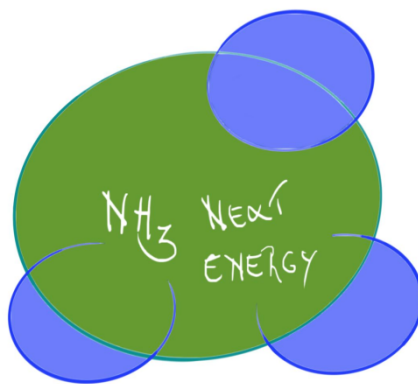


# Ammonia, Carbon Capture and Gas Turbine ensure United States Energy Independence



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## Table of contents

<b>1</b>	<b>INTRODUCTION.....</b>	<b>3</b>
<b>2</b>	<b>REPORT OBJECTIVES.....</b>	<b>4</b>
<b>3</b>	<b>GREEN AMMONIA PRODUCTION FROM COAL.....</b>	<b>5</b>
3.1	DESCRIPTION OF THE AMMONIA PRODUCTION PROCESS .....	5
3.2	GASIFICATION: H <sub>2</sub> PRODUCTION PROCESS.....	6
3.3	CARBON STORAGE AND SEQUESTRATION.....	7
3.4	NH <sub>3</sub> PRODUCTION PROCESS.....	7
<b>4</b>	<b>COST EVALUATIONS .....</b>	<b>8</b>
4.1	INTRODUCTION .....	8
4.2	H <sub>2</sub> AND NH <sub>3</sub> PRODUCTION COST .....	8
4.2.1	<i>H<sub>2</sub> production cost.....</i>	<i>8</i>
4.2.2	<i>NH<sub>3</sub> production cost.....</i>	<i>9</i>
4.3	COST OF NH <sub>3</sub> PRODUCTION, INCLUDING TRANSPORT AND STORAGE, FOR FOB DELIVERY.....	10
4.4	COMPARISON WITH AMMONIA PRICE ON US MARKET.....	10
4.5	ELECTRICITY PRODUCTION COST VIA GREEN NH <sub>3</sub> CCGT VERSUS CLASSICAL ELECTRICITY PRODUCTION COST IN THE U.S. ....	11
4.6	COST OF NH <sub>3</sub> PRODUCTION, INCLUDING INSURANCE AND FREIGHT, FOR CIF DELIVERY IN EUROPE...	11
4.7	ELECTRICITY PRODUCTION COST VIA GREEN NH <sub>3</sub> CCGT VERSUS RENEWABLE ENERGIES IN EUROPE	12
<b>5</b>	<b>EFFICIENCY OF THE PROCESS VERSUS EFFICIENCY OF COAL POWER PLANT.....</b>	<b>13</b>
<b>6</b>	<b>SEQUESTRATION POTENTIAL OF CARBON DIOXIDE.....</b>	<b>14</b>
6.1	POTENTIAL .....	14
6.2	REFERENCES.....	14
<b>7</b>	<b>MARKETING.....</b>	<b>15</b>
<b>8</b>	<b>CONCLUSION .....</b>	<b>16</b>
<b>9</b>	<b>BIBLIOGRAPHY .....</b>	<b>17</b>
	<b>APPENDIX 1 - COMPUTATION DETAILS .....</b>	<b>20</b>
	<b>APPENDIX 2 – LIST OF NOTATIONS .....</b>	<b>25</b>

## 1 Introduction

The contribution of renewable energy sources to the production of green electricity is well known.

However, the difficulty in storing the electricity produced handicaps those faced with fossil fuels that may be stored in solid or liquid form, but with CO<sub>2</sub> emissions.

On the other hand the United States has large coal reserves.

The question then arises: can coal be transformed into a CO<sub>2</sub> free liquid fuel as a new feedstock for power plants?

Coal *gasification* electricity power plants are now operating commercially in the United States and other countries with well known environmental and efficiency benefits.

A gasifier differs from a combustor in a classical power plant. In a combustor, the coal is completely burnt by air. In a gasifier, the oxidizer supplied is insufficient for complete combustion of the coal. In a modern gasifier, coal is exposed to air or oxygen and steam under high temperature and pressure. Under these conditions, a mixture of carbon monoxide, hydrogen and other gaseous compounds is produced. This gas mixture is further converted into synthesis gas, or 'syngas', for the production of electrical power, steam and basic chemicals such as hydrogen.

These *Integrated Gasification Combined Cycle* power plants can operate with subsequent carbon capture and storage.

Green electricity in this case is delivered to the grid and the CO<sub>2</sub> problem seems to be satisfactorily solved.

Except that in some cases there is no grid or the grid is saturated.

There is obviously no grid available from coal gasification plants in remote or overseas countries.

Coal gasification with subsequent carbon capture and storage could in, those cases, be transformed into *green ammonia fuel* to serve as *feedstock* for power plants.

Our study focuses on the production of hydrogen from coal for its conversion to ammonia and, after storage and transport, its use into a Gas Turbine for electricity production. This is visualized under Figure 1.

## 2 Report objectives

This report intends to demonstrate that green ammonia produced from coal gasification with carbon capture and storage is, in various circumstances, a competitive fuel for Combined Cycle Gas Turbine power plants.

Implemented on a large scale it can contribute to the reduction of fossil fuel imports.

The processes for coal transformation into green ammonia and then into green electricity are explained in the section chapter 3.

In chapter 4, the study reports the economic interest of green ammonia:

- supplied as feed stock for Combined Cycle Gas Turbines in the United States
- exported in Europe to supplement renewable energies sources
- as a storable power vector complementing wind and solar power.

