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<b>Title</b>	What is the level of incentivisation required for biomethane upgrading technologies with carbon capture and reuse?
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<b>Publication date</b>	2018-10-25
<b>Original citation</b>	Rajendran, K., Browne, J. D. and Murphy, J. D. (2018) 'What is the level of incentivisation required for biomethane upgrading technologies with carbon capture and reuse?', <i>Renewable Energy</i> , 133, pp. 951-963. doi:10.1016/j.renene.2018.10.091
<b>Type of publication</b>	Article (peer-reviewed)
<b>Link to publisher's version</b>	<a href="http://dx.doi.org/10.1016/j.renene.2018.10.091">http://dx.doi.org/10.1016/j.renene.2018.10.091</a> Access to the full text of the published version may require a subscription.
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<b>Embargo information</b>	Access to this article is restricted until 24 months after publication by request of the publisher.
<b>Embargo lift date</b>	2020-10-25
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1 **What is the level of incentivisation required for biomethane upgrading**  
2 **technologies with carbon capture and reuse?**

3

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11

12 **Abstract**

13 This paper documents a techno-economic assessment of biomethane feedstocks from  
14 urban, rural, and coastal settings. Additionally, the effect of three upgrading technologies  
15 was investigated, ranging from commercialised systems (water scrubbing) to more  
16 advanced systems: power to gas systems employing hydrogen to capture CO<sub>2</sub>; and micro-  
17 algae cultivation utilising CO<sub>2</sub> in biogas. In total, nine scenarios were investigated based on a  
18 combination of the three feedstock groups and the three upgrading technologies. The  
19 levelized cost of energy and the incentive required to allow financial sustainability were  
20 assessed. The assessment showed that that water scrubbing was the cheapest upgrading  
21 method. The optimum scenario was the combination of urban based feedstock (food waste)  
22 with water scrubbing upgrading costing 87€/MWh, equivalent to 87c/L diesel equivalent.  
23 The incentive required was 0.13 €/m<sup>3</sup> (or per L of diesel equivalent), however if power to  
24 gas was used to upgrade an incentive of 0.40 €/m<sup>3</sup> was required. This was expected as food  
25 waste attracts a gate fee. Rural-based plants (using slurries and grasses) are expected to  
26 provide the majority of the resource however, for this to become a reality incentive in the  
27 range 0.86 to 1.03 €/m<sup>3</sup> are required.

28

29 **Keywords:** biogas; biogas upgrading; biomethane; carbon capture and reuse; power to gas;  
30 techno-economic analysis.

31

## 32 1 Introduction

33 When biogas is upgraded to renewable methane, through removal of CO<sub>2</sub> and injected to  
34 the gas grid, it has a range of applications including provision of renewable heat, electricity  
35 and/or transportation fuel. In 2015, there were 459 biogas-upgrading plants in operation in  
36 the EU producing 1,230 M Nm<sup>3</sup> of biomethane [1] . According to the Sustainable Energy  
37 Authority of Ireland (SEAI) Ireland has a biogas potential of 0.95 Mtoe, but less than 2% of  
38 this is currently utilized [2] with no gas to grid system in place as of yet in Ireland.

39 The sustainability criteria in the recast Renewable Energy Directive (recast RED) includes for  
40 a proposed 75% greenhouse gas (GHG) savings as compared to the fossil fuel comparator  
41 (FFC) for renewable heat by 2026. For mono-digestion of crops this level of sustainability is  
42 highly unlikely [3]. This can cause developers to consider whether it is prudent to invest in  
43 technologies today that may be deemed unsustainable in 8 years' time.

44 Increased sustainability is expected to be associated with concepts such as BioEnergy with  
45 Carbon Capture and Storage (BECCS) [4] and also with reuse of captured carbon. Power to  
46 gas (P2G) systems may be used to upgrade biogas to biomethane, capturing CO<sub>2</sub> from the  
47 biogas and reacting with hydrogen from electrolysis to produce renewable methane ( $4\text{H}_2 +$   
48  $\text{CO}_2 = \text{CH}_4 + 2\text{H}_2\text{O}$ ) as described by Ahern et al [5]. Another method of carbon capture is to  
49 combine micro-algae cultivation with removal of CO<sub>2</sub> from biogas as described by Xia et al.  
50 [6] . The literature is sparse in assessing the financial sustainability of such systems and  
51 assessing the cost to capture and reuse this CO<sub>2</sub>.

52 The assessment of the financial feasibility of biogas systems may be simplified via process  
53 simulators, which allow techno-economic analysis (TEA) [7]. TEA considers process level  
54 information such as yield, sizing, and productivity. Previous techno-economic assessments

55 on AD includes retrofitting and expansion of a biogas facility [8], exploring digestion of  
56 forestry feedstocks with innovative pretreatments [9-11], and upgrading technologies [12,  
57 13]. Most AD plants employ conventional upgrading technologies (water scrubbing,  
58 absorption or adsorption) that have a high technology readiness level (TRL) to purify  
59 biomethane [13]. However, conventional upgrading processes do not readily capture pure  
60 streams of CO<sub>2</sub> after upgrading for further use as a fuel. Capture and reuse of released CO<sub>2</sub>  
61 in cascading bioenergy systems can facilitate further reduction in greenhouse gas emissions  
62 [14]. New technologies such as Power to Gas (P2G) and microalgae-based upgrading offer  
63 CO<sub>2</sub> capture and reuse combined with upgrading [14, 15]. P2G would be at a lower TRL than  
64 conventional upgrading, while microalgae upgrading would be at a lower TRL again[16].

65 The gap in the state of the art is the lack of detailed financial assessment of carbon capture  
66 and reuse from a biogas system and the extra cost as compared to conventional upgrading.  
67 No previous study has evaluated the incentives required to operate a biogas plant using a  
68 range of feedstocks (such as from urban, rural and coastal regions) that employ different  
69 upgrading systems including for carbon capture and reuse.

70 The innovation in this study is that BECCS is seen as critical for the below 1.5 degree  
71 temperature rise scenario. CO<sub>2</sub> from biogas upgrading is one of the most concentrated  
72 sources of CO<sub>2</sub> thus minimising the cost of Power to Gas systems [5]. This paper assessed,  
73 through a techno-economic analysis, the incentives required for conventional water  
74 scrubbing and the increased incentive required for scenarios that capture and allow reuse of  
75 carbon such as microalgae upgrading and power to gas systems. The innovation was shown  
76 through satisfying the following objectives:

- 77 1. Develop simulations of renewable methane from nine models using feedstocks from  
78 urban, rural, and coastal wastes using three upgrading techniques (water scrubbing,  
79 microalgae upgrading and power to gas).
- 80 2. Calculate the levelized costs of energy (LCOE) over the plant lifetime of the nine  
81 scenarios.
- 82 3. Assess the level of incentives required for the three upgrading mechanisms.
- 83 4. Calculate the extra incentive to facilitate carbon capture and reuse.

84

## 85 **2 Methodology**

86 Substrates were chosen based on urban, rural, and coastal models while upgrading methods  
87 were chosen based on the maturity of technology; water scrubbing, microalgae upgrading  
88 and P2G. The combination of feedstock and upgrading methods resulted in the simulation of  
89 nine scenarios (Figure 1). Food wastes dominated the urban scenario, while for rural regions  
90 grass silage and slurry were the model feedstocks. The coastal model utilised slurry, grass  
91 silage, food wastes and seaweed. The choice of feedstock and upgrading method was used  
92 to label each scenario; urban feedstock was labelled as “U,” rural as “R” and coastal as “C”.  
93 Labelling upgrading methods used the following acronyms: “WS” for water scrubbing; “P2G”  
94 for power to gas systems; and “MA” for microalgae upgrading. A scenario employing coastal  
95 feedstock and power to gas upgrading therefore has an acronym of “CP2G”.

96 **2.1 Feedstock characteristics**

97 **2.1.1 Urban scenarios**

98 Urban organic wastes, predominantly food wastes (FW) are modelled with a per-capita food  
99 waste (FW) generation of 180 kg/per person/ per year, which is the typical Irish production  
100 [17]. The design of the plant ensured feedstock availability within a 40 km radius;  
101 transporting longer distances would not be economically viable [8]. The population of  
102 Dublin (the capital city of Ireland) facilitates an annual processing capacity of 100,000 t/yr.  
103 Hence, the urban scenario had a processing capacity of 274 t FW/day. Table 1 shows the  
104 characteristics of the feedstocks including total solids (TS), volatile solids (VS) and  
105 biomethane potential (BMP). The EU Landfill Directive in essence prevents landfill of organic  
106 wastes; this disincentive is facilitated in Ireland by the introduction of tipping fees of the  
107 order of €75/t. In this study, it was assumed that FW would be treated in the AD facility at a  
108 gate fee of €50/tonne (which is cheaper than landfill). This charge is a significant source of  
109 revenue for treating wastes [18] and has been a driver for the first biogas facilities in  
110 Ireland. It is assumed that the FW is source segregated and collected using a separate bin  
111 for organics. The waste collection trucks collect the FW from households once a week and  
112 transfer it to the AD processing facility.

113 **2.1.2 Rural scenarios**

114 Rural areas contain agricultural residues such as grass silage (GS) and cattle slurry (CS). In  
115 Ireland, grass silage production was of the order of 26 Million tonnes in 2009. There is  
116 significant potential to allow feed and energy supply [22]; estimates of a biomethane  
117 potential of 138 PJ per annum are suggested in the literature [19, 20]. Ireland in 2016 has a  
118 population of about 6.6 M cattle, including for 1.3M dairy cows [23]; the slurry produced

119 has a biomethane potential of 13.7 PJ [23]. Dairy cows at two-years-old produce  
120 approximately 50kg slurry/day; if we assume a farm size of 100 cows 5 t/day of slurry is  
121 produced [19].

122 The carbon to nitrogen (C:N) ratio of grass silage is high (of the order of 30:1) [21] while that  
123 of slurry is low; co-digestion enhances the balance in the system as well as boosting the  
124 methane yield [25]. In a study by Wall et al., the optimum grass silage to the slurry ratio in  
125 long term continuous anaerobic digestion in terms of methane yield and sustainability was  
126 80:20 by volatile solids ratio [22]. If we model a co-op of 35 Irish cattle farms each with 100  
127 cattle (or 3500 cattle in total) then the slurry production is 65,000 t/yr of slurry; then to  
128 maintain a VS ratio of 20:80, the amount of grass silage used should be 75,000 t/yr. A 20:80  
129 slurry: silage VS ratio equates to a 46:54 slurry: silage wet weight ratio. Moreover, as grass  
130 silage (ca. 29% TS) has a high dry solids content, while slurry has a high-water content (90 –  
131 94%), combining the two substrates leads to a mixable pumpable digestate. The cost of GS  
132 was modelled at €27/t, while slurry was costed at the cost of transportation alone.  
133 Transportation of slurry was assumed at a cost of €4/t. Grass silage and slurry are abundant  
134 in the south-west of Ireland where this facility is assumed to be built. The BMP of the  
135 combination of GS and CS used in the techno-economic assessments was 366 LCH<sub>4</sub>/kgVS at  
136 a loading rate of 3.5 kgVS/m<sup>3</sup>/day with a retention time of 25 days (Table 1) as per Wall et  
137 al., [25].

