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20 **ABSTRACT**

21 Biogas is nowadays getting more attention as a means for converting wastes and lignocelluloses
22 to green fuels for cars and electricity production. The process of biogas production from N-
23 methylmorpholine oxide (NMMO) pretreated forest residues used in a co-digestion process was
24 economically evaluated. The co-digestion occurs together with the organic fraction of
25 municipal solid waste (OFMSW). The process simulated the milling of the lignocelluloses,
26 NMMO pretreatment unit, washing and filtration of the feedstock, followed by an anaerobic
27 co-digestion, upgrading of the biogas and de-watering of the digestate. The process also took
28 into consideration the utilization of 100,000 DW (dried weight) tons of forest residues and
29 200,000 DW tons of OFMSW per year. It resulted in an internal rate of return (IRR) of 24.14%
30 prior to taxes, which might be attractive economically. The cost of the chemical NMMO
31 treatment was regarded as the most challenging operating cost, followed by the evaporation of
32 the washing water. Sensitivity analysis was performed on different plant size capacities, treating
33 and digesting between 25,000 and 400,000 DW tons forest residues per year. It shows that the
34 minimum plant capacity of 50,000 DW tons forest residues per year is financially viable.
35 Moreover, different co-digestion scenarios were evaluated. The co-digestion of forest residues
36 together with sewage sludge instead of OFMSW, and the digestion of forest residues only were
37 shown to be non-feasible solutions with too low IRR. Furthermore, biogas production from
38 forest residues was compared with the energy produced during combustion.

39

40 **KEYWORDS:** anaerobic digestion, NMMO pretreatment, lignocellulose, forest residues,
41 economic analysis

42

43 **HIGHLIGHTS**

- 44 • Biogas from co-digestion with pretreated forest residues was simulated and evaluated
- 45 • Plant capacity of > 50,000 DW tons/year forest residues is financially feasible
- 46 • The cost of the NMMO was regarded as the largest operating expenditure
- 47 • Biogas production was compared with the energy produced during incineration

48

49 1. INTRODUCTION

50 The global market and demand for biogas as a vehicle fuel, electricity production, and even as
51 a heating energy source has had a positive trend. The biogas is produced in household digesters
52 to provide cooking or lightening energy to replace kerosene or LPG, while the larger plants
53 burn it in gas engines to produce electricity or upgrade it to almost pure methane to inject in the
54 gas grids or compress it to CBG (compressed biogas) and sell as car fuel. The traditional
55 substrates utilized for biogas production are municipal solid waste, organic wastes from
56 industrial and agricultural activities, as well as high strength wastewater are. However, these
57 sources are limited, and there is a demand for the development of new technologies utilizing
58 other substrates. Lignocellulosic-rich materials have a great potential as an alternative feedstock
59 for anaerobic digestion, since they are found in high abundance globally.

60 The degradation of lignocelluloses into biogas is a complicated process, since lignocelluloses
61 have a recalcitrant structure which is naturally designed to prevent enzymatic degradation.
62 Lignocelluloses are formed in a compact and crystalline structure and often contain a high
63 amount of lignin. In order to permit degradation of these materials in an anaerobic digester, the
64 structure has to open up and/or the lignin has to be degraded or removed. This can be performed
65 by using different pretreatment methods [1], such as mechanically, e.g., by milling; physically
66 by steam explosion or radiation; chemically by acids, bases or solvents; and biologically by
67 enzymes or fungi [1-3].

68 Solvent pretreatment on lignocelluloses was shown to be an effective method due to the low
69 degradation of the carbohydrates in the material under the applied, relatively mild conditions.
70 Furthermore, pretreatment with a solvent does not require neutralization, and almost a complete
71 recirculation of the treating chemical is possible [4]. The pretreatment using the solvent N-
72 methylmorpholine oxide (NMMO) has previously been studied on bagasse [5] and on spruce
73 [6] for ethanol production, and on spruce, rice, and triticale straws [7] as well as pure cellulose
74 [8] for biogas production. NMMO is an organic solvent that interrupts inter- and intra-molecular
75 bonds [9] in the lignocelluloses, making the carbohydrates of the material more accessible and
76 thereby facilitating the enzymatic degradation. NMMO is an environmentally friendly cellulose
77 solvent, and used in industrial scale in the lyocell process [10, 11], where cellulose fibers are
78 treated to produce textile. Since no toxic compounds are produced within the NMMO
79 pretreatment and the recirculation of the solvent is possible [10, 12], this process can be
80 regarded as environmentally friendly.

81 Techno-economic analysis is a useful tool to examine the profitability and performance of a
82 proposed process. Recently, Shafiei et al [6] performed a techno-economical study on
83 bioethanol production from NMMO pretreated wood. They found that the process is feasible
84 when bioethanol production is combined with a subsequent biogas production utilizing the
85 pentoses. Conversion of lignocellulosic pentoses to ethanol is one of the obstacles in the
86 utilization of lignocelluloses to ethanol, since the ordinary industrial yeast species are unable to
87 assimilate pentoses [13]. Furthermore, the production of biogas from lignocelluloses has several
88 advantages compared to bioethanol production, since the overall energy efficiency is much
89 higher in biogas production compared to that in ethanol production [14].

90 The focus of this study was therefore to develop a feasible industrial process for NMMO
91 pretreatment and subsequent utilization of forest residues (branches, tops, barks, and needles)
92 in anaerobic digestion. Forest residues were selected because they are the most abundant
93 lignocellulosic waste stream in Sweden, and several other countries. In 2008, 1.6 Mtons total
94 solids (TS) /year of the tree tops and branches were delivered from the forests in Sweden, and
95 this is expected to increase to 3.5 Mtons total solids /year by 2018 [15]. Moreover, the total
96 energy potential of bioenergy production from the forest is calculated as being 49 TWh [15].
97 An industrial scale process was designed and simulated using SuperPro Designer[®] 8.0
98 simulation software (Intelligen, Inc., NJ, USA) based on unpublished biomethane potential test
99 (BMP) experimental data provided by Kabir et al. [16]. A process including an NMMO
100 pretreatment step with filtration, evaporation and recirculation of NMMO and washing water
101 together with a following co-digestion step was evaluated to determine economic feasibility
102 and profitability, such as capital costs for the total plant, annual operating costs, and unit costs.
103 Finally, sensitivity analyses were performed on different scenarios, where effects of the plant
104 size, different co-digestion set-ups as well as the methane price and the water consumption were
105 evaluated.