### 3 Green ammonia production from coal

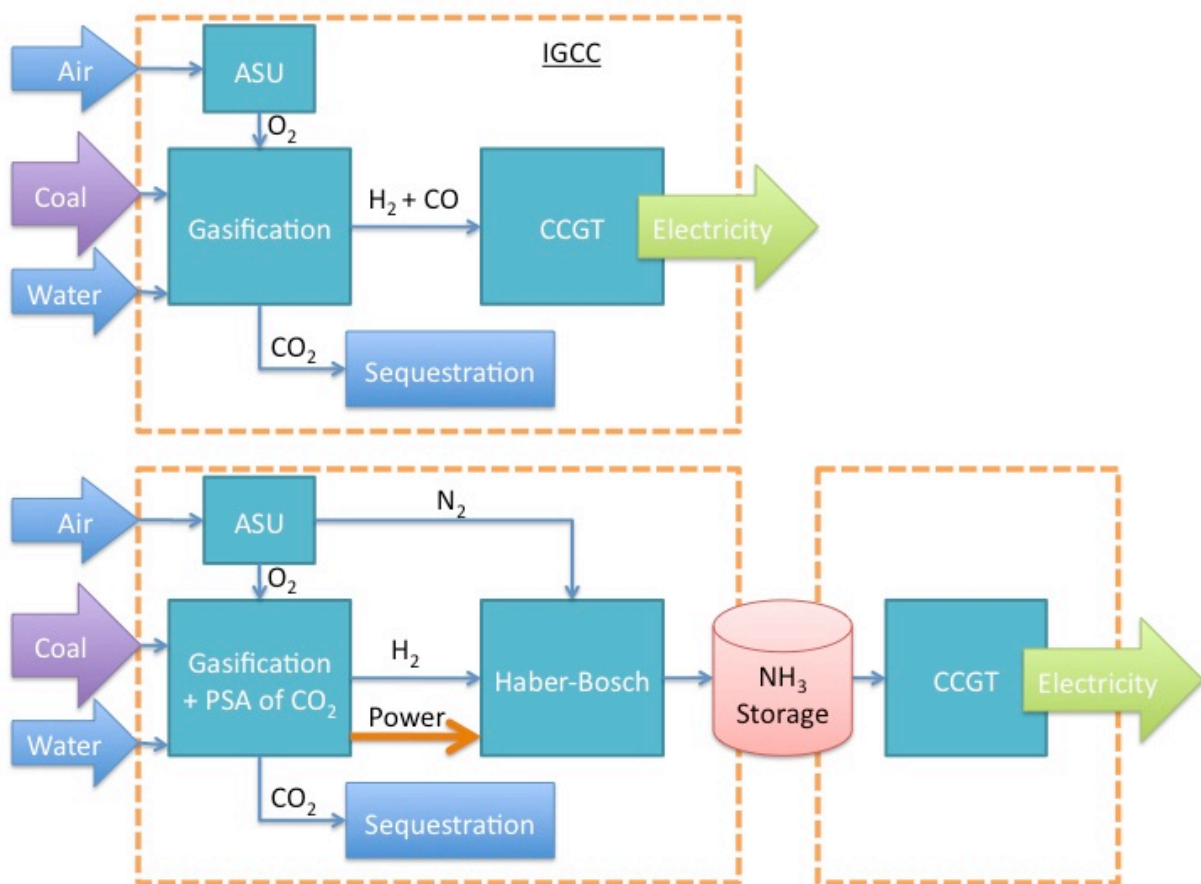
#### 3.1 Description of the ammonia production process

The goal of the process is, in a first step, to convert coal to NH<sub>3</sub> fuel and, in a second step, to burn this fuel in a Combined Cycle Gas Turbine to produce green electricity. The two steps can be separated in time and space.

CO<sub>2</sub> capture and sequestration are foreseen at the level of the gasification where CO<sub>2</sub> outputs alone in a pure stream. This will avoid the need of a CO<sub>2</sub> segregation process that is needed in a classical post combustion CO<sub>2</sub> capture process to separate CO<sub>2</sub> from nitrogen (N<sub>2</sub>).

This process is somehow comparable to the IGCC power plants with the noticeable difference that the power generation is replaced by an Haber-Bosch Synloop to produce ammonia. The electricity generation can be located away or even abroad. Figure 1 illustrates both IGCC process and the process proposed in this study.

**Figure 1 : Process overview and comparison with the IGCC with sequestration process**



The process feedstock are Coal, Water and Air.

The intermediate outputs are green ammonia fuel for CCGT power plants, sequestered CO<sub>2</sub>, slag and sulfur.

The final output of the process is green electricity.

The process is made of four major steps:

1. Coal gasification;
2. CO<sub>2</sub> capture and sequestration;
3. Ammonia production (Haber-Bosch);
4. Efficient and carbon-free electricity production in a CCGT.

It is important to note that the Step 1, 2 and 3 are preferably associated in one factory located in an area with sequestration potential.

There is no need of proximity of this plant with the coal mine and or the CCGT power plant.

This process has two major advantages.