### 138 **2.1.3 Coastal scenarios**

139 Coastal areas produce wastes from diverse origins including food wastes, grass silage, slurry,  
140 and seaweed. Ireland harvests about 30,000 t/year seaweed, which corresponds to 2.5% of  
141 the global seaweed harvest [23]. The biomethane potential varies based on the species, and



142 in this study, *L. digitata* was modelled with data from Allen et al. [24]. The coastal biogas  
143 production process considered 5,000 t/yr seaweed, 50,000 t/yr silage, 45,000 t/yr slurry and  
144 2,000 t/yr FW (Table 1). It is assumed that cast seaweed of nuisance value is collected  
145 from beaches to improve amenity and as such the cost is minimal; a transportation cost of  
146 €4/t is modelled similar to slurry. In Timoleague in West Cork approximately 10,000 t of dry  
147 solids seaweed is cast on the shore each year. In Solrod, Denmark, beach cast seaweed is  
148 digested with by-products of a seaweed processing industry [25].

149

## 150 **2.2 Model Development**

151 This study used Intelligen SuperPro Designer (V 10.0) to develop the process models. The  
152 outputs of the process models are attached as supplementary files to facilitate transparency  
153 and reproduction of work.

### 154 **2.2.1 Biogas production (Upstream Processing)**

155 The screening of FW in urban scenarios helps in removing metals, plastics or any foreign  
156 objects in the first step. One percent of waste entering the facility is assumed to be  
157 screened before further processing takes place. This low level of contaminants requires  
158 excellent quality control in collection of food waste. An assumption here is that small  
159 amounts of food waste in small containers are collected on a frequent basis and that any  
160 contaminated bins are rejected leading to good practice over time. Screening was also used  
161 in coastal scenarios for FW. Except for slurry, all the wastes were stored in a silo, as a  
162 temporary storage upon arrival to the treatment facility. The solid wastes were screw  
163 conveyed to the shredder with an electricity consumption of 0.02 kW/(kg/h). The carbon  
164 steel shredder reduces the incoming feedstocks with a power consumption of 0.09

165 kW/(kg/h) [26]. Figure (i) (Appendix A) shows the complete process flow from SuperPro  
166 Designer for the UWS scenario.

167 The digestate after AD is rich in microbial consortia and water; this is recycled back to the  
168 process together with the incoming feedstock through a centrifugal pump. Rural and coastal  
169 scenarios handling cattle slurry incorporated mixing after shredding the feedstock prior to  
170 pumping and pasteurization. To facilitate pumping, the processed feedstock had a solids  
171 concentration of between 12-15% [8, 9, 27]. The pumped materials were sent to a  
172 pasteurization tank operated at 70°C with a 1 hour retention time to kill the pathogens  
173 present [28, 29]. The excess heat post-pasteurization is heat exchanged with the incoming  
174 feed to reduce the heating load. The pasteurized feed was stored in a storage tank with a  
175 retention time of 10 hours before it was transferred to the main digester. The pasteurized  
176 feed was stored in two parallel storage tanks with a volume between 90 and 130 m<sup>3</sup>  
177 depending on the scenarios.

178 Table 1 depicts the operating conditions including loading rate and retention times for  
179 different feedstocks considered. The digesters operated at mesophilic conditions (37°C) and  
180 consumed 0.01 kW/m<sup>3</sup> for agitation purposes. The TS in the digestate post AD varied  
181 between 4 and 6% depending on the feedstock. Two digesters arranged in series were in  
182 operation for Urban and Rural scenarios whereas for coastal feedstock one was sufficient.  
183 The experimental data from the literature provided the methane yield for different  
184 feedstocks used in this study (Table 1). After AD, the gaseous stream was upgraded to  
185 biomethane. Farmers use the digestate after concentration free of cost. The model uses a  
186 decanter to concentrate the digestate to TS content of between 7 and 10%. The remaining  
187 water is recycled to the process. The concentrated digestate is stored in storage tanks for 90

188 days before distribution to farms. Conditioning the biogas is necessary for upgrading; a  
189 moisture-trap removes excess moisture. The moisture free biogas is upgraded either by  
190 water scrubbing, power to gas or microalgae.

### 191 **2.2.2 Water Scrubbing**

192 Water scrubbing is widely used as an upgrading method for biogas with more than 145 units  
193 installed to date [30]. It is potentially the cheapest biogas upgrading method available [31].  
194 The WS scenarios did not capture carbon dioxide after biogas upgrading. The other two  
195 scenarios require carbon capture.

196 In this WS model, water is pumped to the top of the absorption column at 7 bar pressure,  
197 while the biogas is compressed to 4 bar before it is fed to the bottom of the column (Figure  
198 (i) Appendix A) [32]. The solubility of the gases in the absorption column was designed  
199 based on Cozma, Wukovits, Mămăligă, Friedl and Gavrilescu [33]. The absorption column  
200 was designed using carbon dioxide as a design component with a gas and liquid phase  
201 diffusivity of 0.016 and 0.087 m<sup>2</sup>/s [34]. The absorption column had a length of between 15  
202 and 25 m with a diameter of 1.05 m. The column was packed with plastic pall rings that had  
203 a surface area of 128 m<sup>2</sup>/m<sup>3</sup> with a critical surface tension of 0.072 N/m [35]. A methane  
204 purity of between 96-98% is achievable from the absorption column; this was compressed  
205 to a pressure of 8 bar to maintain the gas pressure standards injecting into the grid [36]. The  
206 liquid stream from the absorption column is rich in dissolved carbon dioxide and includes for  
207 dissolved methane; this is passed through a flash vessel to recover the methane.

208 Regenerating the water and reusing it in the absorption column reduces the requirement for  
209 fresh water consumption and hence the environmental load. Similarly, a heat exchanger  
210 cooled the water (with absorbed carbon dioxide from the flash vessel) to 20°C; from here it

211 is sent to a stripper. In the stripper, the injected air when contacted with the cooled water  
212 strips the carbon dioxide. The operating conditions of the stripper column were similar to  
213 the absorption column, whereas the gas and liquid diffusivity were altered to  $0.001 \text{ m}^2/\text{s}$   
214 [34]. Emitting the stripped carbon dioxide from the water into the atmosphere, helps in  
215 recycling water to the process. To avoid saturation of liquid, five percent of regenerated  
216 water was replaced with fresh water.

217

### 218 **2.2.3 Microalgae Upgrading**

219 The microalgae upgrading process involves a carbonate-bicarbonate system where the  
220 carbonate reacts with the carbon dioxide resulting in bicarbonate formation [37, 38].  
221 Microalgae uses this bicarbonate for growth and converts the bicarbonate back to  
222 carbonate, which is then recycled back to the process [16, 39] (Figure (ii) Appendix A). The  
223 raw biogas is compressed initially to four bar and enters the absorption column that works  
224 similar to a WS with a modification. Instead of water, this column uses carbonate solution  
225 for trapping carbon dioxide (Equation 1). The bicarbonate-rich solution then enters the algal  
226 raceway-pond for microalgae cultivation that eventually releases carbonate for the next  
227 cycle. Design considerations include the length-to-width ratio of the pond (10:1) and a  
228 depth of not greater than 0.3m [40]. Three reactions occur in an algal pond including:  
229 release of carbon dioxide (Equation 2); bicarbonate conversion to carbonate (Equation 3);  
230 and finally utilizing carbon dioxide to produce algae (Equation 4) [38]. The algal cultivation  
231 had a retention time of 15 days, with the following dimensions for the urban scenario  
232 (UMA): 416 m (L)  $\times$  41 m (W)  $\times$  0.3 m (H). Cultivating microalgae for an urban scenario needs  
233 eight hectares of land space. The concentration of the algae produced from the raceway

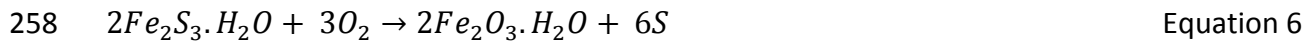
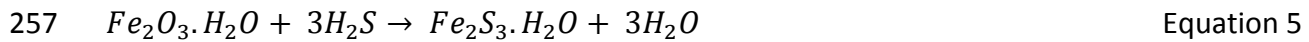
234 pond was limited to 4.8 g/L with a conversion efficiency of between 60 and 65% [41].  
235 Clarifying and centrifuging the low concentrated algal biomass results in selling the  
236 microalgae as a by-product, while venting oxygen. Clarifying and centrifuging has an  
237 additional advantage in enhancing recirculation of the carbonate-rich solution back to the  
238 process. The carbonate losses ranged between 10% and 15%; fresh carbonate replaces the  
239 loss at the start of the process (Figure (ii), Appendix A). Compared with P2G upgrading that  
240 produces additional methane, MA upgrading interchanges bicarbonate to carbonate to  
241 produce microalgae as a by-product. Microalgae have commercial value as a precursor for  
242 biogas or biodiesel or other edible applications [42].



#### 247 **2.2.4 Power to gas**

248 Power to gas (P2G) technology utilizes electricity (ideally surplus intermittent renewable  
249 electricity such as from wind turbines) to produce hydrogen by electrolysis. This hydrogen  
250 may be reacted with carbon dioxide from biogas to produce methane (Figure (iii) Appendix  
251 A) [43]. The carbon dioxide from the biogas needs to be free of hydrogen sulphide and other  
252 impurities before catalytic methanation can take place. A desulfurizer is employed to  
253 remove hydrogen sulphide in a two-step process [44]. The first step involves the conversion  
254 of Iron (III) oxide monohydrate to Iron (III) sulphide monohydrate (Equation 5). Later, the

255 Iron (III) sulphide monohydrate when oxidized regenerates Iron (III) oxide hydrate and the  
256 cycle continues [45] (Equation 6).



259 The electrolyser uses electricity to split hydrogen from water [46] (Equation 7). The size of  
260 the electrolyser depends on the amount of the CO<sub>2</sub> in the biogas, an important design  
261 parameter. The electrolyser operates at 250°C, 10 bar pressure and is modelled with a  
262 conversion efficiency of 72% [15, 46]. Multiple units of electrolysers are considered when  
263 the size of the electrolyser exceeds 10MW. The cost of the electrolyser was based on  
264 previous literature [43].