106 **2. PROCESS DEVELOPMENT AND FINANCIAL ANALYSIS**

107 **2.1 Process description**

108 A novel process of the NMMO pretreatment of forest residues prior to anaerobic digestion was
109 developed. The process includes the feedstock handling, pretreatment by NMMO, anaerobic
110 digestion, and upgrading of the biogas as well as the dewatering of the digestate. It is assumed
111 that the plant is located close to a power plant, so that steam and electrical power are readily
112 available. It is further assumed that the plant is situated in Sweden with a high availability of

113 forest residues. The type of forest residues investigated in this study includes the rejected tops
114 and branches.

115 The base case is constructed for 100,000 tons DW (dry weight) forest residues per year.
116 However, capacities ranging from 25,000 to 400,000 tons DW forest residues/year were also
117 studied. The plant is in operation for 7,920 h/year, and the construction material was chosen to
118 be stainless steel 304. The cost index was set at 2012.

119

120 **2.2 Pretreatment unit**

121 The forest residues arrive at the plant in truck trailers, where the price of the feedstock includes
122 the handling all the way to the plant. The feedstock contains 42% carbohydrates, 44% lignin,
123 75% total solids (TS), and 64% volatile solids (VS) [17]. The forest residues have a C/N ratio
124 of 325 [18]. The raw material is then placed into a grinder, which reduces the size of the biomass
125 to 2 mm. After grinding, the biomass is conveyed to the pretreatment unit. The pretreatment is
126 performed using 85% NMMO solution in water for 12 h at 90°C. During the pretreatment, the
127 lignocellulosic structure is opened up, resulting in less intra-molecular linkages and less
128 cellulosic crystallinity [9]. The pretreated biomass is then washed with water and filtered using
129 a rotary vacuum filtration unit (Figures 1 and 2). The NMMO-solution is then evaporated back
130 to 85% for reuse in the pretreatment unit. The recovery in the washing step is expected to be
131 99.5%. The use of the rotary vacuum filtration allows for a minimum usage of water during the
132 washing, in order to save energy in the following evaporation unit. Previous experimental
133 studies were performed with 500 mL washing water for 200 g NMMO/biomass mixture [16],
134 where these conditions were applied in the base case of the simulation study. The evaporation
135 unit was designed with a mechanical vapor design (MVR). The MVR design with two effects
136 and two compressors was found to be the most energy efficient and an economically beneficial
137 alternative for the evaporation of NMMO water solution in a previous investigation, focusing
138 on NMMO pretreatment of spruce prior to ethanol production [6]. The same design for the
139 evaporation step was applied in this study.

140

141 **2.3 Biogas and digestate production**

142 The washed and pretreated forest residues are mixed with the organic fraction of municipal
143 waste (OFMSW, Figures 1 and 2), in order to achieve a C/N ratio of between 20-30 which is
144 regarded as the optimum ratio [19]. Two-thirds of the OFMSW and one-third of the forest
145 residues are used in the base case, which results in a C/N ratio of 30. The OFMSW in the
146 simulation consists of 60% carbohydrates, 17% fats, 8% proteins based on the dried weight, and
147 the water content was estimated to be 67 % water. The cost of OFMSW is set to zero. The
148 methane yield of similar substrate mix was 0.470 Nm³/kg VS [20], which corresponds to a
149 conversion rate of 86.7%. The methane production from forest residues is based on
150 experimental results from lab scale BMP tests showing a yield of 0.137 Nm³ CH₄ per kg total
151 solids of forest residues [16], which corresponds to a conversion rate of 73.4%. The two
152 fractions are together passed through a screw press prior to the anaerobic digester, together with
153 extra water in order to reach a TS of 12% in the incoming stream. The digester runs at
154 thermophilic conditions (55°C) with a hydraulic retention time of 20 days. It is a fixed roof
155 storage tank, which allows for mixing, constructed of stainless steel. The gas produced is a
156 mixture of the main components methane and carbon dioxide, and trace amounts of some other
157 components, such as hydrogen sulfide, nitrogen, and hydrogen, which are neglected in the
158 study. The gas produced in the anaerobic digester is upgraded to 98% methane content, using
159 the water scrubber technique. The water scrubber technique is regarded as a low cost technique
160 [21], and is globally the most widespread upgrading technique [22]. This upgrading step
161 consists of a gas compressor, an absorption tower where the carbon dioxide is absorbed in
162 water, and a degasification tower, where the carbon dioxide and water are separated. The
163 upgraded methane is then injected into the biogas/natural gas grid. The solid residuals
164 remaining from the process, so called digestate residues, are dewatered in a centrifugal
165 separator to 45% TS, together with 10 kg flocculating agent polyacrylamide per ton TS, in order
166 to improve the dewatering process [23]. The solid fraction after the dewatering step is lignin-
167 rich, which has a high heating value, and can be used as fuel for combustion in combined heat
168 and power (CHP) plants [24]. In this study, the dewatered digestate is sold to CHP plants.
169 However, due to the high nutrient value, the digestate residue can also be used as a fertilizer in
170 agriculture or on forestland. Consequently, the dewatering process would then be unnecessary.

171

172 **2.4 Process simulation and economic calculations**

173 SuperPro Designer[®] 8.0 (Intelligen, Inc., NJ, USA, licensed to the University of Borås) was
174 used for the simulation of the main steps of the process. The software performs the rigorous
175 material and energy balance calculations. The purchase costs of the equipment were calculated
176 with the built-in software calculations, except for the purchase cost of the tanks, which was
177 calculated according to Turton et al [25]. Other than the purchase costs, SuperPro Designer
178 estimates the cost for the installation, the process piping, instrumentation, insulation, electrical
179 utilities, buildings, yard improvements, and auxiliary facilities. The total direct plant cost (DC)
180 is a sum of these costs and was 329% of the equipment purchase cost at base conditions. The
181 total indirect plant costs, such as engineering (25% of DC) and construction fee (35% of DC)
182 was based on the equipment purchase cost, and was obtained by the above- mentioned software.
183 The fixed capital investment (FCI) was calculated as a sum of the direct costs, the indirect costs,
184 the contractor's fee, and the contingency. The contractor's fee and contingency were estimated
185 to be 5% and 10%, respectively, of the sum of the direct cost and the indirect cost together [26].
186 The project is regarded as 100% equity financed. The project life is set to 20 years and the
187 depreciation period to 10 years. The construction period is set to 30 months and a startup period
188 of 4 months is used. The working capital was assumed to be 5% of the fixed capital investment
189 [27], and the cost index for all calculations was set at 2012.