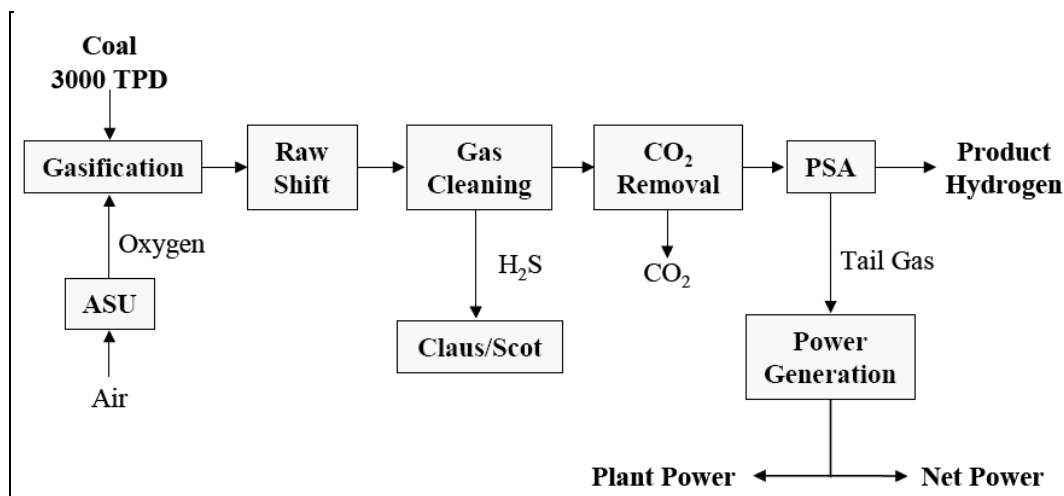
- It takes full advantage of the CCGT power plants : high efficiency, high flexibility and low emissions (SO<sub>2</sub>, NO<sub>x</sub>, Dust) .
- It contributes to an easy removal of CO<sub>2</sub> because it is not mixed with nitrogen that is present in a classical combustion.

### 3.2 Gasification: H<sub>2</sub> production process

This section presents the GE Energy quench gasifier (former Texaco)

The GE Energy quench gasification is presented on Figure 2 and includes conventional water-gas shift, cold gas cleaning, CO<sub>2</sub> removal and pressure swing adsorption (PSA). The tail gas of the PSA unit feeds a power generation gas turbine. Hydrogen outputs from the PSA.

**Figure 2: H<sub>2</sub> production process with GE Energy gasifier**



Source: Hydrogen from coal [36]

### 3.3 Carbon storage and sequestration

The carbon capture is already included in the gasification process.

This report doesn't give details on the storage and sequestration. Nevertheless the economical study includes the cost evaluation of these steps.

### 3.4 NH<sub>3</sub> production process

The ammonia production process used in this study is the classical Haber-Bosch one.

A stoichiometric mixture of hydrogen and nitrogen is needed for the conversion of the gas mixture to ammonia.

Hydrogen is issued from the gasification process and nitrogen from the air separation unit and from an additional controlled input of air.

The energy necessary to run this process is provided by the excess of energy from the gasification process.

## 4 Cost Evaluations

### 4.1 Introduction

The competitiveness of green NH<sub>3</sub> fuel versus renewable energy sources in the United States and Europe is assessed in this chapter.

For this purpose, green NH<sub>3</sub> Combined Cycle Gas Turbine electrical power costs are compared with classical electricity production costs.

In the first step, H<sub>2</sub> and Green NH<sub>3</sub> production costs are computed in sections 4.2.1 and 4.2.2 respectively.

In the 2<sup>nd</sup> step, Green NH<sub>3</sub> production costs, including transport and storage for FOB delivery, are calculated in section 4.3. A comparison with the NH<sub>3</sub> price on the US market is given in section 4.4.

In the 3<sup>rd</sup> step, Section 4.5 deals with the green NH<sub>3</sub> CCGT electrical power costs versus the electricity production costs in the US.

In the 4<sup>th</sup> step, Green NH<sub>3</sub> production costs including insurance and freight for CIF delivery in Europe are calculated in section 4.6.

In the 5<sup>th</sup> step, section 4.7 deals with green NH<sub>3</sub> CCGT electrical power versus the electricity production costs of classical and renewable energies in Europe.

Each cost computation is made for 6 different coal qualities. The first coal quality is the one used in the reference gasification process [36]. The next five apply to coal extracted in the US. Their price and heat values can be found in [48]. This is summarized in Table 1.

**Table 1 : Description of Coal used in this study**

ID	#0	#1	#2	#3	#4	#5
Origin	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Year/reference	1998 [36]	2012 [48]	2012 [48]	2012 [48]	2012 [48]	2012 [48]
Price [\$/t]	27.30	61.84	70.99	51.26	9.37	39.13
HHV [Btu/lb]	10,665	12,500	13,000	11,800	8,800	11,700

### 4.2 H<sub>2</sub> and NH<sub>3</sub> production cost

#### 4.2.1 H<sub>2</sub> production cost

The production cost of H<sub>2</sub> is calculated in Appendix 1.

Basic assumptions are:

- Gasification process: GE Energy



- Coal input : 3000 t/d as a basis for a coal with a HHV of 10665 Btu/lb
- A H<sub>2</sub> production of 281.1 t/d

A breakdown of the daily production cost include the coal and water consumptions, the CO<sub>2</sub> storage, the amortization and operating costs.

They enable to compute the cost of H<sub>2</sub> in \$/t and are summarized in Table 2.

**Important Note:** This evaluation includes the CO<sub>2</sub> avoided cost representing the taxes relevant to a hydrogen production from methane (CH<sub>4</sub>) without sequestration.