266 Upon hydrogen production, both the reactants (biogas and hydrogen) enter the catalytic  
267 methanation unit operating at 200°C [47] where the carbon dioxide reacts with hydrogen to  
268 produce methane and water (Equation 8). The efficiency of the catalytic methanation was  
269 modelled at 78%. This results in an overall efficiency combining electrolyser and catalytic  
270 methanation of 56% [15, 43, 47].



272

### 273 **2.3 Economic analysis and assumptions**

274 The economic assumptions behind play a vital role in the results obtained from SuperPro  
275 Designer. Table 2 outlines the assumptions used in this study including the utilities cost and  
276 selling price of products such as methane and algae. The scenarios considered 20 years as

277 the lifetime of the plant, with a construction period of 18 months and start-up period of 6  
278 months. Table 1 shows the capacity of different feedstocks in each scenario considered with  
279 their associated costs. Food waste yielded gate fees of € 50/t. SuperPro Designer calculated  
280 the sizing and costing of different equipment while the digester costs were from taken from  
281 Krieg & Fischer [48]. The equipment depreciation calculation used a straight-line method  
282 that had a depreciation period of 10 years and a salvage value of 5% of direct fixed capital  
283 (DFC). Corporation tax in Ireland is 12.5%. The start-up costs account for 5% of DFC while  
284 the working capital depicts one-month operational expenses. This project assumed equity-  
285 based financing on different sections including 9% interest on DFC, 12% for working capital,  
286 research, and development. DFC had a loan period of 10 years while the rest of the  
287 equipment had 6 years. Purchasing electricity was one of the key assumptions and the main  
288 economical variable in P2G systems. It is assumed that the developer bids for electricity in  
289 the open market as a wholesaler. Electricity is bid at 50€/MWh yielding an average price of  
290 35€/MWh [5]. The biomethane produced was sold at a base price of 0.20 €/m<sup>3</sup> [49], which is  
291 the typical price of natural gas in Ireland.

292

## 293 **2.4 Sensitivity analysis**

294 The sensitivity analysis illustrates the impact of fluctuations on important parameters in the  
295 system on the output. The analysis assessed variables in scenarios that could allow  
296 feasibility with an incentive of 0.5 €/m<sup>3</sup> methane to meet the levelized cost of energy  
297 (LCOE). This equated to a total cost of 0.7 €/m<sup>3</sup> or €0.70/ L diesel equivalent. Any scenario  
298 that required an incentive of greater than 0.5 €/m<sup>3</sup> methane was not considered for the  
299 sensitivity analysis (Figure 2). A number of parameters were assessed such as: capacity;

300 selling price of methane; purchase cost of electricity in the electrolyser; purchasing cost of  
301 feedstock; gate fee for the food waste. The fluctuation in capacity highlights the impact of  
302 economies of scale. Variations of between  $\pm 10$  and  $\pm 20$  percentage were assessed for effect  
303 on economics of the systems.

304

## 305 **2.5 Uncertainty analysis (Monte Carlo Simulation)**

306 Uncertainty analysis estimates the ambiguity in a calculation methodology. The Monte Carlo  
307 simulation helps in finding this ambiguity based on the data from the sensitivity analysis  
308 carried out. Figure 2 shows the methodology on the choice of scenarios considered for the  
309 sensitivity and uncertainty analysis. The sensitivity analysis had a range of  $\pm 10$  and  $\pm 20$   
310 percentage fluctuation yielding a broad range of incentive values. This range of incentives  
311 was used as the input for the Monte Carlo simulation. About 1000 random incentive values  
312 were generated based on the average incentive and standard deviation from the sensitivity  
313 analysis. The Monte Carlo simulation resulted in a global mean incentive, standard deviation  
314 and the probability of achieving an incentive greater than  $0.2 \text{ €/m}^3$  from the sensitivity  
315 analysis.

316

## 317 **3 Results and Discussions**

### 318 **3.1 Technical analysis**

319 Under nine scenarios (3 feedstocks  $\times$  3 upgrading technologies), the techno-economic  
320 performance of biogas upgrading with or without carbon capture and reuse was evaluated.

321 Figure 3 shows the overall mass balance of the nine scenarios assessed using SuperPro



322 Designer<sup>®</sup>. The biogas flowrate after the AD process for the urban, rural and coastal  
323 feedstocks was around 2300, 1700 and 1300 m<sup>3</sup> STP/h respectively. The composition of  
324 methane in the biogas varied between 55 and 61% depending on the feedstock. Depending  
325 on the upgrading method employed, the final biomethane production varied. For example,  
326 P2G utilises the CO<sub>2</sub> in biogas, to produce methane which resulted in significantly more  
327 methane (practically double) unlike WS, which released the CO<sub>2</sub>.

328 Urban scenarios needed a larger digester (20,200 m<sup>3</sup>), in comparison with rural or coastal  
329 scenarios. Table 3 shows the sizing and costing of different equipment used in various  
330 scenarios. The biogas flowrate from each feedstock determined the sizing of the upgrading  
331 equipment. For example, UWS had a 22-m<sup>3</sup> absorption/stripper column while the RWS and  
332 CWS had 17 and 13 m<sup>3</sup> columns respectively. Similarly, the size of the electrolyser depends  
333 on the amount of hydrogen needed to react with CO<sub>2</sub> (Equation 8) that in turn depends on  
334 the biogas flow rate. The size of the electrolyser varied between 10 and 18 MW depending  
335 on the substrate [15, 46]. Microalgae upgrading requires a land space between 4 and 7  
336 hectares of land for cultivation.

337 Table 4 shows the different utilities such as electricity, steam and chilled water consumed in  
338 different scenarios. WS consumed less utilities when compared with P2G or MA. There is  
339 more certainty and optimisation associated with the high TRL of WS. The electrolyser  
340 needed between 80,000 and 142,000 MWh electricity per annum to produce hydrogen to  
341 react with CO<sub>2</sub> to produce methane. Urban scenarios consumed more utilities than rural or  
342 coastal scenarios. Microalgae energy consumption is attributed to the aeration in the  
343 raceway pond at 8 watt/m<sup>3</sup> (0.05 V/V/min).

344 The primary concern in this paper is the effect of the upgrading technology on the  
345 biomethane production. As such Figure 4 shows the energy consumption rate and energy  
346 consumption for different scenarios based on a per t or a per m<sup>3</sup> basis. UP2G consumed  
347 0.33 MWh of electricity / t, a consumption rate of 17% of the energy produced (parasitic  
348 energy demand). On the other hand, WS as an upgrading method had the lowest parasitic  
349 energy demand of between 12% and 14% (Figure 4a). WS has a parasitic energy demand of  
350 0.13-0.15 kWh electricity / m<sup>3</sup> renewable methane, while MA had 0.25 and 0.28 kWh / m<sup>3</sup>  
351 and P2G 1.02 and 1.05 kWh / m<sup>3</sup> (Figure 4b). It is worth noting that the energy consumption  
352 to produce renewable methane varied mainly due to the upgrading method employed. For  
353 instance, P2G utilised CO<sub>2</sub> that resulted in more methane, which decreased the energy  
354 consumption per unit of renewable methane production. Compared with UWS, UP2G  
355 produced 70% more methane through conversion of CO<sub>2</sub>.

356

### 357 **3.2 Economic analysis**

358 The economic analysis includes evaluating the capital costs, the operational costs, and other  
359 essential parameters that measure profitability. Table 3 shows the sizing and costing of all  
360 unit operations considered in various scenarios. Dividing the scenarios into biogas  
361 production and upgrading results in identifying the costs associated with each section. The  
362 equipment costs were highest for the urban feedstock (36 €/t/yr) followed by rural (20  
363 €/t/yr) and coastal scenarios (18 €/t/yr). The higher costs for urban scenarios could be  
364 mainly attributed to the higher solids handled in comparison with rural or coastal  
365 feedstocks. Total equipment costs for each scenario was calculated by summing the costs of  
366 biogas production and upgrading type (Table 3).

367 The equipment costs in the upgrading section were highest for P2G in the range of 0.124 to  
368 0.152 €/m<sup>3</sup>/yr followed by MA (0.08 – 0.10 €/m<sup>3</sup>/yr) and WS (0.04 – 0.056 €/m<sup>3</sup>/yr). The  
369 electrolyser cost between 18 and 21% of the total equipment costs (Table 3: A+B+C) in P2G  
370 upgrading. The size of the electrolyser varied between 10 and 18 MW depending on the  
371 feedstock and biogas flow rate [15, 46]. WS as an upgrading method had lower equipment  
372 costs, as it is a mature technology with more than 100 upgrading units installed by 2015  
373 [30].

374 CAPEX accounts for the total investment required to build a biogas plant including for the  
375 different biogas upgrading methods. The choices for upgrading methods considered with or  
376 without carbon capture and reuse. The CAPEX for biogas production was highest for urban  
377 scenario (278 €/t.yr), followed by rural (160 €/t.yr) and coastal (141 €/t.yr) feedstocks.  
378 Urban scenarios treating 100,000 t/yr had a CAPEX between 32 and 50 M€ depending on  
379 the upgrading method used. P2G as an upgrading method for the Urban scenario treating  
380 100,000 t/yr needed a CAPEX of 22 M€ (Figure 5a). The CAPEX differentiation between  
381 water scrubbing and power to gas was 177€/t/a (Urban). For rural scenarios the  
382 differentiation was 111 €/t/a, and for coastal scenarios €82/t/a (Figure 5a). P2G was the  
383 most expensive upgrading method requiring between 44 and 46% of the CAPEX followed by  
384 MA and WS. It is worth mentioning that P2G and MA have a significant lower TRL that leads  
385 to less defined but significantly higher costs; these costs may reduce with the improvements  
386 in the technology [15, 46].

387 The OPEX included labour, raw materials, utilities and facility dependent services for  
388 running a plant. The OPEX for WS varied between 64-87 €/t depending on the feedstocks,

389 while for MA it was 72-110 €/t and for P2G it was 108-166 €/t (Figure 5b). The OPEX for P2G  
390 was higher due to the higher electricity consumption.

391 Apart from selling biomethane, urban scenarios yield a revenue of 50€/t from the gate fee  
392 that helps in recovering the OPEX, while the revenues did not match the OPEX in other  
393 feedstocks. For the UWS scenario, the OPEX was 87 €/t, while the revenues were 73 €/t  
394 (Figure 5c) and as such an incentive of 14€/t is required to recover LCOE. Unlike urban  
395 scenarios, the rural and coastal feedstocks generated most of their income by selling  
396 upgraded biomethane and as such need higher incentives.

