STONE & WEBSTER CANADA LIMITED

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

HAT CREEK COAL UTILIZATION STUDY

REPORT OCTOBER 1977

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HAT CREEK COAL UTILIZATION STUDY

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BRITISH COLUMBIA HYDRO AND POWER AUTHORITY Hat Creek Coal Utilization Study

1. - EXECUTIVE SUMMARY

- 1.1 This Study Report investigates the development of the Hat Creek coal deposit for uses which may provide technically and economically attractive alternatives to its development as a source for steamelectric power generation within the period 1980-2010.
- 1.2 The Terms of Reference (Appendix A) provided wide scope for investigating the possible technical utilization of Hat Creek coal. Similarly, it has been possible to investigate possible markets for upgraded Hat Creek coal products on provincial, continental and worldwide scales. The investigation of economic factors has been carried out within the constraints of a set of economic criteria, drawn up by B.C. Hydro and Power Authority in consultation with economists of the Department of Economic Development, Government of British Columbia. These economic criteria laid stress upon using opportunity costs as guiding principles in drawing economic comparisons.
- 1.3 The Study was organized to contain the following principle sections:
 - Geography and Magnitude of the Hat Creek coal deposit.
 - Properties of Hat Creek coal.
 - Coal Conversion Potential.

The section describing Properties is devoted to an exhaustive examination of the properties of the coal and their bearing on possible methods of utilization. The section dealing with Conversion Potential includes consideration of coal processing methods, markets for upgraded coal products, economic comparisons within a generalized opportunity costs framework, and a description of environmental impact and environmental engineering factors.

The remaining section provides a description of those processes which were selected for detailed study based upon coal properties, coal processing, and marketing considerations. They fall into three natural divisions

- Principally Solid Products
- Principally Liquid Products
- Principally Gaseous Products.
- 1.4 The study team was international and included members from Canada, Germany and the United States. Technology, marketing and economics have encompassed the free-World and every effort has been made to state the position as it stands at January 1977.
- 1.5 In accordance with the agreed Scope of Work, the Study has been limited to consideration of processes producing one principal product plus by-products. During the course of the work it became clear that a strong case could be made for considering the design of process plants with built-in flexibility to produce two or more principal products plus by-products. Such an arrangement permits taking maximum advantage of changing market situations but it is emphasized that flexibility is bought only at increasing cost, eventually to the point of economic non-viability. The point of balance between competitiveness in the energy marketplace and a loss-making situation can best be determined by further study within a pre-determined and limited technical and economic framework. If the conclusions and recommendations of the present report are acceptable it is strongly urged that additional studies, along the lines suggested, be undertaken in order to refine further the balance of advantages between development of Hat Creek coal for upgraded coal processing products or for steam-electric power.

1.6 Summary and Conclusions

The known properties and their relevance to modern coal conversion technology of Hat Creek coal have been exhaustively considered. This analysis has been accompanied by an assessment of the marketing prospects for the potential coal conversion products against a provincial, continental and world scenario. The combined results from these exercises have provided a basis for an economic and financial analysis from which the following conclusions are drawn:

- A plant to produce 7.14-8.57 million Nm³ per day (250-300 MM SCFD) of Synthetic Natural Gas is a technically and economically viable use of Hat Creek coal.
- 2. The production of methanol, while technically feasible, faces an uncertain market situation. Any alteration in present usages of methanol, such as its use as a gasoline additive, will produce a vast increase in world demand and the use of Hat Creek coal for methanol production will provide an attractive alternative to its use for steam-electric power generation.
- The production of ammonia and hence of nitrogenous fertilizers, while technically feasible, faces a very unsatisfactory world market situation in which ample capacity into the 1990's seems a certainty.
- The production of coal liquids by any of the processes now becoming available, does not appear to be economically attractive.
- 5. The possible production of upgraded solid products from Hat Creek coal, such as metallurgical coke, form coke or activated carbons is not technically feasible because of the very high inherent ash. The complete absence of coking properties, while important, is secondary to this prime question of very high ash content.

- 6. In-situ gasification of Hat Creek coal has been briefly considered and rejected because of the lack of technically relevant information on the coal deposits and major uncertainties in the present technology. (B.C. Hydro's membership of the consortium supporting the Alberta Research Council's trials at Battle River, Alberta, during the summer of 1976, has provided better information on the possibilities than the authors' can provide at this stage.)
- 7. Evaluation of the environmental impact of the coal conversion processes recommended for Hat Creek, and indeed for other processes studied but not recommended, leads to a conclusion that emissions of particulates, sulphur dioxide, nitrogen oxides, carbon monoxide and hydrocarbons for normal operating conditions of coal conversion plant can be controlled to meet environmental regulations and guidelines.
- 8. The Report, in accordance with the agreed Scope of Work, has been confined to the consideration of single principal products plus by-products. It has become clear that a need exists for extending the studies to include mixed principal products and consideration of this course by B.C. Hydro is strongly recommended.
- 9. Some areas of the study-work have been hampered by lack of necessary or of adequate information. This need is particularly noticeable because of the uniqueness of Hat Creek coal in terms of its low rank and grade, and the unusual ash characteristics. If the development of alternatives to steam-electric power production are to be pursued further, it is strongly recommended that the appropriate work of placing of required contracts, to obtain the necessary information be undertaken at an early date.
- 10. The very low rank and grade of Hat Creek coal are not considered to be serious obstacles to its development for coal conversion. The Report has demonstrated that coal deposits of lower rank and

grade are finding economic employment in other parts of the world and that production costs forecast for Hat Creek coal are economically viable.

11. The Report has been based, as far as Synthetic Natural Gas and coal liquids are concerned, upon a coal throughput of 18 million tons per annum. This is approximately equivalent to 6360 m³ (40,000 bbl.) per day of synthetic crude oil; 7.14-8.57 million Nm³ (250-300 million SCFD) of synthetic natural gas; or 3,000-3,500 MW of electric power. It should be observed that this depletion rate would exhaust the No. 1 Deposit at Hat Creek, at present estimates of mineable reserves, in 30 years. Production of say SNG and electric power in the quantities mentioned would deplete mineable reserves in the No. 1 Deposit in 15 years, or in No. 1 and No. 2 Deposits in 30 years. Therefore, until mining studies prove otherwise, it is strongly recommended that the Hat Creek deposit be regarded as a finite resource, capable of exhaustion by present technology within a half-century.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY Hat Creek Coal Utilization Study

2. - INTRODUCTION

- 2.1 The studies reported below were performed by Stone & Webster Canada Limited in association with Stone & Webster Engineering Corporation, Boston, Massachusetts; Stone & Webster Management Consultants Incorporated, New York, N. Y.; and Montan Consulting GmbH, Essen, Germany.
- 2.2 The purpose of the studies were to identify and examine potential uses for Hat Creek coal which could be considered as alternatives to the production of electric power; to describe those processes and applications which appeared to offer technical and economic possibilities; and to indicate potential markets for the coal and its conversion products.
- 2.3 The ground base for the studies of alternate uses has been laid by earlier and by ongoing studies by other consultants. These studies included geology and exploration of the coal reserves at Hat Creek, preliminary environmental impact of development, conceptual mining schemes using openpit methods, coal washing and beneficiation investigations, advanced electric power generation techniques and coal gasification. Some of this work is continuing so that the present report presents the overall situation as it is understood to be in January 1977.

A list of the other consultants' reports considered is shown in Appendix 'B'.

2.4 The Terms of Reference for the work are shown in Appendix 'A'.

2.5 It is important to note that the studies reported here are based upon information and reports supplied by B.C. Hydro and Power Authority, literature reviews, interviews and enquiries. No fieldwork at Hat Creek and no laboratory, pilot or demonstration work has been undertaken. As will become clear below, the available information is insufficient in some important areas of the work and a number of laboratory and pilot investigations will be required before progress from the present conceptual-only stage can be made. Some suggestions for further work, defining subjects where more information is required and how such information may be obtained, is included in the technical reviews.

2.6 Attention is drawn to the following general remarks:

i) <u>Technology</u>

Because of the renewed recognition of coal as an important item in the world and North American energy budgets, efforts made in the development of coal conversion processes are more intensive at the present time than at any previous age. Major research and development work is being carried out in the United States, Germany, Great Britain and Australia. Substantial effort in the processing and utilization of low grade coals is also underway in certain other countries, e.g. India, South Africa. Every effort has been made to keep abreast of progress in these countries and to present the status as it exists at January 1977.

ii) Environmental Engineering

The Government of British Columbia has not yet issued regulations governing the operation of coal conversion plants other than for steam raising and steel production. In this circumstance the relevant regulations, issued by the American Environmental Protection Agency (EPA), have been employed

additionally as guidelines when considering the environmental engineering requirements of the coal conversion processes described in the Report.

iii) Capital and Operating Costs

Except for coke oven and by-product plants, usually forming part of large, integrated iron and steel works, no major coal conversion plants have been constructed in North America since the end of World War II. While a number of cost studies have been undertaken in America during the past two to three years, mainly supported by funding provided by the Energy Research and Development Agency, the only major commercial costs estimates for which information has become available have been for SNG production by:

- a) El Paso Natural Gas Company
- b) Michigan Wisconsin Pipeline Company and American Natural Gas Company
- c) Transwestern Pipeline Company, Transwestern Coal Gasification Company, Pacific Coal Gasification Company and Western Gasification Company.

Not one of these proposed projects has yet proceeded to a stage where construction can commence. In the meantime the original costs estimates have been increased by a factor of 2 - 3 times as a direct result of prevailing inflation rates (Table 2.1).

While the commercially oriented costs in the above studies have been carefully considered in preparing this Report, as have many of the results of costs studies undertaken as part of the ERDA and other programmes, it must be emphasized that the costs estimates are 'paper only'. This situation will only be corrected when major coal conversion project design, engineering, procurement, construction and operations can be undertaken.

TABLE 2.1

COST_INDICES*1971-1975

PRICE INDICES(a)					CONSTRUCTION COST INDICES				MISCELLANEOUS INDICES			
YEAR	Consumer	Whlsl Comm.	Total Chem & Allied	Ind'l Chem	Chem. ^(b) Equipm.	Process Plants(c)	Petro Ref.(d)	Gen'l Const. Cost(e)	Gen'l Bldg.	Plant Maint.(Aug. Wkly (g) f)Benefits	Fringe Benefits(h)
1971	121.0	114.0	104.0	102.0	319.0	132.2	406.0	146.0	140.0	119.0	159.0	114.0
1972	125.3	119.1	104.2	101.2	329.7	137.2	438.5	163.04	155.18	125.5	175.98	-
1973	133.1	134.7	110.0	103.4	341.1	144.1	468.0	176.52	168.42	133.6	187.71	121.0
1974	147.7	160.1	146.8	151.7	400.5	165.4	522.7	187.99	178.31	164.2	201.7	-
1975	161.2	174.9	181.3	206.1	447.6	182,4	575.5	205.67	193.30	172.4	219.63	133.0

* Perry & Chilton "Chemical Engineers' Handbook", McGraw-Hill. 5th Edn. p. 5-25, updated

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- (a) U.S. Bureau of Labor Statistics, 1967 = 100
- (b) Marshall & Stevens. Chem. Eng. 1926 = 100
- (c) Chem. Eng. Index, 1957 1959 = 100
- (d) Nelson. 0il & Gas.J. 1946 = 100
- (e) Eng. News Record 1967 = 100
- (f) Factory J. 1968 = 100
- (g) U.S. Dept. of Labor Data 1960 = 100

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(h) U.S. Chamber of Commerce (Chem. & Allied Products) 1967 = 100

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In Canada the only significant attempt to estimate costs of major coal conversion plant on a commercial basis appears to have been by Trans Canada Pipelines Ltd. For the present study detailed cost estimates have been generated for several coal conversion processes, but in addition published capital and operating costs from the technical and government press have been used.

iv) Financial and Economic Analysis

The Terms of Reference (Appendix 'A') require that Opportunity Costs be estimated for the potential uses of Hat Creek coal under investigation. Opportunity Cost, often better identified as "lost-opportunity cost", refers to the cost or values which are given up because a proposed investment is undertaken. Usually this will be the base investment which, for purposes of the present studies, is taken to be electric power generation.

In the present studies the possible frames of reference for the economic viability and opportunity cost could be on:

- a) public utility works basis
- b) public utility corporation basis
- c) provincial basis
- d) national basis.

It seemed clear, from the scale of possible operations envisioned for Hat Creek by the British Columbia Hydro and Power Authority, that a provincial basis was appropriate and following discussion, and upon advice, that course has been followed in this Report.

The introduction of a provincial frame of reference necessitated that an official view of the economic impact of development of the coal resource at Hat Creek be obtained. Joint discussions with economists, representing British Columbia Hydro and Power

Authority and British Columbia Department of Economic Development, have therefore been held at various times throughout the course of the studies and the outcome of these discussions are reflected in the financial and economic analysis reported.

v) Marketing Studies

British Columbia and its neighbouring western provinces of Alberta and Saskatchewan, collectively comprising Western Canada, is primarily a resource producing region. The total industrial manufacturing base of the entire region is as yet largely underdeveloped and, being sparsely populated, the domestic demand for manufactured products is correspondingly small. Thus, in considering coal conversion products it has been necessary to investigate potential markets, not only in the Province and Western Canada, but also in the neighbouring Pacific States of America, the Pacific rim countries, and the world as whole.

3. - GEOGRAPHY AND MAGNITUDE OF THE HAT CREEK DEPOSIT

3.1 Location

The Hat Creek coal deposit is located 200 kilometers northeast of Vancouver, B. C. and approximately 24 kilometers due west of the town of Lilloet. See Figure 3.1.

3.2 Rail Access

The B.C., CN and CP railroads pass close to the Hat Creek deposit (Figure 3.2). Connections with these railroads may be made by the construction of connecting links either at Clinton (for the B.C.R.) or at Anglesey for the CNR (Figure 3.3).

Direct connection between the deposit with both the Burrard Thermal Generating Station and the Vancouver area wharves would be possible via both rail links (Reference 3.2).

3.3 Water Supply

Large potential supplies of water are available at the Hat Creek deposit from either the Fraser or Thompson Rivers (Figure 3.3). In each case transport by pipeline for a distance of approximately 24 kilometers would be necessary. The Fraser and Thompson rivers have been reported to have mean annual discharges of 1865 m^3 /s and 825 m^3 /s respectively (Reference 3.1).

3.4 Proximity to Gas & Oil Pipelines

Both the petroleum and gas pipelines of Westcoast Transmission pass through Savona (Figure 3.4) at the lower end of Kamloops Lake (Figure 3.3) approximately 55 kilometers east of the Hat Creek deposit.

3.5 Proximity to Electric Power

The 500 KV transmission line from the northern hydroelectric generating stations passes close to Hat Creek and connections with this system at Kelly Lake, 30 kilometers to the north, are projected in the future (Figure 3.5, Reference 3.5).

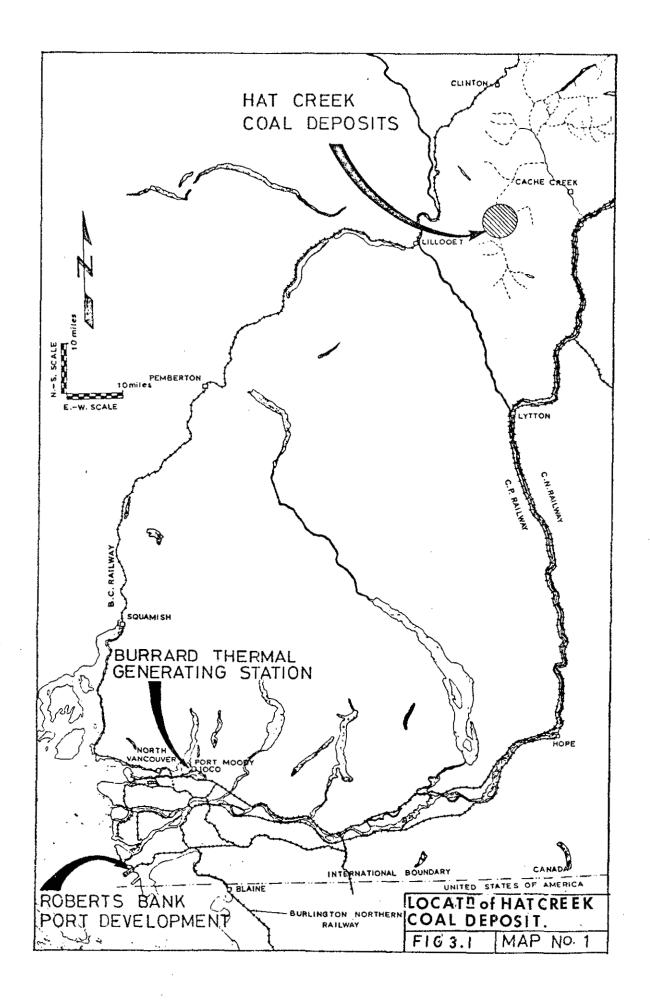
3.6 Magnitude of the Deposit

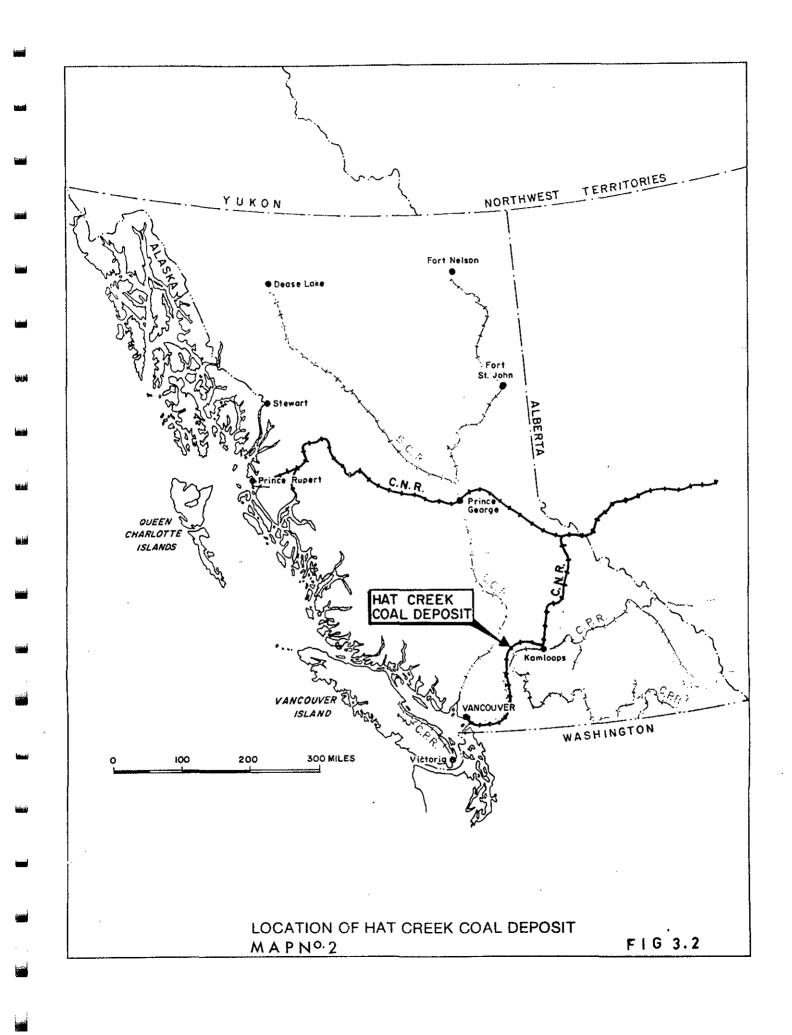
There are essentially two distinct deposits of coal in the Hat Creek Valley which for the purposes of exploitation have been designated Openpit No. 1 and Openpit No. 2 (References 3.3 & 3.4). Both pits have been stated to have similar geological and geotechnical environments (Reference 3.4).