**Table 2 : Production cost of H<sub>2</sub> in a production facility of 281.1 t/d**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Coal consumption [t/d]	3,000	2,560	2,461	2,711	3,636	2,735
Coal cost [\$ /d]	81,900.00	158,284.81	174,714.48	138,981.61	34,066.12	107,011.11
Annuity [\$ /d]	152,355.99	152,355.99	152,355.99	152,355.99	152,355.99	152,355.99
Water cost [\$ /d]	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
CO <sub>2</sub> Storage [\$ /d]	47,526.09	47,526.00	47,526.00	47,526.00	47,526.00	47,526.00
Total daily cost [\$ /d]	290,782.08	367,166.79	383,596.47	347,863.59	242,948.11	315,893.10
<b>H<sub>2</sub> cost [\$ /t]</b>	<b>1,034.44</b>	<b>1,306.18</b>	<b>1,364.63</b>	<b>1,237.51</b>	<b>864.28</b>	<b>1,123.78</b>
Avoided Cost of CO <sub>2</sub> [\$ /t] (*)	75.90	75.90	75.90	75.90	75.90	75.90
<b>Adjusted H<sub>2</sub> cost [\$ /t]</b>	<b>958.54</b>	<b>1,230.28</b>	<b>1,288.72</b>	<b>1,161.61</b>	<b>788.37</b>	<b>1,047.87</b>

(\*) Base for computation : 24\$/t<sub>CO2</sub> ; 281.1 t<sub>H2</sub>/day ; avoided CO<sub>2</sub> compared to ammonia produced from Natural Gas : 889 t<sub>CO2</sub>/day.

#### 4.2.2 NH<sub>3</sub> production cost

The production cost of NH<sub>3</sub> is calculated in Appendix 1.

Basic assumptions are:

- Production process: Haber-Bosch
- H<sub>2</sub> input: 281.1 t/d
- NH<sub>3</sub> output: 1593 t/d

A breakdown of the daily production cost include H<sub>2</sub> cost, amortization costs and operating costs.

They enable to calculate the cost of NH<sub>3</sub> in \$/t and are summarized in Table 3.

**Table 3: Cost of NH<sub>3</sub> production in a production facility of 1593 t/d**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	Reference Coal	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
H2 cost [\$/t]	958.54	1,230.28	1,288.72	1,161.61	788.37	1,047.87
H2 cost [\$/d]	269,446.08	345,830.89	362,260.56	326,527.69	221,612.20	294,557.19
Annuity cost [\$/d]	44,812.86	44,812.86	44,812.86	44,812.86	44,812.86	44,812.86
Operating cost [\$/d]	24,799.81	24,799.81	24,799.81	24,799.81	24,799.81	24,799.81
NH <sub>3</sub> production cost [\$/d]	344,557.65	344,558.65	344,559.65	344,560.65	344,561.65	344,562.65
<b>NH<sub>3</sub> production cost [\$/t]</b>	<b>217.20</b>	<b>266.13</b>	<b>276.66</b>	<b>253.77</b>	<b>186.56</b>	<b>233.29</b>

### 4.3 Cost of NH<sub>3</sub> production, including transport and storage, for FOB delivery

The Iowa State University study [18] assesses the cost for the pipeline transport of ammonia over a distance of *1,610 km* and its storage for *45 days* at \$34/t and \$32/t respectively, i.e. \$66/t in total for 2007 or 71.6 \$/t for 2011 [47]. This cost added to the costs presented in the previous table gives the FOB price of NH<sub>3</sub>.

**Table 4: NH<sub>3</sub> cost delivered FOB**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
FOB cost of NH <sub>3</sub> , 2011 [\$/t]	<b>288.80</b>	<b>337.73</b>	<b>348.26</b>	<b>325.37</b>	<b>258.16</b>	<b>304.89</b>

### 4.4 Comparison with ammonia price on US market

As we can see thereafter, ammonia produced by coal gasification with CCS is competitive with fossil NH<sub>3</sub> sold on the world market.

**Table 5: Green ammonia produced from coal compared to market price**

Fossil NH <sub>3</sub> CFR Tampa price, 2011 [43]	560 \$/t
Green NH <sub>3</sub> FOB cost, 2011, depending on coal price, refer to Table 4	258.33 to 348.98 \$/t

#### 4.5 Electricity production cost via green NH<sub>3</sub> CCGT versus classical electricity production cost in the U.S.

The detailed calculation of the electricity production cost via a combined cycle using NH<sub>3</sub> in the U.S. is presented in Appendix 1 and summarized in the following table

**Table 6: Electricity produced from Ammonia**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
<b>Electricity cost [\$/MWh]</b>	<b>116.67</b>	<b>134.20</b>	<b>137.98</b>	<b>129.77</b>	<b>105.68</b>	<b>122.43</b>

**Table 7: Electricity production cost comparison for 2011 in the U.S.**

Electricity production	Cost [\$/MWh]
Natural Gas CCGT [1]*	<b>79</b>
Natural Gas CCGT with CCS [1]*	<b>96</b>
Green NH <sub>3</sub> CCGT	<b>106 to 138</b>

\*adjusted to 2011\$, [47]

It appears that electricity production cost from green ammonia with CCS is up from 10% to 43% against the electricity production cost from natural gas with CCS.

Electricity production cost from green NH<sub>3</sub> appears to be in line with photovoltaic electricity and in line with electricity from solid biomass and off-shore wind in the United States.