397 The production costs showed an increasing trend with the type of feedstock and upgrading  
398 method used (Figure 6a). the urban scenario had the lowest production cost (0.73 – 0.94  
399 €/m<sup>3</sup> renewable methane), while coastal scenarios had the highest production costs (1.04 –  
400 1.37 €/m<sup>3</sup>). WS was the cheapest upgrading method requiring between 0.12 and 0.21 €/m<sup>3</sup>  
401 to upgrade the biogas. The fluctuation in the production costs of WS was mainly due to the  
402 fluctuation in the biogas flow rate. As the biogas flow rate increased, the cost to upgrade  
403 decreased due to the economies of scale. UWS produced 2300 m<sup>3</sup> biogas STP/h followed by  
404 RWS with 1700 m<sup>3</sup> STP/h and coastal feedstock had a biogas flow rate of 1300 m<sup>3</sup> STP/h.  
405 UWS had an upgrading cost of 0.12 €/m<sup>3</sup> while CWS cost 0.21 €/m<sup>3</sup>.

406 The MA upgrading method cost between 0.24 and 0.37 €/m<sup>3</sup>. A general trend of decreasing  
407 biogas flowrate in different feedstocks (urban to rural to coastal) led to increased  
408 production costs. In addition, the varying biomethane yield and capacity altered the biogas  
409 flowrate that in turn affected the production cost.

410 For UWS scenario, the production cost was 0.73 €/m<sup>3</sup> and by selling the biomethane and  
411 availing of revenues from tipping fees a unit revenue of 0.62 €/m<sup>3</sup> was achieved. Thus, an

412 incentive of 0.13 €/m<sup>3</sup> is required to meet the overall costs at zero profit (Figure 6b). An  
413 additional 2 c/m<sup>3</sup> was added to allow a marginal income beyond the CAPEX; this was applied  
414 in all scenarios. The incentive requirement varied based on the feedstock and upgrading  
415 method employed. For urban feedstocks, the incentives required were between 0.13 and  
416 0.40 €/m<sup>3</sup> biomethane while rural feedstocks need an incentive between 0.85 and 1.03  
417 €/m<sup>3</sup>. A cut-off ranges of 0.5 €/m<sup>3</sup> was considered for applying sensitivity analysis. Hence,  
418 rural and coastal feedstocks were not considered for sensitivity and Monte Carlo simulation  
419 (Figure 6).

### 420 **3.3 Sensitivity analysis on urban scenario**

421 The sensitivity analysis included the most important factors that affect overall profitability.  
422 The factors assessed includes capacity, electricity cost, biomethane price, and gate fee.  
423 From the base case, ±10% and ±20% was considered as fluctuations. For water scrubbing  
424 and microalgae upgrading, the electricity cost had negligible effect on the incentives  
425 required (Figure 7a and 7b). Whereas for P2G upgrading, electricity cost was the second  
426 most important factor after capacity variations. When the electricity cost reduces by 20% in  
427 P2G, the incentives required decreased to 0.33€/m<sup>3</sup>, from 0.40€/m<sup>3</sup> in the base case (Figure  
428 7c). For UWS, increasing the gate fee by 20% reduced the incentives required from 0.13  
429 €/m<sup>3</sup> (base case) to 0.05 €/m<sup>3</sup>. Biomethane price had a lower effect on the sensitivity  
430 analysis in comparison with gate fee. The gate fee generated higher income (0.25 and 0.43  
431 €/m<sup>3</sup>) in comparison with the revenues from biomethane (0.2 €/m<sup>3</sup>) for urban feedstocks in  
432 the base case (Figure 6b). This shows that gate fee is a more important factor than  
433 biomethane price. Of the different factors assessed, decreasing the capacities had the most

434 negative impact on the incentive required. This suggests that bigger plants are needed to  
435 yield profits in Ireland.

### 436 **3.4 Uncertainty analysis on urban scenario**

437 A Monte Carlo simulation was performed to assess the uncertainties. The data from the  
438 sensitivity analysis was used to run the Monte Carlo simulation. The chance of incentive  
439 requirement greater than 0.2 €/m<sup>3</sup> was used as the criteria in uncertainty analysis. Figure 8  
440 shows the results from a Monte Carlo simulation with 1000 iterations. The global average  
441 incentive required for UWS was 0.13±0.04 €/m<sup>3</sup>, which had between 4% and 6% chance of  
442 incentive requirement greater than 0.2 €/m<sup>3</sup>. The other two upgrading methods (UMA and  
443 UP2G) would need 100% higher incentives than 0.2 €/m<sup>3</sup>. The global average incentive  
444 required for microalgae and power-to-gas systems was 0.33±0.04 €/m<sup>3</sup>, and 0.40±0.04 €/m<sup>3</sup>  
445 respectively. Compared with water scrubbing, microalgae and P2G offers carbon capture,  
446 which necessitates higher incentives. The probability of incentive requirement greater than  
447 0.5 €/m<sup>3</sup> was 0% for water scrubbing and microalgae upgrading; P2G had a 1% chance.

### 448 **3.5 Comparison of data with literature**

449 The Levelized cost of energy (LCOE) corresponds to the net cost of the energy incurred by  
450 the plant over its lifetime divided by the net energy produced over its lifetime (Equation 9).  
451 LCOE helps in comparing costs of different technologies through use of a uniform unit that  
452 facilitates comparison. Figure 9 shows the LCOE of different biochemical technologies and  
453 results from this study. The results from this study have an LCOE between 0.02 and 0.04  
454 €/MJ of biomethane produced. It is worth mentioning that algal biodiesel and Fischer-  
455 Tropsch diesel had an LCOE of the order of 0.06 €/MJ and biochemical ethanol production  
456 varied between 0.01 and 0.07 €/MJ depending on the feedstock and processing method

457 [50]. The results for LCOE reported from this study, and other biochemical technologies  
458 from the literature were comparable. Such data allows assessment of a range of incentives  
459 required to allow countries to decarbonise at minimal cost to the taxpayer.

$$460 \quad LCOE = \frac{[CAPEX (\text{€})] + [OPEX \left(\frac{\text{€}}{\text{yr}}\right) \times 20 (\text{yrs})]}{\left[ \text{Biomethane produced} \left(\frac{\text{m}^3}{\text{yr}}\right) \times 20 (\text{yrs}) \right]} \quad \text{Equation 1}$$

461 WS upgrading is widely used across the AD facilities, as it is cost and energy efficient. The  
462 investment costs, energy and production cost of different studies reported in the literature  
463 were compared and analysed with the data from this study. The investment costs of biogas  
464 upgrading were measured based on the raw biogas flow rate ( $\text{Nm}^3/\text{h}$ ); this decreased  
465 exponentially with the increase in flow rate for lower flows [51-53]. Bauer reported the cost  
466 curve showing the specific investments costs at different biogas flow rates [13, 54]. The  
467 coastal scenarios had the lowest biogas flow rate at about  $1300 \text{ Nm}^3/\text{h}$  while the rural and  
468 urban scenarios matched with the literature (Figure 10 a)[55]. The reason for the higher  
469 costs could be due to the lower biogas flow rates, the amount of  $\text{CO}_2$  in the raw biogas and  
470 operating conditions.

471 The energy consumption in this study for WS upgrading ranged between 0.20 and 0.25  
472  $\text{kWh}/\text{Nm}^3$ : this fits the literature curve [13, 27, 54, 56] (Figure 10b). There were certain  
473 outliers at lower biogas flow rates that could need to be investigated on a case-to-case basis  
474 [57, 58]. Bauer et. al [13] reported energy consumption between 0.20 and  $0.30 \text{ kWh}/\text{Nm}^3$   
475 depending on the flow rate where lower flow rates consumed higher energy. The  
476 production costs in this study varied between 0.12 and  $0.21 \text{ €/m}^3$  biomethane produced.  
477 The production costs reported in the literature varied between 0.09 and  $0.30 \text{ €/m}^3$   
478 biomethane [59, 60].

#### 479 **4 Conclusions**

480 A techno-economic assessment was carried out for feedstocks associated with different  
481 regions. In the Urban (U) scenarios the model feedstock was source segregated food waste,  
482 in the Rural (R) scenarios slurry and grass silage, whilst for Coastal (C) scenarios source  
483 segregated food waste, grass silage and seaweed was the modelled feedstock. Three  
484 upgrading technologies were employed which were at different technology readiness levels.  
485 Commercialised water scrubbing (WS), power to gas systems (PG), at demonstration level,  
486 and micro-algae (MA) upgrading systems which are at concept stage.

487 As expected food waste digestion (with an associated gate fee) coupled with the  
488 commercialised upgrading system (UWS) required the least incentive to allow financial  
489 sustainability. The suggested minimum incentive was 0.13 €/m<sup>3</sup> equivalent to 13c/L diesel  
490 equivalent or 13€/MJ. Power to gas on the other hand required a minimum incentive of 0.40  
491 €/m<sup>3</sup> (UPG) an addition of 27c/l diesel equivalent. This is a limited market and on its own is  
492 of insufficient scale to supply a new green gas industry.

493 The abundant feedstocks from agriculture in the rural scenarios required larger incentives of  
494 between 85 and 103 €/MWh. As modelled in this scenario Power to Gas upgrading (RPG)  
495 yielded the lowest required incentive. The reason for this is almost half the feedstock is  
496 sourced from electricity as opposed to feedstocks, which are either weak in methane  
497 potential and voluminous (slurry) or need to be purchased (grass silage). This is a crucial  
498 output: Hydrogen upgrading when the hydrogen is sourced from electricity via electrolysis  
499 can be economically competitive when the feedstock in the biogas facility is expensive  
500 (grass silage) or has a low specific methane yield (slurry).

501



502 **Funding Information**

503 This work is funded by the Environmental Protection Agency, Ireland (EPA 2016-RE-DS-6)  
504 with co-funding from Gas Networks Ireland. Prof Murphy is funded by the Science  
505 Foundation Ireland (SFI) MaREI Centre (Grant no. 12/RC/2302).

506 **Supplementary Files**

507 The outputs of the simulations were attached as supplementary materials facilitate the  
508 transparency and reproduction of the work.

509 **Conflict of interest**

510 The authors declare no conflicts of interests.

511 **Abbreviations**

512 AD – Anaerobic digestion  
513 BMP – Biomethane potential  
514 CS – Cattle slurry  
515 DFC – Direct fixed capital  
516 FW – Food waste  
517 IRR – Internal rate of return  
518 MTOE – Million tonnes of oil equivalent  
519 OFMSW – Organic fractions of municipal solid waste  
520 P2G – Power to gas  
521 PBP – Payback period  
522 ROI – Return on Investment  
523 t – Tonne  
524 TEA – Techno-economic analysis  
525 TRL – Technology readiness level  
526 TS – Total solids  
527 VS – Volatile solids  
528 wwt – wet weight tonne

529

530

531 **List of figures**

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550 iterations appearing in a particular incentive. The blue color corresponds to an incentive

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558

Table 1. Feedstocks used in different scenarios, their characteristics, BMP and costs.