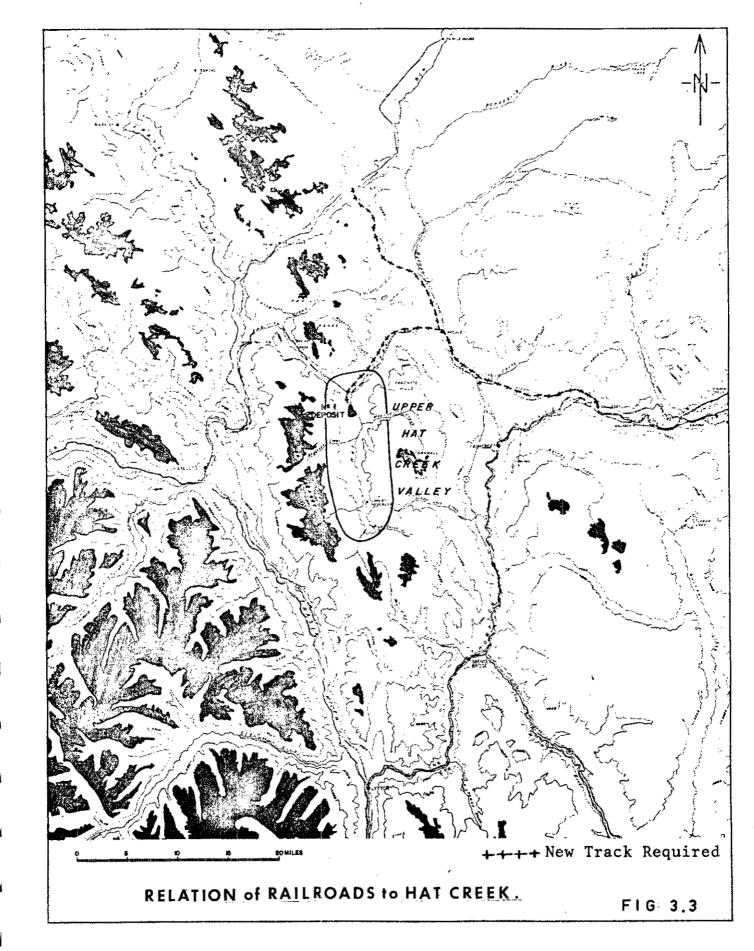
The amount of coal obtainable from the No. 1 pit has been estimated at two levels depending on the depth of pit considered. With a 182 metres (600 feet) pit it is considered that "450 million tons of coal (insitu) (proved, probable and possible) will be available". With an extension of the pit depth to 457 metres (1500 feet) the total mineable reserves would become 910 million tons of coal. However, due to the formidable problem of predicting slope behaviour from borehole data it is impractical to design a pit deeper than 182 meters at this time.

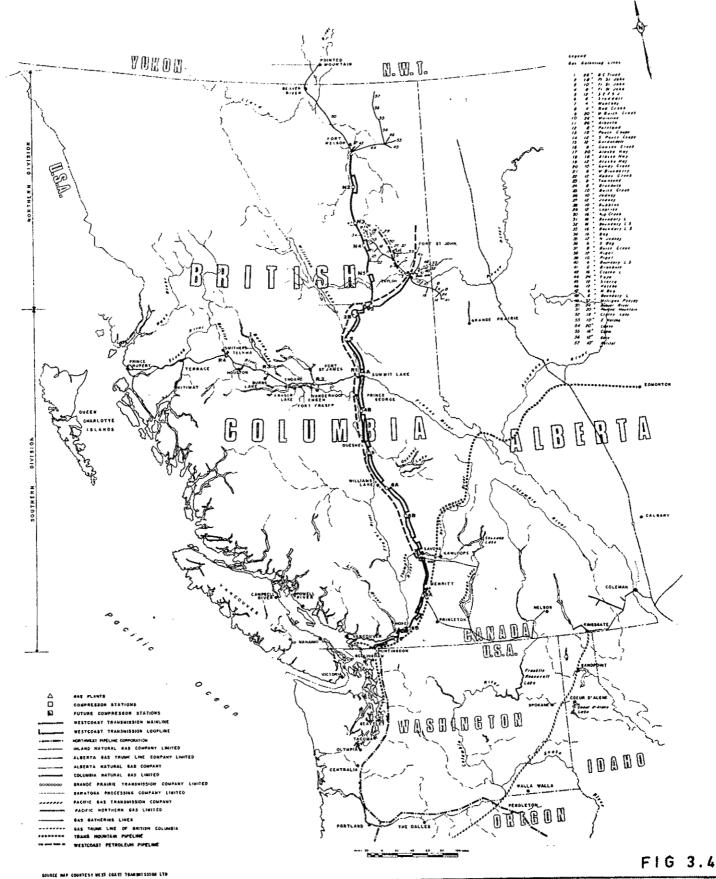
The extent of coal reserves that would be available in Openpit No. 2 has been conjectured to be 664 million tons with development to the 182 metres level. It has been estimated that a 457 metres pit would provide 3,397 million tons run of mine coal (Reference 3.4).

In both pits, but particularly Openpit No. 2, it can be seen that considerable coal reserves exist beyond the 182 metres level proposed for initial exploitation. It is stated that these reserves may not be economically mineable by surface mines, however, and that underground mining would be extremely difficult and also uneconomic at current price levels (Reference 3.4).

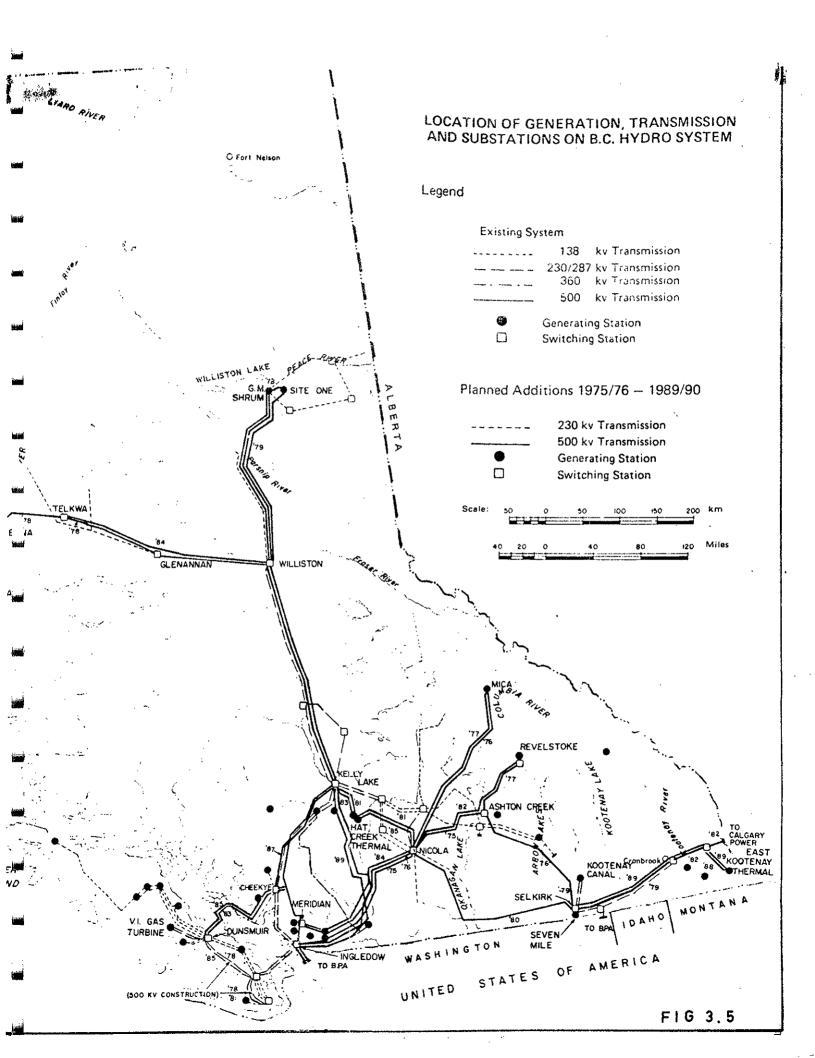








BRITISH COLUMBIA PIPELINE SYSTEMS



4. PROPERTIES OF HAT CREEK COAL

4.1 Introductory Note

- 4.1.1 The general use of the word COAL is misleading unless the singular is understood to include the plural. From the scientific and technical standpoint there are many different types of coal and the particular properties and characteristics exhibited by any coal are generally of crucial importance in the utilization, and usually in the design of processing equipment employed in the utilization of that coal.
- 4.1.2 One result of the energy problem has been the appearance of many technical articles in which coal, oil, gas and uranium resources are discussed only in terms of energy contents, with too little regard being paid to the real differences that exist in the means of exploiting and utilizing them. This simplistic approach can produce serious consequences, particularly in the case of coal, which is by far the most complex raw material among these resources. The history of coal production and utilization is littered with unsuccessful ventures, most of which might have been avoided by a better approach to the technical and economical problems involved. One essential element in such an approach is careful consideration of the chemical and physical properties of the coal in question and also of the many empirical tests that have been developed over many years to meet the requirements of particular industrial applications.
- 4.1.3 Basic coal substances are so complex that chemical analysis in terms of their elemental composition - carbon, hydrogen, oxygen, nitrogen, sulphur - are useless for predicting the behaviour of the material on heating, or on combustion, or

towards gases like steam, carbon dioxide, hydrogen, etc., which play such an important role in all coal conversion processes. It is generally recognized that not all coal exhibits the coking and caking properties necessary for it to produce coke of metallurgical quality on heating but the fact that pulverized fuel boilers, designed to fire lignites, cannot operate successfully, or at all, on low volatile bituminous coals or anthracites is less well appreciated. A gasifier designed to operate on one coal feedstock may fail disastrously if required to accept a different coal. Characteristics which may determine that a coal has a very reactive combustion profile may have no bearing upon the carbon conversion or liquid yields which may result from subjecting the same coal to hydrogenation and liquefaction. The result of these differences has lead to the design and development of numerous empirical tests for the purpose of assessing and predicting the behaviour of the coal under a given set of processing conditions. Although empirical in nature these tests and analyses are usually precise, and reproducible, and lend themselves readily to standardization.

4.1.4 Two broad classifications of coal properties may be distinguished (Ref. 4.1)

Class 1

Properties having real values which are independent of the method of test employed in their determination, for example - elemental analysis, density, calorific value.

<u>Class 2</u>

Properties having values which are highly dependent upon the method of test employed in their determination. Examples

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include virtually all the empirical tests developed to meet particular coal processing applications such as determination of volatile contents, free swelling index, carbonization assays, combustion profiles, petrographic analysis, etc.

Class 2 properties are of greatest importance in considering the utilization of Hat Creek coal but it should be observed that they are, for the most part, based on laboratory scale tests on quantities of coals generally ranging from 1 - 50 g. Their use as a basis for large scale practice is therefore in terms only and does not eliminate the need for obtaining essential design data by further testing in process demonstration units (PDU) or test plant of appropriate scale.

4.2 Method of Reporting

- 4.2.1 Various descriptions are frequently encountered relating to coal analysis or properties. Some describe location or past history of the material described. Examples are in-situ run-of-mine; raw; washed or beneficiated; as received; and as charged. Others describe the condition of the coal corresponding to the analysis and include as received; air dry; dry; dry ash-free; moist, mineral matter-free; and dry, mineral matter-free.
- 4.2.2 For most processing applications the analyses reported on the as received basis (ARB) or dry basis (DB) are adequate and will be the only bases used as far as possible. However, in discussion of coal rank it will be necessary to employ values reported on the moist, mineral matter-free basis. The International Classification, National Coal Board, and ASTM Classification systems are employed and compared.

- 4.2.3 Most of the information relating to the analysis and tests of Hat Creek coal has been obtained from samples taken from diamond drill cores. The accuracy with which such samples represent the coal deposit depends upon a number of factors of which the most important is the degree of core recovery, e.g. soluble material and fine chips are lost in the drilling fluids, so may be clays. It is also impossible to prevent some contamination of drill cores by the drilling fluids and, of course, it is not possible to obtain accurate estimations of the in-situ (or seam) moisture contents.
 - Some of these defects were overcome when tonnage-scale bulk samples were obtained using large diameter augers. (B.C. Hydro Bulk Samples A, B and C)
- 4.2.4 Coal analyses and tests have been carried out by a number of laboratories, whose reports are listed in Appendix B. The major work of analysing the drill cores for proximate and ultimate analysis has been performed by Dolmage Campbell & Associates, while the other laboratories listed have provided supporting information on analyses and special tests. The average results for the laboratories are shown in Table B.1 Appendix B. The exploration work indicated that not only were wide variations in coal quality encountered between drill holes but also within drill holes with variation in depth. In particular Dolmage Campbell & Associates and Birtley Engineering have produced much evidence of variation in the basic quality parameters of ash contents and gross calorific values and both sources have produced the linear graphical correlation between these parameters which is normally expected.

4.2.5 An immediate difficulty arose in connection with the present study because of the need to establish a single quality description, expressed as a proximate analyses as received, which would represent the mean quality of coal supplied to process plant. While the question of washing and beneficiation will be dealt with later, it is also necessary to observe, at the present time, that while the washability characteristics of the coal were poor, a possibility of achieving some improvement in quality by washing to remove clay and shales, and hence reduce ash content, was a possibility to be considered. To resolve these questions, a meeting of all consultants engaged in current studies and of B.C. Hydro was requested. This meeting was held at Vancouver on July 26, 1976 at which the mean quality parameters shown in Table 4.1 were established.

Table 4.1 QUALITY OF RAW AND WASHED HAT CREEK COAL

		<u>Raw</u>		Washed	
		Mean	<u>Range of Mean</u>	<u>Mean</u>	Range of Mean
Moisture (ARB)	%	22.5	20 - 25	22.5	20 - 25
Ash (DB)	%	41.9	38.5 - 45	17.5	15 - 20
Calorific Value kJ/kg		12790		17860	
	(BTU/15)	(5500)		(7680))

At the time of the meeting these values were taken to represent the average quality of recoverable coal in the Hat Creek No. 1 Deposit. (Ref. 3.3) The mining consultants PD-NCB Consultants Limited in association with Wright Engineers Ltd. and Golder Associates have since indicated that these values can also be taken to represent the mean quality of the Hat Creek No. 2 Deposit, which has not been so fully explored. (Ref. 3.4).

- 4.2.6 It is therefore suggested that the values shown in Table 4.1 can be taken to represent the quality of Hat Creek coal. The column headed Raw represents the mean quality which will be received by coal processing plants should washing or beneficiation not be practicable. Alternatively, the columns headed Washed represent what the as received quality will be if washing is demonstrated to be technically and economically feasible and it is introduced.
- 4.2.7 By taking these figures and applying them to average values of volatile matter content and ultimate analysis reported for all the diamond drill hole samples it is possible to obtain mean analyses values of sufficient accuracy for process applications. Similarly, the results of other tests can be corrected to the common moisture, ash and calorific values of Table 4.1. By this method, the properties shown in Table 4.2 have been derived and represent the results upon which this study is based.

ANALYSIS			RAW					WASHED		
Basis	A.R.	Dry	D.A.F.	DMMF ⁽¹⁾	M.MMF	A.R.	Dry	D.A.F.	DMMF ⁽¹⁾	M.MMF
Proximate: Moisture % Ash % Volatile Matter %	22.5 (M) 32.5 (A) 23.8 (V)	41.9 30.7	52.9	49.9(V')	22.5 ⁽²⁾ 39.6	22.5 13.6 33.8	17.5 43.6	52.9	49.9	22.5 ⁽² 39.6
Fixed Carbon %	21.2 (F) 100.0	27.4	47.1	50.1(F') 100.0	37.9 100.0	30.1 100.0	38.9	47.1	50.1	37.9
Calorific Value Gross kJ/kg Btu/lb Ultimate:	11555 4970 (Q)	14910 6410		22975 9880	17805 7655(Q!)	14680	18945 8145		22975 9880	17805 7655 (Q
Carbon Hydrogen Oxygen Nitrogen Sulphur Chlorine	30.8 2.4 10.6 0.8 0.4 (S) 0.1	39.8 3.1 13.7 1.0 0.5	68.6 5.3 23.6 1.7 0.8			43.8 3.4 15.1 1.1 0.5 0.1	56.5 4.4 19.5 1.4 0.7	68.6 5.3 23.6 1.7 0.8		

Table 4.2 Proximate and Ultimate Analysis of Hat Creek Coal

Notes (1) Parr Formulae

- a) $F' = \frac{100(F 0.155)}{100 (M+1.08A+0.55S)}$
- b) V'= 100 F'

c)
$$Q' = \frac{100 (Q - 50S)}{100 - (1.08A+0.55S)}$$

(2)

The moisture shown here should be the natural in-situ seam or bed moisture. This is not known. Dolmage Campbell Associates report an equilibrium moisture content of 23.3 percent (30° C, 95% Relative Humidity) and this value probably approximates to the natural seam moisture content. If this figure is assumed, the moist, mineral matter free calorific value is 17620 kJ/kg (7575 Btu/lb).

4.7

4.3 Proximate Analysis

4.3.1 The moisture content of the coal as mined is not known. Dolmage Campbell Associates reported an equilibrium moisture content of 23.3 percent and this is believed to approximate to that of the coal in-sity. A number of laboratories reported that the coal dries out, accompanied by some break-up, so that air dried moisture contents of laboratory samples were 9 - 12 percent. This observation may indicate behaviour of the coal under dry climatic conditions and given sufficient time. However, for large scale mining conditions (say around 15 million tons per year) the hourly coal production rates can be expected to average 1500 - 2000 tons or about 45,000 tons per day. A surge stockpile to handle 3 days production (150,000 - 200,000 tons) would require a large area and expensive high capacity stock out and reclaiming machines. If this operation is to be avoided, the coal consuming units must be designed to handle run-of-mine raw coal as produced. Drying capacity should therefore be designed for a minimum input moisture content of about 25 percent.