190 The annual operating cost was calculated as the sum of the expenses for raw materials, utilities,
191 labor, waste management, and facility dependent cost and can together with the product prices
192 be found in Table 1. The maintenance and insurance costs are regarded as facility dependent
193 operating costs, and are together 1 and 2%, respectively, of the total plant capital costs [28-30].
194 The methane price used in the present study was the price of methane sold in the market in
195 Sweden, minus the cost for the connection and distribution into the gas grid, including
196 compression and cost for tank stations. The methane price used in this study was 1.895 euro/kg
197 [31]. A value of 22% taxation rate is assumed, which is the current corporation tax in Sweden
198 since 2013 [32].

199 Furthermore, the plant was divided into sections in order to determine the cost distribution for
200 the different parts of the plant. These calculations were performed using the base case.

201

202 **2.5 Sensitivity analysis**

203 Different plant sizes were investigated in a sensitivity analysis in order to study the effect of
204 the capacity on the construction and production costs. Plant sizes with the feed capacity of 25,

205 50, 100, 200, and 400% of the base case were studied. The cost prediction of the total investment
206 costs, annual operating costs, and production cost per unit methane produced, as a function of
207 the plant capacity was studied and simulated. Cash flow analysis was performed where the net
208 present value (NPV) was set to zero and the process time was equal to 20 years. The internal
209 rate of return (IRR) was calculated, and was regarded as being financially feasible at 15% rate
210 of return (IRR) or higher, in order to cover the firms costs of raising funds and making a
211 sufficient profit [33]. The IRR is the discount rate, when the NPV is set to zero and was
212 calculated as [33]:

$$213 \quad NPV = \sum_{t=0}^n \frac{A_t}{(1+r)^t} = 0$$

214 Where:

215 NPV , t , n , A_t and r are net present value, project year, total project lifetime, the cash flow in
216 year t , and the discount rate, respectively.

217

218 The cash flow analysis was performed in order to study the effect of the methane price, the
219 water consumption in the washing step following the NMMO pretreatment, and the price of the
220 feedstock on the economic feasibility of the process under different scenarios. A co-digestion
221 study where the forest residues were co-digested with sewage sludge instead of OFMSW was
222 also performed, as well as a scenario where only forest residues were digested.

223

224 **3. RESULTS**

225 **3.1 Process development and economic calculations**

226 The plant was divided into five different sections (1) the NMMO pretreatment, (2) the filtration
227 and evaporation following the NMMO pretreatment, which also includes the recirculation of
228 water and NMMO, (3) the anaerobic digestion of both forest residues and OFMSW, (4) the
229 upgrading of the biogas, and (5) the dewatering of the lignin-rich digestate. The fixed capital
230 investment (FCI) for the different sections can be found in Figure 3. The most capital-intensive
231 sections are the anaerobic digestion, followed by the filtration and evaporation, and the
232 upgrading. Auxiliary capital investments, buildings, and yard improvements are excluded from
233 the calculation.

234 A block flow diagram of the process is presented in Figure 1, which gives an overview of the
235 process. The material composition of the streams in the block flow diagram is presented in
236 Table 2. The developed process flow sheet, showing the equipment used in all processes, is
237 presented in Figure 2. All process steps were run continuously, except the NMMO-pretreatment
238 reactor, which was operated in batch mode. For this purpose, four staggered NMMO
239 pretreatment reactors of each 970 m³ were used to perform 1975 batch pretreatments per year.
240 The base case was considered to pretreat and utilize 100,000 DW tons forest residues/year,
241 together with 200,000 DW tons OFMSW/year, and the plant was calculated to produce about
242 975 GWh (98 MNm³) methane per year. The produced amount of dewatered digestate and
243 carbon dioxide are 290 and 133 kt/year, respectively. The consumption of electricity was 48
244 GWh per year, steam 355 GWh, and water 5,043 kt per year. In order to pretreat 100,000 DW
245 tons forest residues per year, six batches of NMMO treatment per 24 h were performed. The
246 fixed capital investment (FCI), is a sum of direct fixed capital, working capital, and startup cost,
247 and was calculated for the base case as being 145,053,000 €. The annual operating cost is a sum
248 of raw materials, labor costs, energy and power, waste management, as well as facility
249 dependent costs. For the base case, this cost was calculated as being 103,810,000 €/year. The
250 total revenue per year is a sum of the revenues of produced methane, carbon dioxide, and the
251 dewatered lignin-rich digestate. The annual revenue for the base case was calculated as
252 136,179,000 €/year. This gives a net profit value (taxes and depreciation are included) of
253 181,333,000 €, at 7.0% interest rate over 20 years project lifetime. A cash flow analysis, with
254 the net profit value set at zero resulted in an internal rate of return of 24.14% prior to taxes, and
255 20.39% after taxes, at a process time of 20 years.

256 The costs for the distribution of the upgraded methane into the distribution gas grid, were
257 calculated according to as described by Benjaminsson and Linné [31]. The authors performed
258 a techno-economic study of 300 GWh biogas plant in Sweden. For this size of plant, the cost
259 of a gas pipeline for 40 km connected to the distribution gas grid was 0.001 €/kWh, the
260 distribution cost 0.007 €/kWh, and the compression and tank station cost was 0.012 €/kWh, a
261 total of 0.020 €/kWh. Calculating with an 8% price increase in Sweden between 2007 and 2012
262 [34], the price for gas grid distribution, compression, and tank stations are set to 0.285 €/kg
263 methane.

264 The total annual operating costs divided into different cost items are presented in Figure 4. The
265 costs of the raw materials have the highest share of operating costs, followed by facility
266 dependent costs, which include maintenance, depreciation, insurance, and other factory

267 expenses. The cost for the NMMO corresponds to 80% of the material cost for the base case
268 with 99.5% recirculation, and the cost for the forest residues corresponds to 15%. The annual
269 operating cost divided into the different sections is presented in Figure 5, where the price of the
270 materials is excluded. Filtration and evaporation represent the biggest part of the annual
271 operating costs, followed by the anaerobic digestion, where the costs for materials are excluded.

