted "renewable" fuel source
 - Reduce harmful GHG emissions like methane (CH₄)
 - CH₄ is 20x more potent than CO₂ in trapping sun's heat in atmosphere
- Societal
 - Reduce stress on electric grid/gas
 - Good for community morale and PR
 - Utilize a domestic source of energy
- Security
 - Enhance power reliability for the facility
- Regulatory
 - Satisfy "emergency power" mandate for WWTP to maintain operational continuity during utility outages

Opportunity Fuels

aka Alternative Fuels

- Fuels used in place of fossil fuels to generate energy
- Contains methane (CH₄)
- Derived from natural sources deep in the earth, or from natural processes that break down waste material
 - Coal mines
 - Landfill
 - Agricultural biogas
 - **Anaerobic Digester Gas (ADG)**
- Years ago, these gases were simply allowed to escape into the air. Now, they are recognized as valuable and in many cases renewable energy resources.

Basics of Digester Gas Process

- Micro-organisms break down biodegradable material in the absence of O₂
- Biogas is produced
 - Typically ≈ 55-65% methane, 35-45% CO₂
- Sludge is heated to accelerate the process
 - Mesophilic bacteria live optimally ≈95°F
- Biogas can be utilized
 - to generate heat & power(CHP)

EPA Statistics

- How much energy is available from ADG?
- EPA: 4.5 mgd WWTP with AD can produce:
 - 100 kW of electricity
 - 12.5 million BTU per day of thermal energy

13

Enhancing Digester Gas Production

- Low Hanging fruit
 - Clean digester
 - 30% of digester is filled with grit/sand/silicon
 - Make sure mixing system works
 - OpEx that is often not budgeted
 - Co-digestion
 - Supplement normal WWTP sludge feed with FOG
 - Higher available BTU content (90+%)

14

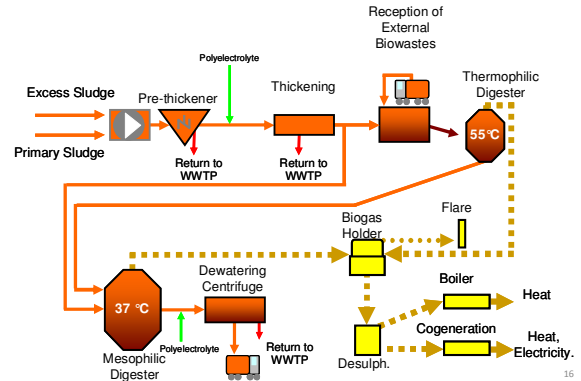
Enhanced Gas Production

Co-digestion

- Import High-Strength Organic Wastes with Sludge
 - Increases biogas quantity & quality (↑ BTU)
 - Improves Gas Quality (↑ BTU, ↓ Contaminants)
 - Increases Revenues
- Most Common Wastes – FOG, Food & Industrial

15

Digester Process



16

Milwaukee, WI – South Shore WRF

1/3 National Power Usage per MG

- Net Power Usage:
 - ~ 400 KWH/MG Treated vs. National Average of ~ 1,200 KWH/MG)
- Plant Flows:
 - 115 MGD/300 MGD Design with 12 Digesters
- Biogas Used to Fuel 5.1 MW Cogeneration Systems
 - 4 - 925 & a 1.5 KW Engine-Generators
 - 1 - 1.5 MW Engine-Generator
- Recovered Thermal Energy Used for Digester & Building Heat
- Digester Enhancements to Increase Gas Generation
 - Receive Imported Airport Deicing Fluids for Co-Digestion
 - Piloting Co-Digestion of Various High-Strength Organic Wastes



17

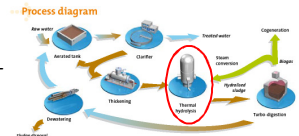
Enhanced Gas Production

Thermal Hydrolysis Technology

- Sludge energy ≈ 7500 BTU/lb
 - Typical digester reduces 50% volatile solids
 - Yield 3500+ BTU/lb

Thermal Hydrolysis (300+°F, 100+ psi)

- Suspended solids liquefied
 - Volatile solids destruction, and biogas, increases 30-40%
 - Reduces sludge quantity and disposal costs
 - Higher ops cost



18

State of NJ

- NJ Energy Master Plan
 - 1500 MW CHP; 100 MW District Energy
- Energy Savings Improvement Program (ESIP)
 - Energy savings contracts for public sector
 - Third party financing
 - 20 year term for CHP
 - Advantageous for municipalities in this economy
- Pay for Performance Incentives
- State Bill A3339, A3439
 - Eliminates state sales and use tax on natural gas for CHP
 - Allows customers not immediately on the same site as a CHP plant serving them heating and cooling to also purchase electricity, steam and cooling as onsite customers. This enables district energy systems
 - Effective 2009

19

Project Finance Considerations

- Traditional Project Financing
 - Does authority have borrowing/credit capacity?
 - Financial risk transferred to investors
 - Good rates (sub-market tax exempt debt)
 - Not applicable for tax benefits
 - Financial/Operational risks
 - Can employees operate a CHP plant?
- Third Party DBOOM/Finance
 - CHP Project expertise
 - Regulatory, financial, operational, design/build
 - Mitigates finance and O&M risks
 - Budgeting of unplanned equipment failures
 - Possible via ESIP program; 20 year energy service agreements
 - Project benefits from incentives applicable to taxable entities

20

Benefits of Digester Gas Utilization

- Economic
 - Reduce energy cost
- Environmental
 - Create energy from an otherwise wasted “renewable” fuel source
 - Reduce harmful GHG emissions like methane (CH₄)
 - CH₄ is 20x more potent than CO₂ in trapping sun’s heat in atmosphere
- Societal
 - Reduce stress on electric grid/gas
 - Good for community morale and PR
 - Utilize a domestic source of energy
- Security
 - Enhance power reliability for the facility
- Regulatory
 - Satisfy “emergency power” mandate for WWTP to maintain operational continuity during utility outages

21

Questions

Scott Yappen
 Business Development Director
 Veolia Energy North America
 Trenton | Philadelphia
syappen@veoliaenergyn.com
 609-498-1180