> The moisture content level is typical of sub-bituminous coals and is less than that generally reported for North American lignites (30 - 40 percent) or European brown coals (50 - 70 percent).

4.3.2 Ash Content

The run-of-mine and inherent ash contents are high. This matter is dealt with in detail in the discussion of coal washing and beneficiation later, but it may be noted here that the mining consultants reports do not hold out much prospect for reducing and controlling ash levels by selective mining operations.

4.3.3 Total Inerts Content

The moisture plus ash contents of the raw coal as received total 55.0 percent and hence impose a heavy inert load on the materials handling systems. The corresponding inerts load for washed material is 36.1 percent and hence still comprises more than one third of the materials handling requirements.

4.3.4 Calorific Value

The correlation of ash contents with calorific values reported by Dolmage Campbell Associates and by Birtley Engineering indicate that the observed ash contents are appreciably less than the inert mineral matter actually present. The intercept of the straight line equations

A = 82.11 - 0.00269 Q %

Q = 30459 - 370.96 A kJ/kg

where A and Q are the ash and calorific contents respectively on the dry basis, show that the observed ash content at zero calorific value (100 percent inert) corresponds to only 82.11 percent of the actual mineral matter present.

The approximately 18 percent of inert content that does not report in the ash figure is believed to consist of carbonates and combined water in the clay minerals present. The ratio of mineral matter to ash found by this method is 1.218 and is hence considerably higher than the 1.08 ratio assumed in the PARR FORMULAE. If the higher ratios apply at low ash contents, the calculated calorific values for the dry, mineral matter free (DMMF) and moist, mineral matter free (M.MMF) bases, shown in Table 4.2, are too low as the following comparison shows:

Table 4.3

COMPARISON OF CALORIFIC VALUES CALCULATED BY PARR FORMULAE & DOLMAGE CAMPBELL FORMULA Calorific Value (Gross)

	DMMF		<u>M. M</u>	<u>1F</u>
	<u>kJ/kg</u>	Btu/1b	kJ/kg	Btu/1b
PÅRR BASIS	23690	10185	18360	7895
Dolmage Campbell	30435	13085	23585	10140

However, there is no reason to expect that the interference by the clay minerals persists to very low ash levels, although the point at which clay contamination ceases and more normal ash constituents prevail is not known.

For the time being, therefore, the calorific value of the inert-free coal substance cannot be stated with greater precision than the range represented in Table 4.3.

The range corresponds to coals falling in the lignitic/ sub-bituminous classes. The discussion of coal classification is found in para. 4.5.

The nature of the clay minerals have been investigated (Birtley) and are discussed below in conjunction with ash composition and characteristics (Para. 4.6).

4.3.5 Volatile Matter and Fixed Carbon

Fixed Carbon is what remains of the inerts-free coal substance after the volatile matter has been driven off. The volatile matter, apart from a minor correction for carbon-dioxide resulting from decomposition of carbonates in the mineral matter, normally represents the organic matter and gas liquor contents of the coal driven off by pyrolysis under standard laboratory conditions of heating rate, temperature and time. The result is a fair approximation of yields obtainable by high temperature $(900^{\circ}C)$ pyrolysis and carbonization under industrial conditions except that actual yields of volatile products are lower because some of the volatile matter cracks to produce more residual carbon. This cracked carbon rarely exceeds 5 percent under the heating conditions currently employed in high temperature pyrolysis and carbonization practices. Volatile yields from low-temperature (500-600°C) pyrolysis and carbonization processes are lower because thermal decomposition is not completed under these conditions. Generally, therefore, the reported volatile content indicates the maximum possible yields of volatile substances obtainable by thermal decomposition of the coal. The relative quantities of tar, liquor and gas evolved are not indicated by this test (see Carbonization Assay, para. 4,7).

Because of the presence of clays it has been suggested that the observed volatile contents of Hat Creek coal are affected by excess water of hydration (Dolmage Campbell Associates, Reports on No. 1 Openpit Deposit, Interim and Statistical Tables of Proximate Analysis Data) in a similar manner to the mineral matter/ash ratio and calorific value correlations. By applying the mineral matter/ash ratio in a Parr-type formula they report a reconstituted mean analysis for Hat Creek coal in which the 'fuel ratio' (Fixed Carbon/Combustible Volatile Matter) has a value of 1.29 and in which the uncombustible volatile matter. However, Lurgi (Analytical Test Report No. 112/75), after correcting for carbonates present, report a proximate analysis in which the 'fuel ratio' is 1.28 based on total volatile content.

4.11

Table 4.4 COMPARISON OF 'CORRECTED' PROXIMATE ANALYSES REPORTED BY DOLMAGE CAMPBELL & LURGI MINERALOLTECHNIK GMBH

PROXIMATE ANALYSIS - ARB

	<u>_DCA (1974-1975)</u>	(corrected for Lurgi carbonates)
Moisture	20.00	20.0
Ash	28.66	25.95
Total Volatile Matter (TVM)	25,96	23.74
Combustible Volatile Matter (CVM)	19.72	
Incombustible Volatile Matter (IVM)	6.24	
Fixed Carbon	25.38	30.30
<u>Fuel Ratio</u>		
a) FC/TVM	0.98	1.28
b) FC/CVM	1,29	55 of 64

The FC/TVM ratio reported by Dolmage Campbell for explorations conducted 1957-59 had a value of 0.813. The discrepancy was attributed to 'bias in the data ... (resulting) ... from the burning off of fixed carbon during the determination of volatile matter'. However, there is evidence to suggest that the 'fuel ratio' of 0.98 reported for the many hundreds of analyses carried out during 1974-1975 may still be too low. Thus fuel ratios calculated from average results reported by other laboratories are as follows: <u>Table 4.5</u>

CALCULATED FUEL RATIOS

	Report Index (Appendīx 'C')	Fuel Ratio (FC/TVM)
Dolmage Campbell	(a) (b) (c)	0.89
Babcock & Wilcox	d(1)	1.10
CE-SL	d(ii)	0.90
Birtley Engineering Birtley Engineering Loring Laboratories	d(īiī) (f)	1.15 0.93 1.01
Ebasco	(i)	1.17
Corex	(j)	1.03
Lurgi	(k)	1.28 (corrected for
Dolmage Campbell	(1)	1.04 carbonates)

General experience is that the fuel ratio tends to be a fixed and relatively constant parameter for coal seams, increasing with the rank of coal as shown in Table 4.6.

Table 4.6

VARIATION OF FUEL RATIO WITH COAL RANK

	·····	DMMF BASIS	
Coal Type	TVM	FC	FC/TVM
Lignites	45-50	50-55	1.0-1.2
Sub-bituminous	40-45	55-60	1.2-1.5
Bituminous High Vol.	30-40	60-70	1.5-2.3
Bituminous Med. Vol.	20-30	70-80	2.3-4.0
Bituminous Low Vol.	15-20	80-85	4.0-5.7
Anthracites	5-10	90-95	9-19

Interference by hydrated clays, as suggested by Dolmage Campbell, can only occur in the determination of volatile matter if this moisture is not expelled during the determinations of total moisture or inherent moisture because the experimented results are corrected for the moisture content of the analysis sample. The moisture determination is designed to cause dehydration of hydrated materials but the standard test methods were developed for bituminous coals for which the extent of clay contamination encountered with Hat Creek coal was not expected. (Similar difficulties have been experienced with other lignites and sub-bituminous coals, e.g. in Australia, and standard test methods modified to accommodate them).

If the interference is encountered, the result is that the volatile matter determined is too high, the fixed carbon (obtained by difference) is too low and the fuel ratio calculated is too low. It can be expected that these errors will increase as the ash content, and hence the clay content, of the sample increases. Some evidence that this does occur is found in results reported by Ebasco (Report on Sieve Analysis and Washability Data for Bulk Sample received May 21, 1976) as shown by the following Table 4.7 and Figure 4.1.

Size Fraction	%	TVM	FC	FC/TVM	ASH
+2 in.	5.5	37.7	45.3	1.20	17.0
2 - 1 in.	14.3	35,3	42.7	1.21	22.0
1 - ½ in.	14.6	34.4	40.5	'1 . 18'	25.1
½ - ¼ in.	16.5	33,6	39.5	1.18	26.6
¼"- 28 mesh	33.0	31.0	36.9	1.19	32,1
28 - 48 mesh	7.1	28.8	30.5	1,06	40.7
48 -100 mesh	4.6	28.9	27.9	0.97	43.2
100- 0 mesh	4.4	28.1	28.4	1.01	43.5
	100.0	32.5	38.0	1.17	29.5

Table 4.7Sieve and Proximate Analysis on Bulk Sample,May 21, 1976

However, Dolmage Campbell have recently issued the results obtained on two series of drill holes sunk during 1976 to penetrate (and sample separately) the four major quality zones suggested by Ebasco-Integ to exist in the No. 1 openpit area. The results of these trials indicate a completely reverse relationship, i.e. the fuel ratio increasing with increasing ash content. Table 4.8 shows the summarized results.

Table 4.8	<u>Combin</u>	ed Results	of Drill Holes	76 - 135 and 76 - 13
ZONE	TVM	FC	FC/TVM	ASH
A	26.59	29.39	1.11	44.0
В	34.15	31.66	0.93	34.2
С	18.46	24.91	1,35	56.7
С	41.64	34.06	0,82	24.3
A11	29,90	30.08	1.04	40.0

The opposition of these results to the expected trend is striking (see Fig. 4.1) and is difficult to explain.

In passing, it may be noted that the values for all results reported in Table 4.7, when corrected to 22.5 percent moisture content, give the following as received analysis:

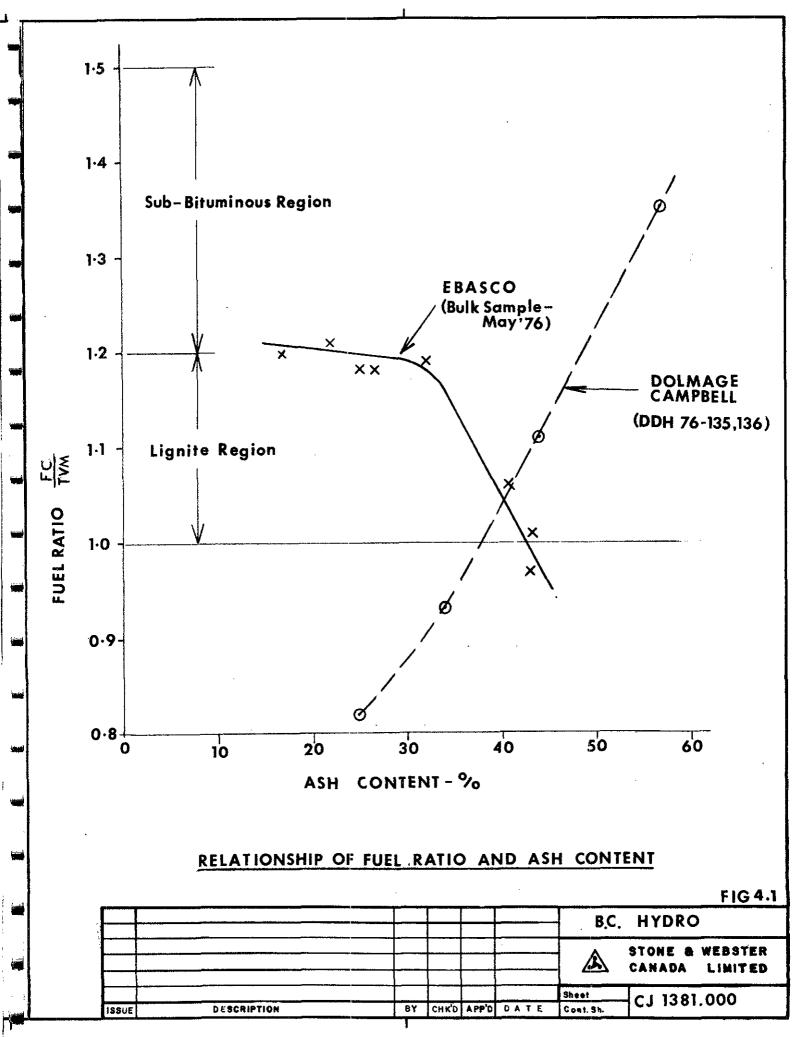
Moisture	22.5
Ash	31.0
Volatile Matter	23.2
Fixed Carbon	23.3

which, except for the noted difficulties regarding volatile and fixed carbon contents, agrees satisfactorily with the earlier estimates of coal quality in Hat Creek No. 1 and No. 2 Deposits.

From the discrepancies noted, it appears clear that difficulty in obtaining consistent proximate analysis has been encountered. The discrepancies may result from the nature of the contaminating minerals or may indicate that the coal substance of the Hat Creek deposits is itself variable. The latter observation lends emphasis to the borderline lignite/ sub-bituminous character of the coal, but it should be observed that the fuel ratios determined are indicative, and are frequently lower than expected for lignites (cp. Table 4.6) See also the discussion of Coal Rank in para. 4.12.

4.4 Ultimate Analysis

Ultimate analysis is shown in Table 4.2, based on summarized results reported by Dolmage Campbell. The individual results reported by the laboratories are shown in Table B.1 (Appendix 'B'). It should be noted that agreement between the various reporting laboratories is good.



- 4.4.1 <u>Carbon.</u> Lignites and sub-bituminous coals generally have carbon contents falling in a range of 73 - 83 percent. The carbon content of Hat Creek coal, at 68 percent therefore appears deficient and is attributed to the effect of the high oxygen content.
- 4.4.2 Hydrogen appears normal.
- 4.4.3 <u>Oxygen</u>. Reported as a 'difference' value in the analysis, the oxygen content appears to be abnormally high. (It is recommended that oxygen determinations are made by 'direct' methods which are now available to check the 'difference' values.) The high oxygen content can be expected to have several consequences during processing.
 - (a) Gas liquor produced by pyrolysis or carbonization will be higher and tar production lower
 - (b) Caking, coking and fluidity properties will be inhibited
 - (c) Hydrogen demand during coal hydrogenation will be higher
 - (d) Yields of gasification processes will be reduced
 - (e) Thermal efficiency and yields of coal liquids will be reduced.
 - All these effects reduce the utility value of the coal.
- 4.4.4 <u>Nitrogen</u> appears normal.

4.4.5 Sulphur

Sulphur contents reported by most laboratories are low, less than 0.5 percent, although there are exceptions, e.g. Ebasco reported values averaging 1.39 percent (dry basis) on a bulk sample tested in May 1976. Although the sulphur contents appear low on a weight basis, because the calorific value of the coal is also low, the sulphur contents related to heating values are not low. Thus taking the heat value of dry raw coal to be 6410 Btu/lb at 0.5 percent sulphur, the corresponding weight of sulphur dioxide per million Btu is 1.56 lbs. This should be compared with the American Environmental Protection Agency requirement for new coal burning installations of 1.2 lbs SO₂ per million Btu. Even allowing for the fact that a small proportion of the sulphur is retained by the ash, the bulk of it reports to the flue gases so that Hat Creek coal is not a low-sulphur fuel within EPA definition.

The sulphur content is not high enough to have any deleterious effects on other coal processing applications.

Results of Float and Sink analysis, reported by several laboratories, show that the sulphur content is fairly evenly distributed throughout the specific gravity fractions corresponding to coal, but is markedly lower in sinks at specific gravities greater than 1.8. Therefore beneficiation or washing is likely to produce some net increase in sulphur content of the cleaned coal.

4.4.6 Forms of Sulphur

A few results reporting forms of sulphur are available. They tend to show

Organic sulphur	>70% of total sulphur content
Pyritic sulphur	<25% of total sulphur content
Sulphate sulphur	< 5% of total sulphur content

The bulk of the sulphur being organically combined can be expected to appear in the primary gaseous products of combustion and gasification, but the total sulphur present is such that loading of hydrogen sulphide scrubbers in gasification or liquefaction process plants will be low.

4.4.7 Chlorine

Chlorine contents reported are generally less than 0.15 percent and are not expected to cause fouling or corrosion problems in combustion or coal processing plant.

4.5 Petrographic Analysis and Palynology

4.5.1 The only petrographic and palynological analyses available to date are those reported by the British Corex Laboratories Ltd. on Borehole sample number 75-74. The results reported are as shown in Table 4.9.

Maceral Group & Mineral Composition	Maceral (Sub-Group)	Volume %
Huminite	Humotelinite/ Humocollinite	83.0
Exinite	Sporinite Resinite	0.4 2.4
Inertinite	Mainly Sclerotinite	0.6
Clays		13.4
Pyrites		0.2

Table 4.9Petrographic Analysis of Hat Creek CoalBorehole No. 75 - 74

Mean Maximum Reflectance of Huminite = 0.34 (at wavelength 546 Nm in oil of R.I. = 1.518)

The results are shown in the Internationally - adopted, modern Stopes-Heerlen system of nomenclature which differs from the Thiessen's - U.S. Bureau of Mines nomenclatural system commonly employed in North America. The approximate correlation between the two systems is shown in Table 4.10 (ref. 4.3) from which it may be seen that the bulk of the coal material consists of anthraxylon and translucent attritus as expected for lignites and sub-bituminous coals. <u>Table 4.10</u>

Correlation of the Banded Components and Attrital Constituents of Thiessen's-Bureau of Mines Nomenclatural System with the Macerals and Maceral Groups of the Stopes-Heerlen Nomenclatural System.

Transmitted-	Light-Thin-Sec	tion Examination	Reflected-Light-Polish Examination	ed-Surface
Banded Components	Constituer	ts of Attritus	Macerals	Maceral Groups
Anthraxylon			Vitrinite with more than 14-u band width	Vitrinite
<u> </u>		Translucent humic matter	Vitrinite with less than 14-u band width	
	Translucent attritus	Spores, pollen, cuticles, algae	Sporinite, cutinite, alginite	Exinite
		Resinous and waxy substance	Resinite	
Attritus		Brown matter	Weak reflecting semi- fusinite, weak re- flecting massive micrinite, weak re- flecting sclerotinite, strong reflecting resinite	<u> </u>
	Opaque attritus	Granular opaque matter	Granular mícrinite	Inertinite
		Amorphous (massive) opaque matter	Fusinite with less than 37-u band width strong reflecting massive micrinite strong reflecting sclerotinite	Inertinite
Fusain		· ·	Fusinite and semi- fusinite with more than 37-u band width	

- 4.5.2 One notable feature is the low value recorded for mean maximum reflectance since this figure is expected to be between 0.5 - 0.8 for sub-bituminous coals. Here again there is evidence pointing towards low rank, lignite composition.
- 4.5.3 Palynological examination reported was indeterminate but this is of small consequence unless correlation of the Hat Creek deposits with other deposits may become important.
- 4.5.4 The clay minerals present were not identified, however evidence of clay minerals composition has been provided by Birtley Engineering Company following examination of clay build-up during pilot washing trials. The results of four such analyses are shown in Table 4.11.