272

273 **3.2 Sensitivity analysis**

274 Different plant sizes were investigated in a sensitivity analysis in order to study the effect of
275 the plant capacity on the construction and production costs. Plants treating 25, 50, 100, 200,
276 and 400 thousand DW tons forest residues per year were studied in co-digestion with 50, 100,
277 200, 400, and 800 thousand DW tons OFMSW per year, respectively. All the estimations of
278 total investment costs, annual operating costs and production cost per unit methane produced,
279 as a function of the plant capacity is presented in Figure 6. The revenue per unit was calculated
280 as being 2.12 €/kg produced methane, which is higher than the production cost for all plant
281 sizes. However, a cash flow analysis of the five different plant size scenarios show that only
282 plant capacities of 50,000 tons per year and above are financially viable with an IRR over 15%.
283 This is in contrast to the IRR of the plant size of 25,000 tons per year, which was 5.08% prior
284 to taxes.

285 The economic feasibility of the process was further analyzed through different scenarios. The
286 effect of water consumption in the washing process following the NMMO pretreatment was
287 evaluated with 50% more and 50% less water consumption. The effect of 20% increase and
288 20% decrease on the methane price and the cost of feedstock was also calculated. Cash flow
289 analysis was performed and the resulting IRR's were compared with the base case and are
290 presented in Figure 7. The water volume during the washing step following the NMMO
291 pretreatment has a large effect on the IRR. The use of more water during the washing step
292 requires a larger and more expensive evaporation unit, which in turn results in a lower IRR.
293 Furthermore, the price of the produced methane has a large impact on the IRR, while the cost
294 of forest residues has a minor effect.

295

296 **3.3 Co-digestion scenarios**

297 In order to achieve a proper C/N ratio, forest residues can be co-digested with other nitrogen
298 rich substrates. Sludge from wastewater treatment (sewage sludge) has been studied as an
299 alternative co-digestion source. Due to the high nitrogen content, one part of sewage sludge
300 together with two parts of forest residues result in an optimum C/N ratio of about 20, compared
301 with two parts of OFMSW and one part of forest residues in the base case (Table 3). In Sweden,
302 biogas plants get paid for the digestion of sewage sludge (Table 1), which will increase the unit
303 revenue. However, our calculations showed that the co-digestion with sludge results in a unit
304 production cost of 2.78 €/kg and a unit revenue of 2.75 €/kg. The IRR of the process was
305 calculated as being 3.52% (Table 3), which is lower than the financially feasible limit of 15%
306 and is therefore considered to be a non-feasible solution.

307 The process can be further designed to digest forest residues exclusively, which is not a real
308 scenario, since it is unfavorable to digest forest residues by itself due to the low nitrogen
309 content. However, the simulation of the pretreatment and anaerobic digestion of forest residues
310 only can give us a better insight in the contribution of forest residues in the co-digestion process.
311 With the exclusive digestion of forest residues, the IRR is negative (Table 3). The unit
312 production cost has increased to 9.35 €/kg CH₄, while a higher unit revenue comes from the
313 higher fraction of lignin in the digestate residue which was sold to a combustion plant.

314 Moreover, a sensitivity analysis has been performed in order to study the effect of different
315 scenarios when only the forest residues are digested (Table 4). The effect of circulation of
316 NMMO was evaluated, as well as the effect of the methane price. An increase in the
317 recirculation of NMMO from 99.5% to 99.99% will decrease the unit production cost by a
318 factor of three, while an increase in methane price increases the unit revenue. The unit revenue
319 was the same as the unit production cost, after an increase of the NMMO recirculation to
320 99.99%, together with a methane price increase of 25%. However, none of the present scenarios
321 reached the targeted IRR of 15% (Table 4).

322

323 **3.4 Anaerobic digestion versus combustion**

324 The energy produced from anaerobic digestion of NMMO-pretreated forest residues can be
325 compared with the energy production of the same amount of forest residues when incinerated.
326 Combustion of the feedstock in a combined heat and power plant (CHP) will produce 17 MJ/kg
327 TS, with the assumption of 90% efficiency in the CHP [35]. On the other hand, when biogas

328 produced from the anaerobic digestion of only forest residues is utilized in a CHP with 90%
329 efficiency [36], the energy generated can be calculated as being 12 MJ/kg TS. This is with the
330 assumption that the lignin-rich residue from the anaerobic digestion is combusted separately,
331 and the energy produced by this process is included in the above-mentioned calculation. Both
332 processes are assumed to yield similar fractions of electricity and heat. It can, therefore, be
333 concluded that the combustion of forest residues in CHP will yield about 1.5 times more energy
334 compared with that in the anaerobic digestion.

335 There are another aspects that should also be considered when comparing anaerobic digestion
336 or combustion of forest residues. Utilization of these materials for vehicle fuel production is
337 only possible if they are converted to biogas. There is a large demand for alternative fuels
338 produced from renewable resources worldwide, since a considerable part of the total
339 greenhouse gas emissions originates from the transport sector [37]. Moreover, the organic
340 nutrients cannot be retained and recycled back to soils after combustion, which in turn will
341 result in the removal of structural material from the soil. On the other hand, the digested residue
342 left after anaerobic digestion can be utilized as a sustainable fertilizer. Additionally, combustion
343 is also connected with other serious problems as well, such as fly ash disposal and super heater
344 corrosion.

345

346

347 4. DISCUSSION

348 The anaerobic digestion of NMMO pretreated forest residues, co-digested with household
349 organic wastes in the base case is an economically viable process, with an IRR over 15%. The
350 analysis of different sections of the process shows that the price of the raw material, i.e.,
351 NMMO, used for the pretreatment has the largest share of the costs. A challenge for the future
352 is to increase the recirculation of the NMMO, in order to limit the consumption of the raw
353 material, and thereby the costs. Furthermore, evaporation of the washing water is a costly
354 process, and solving the technical challenge of using less washing water should further improve
355 the economy of the process.

356 In order to reach a financially viable process for the digestion of pretreated forest residues, the
357 methane price needs to be increased substantially. This could perhaps partly be reached by
358 incentives in order to increase the fraction of renewable vehicle fuels production, together with
359 increasing oil price. The European Commission has set the goal that by 2020, 20% of the energy
360 consumed and 10% of the vehicle fuels should be renewable [38]. Furthermore, the cost of gas
361 injection into the gas grid and the cost of the tank stations are probably reduced with larger
362 plant sizes as is the case in the present study.

363 The use of the biogas produced from the anaerobic digestion of the NMMO pretreated forest
364 residues in a CHP plant was shown to be a less attractive alternative compared with the
365 combustion of the same amount of forest residues. These two processes, however, produce
366 electricity and heat, while the anaerobic digestion process produces high-valued vehicle fuel.
367 Another advantage of producing biogas from the forest residues, compared with combustion, is
368 that the digestion of the feedstock results in a rich solid residue. In this study, this residue is
369 calculated as being sold to combustion plants. As an alternative, it could also be used as a
370 nutrient rich fertilizer. The use of the solid residue as a fertilizer is a sustainable way of
371 recycling the nutrients back into the soil, and also structural material being placed back into the
372 soil.