#### 4.6 Cost of NH<sub>3</sub> production, including insurance and freight, for CIF delivery in Europe

Reference [53] provides CIF and FOB numbers for Anhydrous Ammonia US imports from the major supply countries that are Trinidad and Tobago, Canada, Russia, Ukraine, and Venezuela. The difference between CIF and FOB values gives the cost of insurance and freight. Between 2005 and 2009 insurance and freight costs fluctuate between 60\$/t<sub>NH3</sub> and 75.75\$/t<sub>NH3</sub>.

In this study, we estimate the insurance and freight for transportation from the US to Europe at 70\$/t<sub>NH3</sub>.

**Table 8: NH<sub>3</sub> cost delivered CIF in Europe**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
CIF cost of NH <sub>3</sub> , 2011 [\$t]	<b>358.80</b>	<b>407.73</b>	<b>418.26</b>	<b>395.37</b>	<b>328.16</b>	<b>374.89</b>

#### 4.7 Electricity production cost via green NH<sub>3</sub> CCGT versus renewable energies in Europe

The detailed calculation of the electricity production cost via a combined cycle using NH<sub>3</sub> in Europe is presented in Appendix 1.

**Table 9: Electricity production cost via green NH<sub>3</sub> CCGT for 2011 in Europe**

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<i>Reference Coal</i>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Electricity cost [\$MWh]	132.62	148.40	151.80	144.41	122.73	137.81

**Table 10: Electricity production cost in Europe [1]\***

Production way	Feedstock cost in 2008	Production cost \$/MWh in 2008	Production cost \$/MWh in 2011**	Country
Hydroelectric	/	74	75	Sweden
Solid biomass	US\$69.06/MWh	129	131	Netherlands
Biogas	US\$2.65/MWh	79	80	France
On-shore wind	/	90	91	France
Off-shore wind	/	138	139	Germany
Photovoltaic	/	287	289***	France
Natural Gas CCGT(incl. carbon Cost)[1]	/	90	91	Belgium

\* interest rate of 5%,

\*\* adjusted to 2011 with [51]

\*\*\*PV electricity production market knows a fast decrease of its costs. Therefore production cost to take into account is evaluated to 0.15 \$/kWh in 2011 depending on the sun exposure.

Electricity production cost from green NH<sub>3</sub> appears to be in line with photovoltaic electricity and in line with electricity from solid biomass and off-shore wind in Europe.

## 5 Efficiency of the process versus efficiency of coal power plant

At Table 11, the calculation of the energy efficiency of the global process is performed. For comparison, Table 12 provides efficiency figures for other coal fired power plants.

**Table 11: Energy efficiency of the global process**

<b>Efficiency: Coal to electricity</b>	
Coal to hydrogen (incl. CCS), % HHV [36]	59
Hydrogen to ammonia, % LHV [18]	81.8
Ammonia to electricity, % LHV [39]	60
<b>Total energy efficiency, %</b>	<b>28,98</b>

**Table 12: Energy efficiency of coal power plant in the USA**

<b>Coal-fired power plant</b>	<b>Efficiency, % LHV</b>
Pulverised coal PCC without CCS [1, USA]	39
IGCC without CCS [1, USA]	39
IGCC with CCS [1, USA]	32
IGCC with CCS [58]	33-35

The global process efficiency appears to be comparable to the one of a IGCC (Integrated Gasification Combined Cycle) with CCS (Carbon Capture & Storage).

## 6 Sequestration potential of carbon dioxide

### 6.1 Potential

Geological storage [42]: injecting CO<sub>2</sub> in dense form into a rock formation below the earth's surface. Porous rock formations that hold or have previously held fluids are particularly suitable for CO<sub>2</sub> storage.

Geological storage options [42]:

- Storage in depleted oil and gas reservoirs
- Use of CO<sub>2</sub> in enhanced oil and gas recovery (EOR)
- Deep saline formations (on- or off-shore)
- Enhanced coal bed methane recovery (demonstration phase)

“The U.S. Department of Energy (DOE) estimates overall potential for storage in the U.S. to be at 3,600 to 12,900 billion metric tons of CO<sub>2</sub>. Texas and Louisiana have the highest potential, while states like Maine, Vermont, and Wisconsin have no storage potential at all.” [54]

### 6.2 References

Project	Sequestration capacity
The Mountaineer Carbon Capture and Sequestration Project	100 kt CO <sub>2</sub> /year
Maasvlakte CCS Project – ROAD (2015) 1070 MWe	1100 kt CO <sub>2</sub> /year (90%)

## 7 Marketing

The green ammonia market is closely linked to the CO<sub>2</sub> market.

The target is the reduction of CO<sub>2</sub> emissions.

Penalizing CO<sub>2</sub> emissions is one way of achieving this objective.

Subsidizing green ammonia production is another route.

Both routes are hardly supported by the different countries.

The 'quotas idea' on the contrary could receive global agreement.

How does it work?

A Central Authority fixes a limit for the *global* CO<sub>2</sub> emissions.

A 'quota' is allocated to the companies limiting their *specific* CO<sub>2</sub> production.

These quotas can be purchased or sold.

How does it work for green ammonia?

If green ammonia, for instance, is bought by a European Power Plant its CO<sub>2</sub> quota permit will be increased by the relevant avoided CO<sub>2</sub> emissions. The resulting saved quota will become a free for trade benefit for the Company.

The 'quotas system' ensures flexibility and incentives for the green ammonia market with the guarantee of a *global* pollution limit. Since this is an upper limit it will not be reached.

In addition, this global pollution limit can be reduced gradually by the Central Authority.