Mineral	1	2	3 .	4
Montmorillonite	10	13	16	7
Kaolinite	57	50	59	48
Quartz	14	18	16	25
Feldspar	9	9	8	20
Pyrite	6	5	1	Trace
Siderite	4	5	Trace	Trace

Table 4.11Minerals Analyses of Clays Associated withHat Creek Coal

It may be noted that more than two thirds of the clays present consist of strongly swelling and gelling minerals. The extreme stickiness of these contaminants can be expected to cause difficulties in coal handling operations and severe difficulties in coal washing operation.

4.6 Ash Composition and Properties

4.6.1 Several consultants have reported ash analysis and fusion properties. The results are summarised in Table 4.12.

The table generally indicates good agreement between the various sources. The results show -

- i) that the ash is uncommonly high in silica and alumina contents
- ii) that the ash softening and fusion temperatures are high
- iii)that alkali oxides are low
- iv) that the basicity ratio is low.

The high fusion temperatures correspond to the low basicity. The alumina content, at around 30 percent, has lead to suggestions that the ash should be considered as a potentially useful alumina ore, and this has been the subject of a separate study by another consultant (Halvorson Associates).

The Lurgi report commented that the high ash fusion temperatures rendered the coal suitable for fixed bed, non-slagging gasification and commented on the similarity of the properties to those of the Sigma Mine at Sasolburg, South Africa. The properties of this ash were obtained and are shown, for comparison in the table.

The high ash fusion temperatures will have the following effects-

- i) require design of dry-bottom pulverized coal boiler
- ii) will permit fluidized bed combustion furnaces to operate at temperatures around 1100°C instead of the more usual limit of 950 - 1010°C

SOURCE	ASH COMPOSITION - %							ASH FUSION (Oxidizing C Atmos.)					
	Si0 ₂	Fe203	Mg0	CaO	A12 ⁰ 3	Ti0 ₂	Na20	к ₂ 0	P205	so ₃	INITIAL	SOFTENING	FLUI
B & W	58.0	6.0	1.0	4.5	25.0	0.7	1.2	0.36	N.D.	2.2	1400	1543	1587
LORING	47.4	5.7	0.7	7.5	31.0	1.9	0.9	0.1	0.2	3.7	1450+	1450+	1450
COREX	54.6	4.8	0.5	2.1	33.1	1.2	1.2	0.3	0.3	1.7	1450+	1450+	1450
LURGI	54.3	4.5	1.0	1.6	34.0	1.2	1.0	0.3	0.1	0.4	1500	1500	1500
BIRTLEY 'A' 'B' 'C'	57.4 52.1 52.7	6.0 8.4 6.2	1.6 1.7 1.8	1.9 4.4 3.1	28.2 27.2 30.4	1.2 1.1 1.2	0.6 0.5 0.7	0.7 0.5 0.5	0.1 0.2 0.2	1.4 3.6 2.4	1284 1370 1455+	1370 1455+ 1455+	1455 1455 1455
SASOL ASH	52.0	5.0	1.7	7.0	28.0	N.D.	0.7	0.5	0.3	0.2	1500+	1500+	1500

Table 4.12 Ash Composition and Fusion Temperatures of Hat Creek Coal

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- iii) will permit high oxygen to steam ratios to be employed in total gasification processes e.g. Lurgi
- iv) will cause difficulties in processes requiring slagging conditions e.g. cyclone - fired boilers, Koppers-Totzek gasifiers.
- 4.6.2 A further consequence of the ash composition, namely low alkalis content, in combination with the low sulphur content of the coal can lead to production during pulverized fuel combustion of fly ashes exhibiting very high values of electrical specific resistivity. This condition has been associated with inefficient electrostatic precipitator operation, even to the point where deliberate injection of sulphur trioxide into boiler flue gases or other treatments have been necessary for its correction. (Ref. 4.4)

4.7 Carbonization Assay and Coking Properties

4.7.1 A Fischer Carbonization Assay has been reported by Lurgi Mineralöltechnik GmbH, and the results of various coking tests by Lurgi, Corex Laboratories and Commercial Testing and Engineering Company. The results are summarized in Table 4.13.

<u>Table 4.13</u>	Carbonization Assay and Coking Properties of	
	Hat Creek Coal	

	[ARB	DB	DAF	MMMF
CARBONIZATION ASSAY (FISCHER)					
Gas Liquor	%	25.0	3.2	5.6	26.8
Tar	%	3.1	3.9	6.8	5.3
Gas	%	4.5	5.8	9.9	7.7
Char	%	67.4	87.1	77.7	60.2
		100.0	100.0	100.0	100.0

COKING & CAKING INDICES:

Free Swelling Index	0		
Gray-King Coke Type	Α		
Gieseler Plastometer	Non-fluid		
Ruhr Dilatometer -	. •		
Max Expansion	Nil		
Contraction @ 500 ⁰ C	10%		

- 4.7.2 The results show
 - i) that the coal possesses no measurable coking properties
 - ii) that the tar yield is very low.
- 4.7.3 The main consequences of these results are
 - i) that the coal can find no application in conventional cokemaking practice.
 - ii) that the ash content of the char is 48 percent, which level is too high for considering employment of the char for briquetting or form coke processes.
 - iii) the low tar yield will reduce the production of oils irrespective of which type of pyrolysis process is considered.

The low tar yield is important in determining the rank of the coal and will be discussed in Section 4.12.

4.8 Gasification Tests

4.8.1 The results of the Pressure Reick Degasification tests and the Carbon dioxide reactivity test (Boudouard Reaction) have been reported by Lurgi. These tests are special experiments which provide information on the yield and composition of gas produced by de-volatilization of the coal under pressure which occurs in the top part of the Lurgi gasifier and the reactivity of the resulting char towards carbon dioxide, which is the most important gasification reaction taking place in the central and lower parts of the gasifier. While the results of these tests are used to predict composition of the raw gas exiting the gasifier, interpretation of the results is empirical and dependent upon previous experience. Lurgi has concluded that "the sample submitted (DH 74-38, 916-1036 ft.) makes an excellent feed stock for Lurgi gasification".

- 4.8.2 It is assumed that this conclusion by Lurgi applies to the 'dry-bottom' gasifiers. It is possible that the very high ash fusion temperatures may not be suitable for the highcapacity slagging gasifiers under development by the British Gas Council at Westfield (Ref. 4.5) for the consortium of North American utilities companies. This would require plant trials to establish.
- 4.8.3 Similarly, some doubt exists as to the suitability of Hat Creek coal for gasification by the Koppers - Totzek route, because this process requires an ash slag that runs freely out from the base of the gasifier chamber. The very high slag viscosities reported by Babcock - Wilcox for both oxidizing and reducing conditions is somewhat ominous as far as successful application of the K-T process is concerned. Difficulties with ash properties have been encountered at several K-T plants, including recent reports of troubles encountered at Modderfontein, South Africa.(Ref. 4.6)
- 4.8.4 The ash characteristics are not expected to cause difficulties in the Winkler process.
- 4.9 Combustion Tests and Grindability
 - 4.9.1 Hardgrove indices of grindability have been determined and reported by most of the testing laboratories employed. The indices generally found lie between 35 - 50. The results show some dependence upon moisture and ash contents of the test sample, commonly experienced with lignitic/sub-bituminous coals. The results clearly show that the coal is difficult to grind and high-capacity mills will be required.

- 4.9.2 Combustion profiles (see Figures 4.2 and 4.3) determined by the differential thermo-gravimetric test method, have been reported by Babcock & Wilcox Canada Ltd. Comparisons with similarly determined profiles for bituminous coals and anthracites generally indicate (Ref. 4.7)
 - i) drying is completed before onset of coal decomposition with ignition
 - ii) ignition temperatures are low
 - iii) The maximum rates of sample burnout are lower than measured for bituminous coals and anthracites. This
 - result can be attributed to the high inherent ash content.

A major consequence of these results is that the boiler must be designed to permit sufficient residence time for burnout to be completed.

- 4.9.3 Babcock & Wilcox also reported upon the slag viscosity against temperature relationships and found that the melts were frozen at 1425°C (2600°F). Figures 4.4 and 4.5. These results indicate that the Hat Creek coal is unsuitable for cyclone and slag-bottom furnaces for which it is generally recommended that a slag viscosity of 250 poise at 1425°C is required (Ref. 4.7). From Figures 4.4 and 4.5 it may be seen that temperatures exceeding 1540°C (2800°F) are required before the slag viscosity approaches this optimum.
- 4.9.4 Pilot pulverized combustion tests are being carried out on bulk samples of Hat Creek coal by the Combustion Research Laboratory, Department of Energy Mines and Resources, Ottawa. However, no results were available at time of preparation of this Report.
- 4.9.5 No results of tests to determine the behaviour of Hat Creek coal under fluidized combustion conditions have been reported. A previous study carried out for B.C. Hydro by Engineering and Power Development Consultants in Association with Combustion

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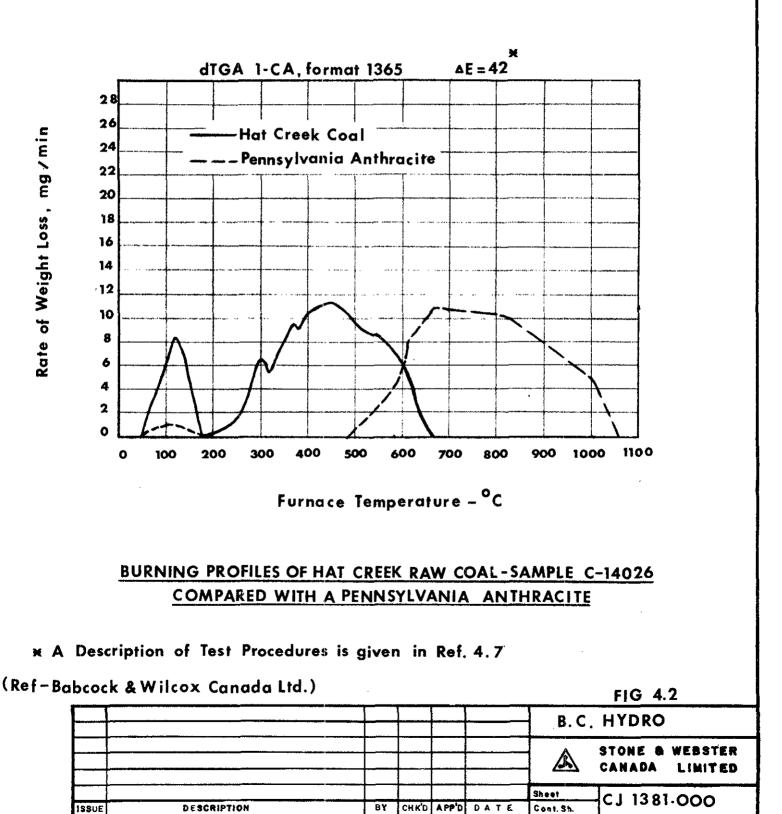
Systems Ltd. was based on an assumption that "consideration (of coal analysis and other data) has not revealed any characteristics of the coal that would preclude its use in fluidized combustions". While it is true that the ability of fluidized combustions to burn a variety of low grade fuels has been amply demonstrated, and that this fact arises naturally from the requirement that fluidized combustion only operates satisfactorily at very low levels, of fuel (carbon) concentration - one to five percent by weight of bed material - it must be appreciated that much of this work has been aimed primarily at disposal of the low grade feedstock rather than serious attempts to generate steam and power, particularly under load following conditions.

Fluidized combustion tests on colliery shales and tailings have been reported by several investigations (Ref. 4.9, 4.10) which have indicated that a minimum calorific value of about 5000 kJ/kg is necessary to produce self-sustaining combustion. (Fig. 4.6, Ref. 4.10) This condition of criticality corresponds to an ash content of 54 percent in Hat Creek Coal as received at 22.5 percent moisture. Borehole data shows that coal of this quality or lower is frequently encountered within the deposits and this fact must be considered in conjunction with the indicated difficulty of controlling "as mined" quality by selective mining procedures within the pits, reported by the mining consultants.

4.10 Hydrogenation and Liquefaction Tests

4.10.1 No test work to determine the behaviour of Hat Creek Coal on hydrogenation coupled with action of coal solvents has been reported. Modern techniques for coal liquefaction or hydrogasification involve relatively minor modifications to the Bergius Process (catalysed hydrogenation at elevated temperatures and pressures) and the Patt-Broche process (non-catalytic hydrogenation at lower temperatures and pressures.) For example, in the H - Coal process the homogeneous catalyst is replaced by a solid catalyst in an ebullating bed but a process change of this sort cannot be

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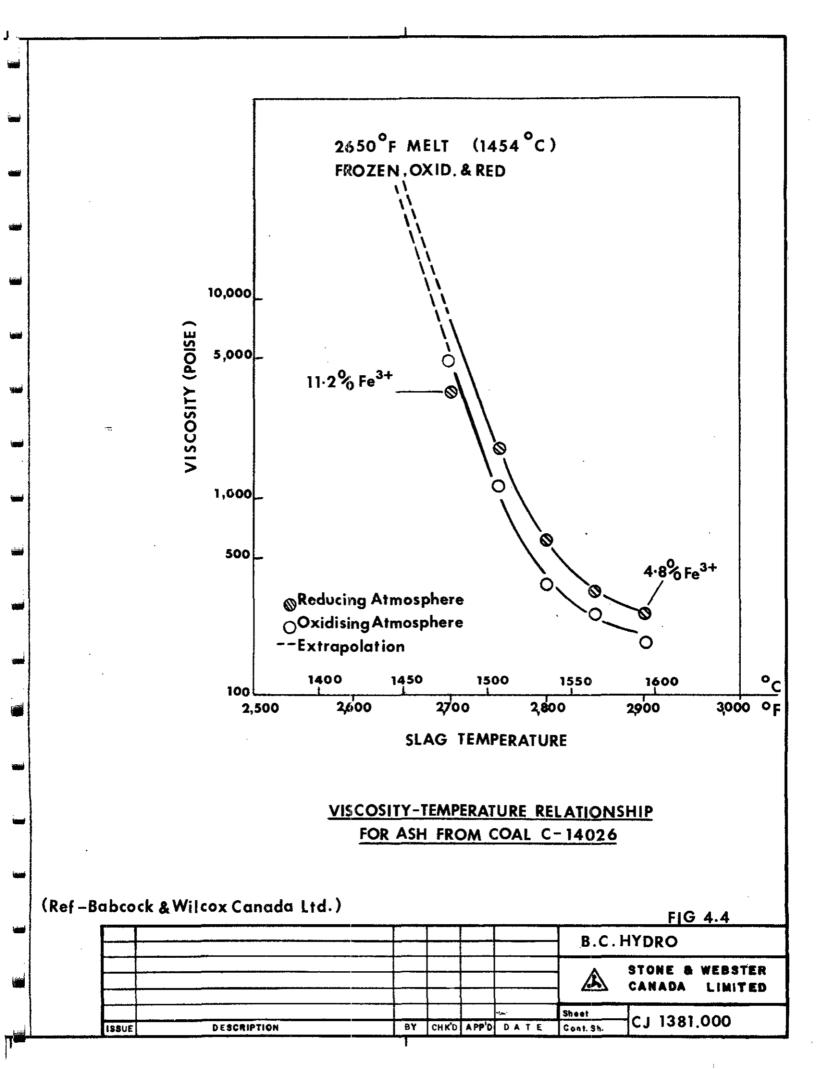
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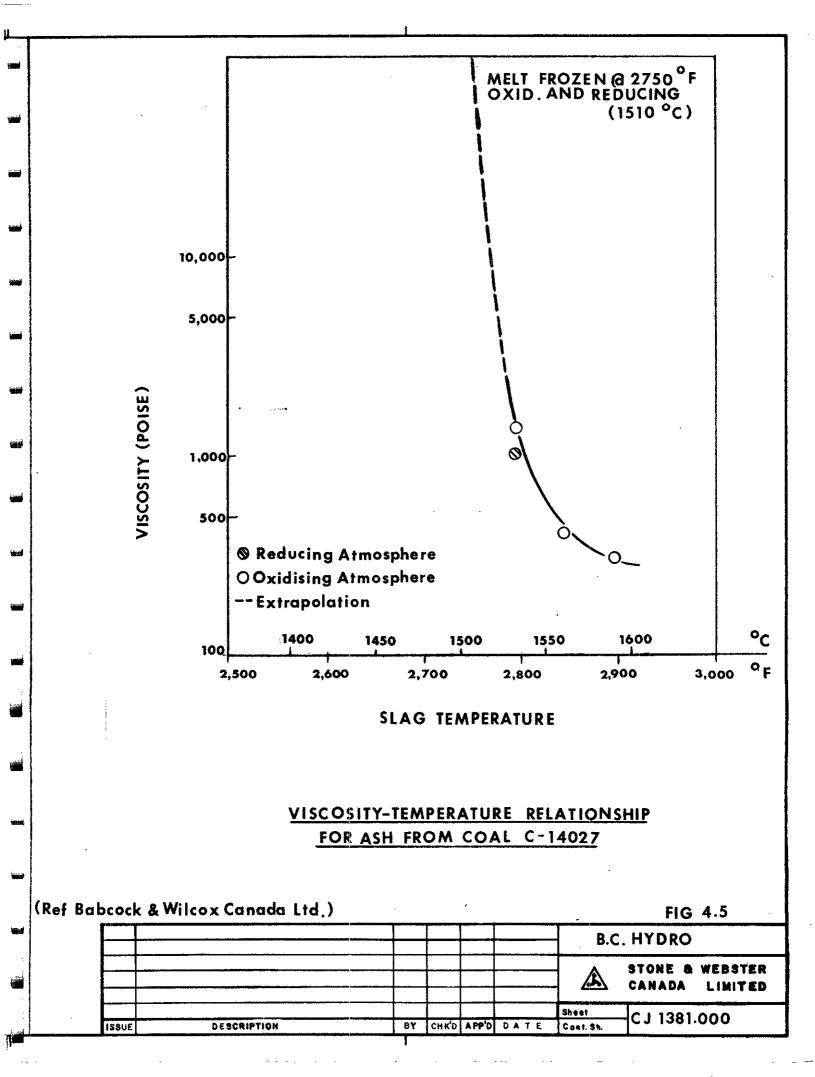
HAT CREEK COAL <u>▲E=</u>39[×] dTGA 1-CA, format 1366 28 26 Rate of Weight Loss, mg / min 24 22 20 18 16 14 12 10 8 6 4 • 2 0 700 800 400 500 600 900 1000 1100 0 100 200 300 Furnace Temperature - ⁰C BURNING PROFILE OF HAT CREEK COAL - SAMPLE C-14027 1.60 FLOAT COMPOSITE FROM B.C. HYDRO & POWER AUTHORITY 6716-08 DATED 6.12.75 * A Description of Test Procedures is given in Ref. 4.7 (Ref Babcock & Wilcox Canada Ltd) FIG 4.3 B.C. HYDRO STONE & WEBSTER A CANADA LIMITED Sheet CJ 1381.000 DESCRIPTION BY CHKD APPD DATE Cont. Sh. ISSUE