373 Compared with co-digestion of forest residues with OFMSW, the digestion of only pretreated
374 forest residues has a negative IRR. The scenario of digesting only forest residues however, is a
375 fictive scenario, since an optimal C/N ratio of 20-30 should be reached for a sufficient
376 nutritional balance in the digester. Therefore, a co-digestion of nitrogen-rich substrates together
377 with forest residues is required. Many digesters with e.g. sewage sludge or protein-rich
378 substrates have problems with a too low C/N ratio, which means a lack of carbohydrate-rich

379 substrates. Addition of carbon-rich materials, such as lignocelluloses, was previously shown to
380 both stabilize sensitive processes as well as result in good synergetic effects [39]. These
381 synergetic effects have implied higher methane yields when a lignocellulosic-rich material (i.e.,
382 paper tube residuals) has been digested with nitrogen-rich substrate mixture compared to the
383 expected methane production calculated from the methane potentials of the single substrate
384 streams alone. The co-digestion of NMMO-pretreated forest residues with OFMSW has not yet
385 been experimentally studied, but similar synergetic effects can be assumed, which can lead to
386 higher methane yields and a more economically feasible process. The anaerobic co-digestion
387 of pretreated lignocelluloses has not yet implemented commercially, but could emerge in the
388 future.

389

390 **5. CONCLUSIONS**

391 The possible co-digestion of NMMO pretreated forest residues together with the organic
392 fraction of municipal solid waste is an economically feasible process with an IRR over 15%. In
393 order to avoid nitrogen deficiency, one-third of forest residues were co-digested with two- thirds
394 of OFMSW. Technical improvements such as increased recycling rate of the NMMO solvent,
395 as well as decreased water consumption in the washing step can further increase the economic
396 viability of the process. The co-digestion with sewage sludge instead of OFMSW resulted in
397 lower methane yields, which had a negative effect on the process economy. In general, the co-
398 digestion circumstances, such as the type of feedstock used in the co-digestion and the
399 relationships between the different feedstocks have large consequences on the methane yields
400 and thereby the process economy.

401

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404

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508 **TABLE LEGENDS**

509 Table 1. Prices for raw materials, products, and utilities.

510 Table 2. Stream components based on data obtained by batch NMMO pretreatment
511 experiments and expressed as ton/batch.

512 Table 3. Co-digestion scenarios with forest residues, OFMSW, and sewage sludge.

513 Table 4. Sensitivity analysis for the digestion of forest residues only.

514

515 **FIGURE LEGENDS**

516 Figure 1. Block flow diagram of the NMMO pretreatment and biogas production from forest
517 residues within a co-digestion with OFMSW.

518 Figure 2. Process flow diagram of the entire process.

519 Figure 3. FCI, Fixed capital investment per section, including equipment prices, installation,
520 instrumentation, electricity, piping, insulation, engineering and construction, contractor's fee,
521 and contingency. Auxiliary facilities, yard improvements, and buildings are excluded.

522 Figure 4. Annual operating costs for the base case divided into cost items.

523 Figure 5. Annual operating cost per section. Cost of materials is excluded.

524 Figure 6. Sensitivity analysis of total investment and annual operating costs, as well as
525 methane production costs, as a function of plant capacity of digested forest residues per year.

526 Figure 7. Result of cash flow analysis. Internal rate of return before taxes (IRR) of 50%
527 increased or decreased water consumption during washing, and of 20% increased or decreased
528 price of methane and forest residues, compared to base case, after taxes.

529

530

531 Table 1.

Raw materials	€/kg	Reference
Forest residues	0.057	Market price ¹
NMMO	4.0	[6]
OFMSW	-	-
Fresh water	6.7*10 ⁻⁵	[6]
Polyacrylamide	2,171	Market price ²
Sewage sludge	-3.28	³
Products		
Methane	1.895	Market price ⁴
Carbon dioxide	0.003	[6]
Lignin rich digestate	0.030	Market price ⁵
Utilities		
Electricity	0.0346 €/kWh	[28]
Steam	0.0084	SuperPro Designer [®]
Chilled water	2.28*10 ⁻⁴	SuperPro Designer [®]
Others		
Waste water treatment	9.79*10 ⁻⁴	[40]
Labor wage	70.000 €/employee/year	[28]

532 ¹Based on prices from the fourth quarter of 2011 [41], and the energy content of 1 kg
533 branches and tops [42], ²www.alibaba.com, ³personal communication with Moshe Habagil,
534 VIVAB, Vatten och miljö i Väst, 2013, ⁴methane price sold on the market (www.fordonsgas.se)
535 minus the cost for injection and distribution into the gas grid, together with the cost for tank
536 stations [31] and ⁵www.bioenergiportalen.se [41].

537

538 Table 2.

Stream component	1	2	3	4	5	6	7	8	9	10	11
Cellulose	14.3			14.3				4.1		4.1	
Hemicellulose	7.6			7.6				2.1		2.1	
Lignin	21.0			21.0				21.0		21.0	
Ash	7.6		15.2	7.6				22.7		22.7	
Water	16.8	3.3	205.1	133.8	2166.4	1815.1	117.0	1046.9	820.8	81.1	
NMMO		3.3		666.0	662.7		666.0	3.3		3.3	
Carbohydrates			60.7					8.1		8.1	
Proteins			8.0					1.1		1.1	
Fats			17.2					2.3		2.3	
Polyacrylamide										0.9	
Methane											32.6
Carbon dioxide											67.6
Total (ton/batch)	67.3	6.6	306.1	850.4	2829.1	1815.1	783.0	1111.6	820.8	146.8	100.2

539

540

541 Table 3.

Co-digestion substrates	C/N ratio	Forest residues	Unit prod. cost (€/kg CH ₄)	Unit revenue (€/kg CH ₄)	Total raw material (tons DW /year)	IRR % ⁴
Forest residues + OFMSW	29.5 ^{1,2}	33%	1.58	2.12	300,000	20.70
Forest residues + Sewage sludge	20.5 ^{1,3}	67%	2.78	2.75	300,000	3.52
Forest residues	325 ¹	100%	9.35	3.12	300,000	-100

542 ¹C/N ratio for forest residues is set as the middle value of a range between 150-500 according
543 to [18], ²C/N ratio for OFMSW is set as the middle value of a range between 15-32 according
544 to [43] and ³C/N ratio for sewage sludge is set as 5.98 according to [44], ⁴IRR is the internal
545 rate of return.