The quota system is therefore an efficient tool for reducing CO<sub>2</sub> emissions.

## 8 Conclusion

Going green deserves a serious debate. We have to pave the way for adequate solutions for the CO<sub>2</sub> emissions problem.

The first positive answer is given by the renewable and CO<sub>2</sub>-free energies: hydraulic, geothermal, biomass, wind and solar.

They are commonly accepted around the world.

Their *intermittent* action is so far complemented by the *continuous* action of *storable* fossil energies which, unfortunately, are also responsible for CO<sub>2</sub> emissions.

The CO<sub>2</sub> emissions problem is consequently not completely solved.

This study proposes *green ammonia from coal* as a substitute fuel for the fossil energies.

The CO<sub>2</sub>-free emissions, storability and competitiveness represent its main *worldwide* benefits.

Green ammonia production *costs* ranging from 258 to 349 \$/t FOB US port must be compared with the non-green ammonia market *price* assessed at 560 \$/t FOB US port.

Biogas, off-shore wind and solar energy costs in Europe, respectively 80, 139, 289 \$/MWh, have to be compared with green ammonia energy costs ranging from 123 \$/MWh for coal from the Powder River Basin to 152 \$/MWh for coal from US Northern Appalachian.

The United States, China and Russia are all potential *producers* of green ammonia from coal. All these countries would find additional benefits in green ammonia since it replaces imported fossil fuels, ensures national energy independence, extends the energy-mix target, presents competitive green ammonia versus non-green ammonia on the international market and promotes the coal economy. Huge coal reserves, geographical situation, technology, economy and ecological concerns place the United States in a leading position in this respect.

On the other hand potential *consumer-countries* will find additional benefit in the extension of the green-energy-mix target.

Last but not least, the 'CO<sub>2</sub> quota regulations' of some countries might be extended to other countries in order to reach an *international agreement* beneficial to all. Widely accepted in the European Community, the CO<sub>2</sub> quota regulations represent a serious asset for a green ammonia trade kick-off between the United States and the European Union.



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## Appendix 1 - Computation details

This appendix provides details of computations. Column #0 figures are either figures extracted of ref [36] that studies the gasification of coal with sequestration of CO<sub>2</sub> and by mean of the GE Energy quench gasifier. Column #0 also contains common data and figures that are not dependent of the type of coal. Column #1 to #5 contain computation for different coal currently extracted and sold in the United States.

ID	#0	#1	#2	#3	#4	#5
Type of Coal	Ref Coal used by ref [36]	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin

1. Coal description						
<i>(description of the coal used as feed stock for computation in this study)</i>						
Reference	1998 [36]	2012 [48]	2012 [48]	2012 [48]	2012 [48]	2012 [48]
Price [\$/t]	27,30	61,84	70,99	51,26	9,37	39,13
HHV [Btu/lb]	10.665	12.500	13.000	11.800	8.800	11.700
HHV Ratio (reference is Coal #0)	1,00	1,17	1,22	1,11	0,83	1,10

2. Hydrogen (H2) cost computation	-	-	-	-	-	-
<b>H2 characteristics</b>						
LHV [kJ/kg]	120.500,00					
HHV [kJ/kg]	141.000,00					
Densité [kg/Nm <sup>3</sup> ]	0,09					
<b>Gasification of Coal to H2</b>						
Gasifier technical data (ref [36])						
Technology: GE Energy quench gasifier						
Carbon Sequestration method: PSA (pressure swing adsorption)						
Carbon Sequestration percentage	87%					
Electricity Production: HRSG (heat recovery steam generator)						
HHV efficiency %	59,00					
Extra electric power [MW]	26,90					
H2 production [t/day]	281,10					
<b>Capital Cost</b>						
Reference instalation : [18], table7, Gray &T.1; NH3 Plant size of 281 t/d						
Capital cost 2007 [Million \$]	562,00					
Capital Cost Index 2011/2007	1,11					
Capital cost MM en 2011	626,50					
IRR	0,05					
Plant life	25,00					

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<b>Ref Coal used by ref [36]</b>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Capacity factor	0,85					
<b>Operating Cost</b>						
Operating cost over plant lifetime, 1998 [M\$] ([36] Net operating cost - Coal)	26,40					
Cost Index 2011/1998	1,50					
Operating cost over plant lifetime, 2011 [M\$]	39,70					
<b>Annuity</b>						
Annuity [\$ /d] (including the capital cost and the Operating cost over plant lifetime)	152.355,99					
<b>Coal</b>						
Price [\$ /t]	27,30	61,84	70,99	51,26	9,37	39,13
Coal consumption (=3000 / HHV Ratio) [tons/day]	<b>3.000,00</b>	2.559,60	2.461,15	2.711,44	3.635,80	2.734,62
Coal cost [\$ /d]	81.900,00	158.284,81	174.714,48	138.981,61	34.066,12	107.011,11
<b>Water</b>						
Water consumption [m3/d]	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00
Water cost [\$ /d]	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00
<b>CO2 Management</b>						
Cost of CO2 transport [\$ /tCO2]	1,00					
Cost of CO2 sequestration [\$ /tCO2]	3,00					
Cost of monitoring [\$ /tCO2]	0,30					
Total CO2 cost 2002 [\$ /tCO2]	4,30					
Total CO2 cost 2011 [\$ /tCO2]	5,38					
CO2 to sequester [Mt <sub>CO2</sub> /y] (computed for the reference and estimated equal for other coal types)	3.224,35	3.224,35	3.224,35	3.224,35	3.224,35	3.224,35
CO2 to sequester [t <sub>CO2</sub> /d]	8.833,85	8.833,85	8.833,85	8.833,85	8.833,85	8.833,85
Cost of sequestration [\$ /d]	47.526,09	47.526,09	47.526,09	47.526,09	47.526,09	47.526,09
<b>Cost H2 2011 [\$ /t]</b>	<b>1.034,44</b>	<b>1.306,18</b>	<b>1.364,63</b>	<b>1.237,51</b>	<b>864,28</b>	<b>1.123,78</b>