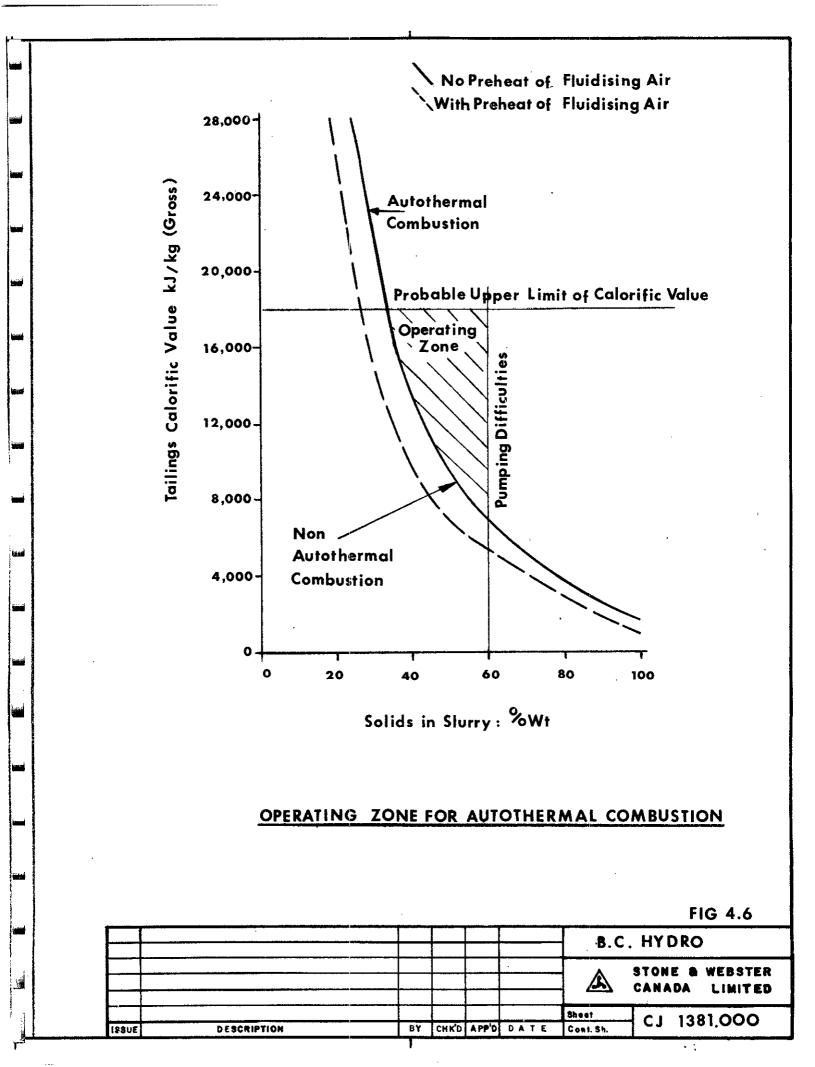
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expected to alter, by very much, the basic response of the coal to hydrogenation and liquefaction treatment.

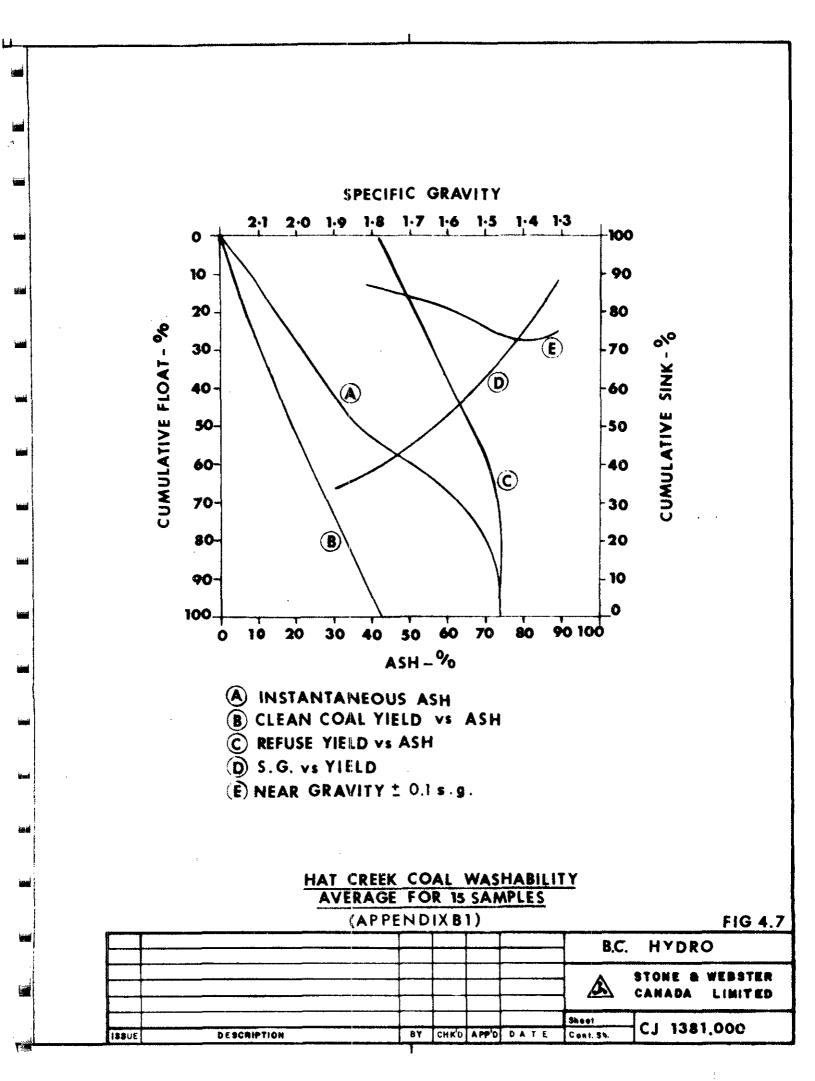
- 4.10.2 In the absence of this information it has been necessary to base consideration of the suitability of Hat Creek coal for liquefaction and hydrogasification upon certain assumptions which are based on direct experience of the study team with other low-rank coal feedstocks.
- 4.11 Washability Characteristics
 - 4.11.1 Washability characteristics, as determined by float and sink analysis, on small samples recovered from boreholes have been reported by several laboratories. Testing of bulk samples has also been reported by Ebasco (Float and Sink) and Birtley (Float, Sink and pilot washing tests).
 - 4.11.2 A general interpretation of each of the individual reports indicates that the coal has high inherent ash and that control of any beneficiation process based upon gravity or pseudogravity separation would be difficult.
 - 4.11.3 A comparison of the individual reports indicates a wide variation of ash content of product even for fixed conditions of separation. An average table of washability data was calculated from all the available reports and the results plotted to provide Figure 4.7. It may be seen that the average ash content of the raw coal found by this method is 42.4 percent, which compares favourably with 41.9 percent assumed for dry raw coal in this report. (See Table 4.2). Indicated washing yield is about 26 percent at 10 percent ash in clean product and is only 40 percent at 15 percent ash. It is noteworthy that even at this unacceptably high ash the product contains all material containing 30 percent and less (from Curve A, Fig. 4.7)

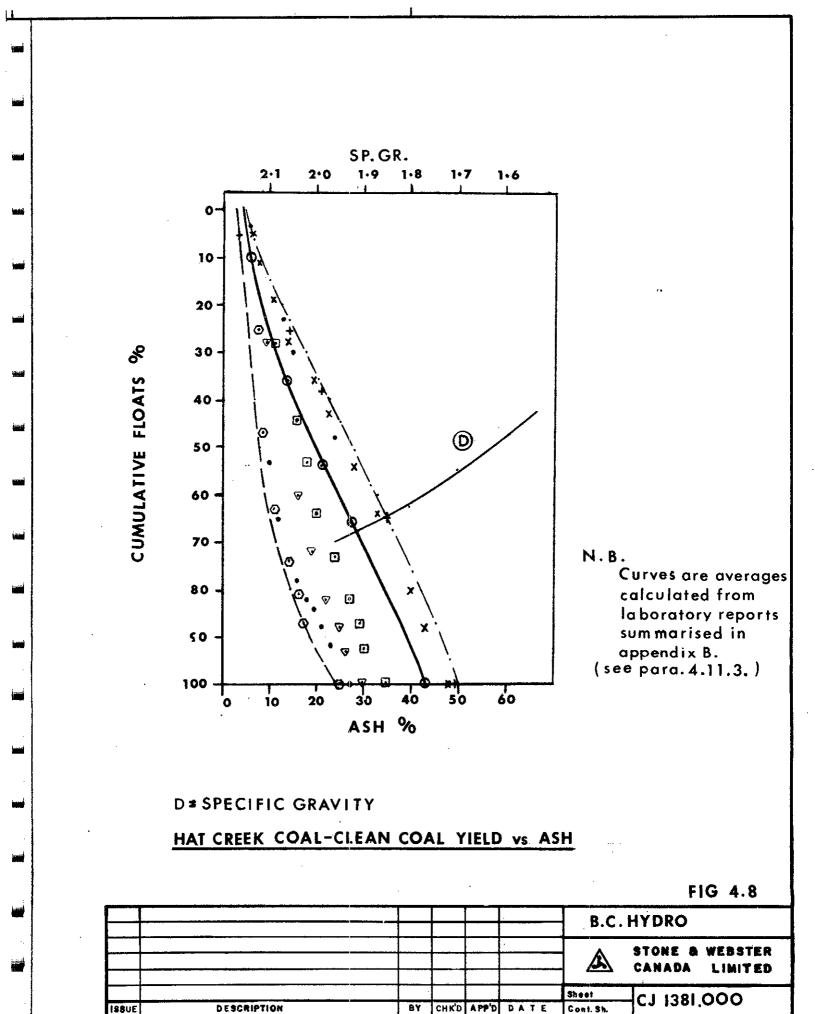
- 4.11.4 Figure 4.8 shows Curve B replotted to include all its constituent curves. It becomes very clear that at any given level of specific gravity cut, or at any yield cut-point, the variation of ash in product covers an inordinately high range. For example, from Fig. 4.7 at S.G. 1.6 the indicated yield is 47 percent and from Fig. 4.8 the range of ash at this yield is 8 to 28 percent. If the samples tested are reasonably indicative of the true variation of coal characteristics as mined then it would appear that it would not be possible to set washing plant control systems at pre-determined levels to guarantee anything like reasonable consistency of product ash.
- 4.11.5 The difficulty of product quality control is confirmed by consideration of the Near Gravity (<u>+</u> 0.1 SG) Curve. Conventional interpretation of this curve is provided in Table 4.14.

Table 4.14Significance of Amount of Near - Gravity Material						
Amount of Near - G		Estimate of Coal - Preparation				
<u>Greater Than</u>	Less Than	Plant Cleaning Problem				
0%	7%	Simple				
7%	10%	Moderately Difficult				
10%	15%	Difficult				
15%	20%	Very Difficult				
20%	25%	Exceedingly Difficult				
25%		Formidable				

(Ref. 4.11)

It should be noted that this table refers to coals which have reasonably consistent washability characteristics. In the case of Hat Creek the difficulty is compounded by the variation of washability characteristics throughout the deposit.





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4.12 Coal Rank

- 4.12.1 Some confusion appears to exist in the factor we call RANK. Properly so-called, rank is a description of the degree of maturity of the coals or the position it occupies in the solid fuel series - peat, lignites, sub-bituminous coal, bituminous coal, anthracite.
- 4.12.2 No single coal property describes rank. Most coal classification systems employ a primary relationship between volatile matter and calorific value as a basis on which other properties, notably fusion and coking properties, are superimposed to provide class divisions. Carbon contents or carbon to hydrogen ratios are imperfect descriptions of rank.
- 4.12.3 It also follows that attributions of variation of rank based upon relationships between calorific and ash contents are not correct. (See DCA Report on DDH Nos. 76-135 and 136, Sept. 1976, page 2.)
- 4.12.4 Hat Creek coal has been variously described as ASTM Subbituminous B, as lignite, as NCB Coal Rank Code No. 902, as German DIN Standard Mattbraunkohle, and as ISO Classification Code 900. This range of classifications are not strictly comparable or identical and some, particularly the attribution to ISO 900, appears incorrect because of the tar yield and heating value. As determined by Fischer Carbonization Assay the tar yield of DAF coal is 6.8 percent and is considerably lower than the 10 percent required for classification as ISO 900 (heating value <10,260 Btu/lb., <570 Kcal/Kg) Also, the NCB Classification system is not designed to include very low rank coals of borderline lignites/sub-bituminous

lignites/sub-bituminous character that Hat Creek coal indoubtedly is, so that the rank is lower than the NCB Code Rank No. 902.

4.12.5 After carefuly consideration of all the properties described above, the following Code numbers are assigned to Hat Creek coal:

International Classification:

Group	Code Number	Class Number
00	1200	12

ASTM Classification:

By Rank Lignite A (50-77) By Grade Size ?, 77 - A20+ - F24 - S0.4

- The standard tables from which these figures are derived are shown in Tables 4.15, 4.16 and 4.17. The corresponding analyses are drawn from Table 4.2 and the Fischer Carbonisation Assay (Table 4.13). A major factor supporting the lignitic character is the low mean maximum reflectance value (Ro) of 0.34 reported by Corex Laboratories Ltd.
- 4.12.6 Comments have been made about the very low rank and grade of Hat Creek coal and its possible utilization in an area which contains an abundance of very high grade bituminous coals. To this criticism, two answers may be made:
 - a) the utilization, in energy terms, is more dependent upon the cost per unit of energy at which the coal can be made available for use. This matter receives close attention in this study.

b) Coals of even lower rank and grade are finding economic use in other parts of the world, as may be clearly seen in Fig. 4.9 (Ref. 4,12), which depicts coals in terms of quality indicated by moisture and ash contents, and calorific value. Table 4.15

International Classification of Coals With a Gross Calorific Value Below 23,880 kJ/kg (5700 kcal/kg) (Statistical Group)

Group Number	Tar Yield % (dry, ash-free)	Code Number					
40	25	1040	1140	1240	1340	1440	1540
30	20 - 25	1030	1130	1230	1330	1430	1530
20	15 - 20	1020	1120	1220	1320	1420	1520
10	10 - 1 5	1010	1110	1210	1310	1410	1510
00	10 and less	1000	1100	1200	1300	1400	1500
	Class Number	10	11	12	13	14	15
Class Parameter	Total Moisture % (ash-free)	20 and less	>20 to 30	>30 to 40	>40 to 50	>50 to 60	>60 to 70

Notes: The total moisture content refers to freshly mined coal.

For internal purposes, coals with a gross calorific value over 23,880 kJ/kg (5700 kcal/kg)*, considered in the country of origin as brown coals or lignites but classified as hard coals for international purposes, may be classified under this system, to ascertain, in particular, their suitability for processing.

When the total moisture content is over 30%, the gross calorific value is always below 23,880 kJ/kg (5700 kcal/kg).

* Moist, ash-free basis $(30^{\circ}C \text{ and } 96\% \text{ relative humidity})$.

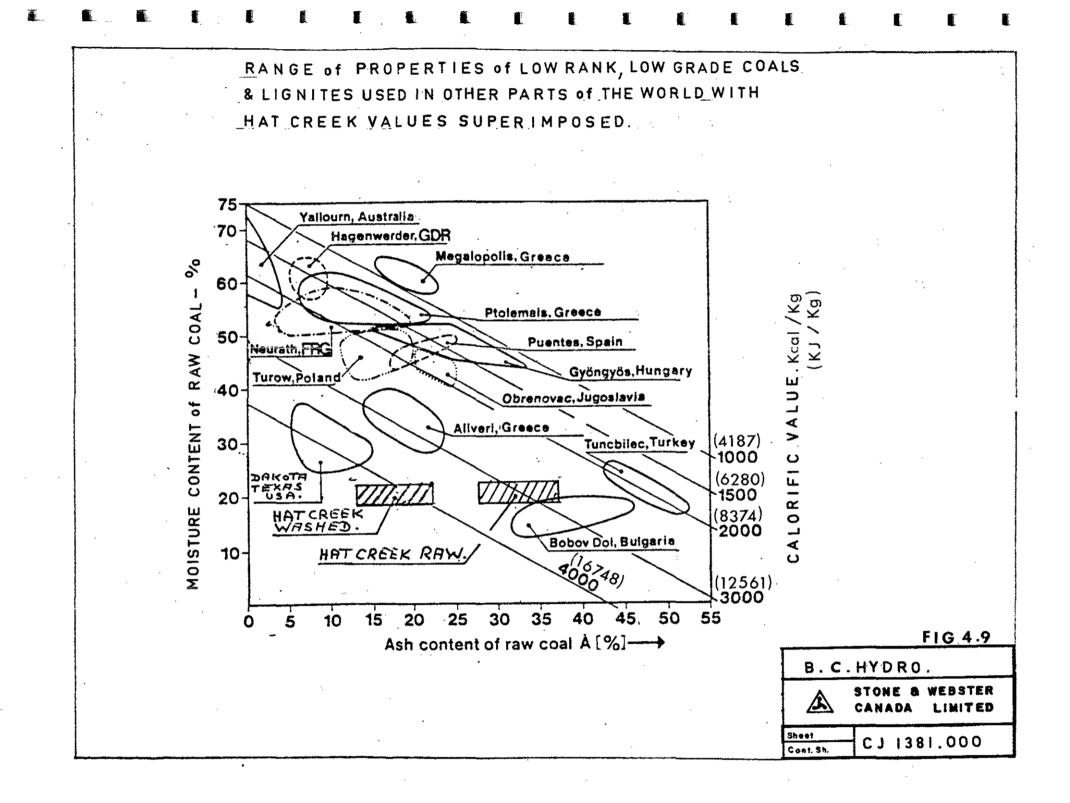


Table 4.16

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CLASSIFICATION OF COALS BY RANK ASTM D 388-66 (1972)

	<u>_</u>	Limits, p (Dry, Min Matter-Free		Fixed Carbon Volatile Matter Limits, percent Limits, percent (Dry, Mineral- Atter-Free Basis) Matter-Free Basis)		Calorific Value Limits, Btu per pound (Moist, ^b Mineral-Matter- Free Basis)			
Class	Greate	Equal or Greater Than	Less Than	Greater Than	Equal or Less Than	Equal or Greater Than	Less Than	Agglomerating Character	
I. Anthracitic	1. Meta-anthracite 2. Anthracite 3. Semianthracite ^C	98 92 86	- 98 92	- 2 8	2 8 14)) nonagglomerating)	
II. Bituminous	 Low volatile bituminous coal Medium volatile bituminous coal High volatile A bituminous coal High volatile B bituminous coal High volatile C bituminous coal 	78 69 - - -	86 78 69 -	14 22 31 - -	22 31 . - - - (- 14,000 ^d 13,000 ^d 11,500	- - 14,000 13,000) } } Commonly agglomerating ^e } }	
	brounthous cour				(10,500	11,500	agglomerating	
III. Subbituminous	 Subbituminous A coal Subbituminous B coal Subbituminous C coal 	-	- -	-	-	10,500 9,500 8,300	11,500 10,500 9,500) }	
IV. Lignitic	1. Lignite A 2. Lignite B	-		-	-	6,300	8,300 6,300) nonagglomerating })	

^a This classification does not include a few coals, principally nonbanded varieties, which have unusual physical and chemical properties and which come within the limits of fixed carbon or calorific value of the high-volatile bituminous and subbituminous ranks. All of these coals either contain less than 48 percent dry, mineral-matter-free fixed carbon or have more than 15,500 moist, mineral-matterfree British thermal units per pound.