546

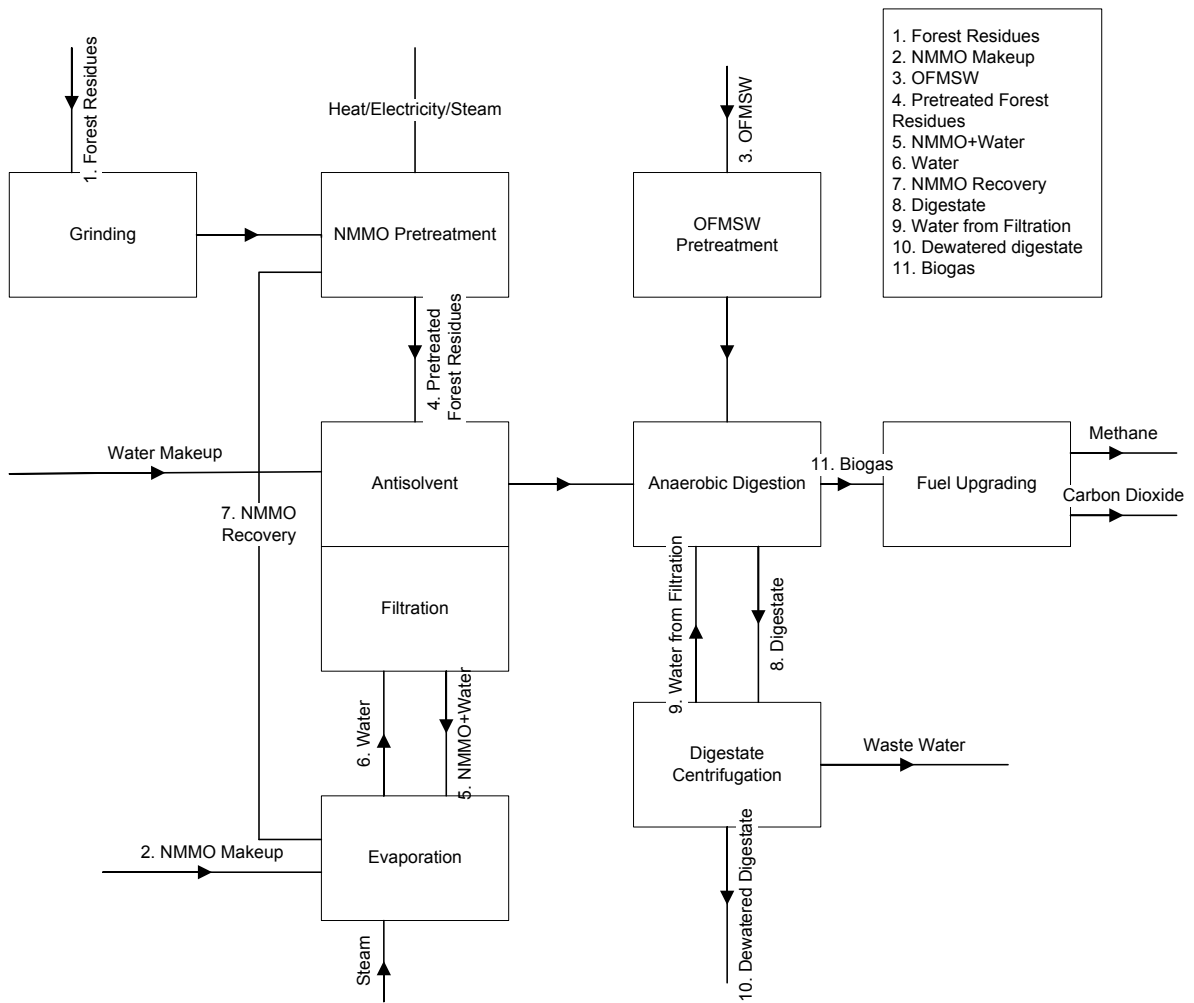
547 Table 4.

Methane price	NMMO recirculation	Unit production cost (€/kg CH ₄)	Unit revenue (€/kg CH ₄)	IRR ¹ %
+0%	99.5%	9.35	3.12	-100
+0%	99.99%	3.21	3.12	-100
+25%	99.99%	3.21	3.21	4.30
+50%	99.99%	3.21	3.69	11.0

548 ¹IRR is the internal rate of return.