<b>2. Avoided CO<sub>2</sub> cost</b>						
<b>Assumption: cost of CO2 [\$ /t<sub>CO2</sub>]</b>	24,00					
Avoided Cost of CO2 [\$ /d]	21.336,00					
Avoided Cost of CO2 [\$ /t <sub>NH3</sub> ]	75,90	75,90	75,90	75,90	75,90	75,90
<b>Adjusted H<sub>2</sub> cost [\$ /t]</b>	<b>958,54</b>	<b>1.230,28</b>	<b>1.288,72</b>	<b>1.161,61</b>	<b>788,37</b>	<b>1.047,87</b>

Note: this Adjusted cost of Hydrogen will be presented and taken into account as an alternative in the following computation.

<b>3. Ammonia NH<sub>3</sub> Cost computation</b>						
<b>NH3 characteristics</b>						
LHV [kJ/kg]	18.646,00					
HHV [kJ/kg]	22.500,00					
Density [kg/Nm <sup>3</sup> ]	0,76					
<b>Ammonia Plant technical Data</b>						
Technology: Haber-Bosch						

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<b>Ref Coal used by ref [36]</b>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Mass efficiency H-B	98%					
Electricity consumption [kWh/kg <sub>NH<sub>3</sub></sub> ]	0,39					
H <sub>2</sub> consumption [kg/kg <sub>NH<sub>3</sub></sub> ]	0,18					
Production [kg/d]	<b>1.561.042,00</b>					
<b>Capital Cost</b>						
<i>Reference instalation : [18], table12, Gray &amp;T.1; NH3 Plant size of 1650 t/d</i>						
Capital cost 2007 [\$]	203.000.000					
Capital Cost Index 2011/2007	1,11					
Capital cost 2011 [\$]	226.298.248,95					
Interest rate IRR	5%					
Lifetime [years]	30					
Capacity factor	90%					
<b>Operating Cost</b>						
Annual O&M cost [% invest.]	4%					
O&M cost [\$ /d]	24.799,81					
<b>Annuity</b>						
Annuity [\$ /d]	44.812,86					
Annuity [\$ /y]	14.721.025,85					
<b>Electricity</b>						
Electricity Cost [\$ /kWh]	0,07					
Electricity consumption ( of the H-B process) [kWh/d]	608.806,38					
Requisite power [ MW]	25,37					
Net Power (including power recovered from the Gaification) [MW]	-1,53					
Electricity consumption (including energy recovered from the gasification) [kWh/d]	0,00					
Cost of electricity [\$ /d]	0,00					
<b>Hydrogen (H<sub>2</sub>)</b>						
H <sub>2</sub> cost [\$ /t]	1.034,44	1.306,18	1.364,63	1.237,51	864,28	1.123,78
<i>H<sub>2</sub> cost (incl.CO<sub>2</sub> Avoided costs) [\$ /t]</i>	<i>958,54</i>	<i>1.230,28</i>	<i>1.288,72</i>	<i>1.161,61</i>	<i>788,37</i>	<i>1.047,87</i>
H <sub>2</sub> consumption [t <sub>H<sub>2</sub></sub> /d]	281,10					
H <sub>2</sub> cost [\$ /d]	290.782,08	367.166,89	383.596,56	347.863,69	242.948,20	315.893,19
<i>H<sub>2</sub> cost (incl.CO<sub>2</sub> Avoided costs) [\$ /d]</i>	<i>269.446,08</i>	<i>345.830,89</i>	<i>362.260,56</i>	<i>326.527,69</i>	<i>221.612,20</i>	<i>294.557,19</i>
<b>Total</b>						
Daily cost without transport [\$ /d]	360.394,75	436.779,56	453.209,23	417.476,36	312.560,87	385.505,86
<i>Daily cost without transport (incl.CO<sub>2</sub> Avoided costs) [\$ /d]</i>	<i>339.058,75</i>	<i>415.443,56</i>	<i>431.873,23</i>	<i>396.140,36</i>	<i>291.224,87</i>	<i>364.169,86</i>
<b>Cost production NH<sub>3</sub> 2011 [\$ /t]</b>	<b>230,87</b>	<b>279,80</b>	<b>290,32</b>	<b>267,43</b>	<b>200,23</b>	<b>246,95</b>
<b><i>Cost production NH<sub>3</sub> 2011(incl.CO<sub>2</sub> Avoided costs) [\$ /t]</i></b>	<b><i>217,20</i></b>	<b><i>266,13</i></b>	<b><i>276,66</i></b>	<b><i>253,77</i></b>	<b><i>186,56</i></b>	<b><i>233,29</i></b>

4. Ammonia FOB Cost computation						
Transport And Storage of NH <sub>3</sub> (transport over 1610 km storage during 45 days)						