^b Moist refers to coal containing its natural inherent moisture but not including visible water on the surface of the coal.

^C If agglomerating, classify in low-volatile group of the bituminous class.

^d Coals having 69 percent or more fixed carbon on the dry, mineral-matter-free basis shall be classified according to fixed carbon, regardless of calorific value.

^e It is recognized that there may be nonagglomerating varieties in these groups of the bituminous class, and there are notable exceptions in high volatile C bituminous group.

Table 4.17

Specifications For Classification of Coals By Grade (D 389 - 37)

Symbols For Grading Coal According to Ash, Softening Temperature of Ash, and Sulphur (Analyses Expressed on Basis of the Coal as Sampled).

Ash ^a		Softening	Temperature of Ash ^C	Sulphur ^a		
Symbol	Percent ^b inclusive	Symbol	Deg Fahr, incl,	Symbol	Percent, inc	
A 4	0.0 to 4.0	F 28	2800 and higher	S0.7	0.0 to 0.7	
A 6	4.1 to 6.0	F 26	2600 to 2790	\$1.0	0.8 to 1.0	
A 8	6.1 to 8.0	F 24	2400 to 2590	\$1.3	1.1 to 1.3	
A 10	8.1 to 10.0	F 22	2200 to 2390	S1.6	1.4 to 1.6	
A 12	10.1 to 12.0	F 20	2000 to 2190	S2.0	1.7 to 2.0	
A 14	12.1 to 14.0	F 20 minus	less than 2000	\$3.0	2.1 to 3.0 🖿	
A 16	14.1 to 16.0			S5.0	3.1 to 5.0	
A 18	16.1 to 18.0			S5.0 plus	5.1 and high	
A 20	18.1 to 20.0					
A 20 P1	us 20.1 and Higher					

^a Ash and sulphur shall be reported to the nearest 0.1 percent by dropping the second decimal figure when it is 0.01 to 0.04 inclusive, and by increasing the percentage by 0.1 percent when the second decimal figure is 0.05 to 0.09, inclusive. For example 4.85 to 4.94 percent, inclusive shall be considered to be 4.9 percent.

- ^b For commercial grading of coals, ranges in the percentage of ash smaller than 2 percent are commonly used.
- ^C Ash-softening temperatures shall be reported to the nearest 10 F. For example 2635 to 2644 F, inclusive, shall be considered to be 2640 F.

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5. - COAL CONVERSION POTENTIAL

5.1 Review of Technology

5.1.1 General Remarks

The basic concept of coal conversion technology has been aptly described as "the representation of coal in acceptable socioeconomic forms. To accomplish this, high-sulphur coals must be desulphurized, high-ash coals must be demineralized, and solid coal must be depolymerized into conventionally acceptable liquid and gaseous products". (Ref. 5.1.)

The composition and properties of Hat Creek coal are such that while sulphur content is not a serious problem, the exceptionally high inherent mineral content, low rank and heavy clay contamination compels consideration of some form of conversion to higher grade material, if some alternative use, other than combustion for steam/electric power generation, is to be found.

Demineralization cannot be accomplished by physical separation methods unless exceptional steps are taken to reduce the particle size of the coal to that of its macerals components, as in the proposed Ilok process*. However, this is not yet a demonstrated possibility. Washing by gravity separation methods or froth flotation cannot achieve more than partial reduction of mineral matter, usually at the expense of substantial reduction of yield and loss of useful coal in rejects. The washability characteristics of Hat Creek coal, described in para. 4.11, are such that substantial demineralization by physical methods are not possible.

The best methods available for demineralization involve depolymerization of the coal substance, invariably accompanied by

*Demineralization after grinding the coal to particle diameters smaller than that of the mineral matter present. some hydrogenation so that the coal is liquefied, followed by some sort of mechanical or physical separation. Methods under development include filtration, sedimentation (centrifugation or hydroclones) and vacuum distillation. None of these methods have been successfully demonstrated in commercial scale operation and this demineralization step remains a very serious problem in coal liquefaction process development.

The very high inherent mineral content of Hat Creek coal must be regarded as a serious obstacle to its use as a feedstock for coal liquids production other than those produced by gaseous synthesis, and it is necessary to bear this in mind when considering potential application of Solvent Refining methods described in para. 6.2.

It is worth noting that, although demineralization is not of consequence in coal conversion processes involving total gasification as a first step because the mineral matter is automatically rejected during the change of state of coal substance, nevertheless the properties of the mineral matter can have an important influence upon the process conditions that can be employed. Thus coals having low ash fusion temperatures can cause serious difficulties in 'dry-bottom' gasifiers, whereas coals having high ash fusion temperatures will cause difficulties in slagging gasifiers.

Hat Creek coal has very high ash fusion temperatures and has been reported to be suitable for Lurgi Pressure Gasification in spite of the high ash content. The coal may not be suitable for Koppers-Totzek Gasification, which employs slagging conditions.

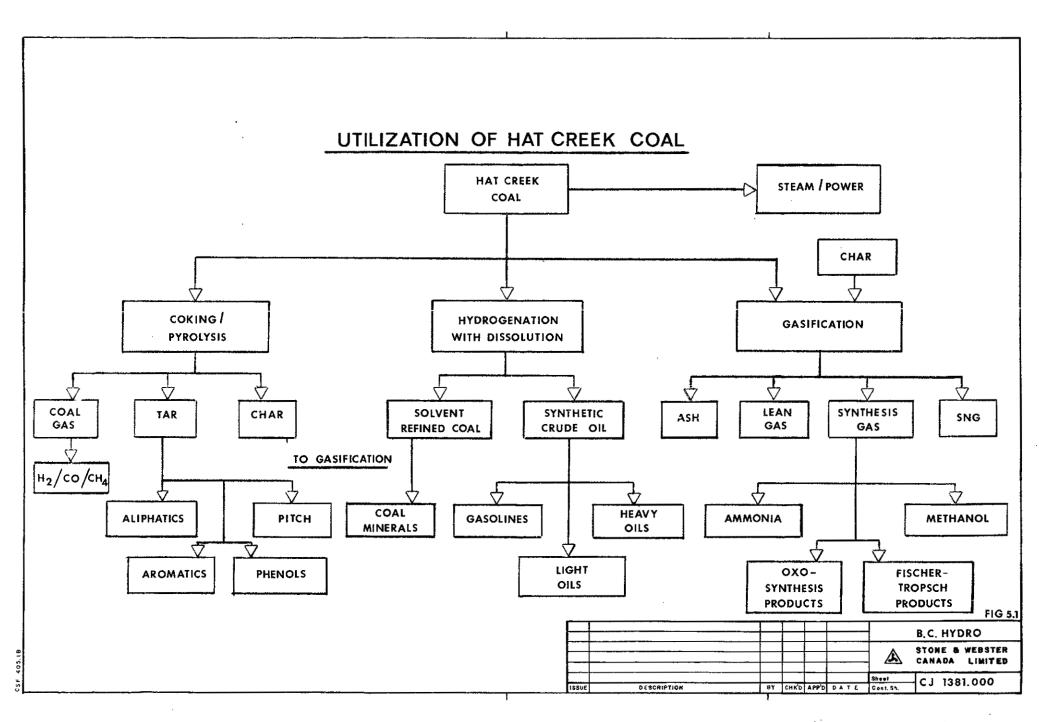
A range of possible coal conversion processes, applicable to Hat Creek coal, is shown in Figure 5.1. Many of these pro-

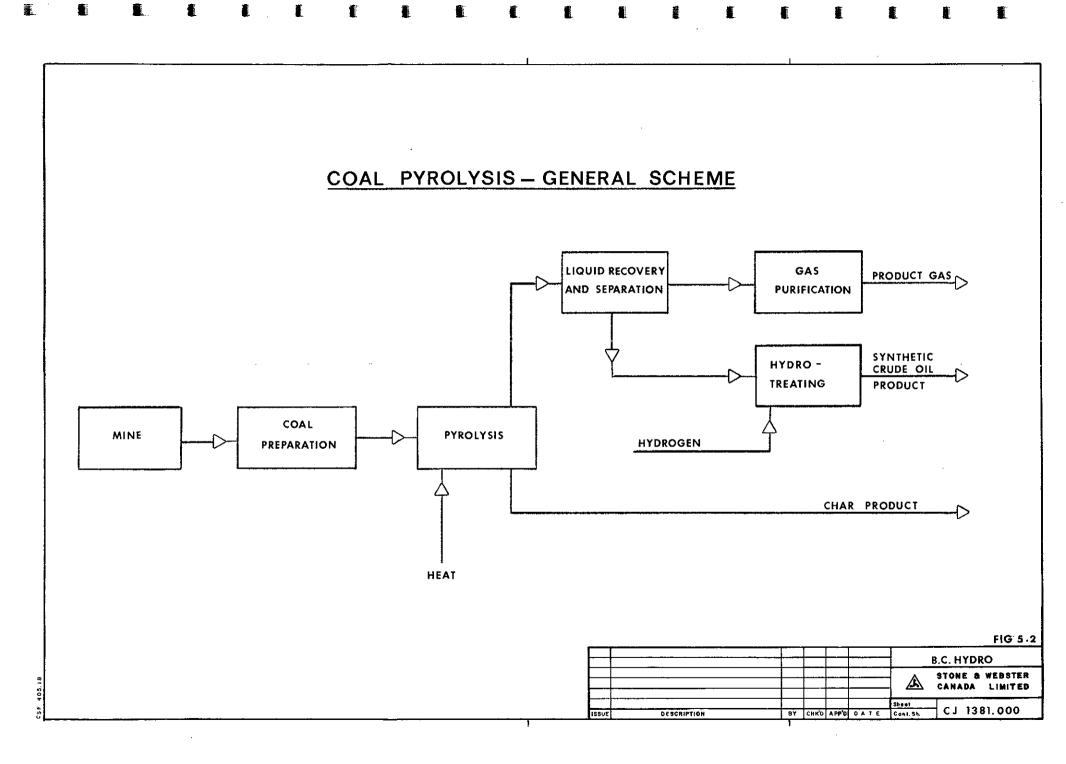
cesses are, or have been, applied to low rank coals bearing similarities to Hat Creek coal in various parts of the world. Some of the coals shown in Figure 4.9 are feedstocks.

The three basic routes for coal conversion shown in Figure 5.1 are COKING/PYROLYSIS, HYDROGENATION WITH DISSOLUTION and GASIFICATION.

5.1.2 COKING/PYROLYSIS

- i) Coking and pyrolysis are similar but not interchangeable terms. Both involve carbonization of the coal feedstock which may also be described as destructive distillation of the coal. However, coking is conventionally reserved for the carbonization of coals which possess coking properties and in which the general aim of the process is to maximize the production of coke as an upgraded carbon conversion product. Since Hat Creek coal possesses no measurable coking properties, the term COKING does not apply.
- ii) Pyrolysis is commonly aimed at maximizing the production of liquid and gaseous products and employing the char as fuel by-product for generation of process steam and power. This is achieved by employing much higher rates of heating of the coal than can be achieved in conventional coking or gas retorts, and process equipment specially designed to achieve these higher heating rates is required.
- iii) A general scheme for COAL PYROLYSIS is shown in Figure
 5.2. At least 7 pyrolysis processes are currently under development -





Clean Coke Process	-	U.S. Steel Corp.
COED	-	FMC Corporation
COGAS .	-	Joint Venture Consortium
Garrett's Coal Pyrolysis	-	Occidental Petroleum Corp.
Lurgi-Ruhrgas		Lurgi GmbH/Ruhrgas AG
Project Seacoke	. –	ARCO Chemical Co.
Toscoal	-	The Oil Shale Corporation.

iv) The only fully commercial process is the LURGI-RUHRGAS process, the first commercial plant having been built in 1963 in Yugoslavia to process 1600 t/d of lignite. Since then numerous large scale plants have been erected. It is the process selected for the Hat Creek study as an example of a pyrolysis application.

5.1.3 HYDROGENATION WITH DISSOLUTION

- This process is capable of producing a solid Solvent Refined Coal (SRC) or a coal liquid, depending upon the degree of hydrogenation achieved. A general process scheme is shown in Figure 5.3.
- ii) Major products are -

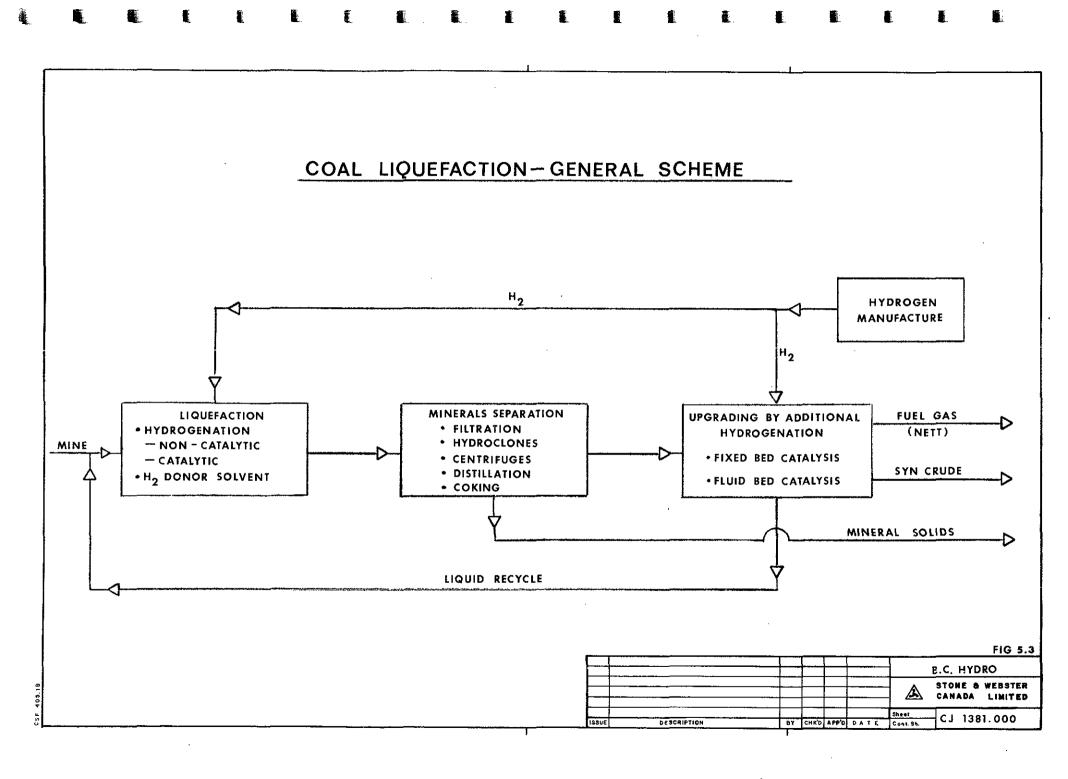
SRC (SRC-1 is a solid. SRC-11 is a liquid) Heavy Fuel Oil Distillate Fuel Oil Naphtha.

The latter two products being produced directly or by hydrogenation of primary pyrolysis products.

iii) The basic processes were originally developed by Bergius (Ref. 5.2) (high temp. (480^oC), high pressure (98 bar); and by Potte & Broche (Ref. 5.3) (lower temp. (435^oC), lower pressure (65 bar). Both processes found extensive application in Germany during

World War II. There are no known applications or development of the Bergius process in current operation. The Potte-Broche non-catalytic process forms the basis of the current SRC developments (PAMCO, C-E, MITSUI).

- iv) Recent process development include H-COAL (catalytic, ebullated bed (Co/Mo) reaction at 455°C under 170 bar, hydrogen pressure) by Hydrocarbon Research Inc. and the EXXON LIQUEFACTION process (425°C/135 bar) recycling of catalytically regenerated hydrogen-donating solvent) by Exxon Research & Development Corp.
- v) Current major development projects in coal liquefaction are summarized in Table 5.1.1 (Ref. 5.4).
- vi) In terms of maximum practical yields and maximum thermal efficiencies there does not appear much to choose between any of these process developments. The Electric Power Research Institute has indicated the following maximum yields and efficiencies (Ref. 5.4).



<u>Table 5.1.1</u>

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Major Projects in Coal Liquefaction

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Process	Site	Capacity	Status
<u>Catalytic</u>			
H-Coal	Trenton, N.J.	3 T/D	Operational
	CatlettsDurg, Ky.	600 T/D	Design Phase - Startup 1978
Synthoil	Bruceton, Pa.	8 T/D	Design Phase
Hydropyrolysis			
Coalcon		2,600 T/D	Conceptual Design
SRC			
	Tacoma, Washington	50 T/D	Operational
	Wilsonville, Ala	6 T/D	Operational
	Sheffield, Ala	2,000 T/D	Study Phase
·	Western U.S.A.	500 T/D	Study Phase

Table 5.1.2

MAXIMUM PRACTICAL YIELDS SELF-SUFFICIENT LIQUEFACTION PLANT

	<u>% of Dry Coal Feed</u>
Feed Coal Energy	100
Hydrogen Production	10 - 15
Process Heat and Power	<u>15 - 20</u>
Feed Energy Available for Liquids Production	65 - 75
Overall Process Efficiency %	65 - 75
Maximum Practical Liquid Yield %	46 - 54
Barrels/Ton	2.7 - 3.1

vi) It is unlikely that these yields and efficiency will be achieved in the earliest commercial plant, e.g. ERDA has recently published the following economic forecasts for an SRC plant charging a Wyoming sub-bituminous coal and a north-central coal (Ref. 5.5).