549

550



551

552 Figure 1.

553

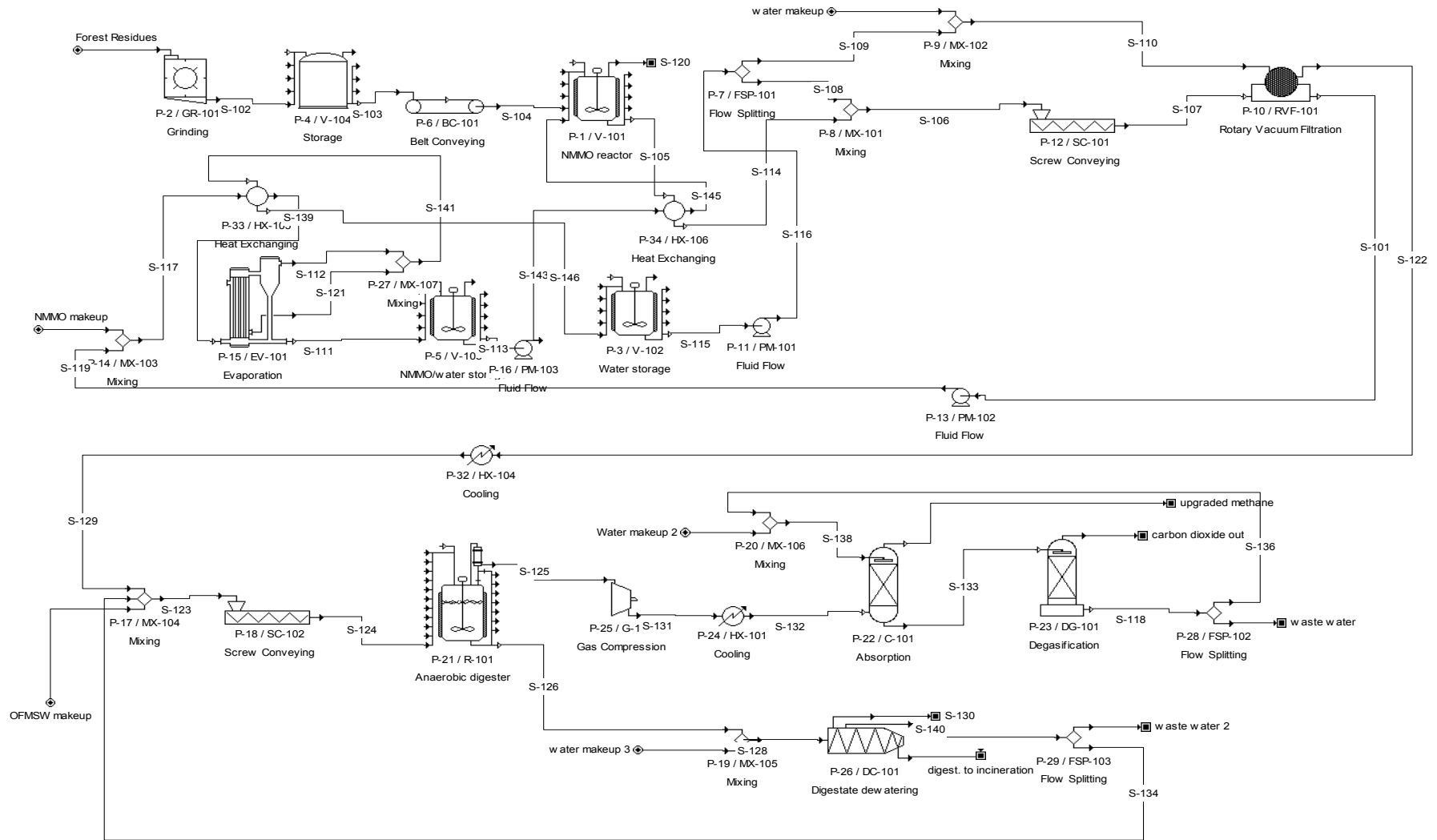


Figure 2.

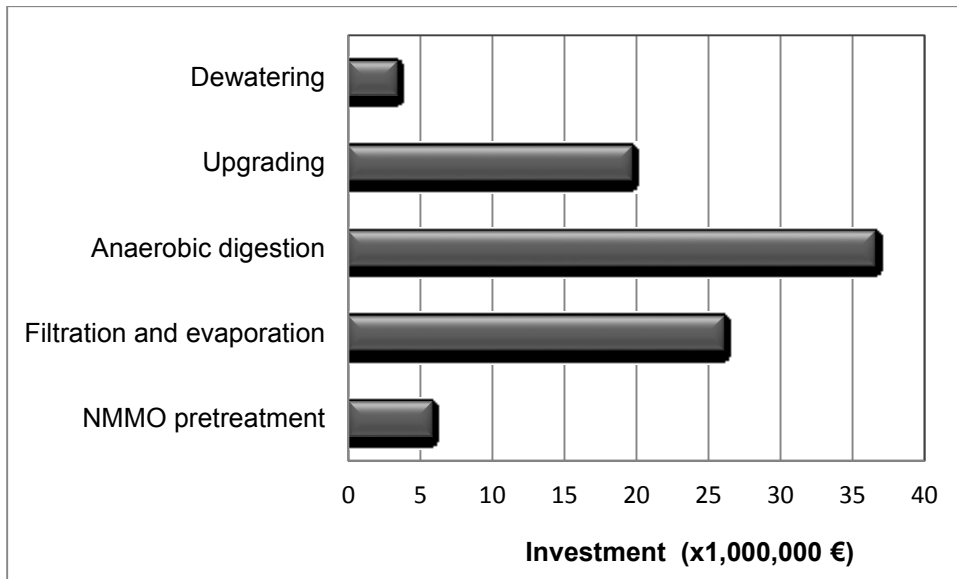


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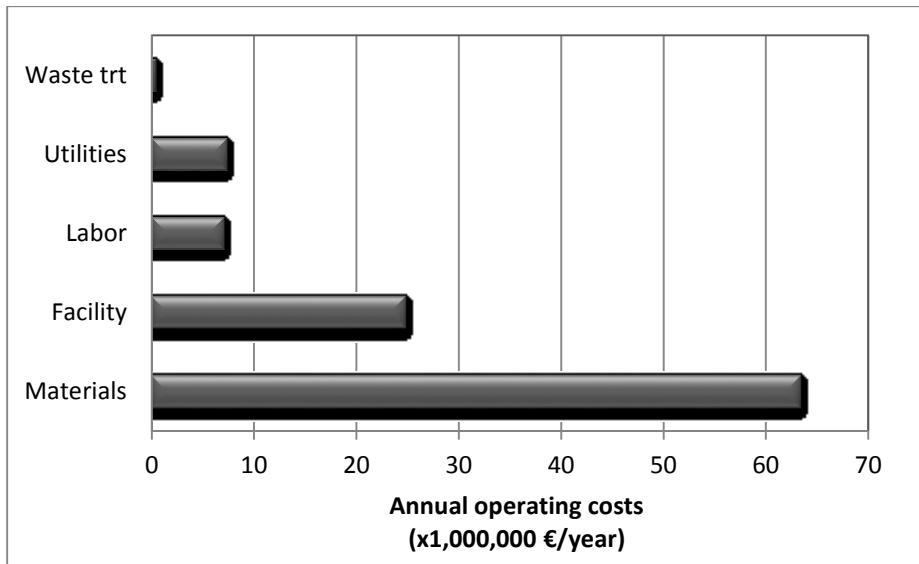


Figure 4.