ID	#0	#1	#2	#3	#4	#5
Type of Coal	Ref Coal used by ref [36]	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
Transport & stockage cost 2007 [\$/t]	66,00					
Transport & stockage cost 2011 [\$/t]	71,60					
<b>Cost of NH3 FOB [\$/t]</b>	<b>302,47</b>	<b>351,40</b>	<b>361,92</b>	<b>339,03</b>	<b>271,83</b>	<b>318,55</b>
<b>Cost of NH3 FOB (incl.CO2 Avoided costs) [\$/t]</b>	<b>288,80</b>	<b>337,73</b>	<b>348,26</b>	<b>325,37</b>	<b>258,16</b>	<b>304,89</b>

5. Ammonia CIF Europe Cost computation						
transport from FOB to CIF (evaluated according to [58]: mean value of the differences between CIF and FOB prices observed on US imports of NH <sub>3</sub> )	70,00					
<b>NH3 Cost CIF Europe, 2011 (incl.CO2 Avoided costs) [\$/t]</b>	<b>358,80</b>	<b>407,73</b>	<b>418,26</b>	<b>395,37</b>	<b>328,16</b>	<b>374,89</b>

6. CCGT NH3 USA						
<b>CCGT characteristics</b>						
Type	CCGT US					
Reference	[1]					
Puissance [MW]	400					
efficiency	54%					
Capacity Factor	85%					
<b>Assumption</b>						
Natural Gas to Ammonia conversion cost [% of investment]	10%					
<b>Ammonia cost [\$/t]</b>	<b>288,80</b>	<b>337,73</b>	<b>348,26</b>	<b>325,37</b>	<b>258,16</b>	<b>304,89</b>
<b>Annual electricity production</b>						
Annual production [MWh/y]	2.978.400,00					
<b>Capital Cost</b>						
Investment cost according to reference, 2008 [\$/kWe]	969,00					
adapted to ammonia fuel, 2010 [\$/kWe]	1.065,90					
Capital Cost Index 2011/2008	1,02					
Capital Cost, 2011 [\$/kWe]	1.084,98					
Interest rate	5%					
Lifetime in years	30					
<b>Annuity [\$/y]</b>	<b>28.231.808,65</b>					
<b>Cost of investment per MWh [\$/MWh]</b>	<b>9,48</b>					
<b>Operating Cost</b>						
O&M, 2008 [\$/MWh]	3,61					
Index 2011/2010	1,02					
<b>Operating Cost [\$/MWh] 2011</b>	<b>3,67</b>					
<b>Ammonia consumption</b>						
Consumption [t/MWh]	0,36					
Cost, 2011 [\$/t]	288,80	337,73	348,26	325,37	258,16	304,89
<b>Fuel cost [\$/MWh]</b>	<b>103,51</b>	<b>121,05</b>	<b>124,82</b>	<b>116,62</b>	<b>92,53</b>	<b>109,28</b>
<b>Total</b>						
<b>Cost of Electricity [\$/MWh]</b>	<b>116,67</b>	<b>134,20</b>	<b>137,98</b>	<b>129,77</b>	<b>105,68</b>	<b>122,43</b>

ID	#0	#1	#2	#3	#4	#5
Type of Coal	<b>Ref Coal used by ref [36]</b>	US Central Appalachian	US Northern Appalachian	Illinois Basin	Powder River Basin	Uinta Basin
<b>7. CCGT NH3 EU</b>						
<b>CCGT characteristics</b>						
Type	CCGT EU					
Reference	[1]					
Puissance [MW]	800					
efficiency	60%					
Capacity Factor	85%					
<b>Assumption</b>						
Natural Gas to Ammonia conversion cost [% of investment]	10%					
<b>Ammonia cost [\$ /t]</b>	<b>358,80</b>	<b>407,73</b>	<b>418,26</b>	<b>395,37</b>	<b>328,16</b>	<b>374,89</b>
<b>Annual electricity production</b>						
Annual production [MWh/y]	5.956.800,00					
<b>Capital Cost</b>						
Investment cost according to reference, 2008 [\$/kWe]	1.025,00					
adapted to ammonia fuel, 2010 [\$/kWe]	1.127,50					
Capital Cost Index 2011/2008	1,02					
Capital Cost, 2011 [\$/kWe]	1.147,68					
Interest rate	5%					
Lifetime in years	30					
<b>Annuity [\$ /y]</b>	<b>59.726.736,57</b>					
<b>Cost of investment per MWh [\$/MWh]</b>	<b>10,03</b>					
<b>Operating Cost</b>						
O&M, 2008 [\$/MWh]	6,73					
Index 2011/2008	1,02					
<b>Operating Cost, 2011 [\$/MWh]</b>	<b>6,85</b>					
<b>Ammonia consumption</b>						
Consumption [t/MWh]	0,32					
Cost, 2011 [\$/t]	358,80	407,73	418,26	395,37	328,16	374,89
<b>Fuel cost [\$/MWh]</b>	<b>115,74</b>	<b>131,53</b>	<b>134,92</b>	<b>127,54</b>	<b>105,86</b>	<b>120,93</b>
<b>Total</b>						
<b>Coût [\$/MWh]</b>	<b>132,62</b>	<b>148,40</b>	<b>151,80</b>	<b>144,41</b>	<b>122,73</b>	<b>137,81</b>



## Appendix 2 – List of notations

- ASU: Air Separation Unit
- CCGT: Combined Cycle Gas Turbine
- CCS: Carbon Capture and Storage
- CIF: Cost, Insurance and Freight
- FOB: Free on Board or Freight on Board
- IGCC: Integrated Gasification Combined Cycle
- IPCC: Intergovernmental Panel on Climate Change