Scenario	Composition	Capacity (t/yr.)	TS (%)	VS (%)	BMP (L CH <sub>4</sub> /kgVS)	OLR (kgVS/m <sup>3</sup> /day)	HRT (days)	Cost (€/t)	References
Urban	FW	100,000	29.4	28	470	3.0	30	-50*	[17, 18, 61, 62]
Rural	Grass silage	75,000	29.3	26.8	366	3.5	25	27	[19, 63, 64]
	Slurry	65,000	9.6	7.5				1. 4 <sup>ψ</sup>	[63, 65]
Coastal	Grass silage	50,000	29.3	26.8				27	[19, 63, 64]
	Slurry	45,000	9.6	7.5				2. 4 <sup>ψ</sup>	[63, 65]
	FW	2,000	29.4	28	347	3.5	25	-50*	[18, 61, 65]
	Seaweed	5,000	14.2	10.3				4 <sup>ψ</sup>	[24, 66]

\*The negative costs indicate the tipping fee to discard organic wastes without landfilling.

<sup>ψ</sup> The cost here refers to the transportation of slurry or seaweed from production to treatment facility.

Table 2. List of assumptions used in this work.

Type	Assumption
Algae	10 €/t
Annual operating hours	7,920 h
Construction period	18 months
Depreciation method	Straight-line
Depreciation period	10 years
Digestate	0 €/t
Discount rate	7%
Income tax	12.5%
Inflation	4%
Insurance	1% on DFC*
Lifetime of the plant	20 years
Methane selling price	0.20€/m <sup>3</sup> STP
Salvage value	5%
Start-up costs	5% on DFC*
Start-up period	6 months
Working capital	1-month OPEX
Electricity	35€/MWh

\*DFC – direct fixed capital

Table 3. Sizing and costing of different equipment used in different scenarios

	Unit Operation	Unit	Feedstock Type					
			Urban		Rural		Coastal	
			Size	Cost (€)	Size	Cost (€)	Size	Cost (€)
Upstream Section	Silo/Bin	m <sup>3</sup>	392	65,000	297	65,000	225	65,000
	Screw Conveyor	m <sup>3</sup>	15	36,000	15	26,000	15	18,000
	Shredder	t/h	13	104,000	10	94,000	13	86,000
	Centrifugal Pump	kW	1	15,000	1	16,000	0.75	14,000
	Pasteurization	m <sup>3</sup>	28	37,000	30	40,000	21	27,000
	Heat Exchanger	m <sup>2</sup>	2×61	152,000	2×68	164,000	97	100,000
	Storage Tank	m <sup>3</sup>	2×140	292,000	2×150	312,000	2×103	220,000
	Digester	m <sup>3</sup>	2×10,100	1,750,000	2×8,865	1,726,000	12,400	893,000
	Decanter	m <sup>3</sup>	3×54	903,000	34	226,000	22	176,000
	Digestate	m <sup>3</sup>	23,000	253,000	23,000	255,000	17,700	247,000
	Upstream (A)		Urban	3,607,000	Rural	2,924,000	Coastal	1,846,000
Water Scrubbing			UWS		RWS		CWS	
			Size	Cost (€)	Size	Cost (€)	Size	Cost (€)
	Centrifugal Pump	kW	7	34,000	7	34,000	7	35,000
	Centrifugal Pump	kW	1	15,000	1	15,000	1	15,000
	Compressor	kW	123	140,000	92	84,000	70	73,000
	Compressor	kW	16	61,000	11	61,000	8	61,000
	Compressor	kW	3	61,000	3	61,000	3	61,000
	Absorber	m <sup>3</sup>	22	78,000	17	62,000	13	47,000
	Stripper	m <sup>3</sup>	22	78,000	17	62,000	13	47,000
	Cooler	m <sup>2</sup>	2	9,000	2	9,000	1.5	8,000
	Total WS (B1)			476,000		388,000		347,000
	Unlisted (C1)			1,021,000		828,000		548,000
Net (A+B1+C1)		UWS	5,104,000	RWS	4,140,000	CWS	2,741,000	
Microalgae			UMA		RMA		CMA	
			Size	Cost (€)	Size	Cost (€)	Size	Cost (€)
	Raceway Pond	m <sup>3</sup>	4×4,995	340,000	3×5,000	252,000	2×5,800	190,000
	Centrifugal Pump	kW	2	20,000	1.3	17,000	1	16,000
	Clarifier	m <sup>2</sup>	33	66,000	25	56,000	19	48,000
	Decanter	m <sup>3</sup> /h	2,500	219,000	1,800	219,000	1.4	219,000
	Compressor	kW	115	131,000	84	80,000	62	68,000
	Compressor	kW	15	61,000	11	61,000	8	61,000
	Absorber	m <sup>3</sup>	22	78,000	17	62,000	13	47,000
	Total MA (B2)			915,000		747,000		649,000
	Unlisted (C2)			1,131,000		918,000		624,000
Net (A+B2+C2)		UMA	5,653,000	RMA	4,589,000	CMA	3,119,000	

		UP2G		RP2G		CP2G		
		Size	Cost (€)	Size	Cost (€)	Size	Cost (€)	
Power to gas	Desulfurizer	t/h	3	15,000	2	15,000	2	15,000
	Electrolyser	MW	2×9	1,438,000	2×7	1,378,000	10	731,000
	Catalytic methanation	m <sup>3</sup>	4×2400	740,000	3×2400	555,000	3×2650	374,000
	Compressor	kW	368	387,000	268	289,000	197	217,000
	Total P2G (B3)			2,580,000		2,237,000		1,337,000
	Unlisted (C3)			1,547,000		1,290,000		796,000
Net (A+B3+C3)			UP2G	7,734,000	RP2G	6,451,000	CP2G	3,979,000

Table 4. Different utilities used in various scenarios with their unit price.

	Unit	Unit price (€)	Urban			Rural			Coastal		
			UWS	UMA	UP2G	RWS	RMA	RP2G	CWS	CMA	CP2G
Power	MWh	35	14,500	15,900	33,400	11,200	12,200	25,500	8,400	9,200	18,900
Steam	t	10.56	1,900	1,900	1,900	2,000	2,000	2,000	1,400	1,400	1,400
Cooling Water	t	0.04	430,200	425,100	7,322,100	263,400	257,400	5,469,200	182,800	176,100	4,013,200
Chilled Water	t	0.35	47,800	211,100		40,400	176,400		35,100	146,000	
El. Electrolyser	MWh	35			141,800			107,500			79,200
Steam (High P)	t	22			12,300			9,300			6,800

\*All the values were rounded to the nearest hundreds.



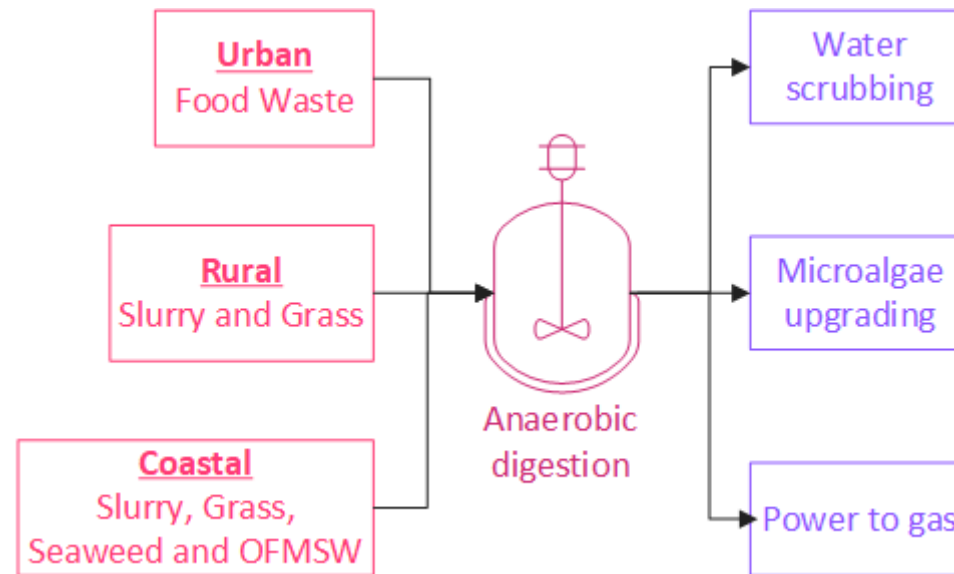


Figure 1. Schematic of nine scenarios used in this study in a combination of three feedstocks and three upgrading methods.