ERDA - 76-55

"Preliminary Economic Analysis of SRC Liquid Fuels Process Producing 50,000 barrels per day of Liquid Fuels from Two Coal Seams: Wyodak and Illinois No. 6".

		linois No. 6 Bituminous)
Plant Size Bbls/day	50,000	50,000
Solid SRC produced	NIL	NIL
Unconverted COAL/CHAR disposa	H ₂ production	H ₂ production
Coal HHV Btu/lb (kJ/kg)	8,048 (18,995)	12,861 (30,350)
Coal Feed T/D	22,358	20,456
Products:		
Clean Boiler Fuel Bbls	45,978	45,978
Naphtha Bbls	4,022	4,022
Sulphur T/D	2222	634
Electricity MW	10	22
Thermal efficiency %	59.8	63.1
Economics		
Total Capital Investment \$/MMI	3tu 710.6	700.6
Per Annual Bbl Liquid \$	42.52	42.46

vii) It should be noted that the quality of the Wyodak subbituminous coal, used in the above illustration, is considerably better than that of Hat Creek coal. The important properties affecting yields and thermal efficiency are ash, oxygen content and calorific value for coals of equivalent rank. Oxygen content is important because it both reduces the liquefaction yield and increases the hydrogen consumption. A comparison of these properties for Wyodak and Hat Creek coals is shown in Table 5.1.4.

		<u>% – DRY</u>	BASIS
		<u>Wyodak</u>	<u>Hat Creek</u>
Ash		9.1	41.9
Calorific Value	kJ/kg	27,050	14,910
Carbon		66.76	54.9
Hydrogen		5.25	2.56
Oxygen		17.00	18.9

<u>Table 5.1.4</u> - <u>Comparison of Wyodak (Sub-bituminous) and</u> Hat Creek Coals

Assuming similar thermal conversion efficiencies, the yield of coal liquids produced per ton of dry coal charged is -

Barreis					
<u>Wyodak</u>	<u>Hat Creek</u>				
2.25	1.0				

viii) Comparison of coal liquids with petroleum residual oils reveals that the coal liquids have

- Lower hydrogen content

- Higher nitrogen and oxygen

- Higher aromaticity

- Higher asphaltenes

- Lower molecular weight.

Apart from their obvious applications as raw chemical feedstocks, it is expected that they will find ready applications as industrial fuel oils and peaking or intermediate fuel oils in electricity generation.

ix) After consideration of the status of developments of the major projects under development, the SRC (PAMCO) (Ref. 5.6) process was selected for process application of Hat Creek coal, with the addition of the H-OIL process to the SRC product as a method of producing light refinery liquids. These process descriptions are given in Section 6.2.

5.1.4 GASIFICATION

- i) Until very recently the objectives of coal total gasification processes were aimed at producing either lean fuel gases (low and medium Btu) or synthesis gases. The synthesis gases could be employed for further conversion to ammonia, and hence synthetic fertilizers; to methanol, a valuable chemical intermediate; to hydrocarbons by Fischer-Pichler and Fischer-Tropsch processes; or to carbonyl compounds by OXO process. Quite rapid development in all these areas was brought to an abrupt halt after 1950 by very cheap energy availability resulting from the development of Middle Eastern oilfields and the utilization of natural gas in the U.S.A. Since that time coal gasification conversion technology has largely been confined to areas of the world having only coal and having strategic problems (South Africa) or poorly developed contries having cheap, readily accessible coal but little gas or oil resources. The oil embargo and other consequences, since the winter of 1973, has given fresh impetus to development in North America to coal-based conversion technologies.
- ii) The most important result of renewed activity to date has been the successful demonstration of a capability of producing Synthetic Natural Gas (SNG) which is, in effect, pure methane from coal synthesis gases (Ref. 5.7, 5.8). The importance of this development is reinforced by a shortage of natural gas in North America that is accelerating. However, its practical application in large-scale commercial plants has been seriously delayed by
 - a) uncertainties over future oil and gas prices
 - b) severe inflationary effects on new plant costs
 - c) environmental regulatory factors affecting both coal mining and coal processing developments.

- iii) In the meantime research and development activities to improve total gasification and crude gas upgrading processes has greatly expanded. An example of this is provided by the increased funding of these major projects by U.S. Energy Research and Development Agency, as shown in Table 5.1.5.
- iv) Despite this activity, the old-established total gasification processes - Lurgi Pressure Gasification, Koppers-Totzek Gasification and Winkler Gasification - appear to have no serious competitors in the immediately foreseeable future and these processes, particularly Lurgi and Koppers-Totzek have evident scope for improvements, which might well counter competition from the third-generation concepts outlined in Table 5.1.5.
- v) Improvements to the Lurgi process include development of

 a) much higher temperatures resulting in slagging conditions and complete re-design of the bottom sections of the gasifier (British Gas Council, Westfield) with increased gasifier outputs by factors of 4 or greater;
 - b) increased gasifier sizes and hence reduction of units required for a given production. Some examples of this progress are illustrated in Figure 5.4 (Ref. 5.7);
 - c) increased pressure of operation from the present 20-30 bars to 70 bars. This development is being conducted by Gesellschaft für Vergasung und Verflüssigung von Steinkohle mbH, an associate company of Montan-Consulting GmbH, and who have made major contributions to the studies included in the present Report. One expected result, if it is successful, will be to increase the calorific value of the crude gas to a stage where the methanation synthesis step

ERDA-FUNDED COAL GASIFICATION PROJECTS

<u>Process</u> High BTU:	<u>Current Plant Phase</u>	<u>Obligations</u> Government	Private	<u>Total estim</u> <u>Government</u> omitted)	Private	Anticipated Completion of Current Phase
Hygas	75-ton-a-day pilot plant operating since October 1971	\$34,251	\$ 9,401	\$38,511	\$12,105	1977
Steam iron (hydrogen producing technique)	Pilot plant under con- struction; operation planned for October 1976	9,510	5,192	39,090	19,495	1978
Synthane	72-ton-a-day pilot plant is scheduled to start operation in May 1976	27,350		68,250		1978
Carbon dioxide acceptor	40-ton-a-day pilot plant operating since October 1972	29,199	7,330	37,720	12,080	1977
Bi-gas	120-ton-a-day pilot plant under construction; operation planned for June 1976	33,465	12,461	90,507	43,290	1978
Self agglomerating ash	25-ton-a-day process development unit starting operation May 1976	6,788	569	16,964	569	1978
Low BTU:						
Molten Salt	Contract is being re- negotiated to reduce plant size to 24-ton-a-day	4,611	1,784	5,830	2,783	1979
Westinghouse fluidized bed	14-ton-a-day plant starting operations in March 1976 (note a)	15,696	4,167	<u>b</u> /22,794	<u>b</u> /6,726	Open
Morgantown Energy Research Center fixed bed	24-ton-a-day plant in operation since 1968	3,622		15,910		1977
Slagging fixed bed	25-ton-a-day pilot scale gasifier under construc- tion. Operation is sched- uled to start in September 1977	800		4,650		1979
Bituminous Coal Research fluidized bed	l-ton-a-day plant completed construction December 1975 Shake down operations are now underway			3,725		1977
Combustion Engineering Entrained bed	120-ton-a-day plant under construction. Operation planned to start in June 1977	13,739	6,870	14,239	6,870	1979
Foster-Wheeler combined cycle	480-ton-a-day plant in design phase. Project to be discontinued at end of work on current contrac	6,250 t	2,895	6,250	2,895	1976

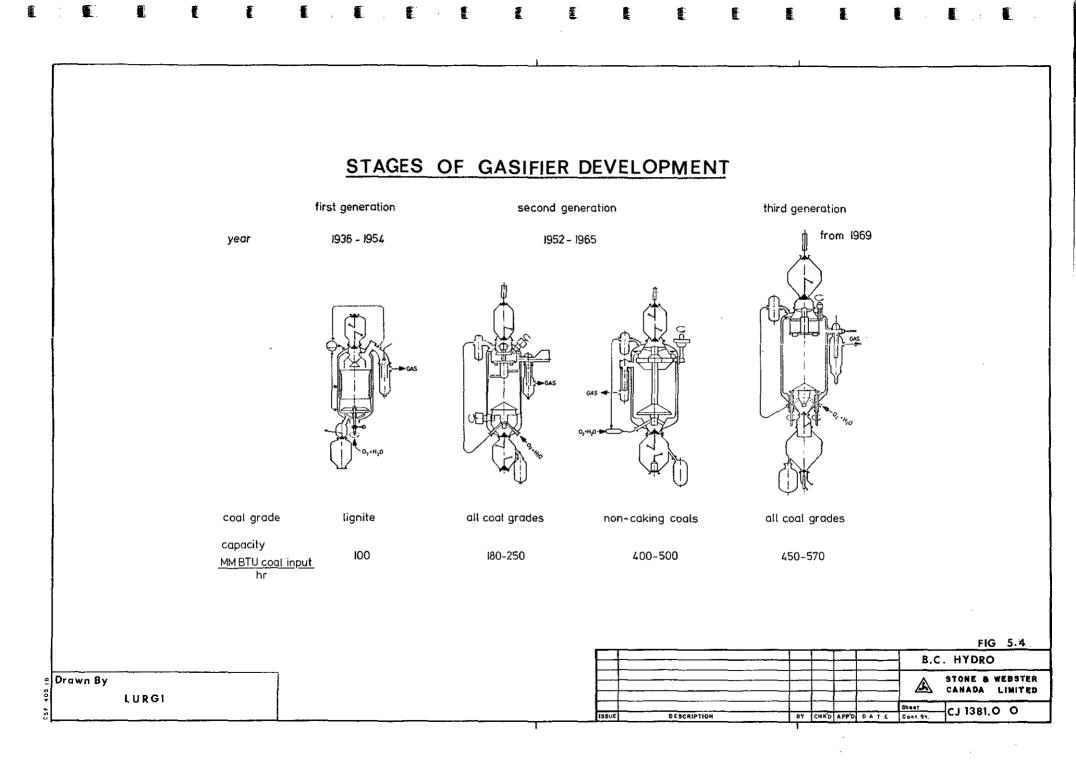
 \underline{a} / Only one section under operation. Complete plant operation scheduled for early 1978.

 \underline{b} / Through fiscal year 1977, at which time a decision will be made on whether or not to continue the project.

Ref. SYNTHETIC FUELS, SEPTEMBER, 1976

may be reduced to much smaller dimensions, or even eliminated in producing a gas suitable for pipelining.

vi) Improvements to the Koppers-Totzek process have included introduction of 4- headed for the earlier 2- headed gasifiers and a 6- headed gasifier is at the conceptual stage. Other improvements include materials of construction developments to meet the more severe slagging conditions encountered with certain coals. This development is of particular interest in the case of Hat Creek coal because of the severe ash fusion characteristics that are expected. There are 15 plants, all of which are producing synthesis gas for ammonia production (See Table 5.1.6). A pressurized K-T gasifier is currently being tested in a development project conducted by a joint venture of Heinrick Koppers GmbH and Shell International Petroleum Maatschappij, The Hague, Netherlands, at the Dusseldorf Research Centre of Koppers-Essen (Ref. 5.9). The tests have been sufficiently successful to indicate that commercial operation at pressure is feasible.



COAL BASED SYNTHETIC AMMONIA PLANTS

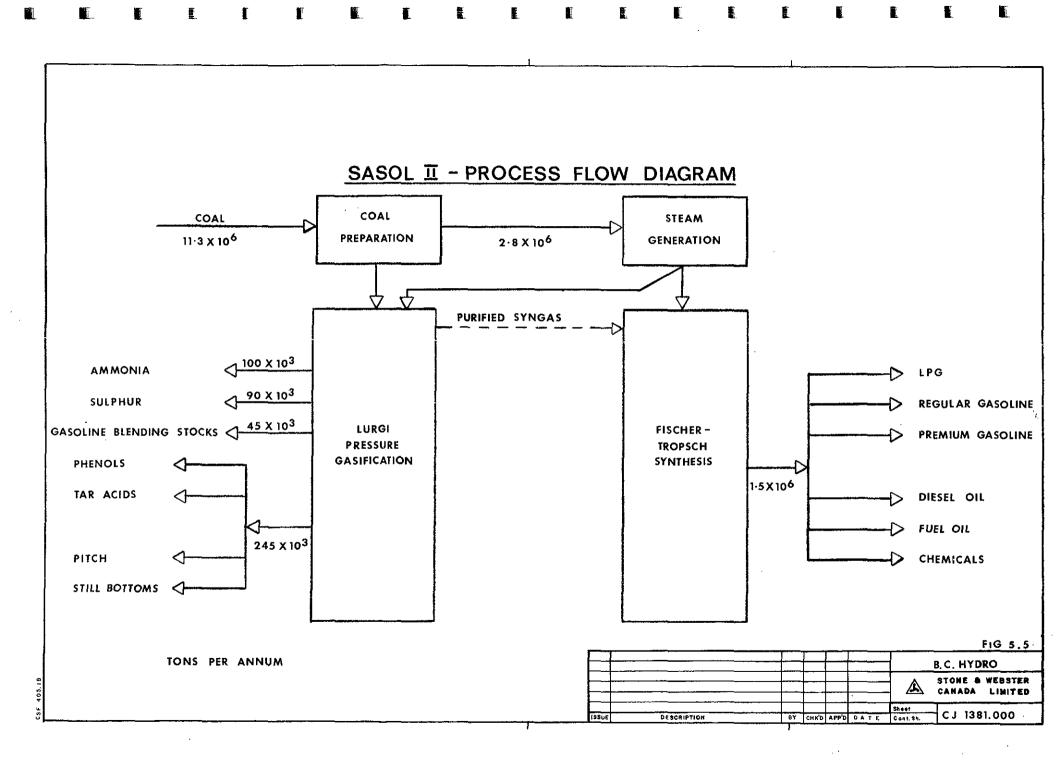
Gasification Process and Ammonia Production (tons per day) Koppers-Construction Start Customer and Location Winkler Lurgi Totzek Azot Gorazde, Yugoslavia 50 1950 Empreso Nacional Calvo 1950 Sotelo, Puertolano, Spain 140 1950 Azot Sanayii, Kutahya, Turkey 120 1950 Typpi Oy, Oulu, Finland 60 100 1954 Nippon Suiso, Onahama, Japan Empreso Nacional 100 1954 Calvo Sotelo, Puentes, Spain 1955 Typpi Oy, Oulu, Finland Extension 60 Daudhkel, Pakistan 60* 1956 Nitrogenous Fertilizer 300 1959 Ptolemais, Greece 300 1960 Neyveli, South Ascot, India Naju Fertilizer, Korea 150*1962 Chemical Fertilizer Mae Moh, Lampang, Thailand 100 1963 Azot Sanayii, Kutahya, Turkey 250 1966 Industrial Development Corp., 100. 1966 Kafue/Lusaka, Zambia Nitrogenous Fertilizer Ptolemais, Greece 75** 1969 Fertilizer Corp. of India Ramagundam, India 900 1969 Fertilizer Corp. of India Talcher Plant, India 900 1970 Nitrogenous Fertilizer Ptolemais, Greece 150 1970 Fertilizer Corp. of India Korba Plant, India 900 1972 AE & CI Ltd., Modderfontein, 1000 1972 Republic of South Africa Industrial Development Corp., 1974 100** Kafue/Lusaka, Zambia 610 210 5195 = 6015TOTAL 4% 86% = 100% PERCENT OF PRODUCTION 10%

* exact production rate unknown

** ammonia production calculated from the increased synthesis gas production

- vii) Although installation of Winkler units appears to have reduced greatly since 1960 more than 16 plants have been installed throughout the world and are all believed to be in operation at the present time. Davy Powergas Inc. is currently developing a high-pressure modification of the Winkler process which should increase the thermal efficiency.
- viii) After considering the status of development of existing and future total gasification processes, it was decided to select the three existing commercial processes -Lurgi, Koppers-Totzek and Winkler - for application to Hat Creek coal, and to employ these processes both for coal conversion to SNG; and to ammonia and methanol.

The outstanding development of Fischer-Tropsch, Arge and Kellogg syntheses applied to synthesis gases produced by Lurgi gasification, which has been achieved since the early Fifties by the South African Oil & Gas Co. (SASOL) compels attention by coal processing technologists in spite of the very different politic/ strategic situation which pertains to that country. In the case of Hat Creek, added interest arises from the general similarity of coal quality and ash characteristics to that of the Sigma mine at SASOL. At the present, SASOL is proceeding with a second installation which is double the size of the existing SASOL and is designed to produce greater yields of synthetic coal liquids and less fuel gas (Ref. 5.10). A flow sheet of SASOL-II is shown in Figure 5.5. Application of this process technology was selected for evaluation of Hat Creek coal and the mass/energy balances and costs are given in Section 6.2.



5.2 Product Markets

A host of products can be manufactured in one or more of the coal conversion processes. Some of these products are sold in such large quantities that they can be referred to as principal coal conversion products. An example is pipeline gas or Synthetic Natural Gas (SNG).

Some of the products appear in lesser quantities and can be referred to as by-product. An example is coal tar.

In a case where the front end of a plant is capable of a coal gasification procedure, and where the same gas then can be either converted to ammonia or methanol, the plant can be referred to as a mixed plant. A mixed plant can be dedicated to the production of more than one principal product and the productions ratios can vary over a wide range. Such a mixed plant has not been examined in this Report.

Thus in this Report, to confirm the contents, only single principal products and their by-products are considered. The single principal products are both of an energy producing or a chemical nature. However, those by-products that are capable of being feedstocks for secondary industries are identified.

5.2.1 Principal Products

Principal products are closely associated with the commodities market where there is a universal and continuing demand for an item. Pipeline gas (SNG) and motor fuels are prime examples.

Secondary products are associated with both the feeds to secondary industries and to commodities that are in lesser demand. Examples are activated and electrograde carbon. Below, the several products considered or reviewed in this Report are listed within the broad categories suggested.

Table 5.2.1

COAL CONVERSION PRODUCTS

Principal Products	By-Products	Secondary Products
Pipeline Gas (SNG)	Tars	
Ammonia	Tar Oils	Activated Carbon
Methanol	Naphtha	Electrograde Carbon
Motor Fuels	Phenols	Alumina
	Benzene	
Refinery Liquids	Sulphur	Low BTU gas
SRC Solids	LPG	C0 ₂
Coke		N2
Power	Residue Cokes	Process Steam
	Heating Oils	
	Ash	,
	:	

Under the classification of principal products, two of the eight listed have either been studied elsewhere or do not lend themselves to manufacture at Hat Creek. Power production has been amply studied by B.C. Hydro and is not examined here. Coke production has been dismissed because the Hat Creek coal demonstrates a complete lack of agglomerating properties. The remaining six principal products are examined in this Report.

The by-products are not examined by themselves, but are included in the economic analyses as those items that are generated in the manufacturing process and require marketing.

Secondary products can be manufactured from the several byproducts. Activated and electrograde carbon can be derived from the residue cokes. Alumina may be derived from the ashes. However, alumina has been examined by Halvorson and is not re-examined here. Low Btu gas and process steam are capable of satisfying a local market that could evolve if the Hat Creek complex becomes a reality. The gaseous CO_2 and N_2 will be waste streams unless secondary industries such as urea manufacture are established.