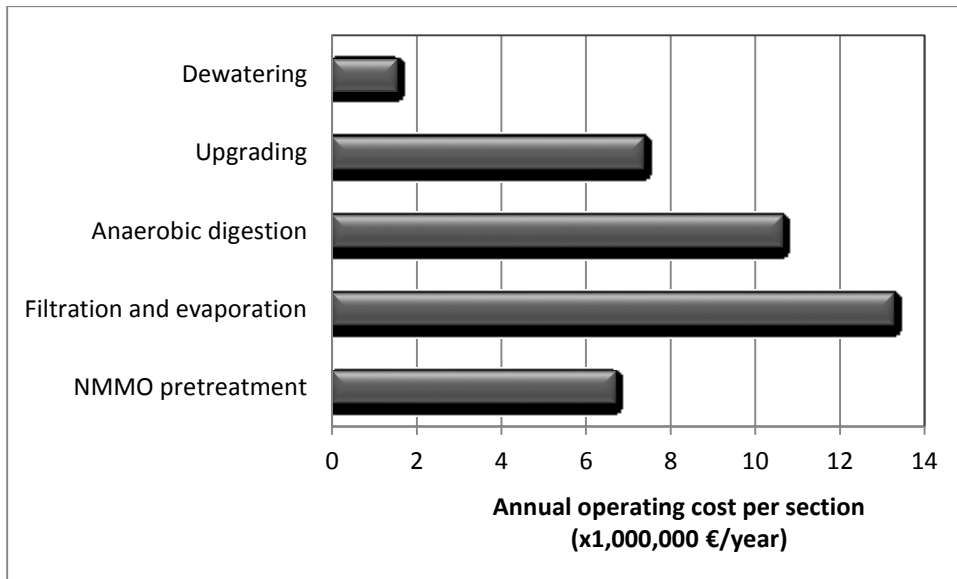


Figure 5.

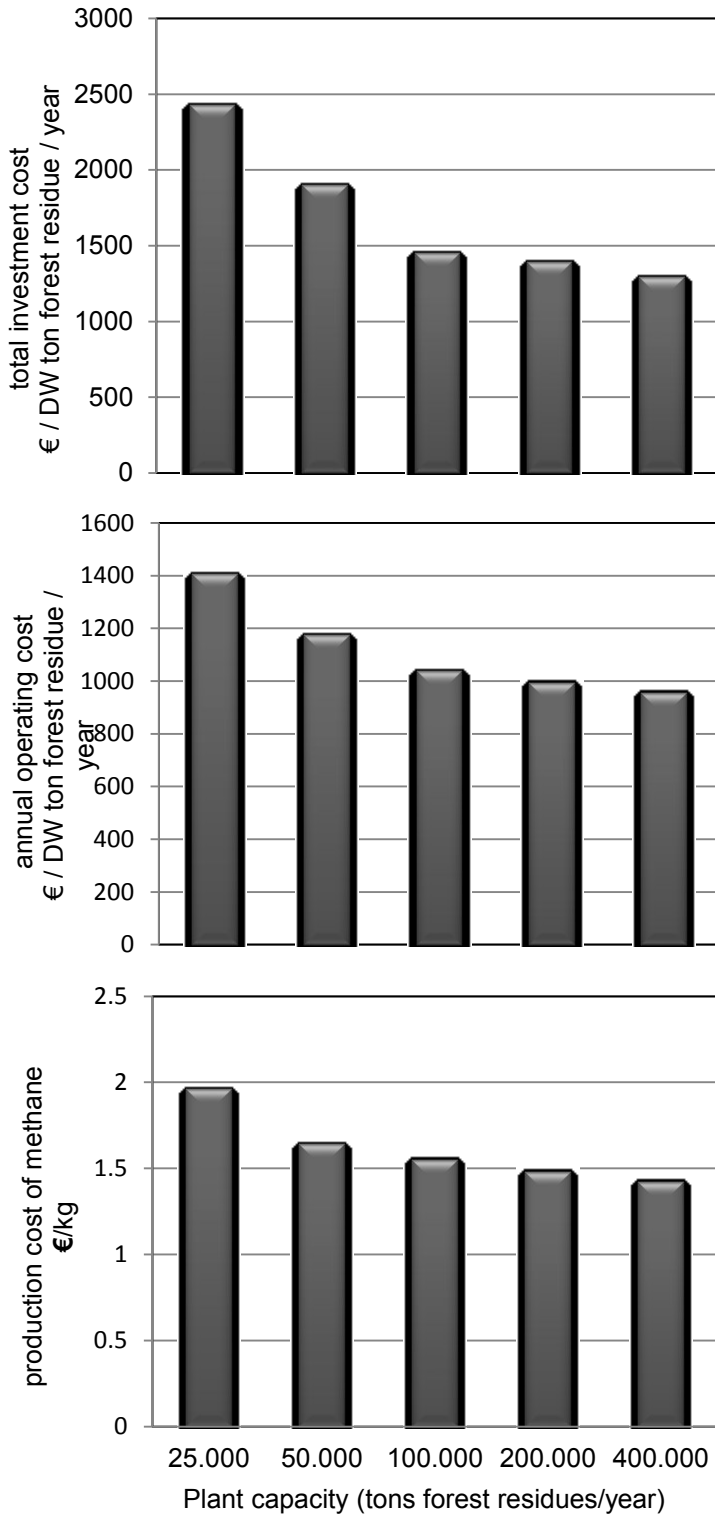


Figure 6.

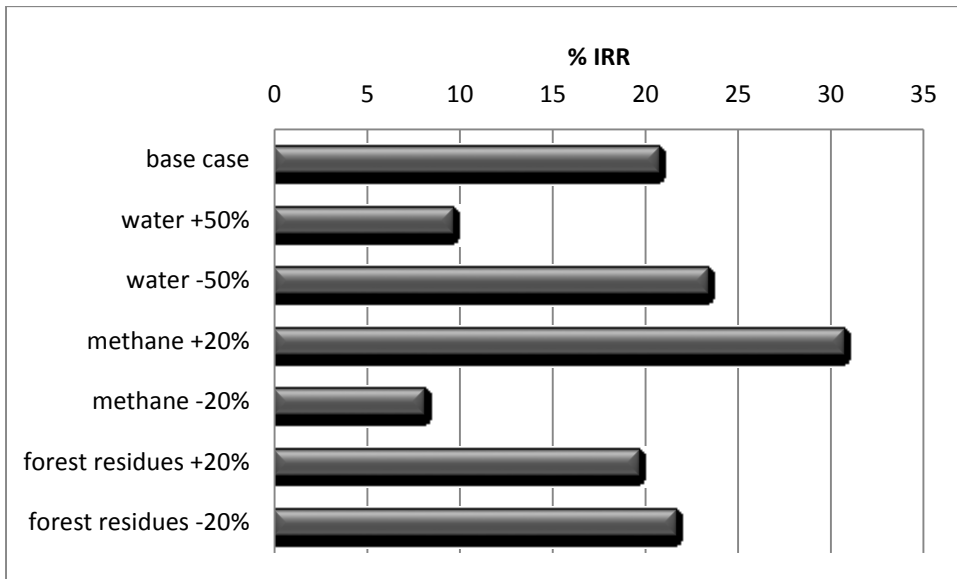


Figure 7.