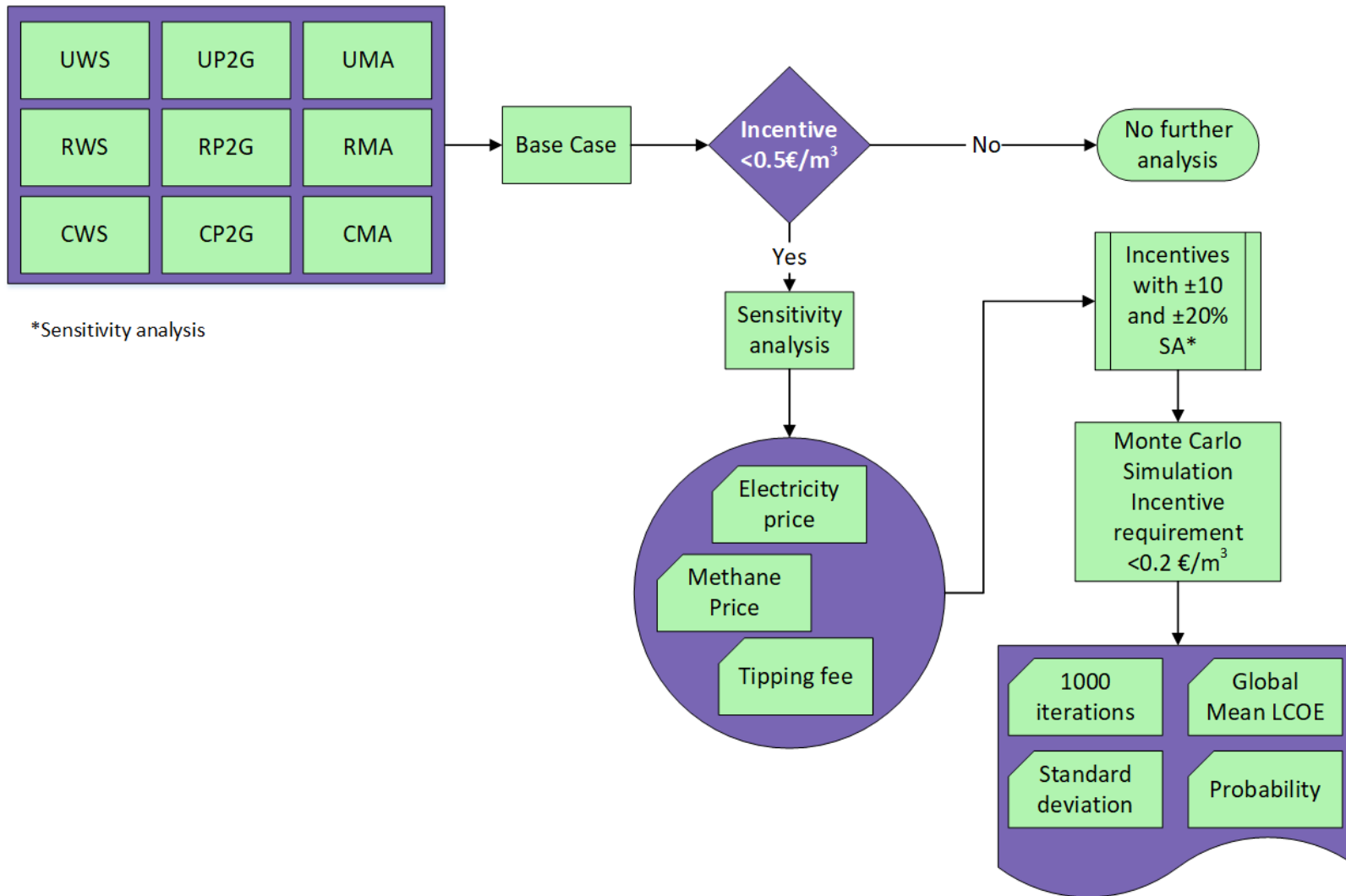
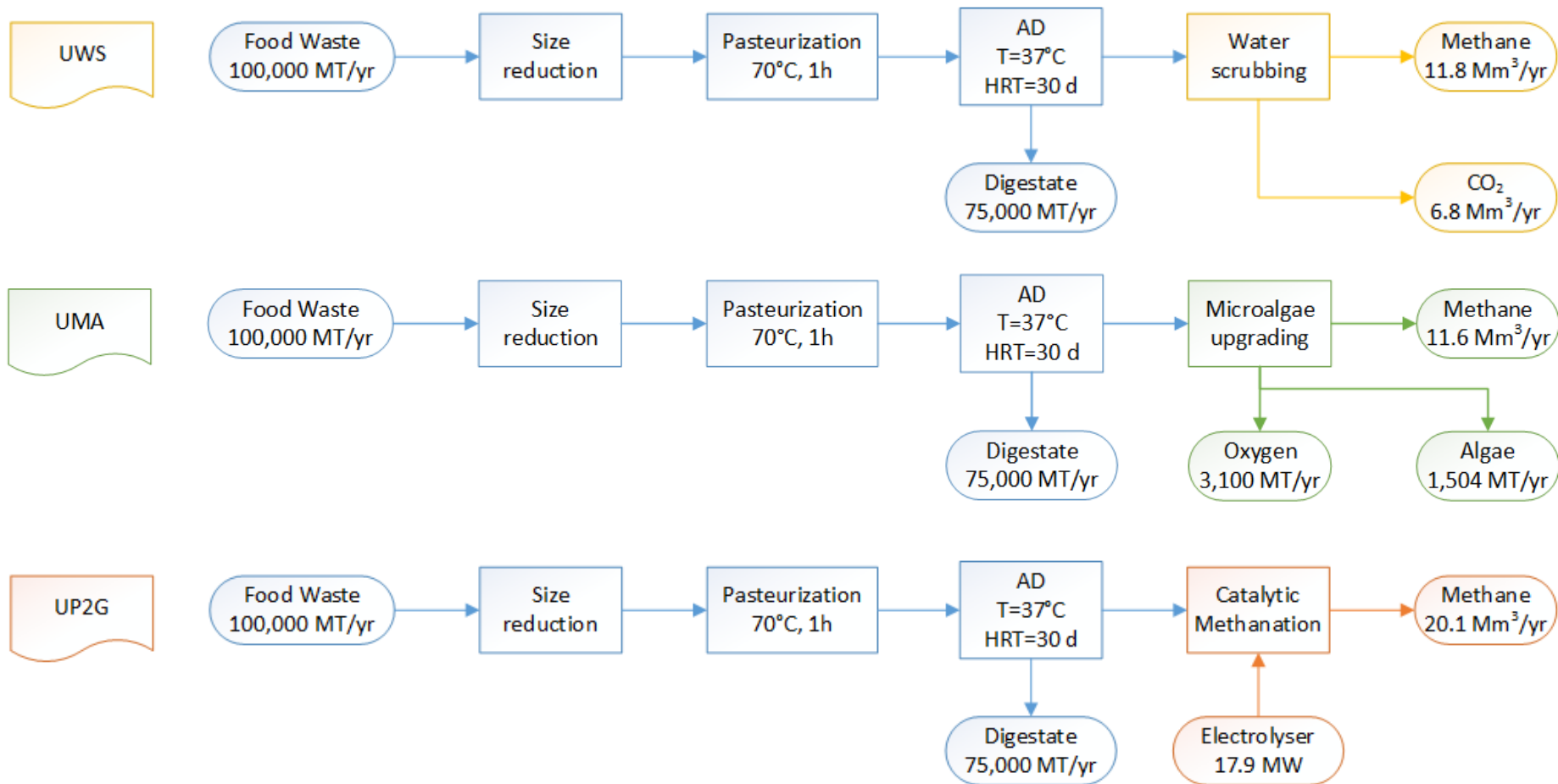
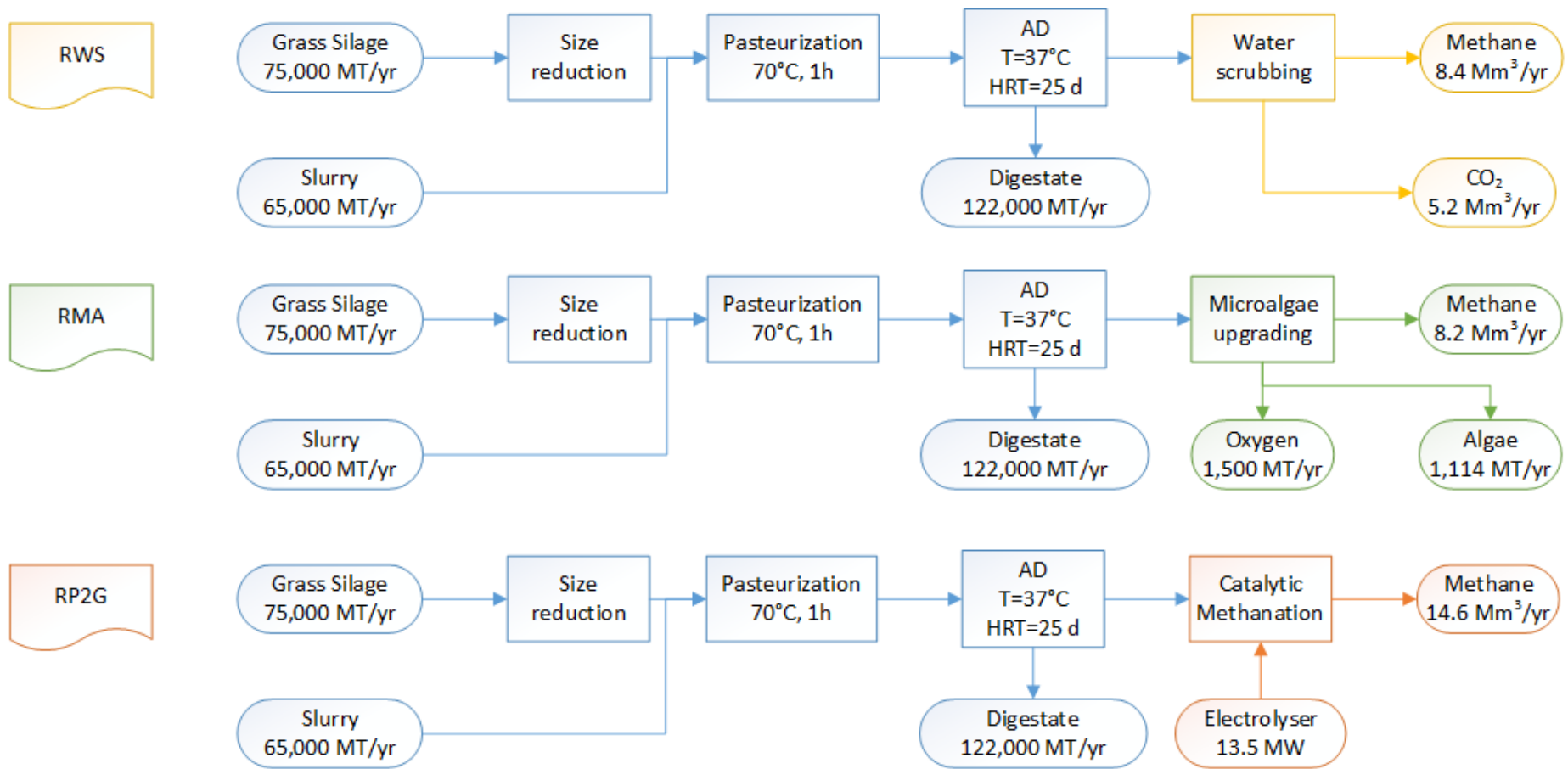


Figure 2. A systematic methodology to shortlist and undertake sensitivity analysis and Monte Carlo Simulation.





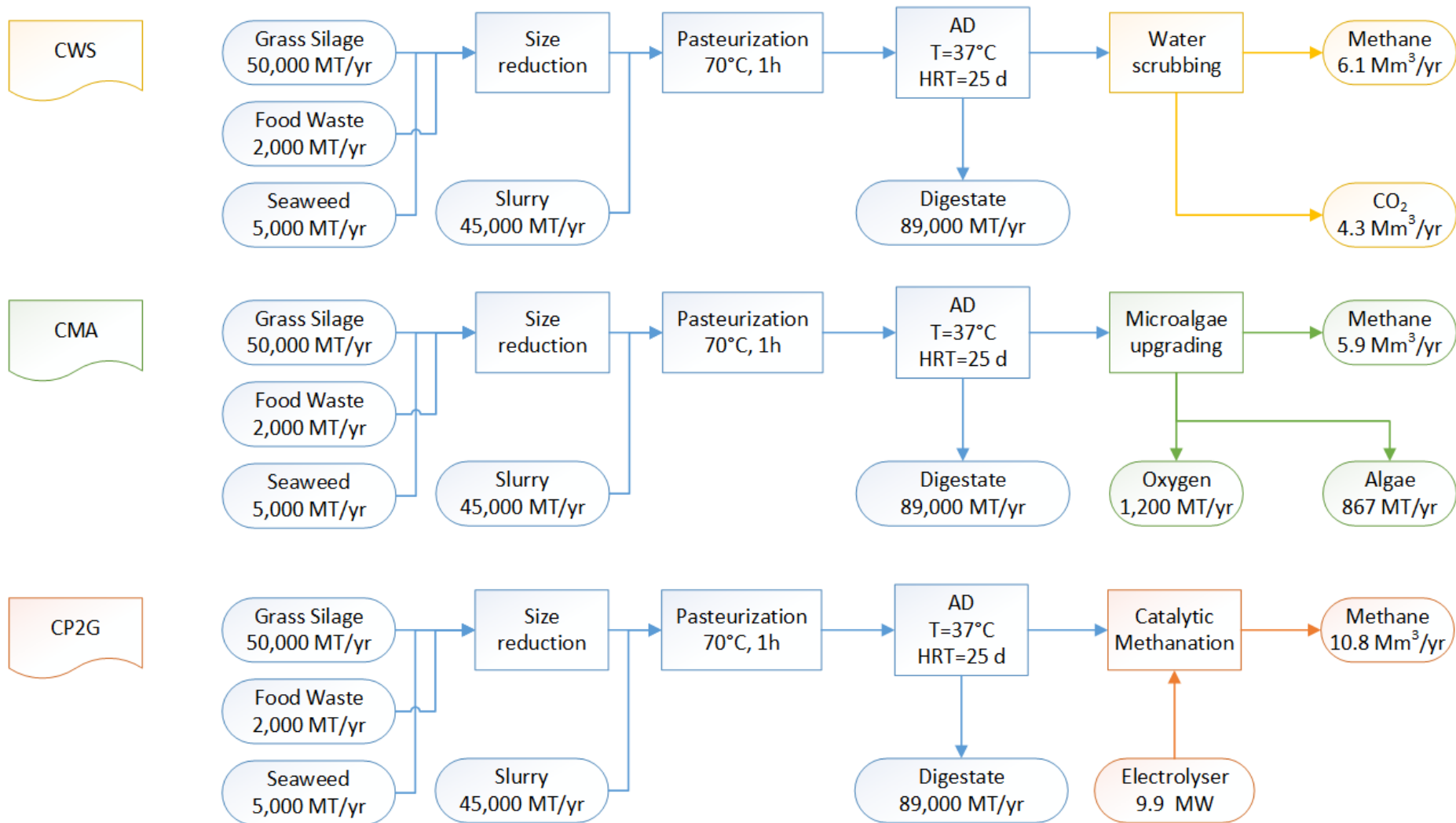


Figure 3. The overall mass balance of different biomethane systems with and without carbon capture and reuse.

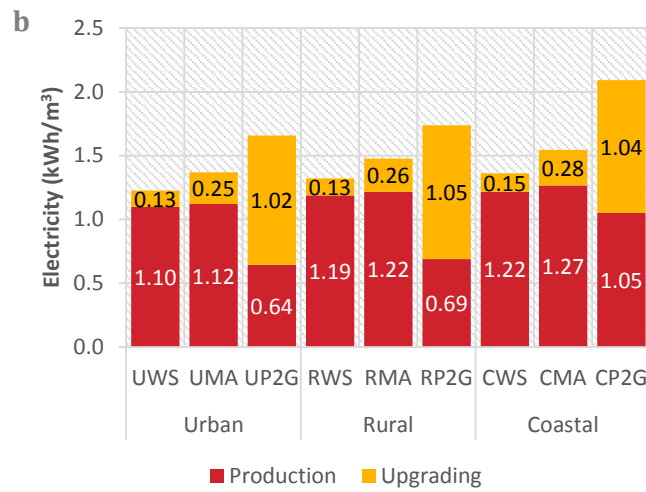
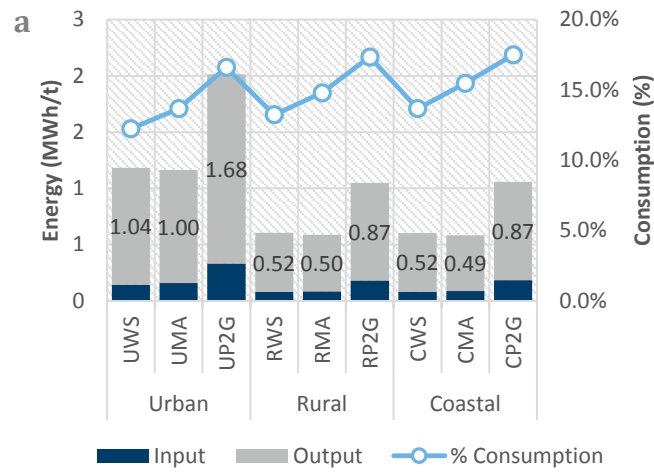


Figure 4. (a) Energy input, output and consumption rate based on input and output, (b) Share of electricity consumption for different sections including biogas production and biomethane upgrading.

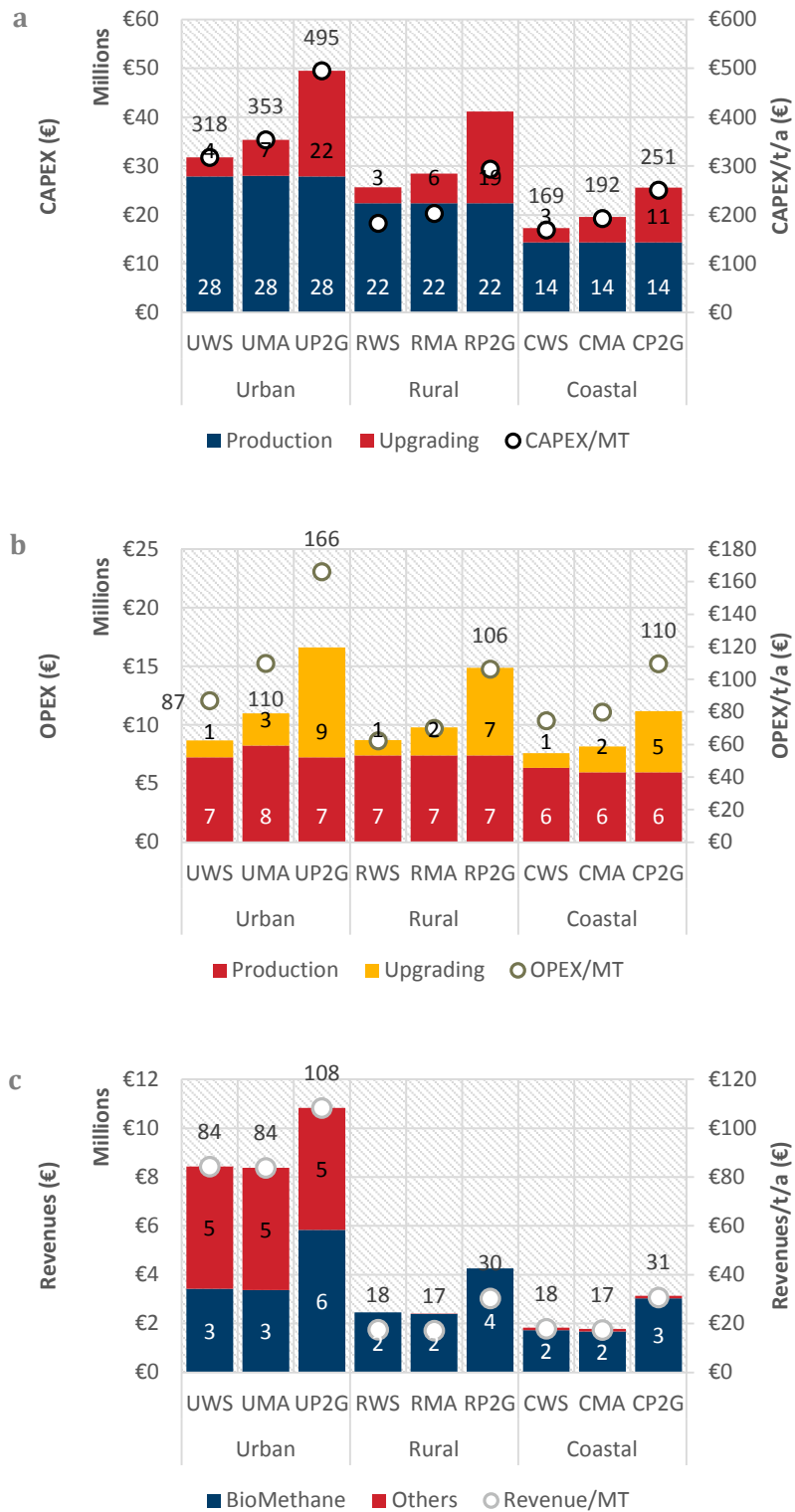


Figure 5. Different economic metrics: (a) CAPEX, and CAPEX/t/yr of feedstock (b) OPEX, and OPEX/t of feedstock processed, (c) Share of revenue between biomethane and others (algae, tipping fee) and Revenue/t of the substrate.

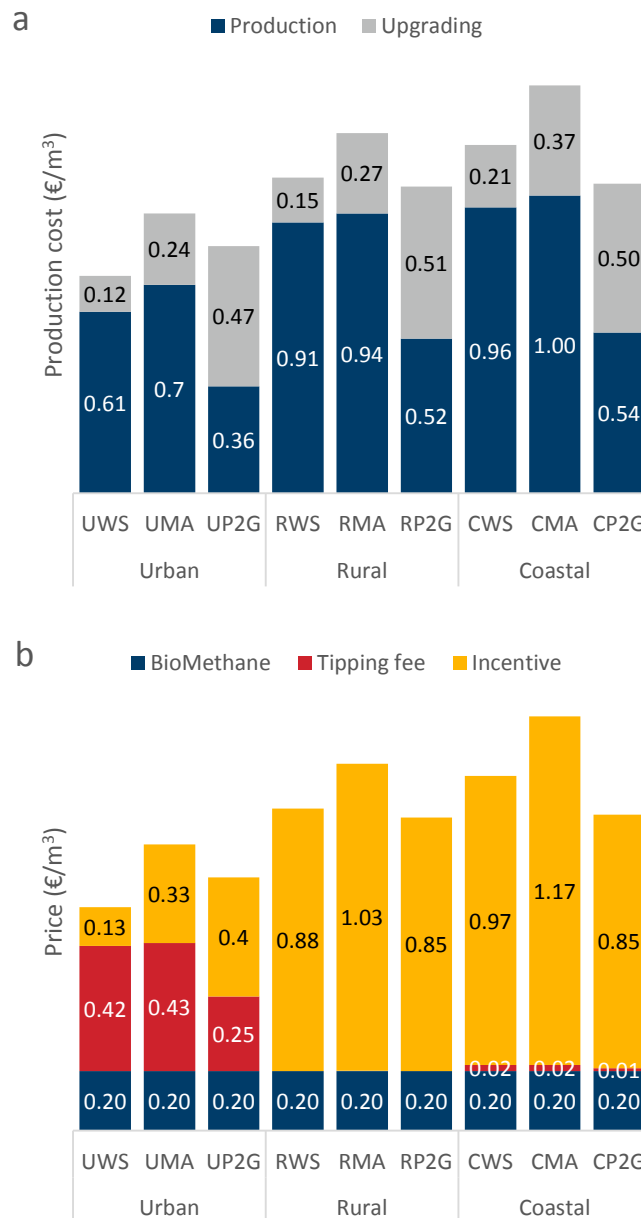


Figure 6. (a) Production cost for the different sections, (b) Split of revenues and incentives required to meet the LCOE in each scenario.



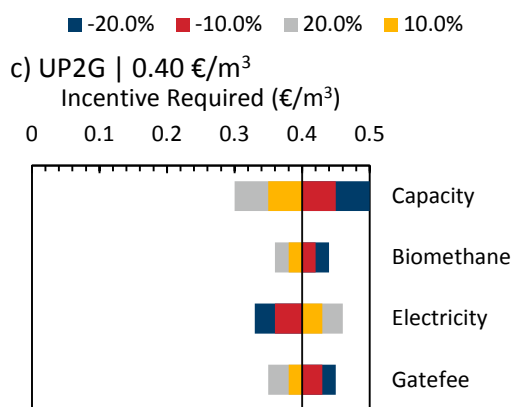
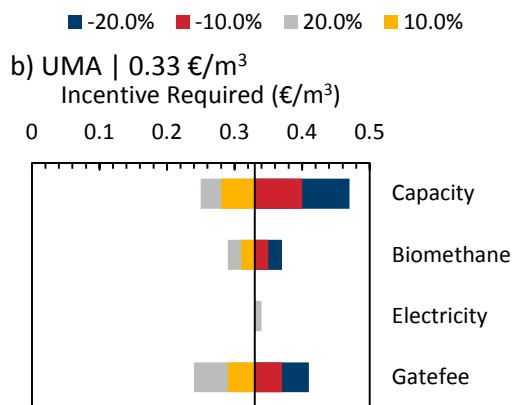
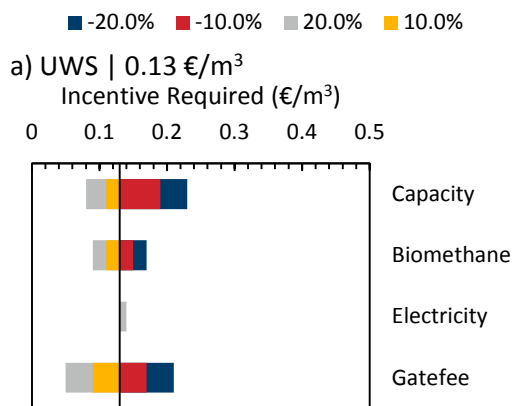


Figure 7. Sensitivity analysis of the urban scenarios on factors that affect the incentives.

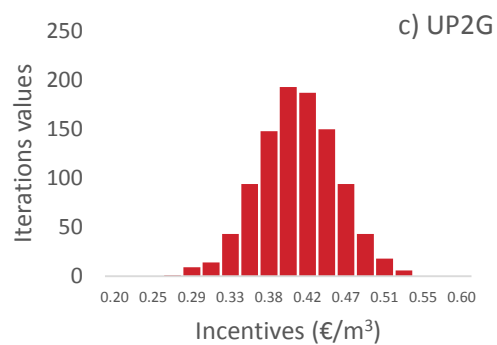
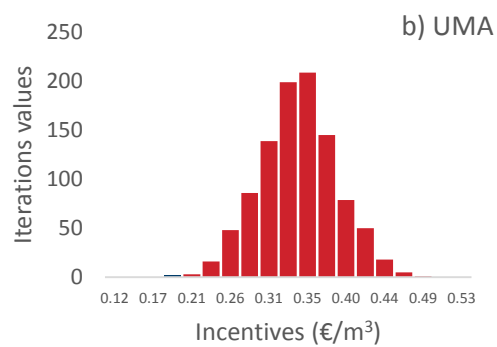
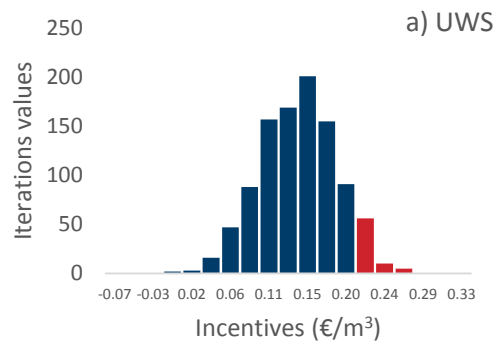


Figure 8. Uncertainty analysis on the urban scenarios using Monte Carlo simulation. X-axis refers to the incentives required in €/m<sup>3</sup>, while the Y-axis corresponds to the number of iterations appearing in a particular incentive. The blue color corresponds to an incentive requirement less than 0.2€/m<sup>3</sup> to meet the LCOE. Similarly, the red color corresponds to the incentives requirement greater than 0.2€/m<sup>3</sup>.

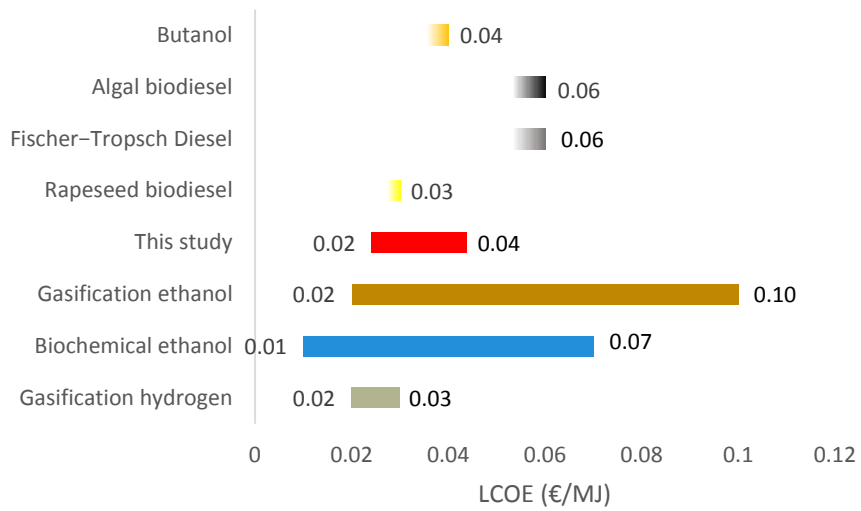


Figure 9. Levelized cost of energy from this study in comparison with different energy systems from literature [50].

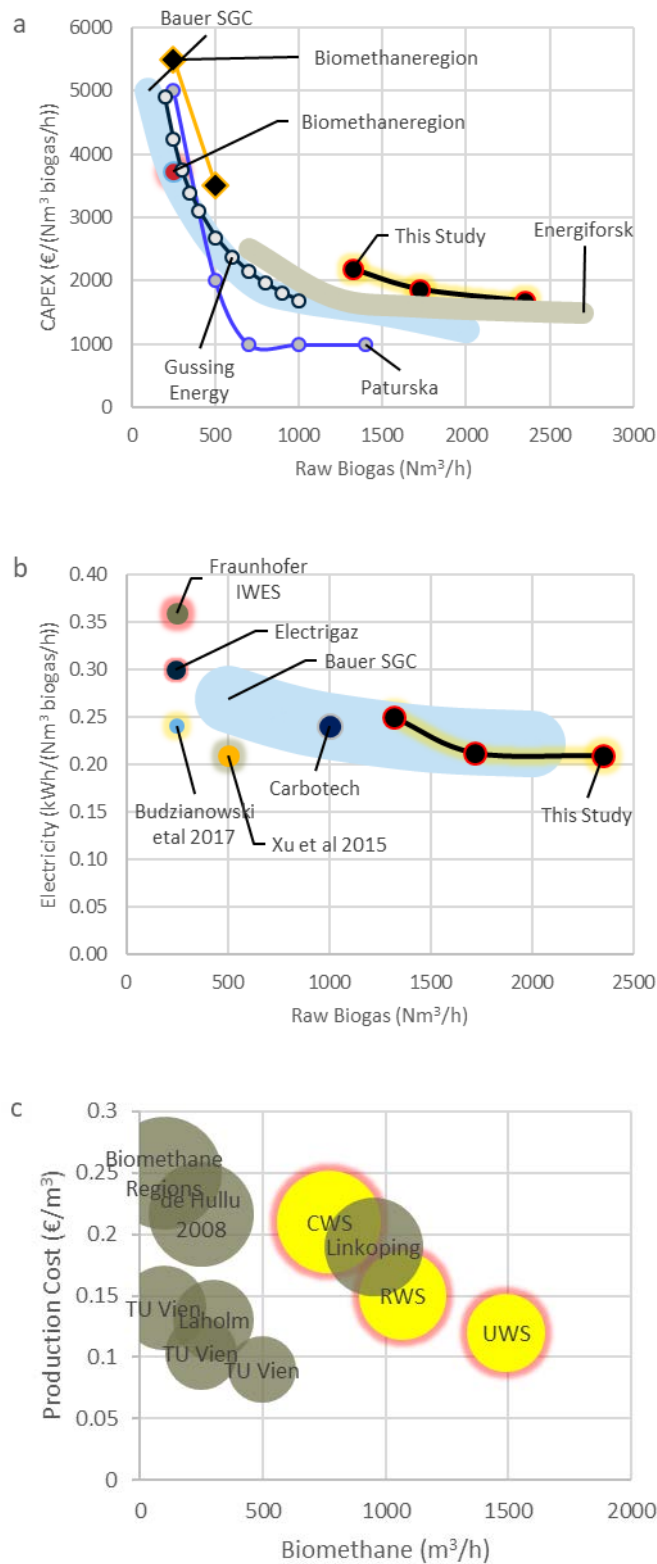


Figure 10. Comparison of data with literature using water scrubbing as an upgrading method. (a) CAPEX based on raw biogas, (b) Electricity consumption based on raw biogas and (c) Production cost based on biomethane.

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