While the by-products and secondary products are of importance from a revenue point of view, the principal products are the core of the economics of Hat Creek coal conversion. These principal products are examined in the following order, first by their market potential and second their economic evaluation.

Market Location	Principal Products	Economic Evaluation Location
5.2.2	Pipeline Gas (SNG)	5.3.2
5.2.3	Ammonia	5.3.3
5.2.4	Methanol	5.3.4
5.2.5	Miscellanéous Hydrocarbon Products	5.3.5
5.2.6	Chemical Feedstocks	, 5.3.6
	Selected Process Evaluation	5.3.7

5.2.2 Pipeline Gas (SNG)

Canada has natural gas resources and an active market in the national consumption and export of the commodity. In 1974 Canadian production, consumption and exports were as follows:

Table 5.2.2

<u>Canadian Natural Gas F</u>	1ows - 1974
(Billions of cubic	meters)
Production	- 73
Imports	- neg.
Exports	- 27
Apparent Consumption	- 46

The Canadian exports of 27 BCM per year are transmitted to the U.S. at several points along the common border. Should a plant be constructed at Hat Creek to manufacture SNG at the rate of 250,000,000 SCFD (7,000,000 Nm^3/d), the annual production would be about 2 to 3 billion cubic meters per year, a volume equal to about one tenth of the gas flow from Canada to the U.S.

In the discussions with Canadian natural gas producers, their appraisal of the volumes of this magnitude caused them to identify a potential SNG stream as incremental gas. As an incremental gas supply, Hat Creek SNG would be welcome by the pipeline gas transmission companies providing it was reasonably priced.

Their expression of acceptance reflected their concern over the future natural gas supplies from the Canadian Northwest. While Hat Creek SNG could not be expected to satisfy their base load requirements, it could help to provide an important energy material to the B.C. area even after the scheduled cessation of gas exports to the U.S.

This concern reflects the comparative size of the known natural gas reserves and the prospects of future supplies from the Canadian frontier areas. Currently, it is estimated that the recoverable producing areas contain some 3,250 billion cubic meters. These reserves are primarily in Alberta (2,600 BCM) and British Columbia (425 BCM), with a small fraction in the remainder of Canada.

At a future consumption rate of 100-125 BCM per year, Canada has reason for concern. However, the frontier areas are reported to contain over twice the conventional reserves. But the existence of reserves in such remote areas would have to be discounted somewhat due to the problem of delivering the volumes to the market. The current natural gas problems in Canada are real. There is a long-term shortage in the Western Canadian transmission system and the shortage may continue beyond the U.S. supply contract termination date in the late 80's.

According to discussions held with the Westcoast Transmission Company Ltd., Canada still has 10 - 12 trillion cubic feet (about 312 BCM) to deliver at the rate of about 1 TCFY (about 30 BCM per year). An SNG plant at Hat Creek could help to alleviate the shortage both in the short and the long terms, particularly in the Westcoast Transmission System. Past 1985, this "supplemental" supply could be a welcome resource for the population of British Columbia.

The by-products of such a supplemental SNG supply would be tars, tar oils, naphtha, phenols, sulphur and ash. The whole range of by-products are of a type that could be readily sold in the northwest area. Their volumes are indicated below.

Table 5.2.3

SNG Plant Products

	Volume
SNG Pipeline Gas	2.8 x 10 ⁹ Nm ³ /a
Tars	189 MTPY
Tar Oils	189 MTPY
Naphtha	145 MTPY
Phenols	45 MTPY
Sulphur	34 MTPY

The estimated sum of the capital cost and the working capital total of an SNG plant of this size is \$933,000,000*. This amount related to the annual revenues provides a capital ratio of 32 percent. The thermal efficiency of conversion is about 62 percent, a level generally higher than that experienced in most coal conversion processes.

In a later section, the comparative evaluation of SNG production will be presented.

5.2.3 Ammonia

Ammonia can be produced from Hat Creek coal. Whereas SNG production was based on a coal feed of 18,000,000 tons per year, the ammonia plant is considered only at a capacity related to a 3,000,000 ton per year coal input. It is to be noted that in as much as the potential plant size is at a one sixth level, the comparative economics are presented at the 18,000,000 tons per year coal feed level.

The 3,000,000 metric tons per year of Hat Creek coal would produce about 1,000,000 metric tons per year of ammonia on an equivalent nitrogen basis. This level of flow is compared to those flows in Canada, the U.S., and the world market, as indicated in Table 5.2.4.

* The total 1978 capital requirement is estimated to be \$1,058,100,000 and is shown in detail on Table 5.3.12.

	Nitrogen Fertilizer Data*					
(mi	(million metric tons of nitrogen)					
	Canada	<u>U.S.A.</u>	World			
1975 Data						
Supply	0.8	8.5	42.4			
Consumption	0.5	7.8	38.8			
Balance	0.3	0.7	3.6			
Capacity	1.2	13.7	68.3			
1980 Estimate						
Supply	1.3	11.0	66.8			
Consumption	0.6	8.8	54.4			
Balance	0.7	2.2	12.4			
Capacity	2.2	17.7	107.8			

	Combined U.S.A. and Canada	World
1990 Estimate of Consumption	10.4	77.5
2000 Estimate of Consumption	11.5	118.8
2010 Estimate of Consumption	12.7	195.0

Detailed ammonia data on capacity, production; consumption, and trade can be examined in Tables 5.2.5 to 5.2.11.

One million new tons of Hat Creek ammonia production would double current Canadian production. The tonnage, in proportion, is equal to one eighth of the current U.S. production.

* Data from the Tennessee Valley Authority, FAO-United Nations, and Stamford Research Institute.

<u>Table 5.2.5</u>

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WORLD NITROGEN FERTILIZER PRODUCTION

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	1965	1970	<u>1973</u>	1974	<u>1975</u>	% Annual <u>Growth</u>
			(Thousand	Metric Ton	s)	
North America	4,805	8,234	9,205	9,961	9,421	7.0
Central & South America	520	739	845	873	1,009	6.9
Western Europe	5,827	7,841	8,949	9,355	9,690	5.2
Eastern Europe	1,345	3,250	4,152	4,373	4,773	13.5
U.S.S.R.	2,099	4,509	6,551	7,241	7,856	14.1
Africa	190	367	552	46 2	536	10.9
Asia	1,909	3,689	4,932	4,994	5,423	11.0
Communist Asia	752	1,392	2,475	3,031	3,340	16.1
Oceania	26	160	182	197	192	<u>22.1</u>
Grand Total	17,473	30,181	37,843	40,488	42,241	9.2

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<u>Table 5.2.6</u>

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WORLD NITROGEN FERTILIZER CONSUMPTION

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	<u>1965</u>	<u>1970</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	% Annual Growth 1965-1975
			(Thousand	Metric Ton	s)	
North America	4,379	7,037	7,935	8,820	8,306	6.6
Central & South America	683	1,180	1,629	1,718	1,924	10.9
Western Europe	4,275	6,005	6,990	7,413	7,230	5.4
Eastern Europe	1,551	3,057	3,675	3,791	4,005	10.0
U.S.S.R.	1,759	3,798	5,624	6,156	6,746	14.4
Africa	511	735	1,061	1,075	1,101	8.0
Asia	1,945	3,841	4,894	5,168	5,143	10.2
Communist Asia	1,196	2,851	3,696	4,281	4,197	13.4
Oceania	77	188	206	218_	208	10.5
Grand Total	16,375	28,691	35,711	38,739	38,859	9.0

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<u>Table 5.2.7</u>

NITROGEN FERTILIZER DEMAND/SUPPLY

	<u>1975</u>	<u>1980</u> (<u>1990</u> Thousand Metric	<u>2000</u> Fons)	2010
NORTH AMERICA Consumption Capacity Supply	8,306 14,959 9,275	9,400 19,857 12,311	10,400	11,500	12,700
CENTRAL AMERICA Consumption Capacity Supply	1,924 2,709 1,680	3,200 6,836 4,238	5,600	9,700	16,800
WESTERN EUROPE Consumption Capacity Supply	7,230 13,351 8,278	8,200 16,319 10,118	9,100	10,000	11,000
EASTERN EUROPE/U.S.S.R. Consumption Capacity Supply	10,751 18,362 11,384	15,100 27,558 17,086	16,700	18,500	20,400
AFRICA Consumption Capacity Supply	1,101 1,346 835	1,800 3,790 2,350	4,100	9,500	22,100
ASIA Consumption Capacity Supply	9,340 17,452 10,820	16,400 33,255 20,618	21,100	58,900	110,900
OCEANIA Consumption Capacity Supply	208 144 89	300 144 89	500	700	1,100
WORLD TOTAL Consumption Capacity Supply	38,859 68,323 42,360	54,400 107,759 66,810	77,500	118,800	195,000
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NITROGEN FERTILIZER MARKET - PACIFIC RIM

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	<u>1975</u>	<u>1980e</u>	
	(Thousand Metric Tons)		
CANADA Consumption Capacity Supply	510 1,231 763	577 2,176 1,349	
UNITED STATES Consumption Capacity Supply	7,796 13,728 8,511	8,820 17,681 10,962	
JAPAN Consumption Capacity Supply	691 5,040 3,125	1,251 5,266 3,265	
PHILIPPINES Consumption Capacity Supply	177 109 68	320 109 69	
INDONESIA Consumption Capacity Supply	401 302 187	725 1,363 845	

Table 5.2.9

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NITROGEN FERTILIZER CONSUMPTION, TRADE AND PRODUCTION										
				<u> 1971 -</u>	1975					
	NORTH AMERICA	CENTRAL & SOUTH AMERICA	WESTERN EUROPE	EASTERN EUROPE	U.S.S.R.	AFRICA	ASIA	COMMUNIST ASIA	OCEANIA	TOTAL WORLD
			<u></u>		ousand Metric				oounin	<u>HONED</u>
1971 Consumption Net Trade(1) Total Production Difference(2)	7,671 537 8,208 8,887 679	1,359 -616 743 749 6	6,444 1,573 8,017 8,107 90	3,210 193 3,403 3,670 267	4,605 210 .4,815 5,423 608	823 -354 469 403 -66	4,140 267 4,407 3,957 -450	3,358 -1,727 1,631 1,631 0	158 -4 154 145 -9	31,767 78 31,845 32,972 1,127
1972 Consumption Net Trade(1) Total Production Difference(2)	7,622 594 8,216 8,896 680	1,445 -603 842 796 46	6,824 1,327 8,151 8,372 221	3,430 653 4,083 3,942 -141	5,182 177 5,359 6,055 696	954 -547 407 483 76	4,365 35 4,400 4,169 -231	3,389 -1,316 2,073 2,073 0	138 33 171 176 5	33,348 353 33,701 34,962 1,261
1973 Consumption Net Trade(1) Total Production Difference(2)	7,935 761 8,696 9,204 508	1,629 -799 830 845 15	6,990 1,374 8,364 8,949 585	3,675 605 4,280 4,152 -128	5,624 204 5,828 6,551 723	1,061 ~624 437 552 115	4,894 116 5,010 4,932 -78	3,696 -1,221 2,475 2,475 0	206 -25 181 182 1	35,711 391 36,102 37,843 1,741
1974 Consumption Net Trade(1) Total Production Difference(2)	8,820 509 9,329 9,961 632	1,718 -875 843 873 30	7,413 1,031 8,444 9,355 911	3,791 654 4,445 4,373 -72	6,256 369 6,625 7,241 616	1,075 -564 511 462 -49	5,167 -495 4,672 4,994 322	4,281 -1,257 3,024 3,031 7	218 -29 189 197 8	38,739 143 38,882 40,488 1,606
1975 Consumption Net Trade ⁽¹⁾ Total Production Difference ⁽²⁾	8,306 148 8,454 9,421 967	1,924 -958 966 1,009 43	7,230 1,808 9,038 9,690 652	4,005 735 4,740 4,773 -33	6,746 470 7,216 7,856 640	1,101 -612 489 536 47	5,143 -811 4,332 5,423 1,091	4,197 -867 3,330 3,340 10	208 -10 198 192 6	38,859 -96 38,763 42,241 3,478

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Note: (1)Net Trade = Exports less Imports; (2)Difference = Production less Consumption + Net \overline{T} rade

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<u>Table 5.2.10</u>

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	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u> e (TI	<u>1977</u> e housand Metr	<u>1978</u> e ic Tons)	<u>1979</u> e	<u>1980</u> e	% Annual Growth <u>1973-1980</u> e
North America	13,894	13,898	14,959	15,257	18,337	19,332	19,857	19,857	5.2
Central & South America	1,766	2,359	2,709	3,587	5,106	5,516	5,875	6,836	21.3
Western Europe	14,368	14,047	13,351	14,030	13,949	14,865	16,165	16,319	1.8
Eastern Europe	6,878	8,113	8,563	9,513	10,202	10,202	10,833	11,239	7.3
U.S.S.R.	8,159	8,800	9,799	10,263	11,003	11,879	12,619	16,319	13.1
Africa	917	1,065	1,346	1,450	1,829	3,141	3,736	3,790	22.4
Asia	11,396	12,047	12,796	13,197	14,055	18,263	23,016	24,023	11.3
Communist Asia	4,409	4,575	4,656	6,515	7,875	9,232	9,232	9,232	11.1
Oceania	144	144	144	144	144	144	144	144	0.0
Grand Total	61,931	65,048	68,323	73,956	82,500	92,574	101,477	107,759	8.2
World Supply Nitrogen Fertilizer(1)	43,351	45,534	47,826	51,769	57,750	64,802	71,034	75,431	8.2

WORLD AMMONIA CAPACITY

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Note: (1) Based on 62% average capacity utilization.

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<u>Table 5.2.11</u>

NITROGEN FERTILIZER CONSUMPTION 1975 - 2010

	% Annual Growth 1965-1970	% Annual Growth <u>1970-1975</u>	<u>1975</u> (000M Tons)	% Annual Growth e 1975-1980	<u>1980</u> e (000M Tons)	Consumption per Capita 1975	Consumption per Capita 1980	<u>1990</u> (Thous	<u>2000</u> and Metrie	<u>2010</u> c Tons)	% Annua1 Growth <u>1980-2010</u>	Consumption per Capita 2010
North America	10.0	3.4	8,306	2.5	9,400	34	37	10,400	11,500	12,700	1.0	37
Central & South America	11.5	10.3	1,924	10.7	3,200	6	9	5,600	19,700	16,800	5.7	28
Western Europe	7.0	3.8	7,230	2.5	8,200) 24	28	9,100	10,000	11,000	1.0)) 33
Eastern Europe	14.5	5.5	4,005	7.3	5,700) 24)	28	6,300	7,000	7,700	1.0) 55
U.S.S.R.	16.6	12.2	6,746	6.9	9,400	26	35	10,400	11,500	12,700	1.0	35
Africa	7.5	8.4	1,101	10.0	1,800	3	4	4,100	9,500	22,100	8.7	28
Asia	14.5	6.0	5,143	12.6	9,300)	7	17,600	33,400	62,900	6.6)) 29
Communist Asia	19.0	8.0	4,197	11.1	7,100) 4	/	13,500	25,500	48,000	6.6) 29
Oceania	19.5	2.0	208	7.6	300	10	13	500	700	1,100	4.4	30
World (Expected)	11.3	6.2	38,859	7.0	54,400	10	13	77,500	118,800	195,000	4.3	30
World (Potential) ¹				9.8	62,000 ¹		15	85,000 ¹	140,000 ¹	195,000		

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Note: ¹ Potential world consumption based on sharply reducing grain deficits in developing countries by 1985.

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The introduction of an additional flow of one million tons on to the world market would encounter an excess of some three million tons in todays global market and an expected 12 million tons in 1980. A sixth of this world excess is now being planned and constructed in neighbouring Alberta where the following plants are in the process of construction.

Table 5.2.12

Proposed Alberta Ammonia Plants

<u>Principal</u>	Locations	<u>Status</u>	Tons per Year Capacity
Esso Chemicals	Redwater	Planning	770,000
Cominco	Calgary	1977	400,000
Sherrit Gordon	Fort Saskatchewan	1977	495,000
CF Industries	Medicine Hat	1977	
			2,061,000

If only one half of this Alberta capacity is realized, it would be equal to a Hat Creek product flow at the 3,000,000 tons per year coal feed rate. Thus both the Alberta and B.C. production volumes would encounter a Canadian limit of ammonia consumption of 600,000 tons per year by 1980.

This combined Alberta and B.C. production would require both U.S. and Pacific markets for their consumption. This western Canadian production may be satisfied in the continental market by 1990 if the restrictions of natural gas feed force the North American producers to convert to coal in place of natural gas feedstocks. As a matter of fact, Alberta has already announced that future applications of natural gas based ammonia plants will be denied in favour of coal based plants. This trend will undoubtedly spill over into the U.S. area. In summary, coal based ammonia plants at the 3,000,000 tons per year of coal feed level would encounter both limited local and limited world markets, and would be impossible to sustain other than at greatly reduced production rate at the 18,000,000 coal feed level. Under this overwhelming set of conditions, ammonia is not recommended as a potential principal product. In a later section the economics of a large ammonia plant is presented, but only for comparative purposes.

5.2.4 Methanol

Methanol is unique as a multifaceted chemical. It is an energy commodity, an intermediate chemical, a hydrogen source, and a potential feed material for manufacture of protein.

Currently, the world demand for chemical methanol is of the order of 8 million metric tons, about two thirds of which are consumed equally by the U.S. and Western Europe, and the remainder divided between Japan and the rest of the world.

Currently Alberta Gas Chemicals is starting up a pair of 600 tons per day methanol units in Medicine Hat. With a license for an additional pair, AGC would be shipping close to one million tons to the Canadian coast for sale to the U.S. and the Pacific rim countries. Whereas the above plants are natural gas based, the tendency is to shift to coal feedstocks in future units.

The new world scale supplies could be absorbed in the world market when the projected demand of twice the current supply is realized in the early 1980's.

Methanol proponents are optimistic about future methanol demand. Under the proper economic conditions, the forecast for maximum potential demand soars past the doubling mark to a tenfold increase. The following data were presented at the recent Baghdad* conference.

Table 5.2.13

<u>Potential Future Methanol World Market (1983)</u>							
(millions of metric tons)							
	Low <u>Estimate</u>	High <u>Estimate</u>					
Steel Industry	74	95					
Motor Fuel	10	80					
Fuel (Peak Shaving)	5	15					
Ammonia Synthesis	4	5					
Single-Cell Proteins	3	5					
Chemical Intermediate	<u>12</u> 108	<u>20</u> 220					

In the steel industry, the future availability of traditional coke as a reducing agent is questionable because of its greatly expanded price structure. Methanol could provide the reducing hydrogen required if the price is competitive with other hydrocarbon sources such as petroleum.

The second largest use could be as a high-octane component for gasoline. Should the gasoline and automotive manufacturers solve their immediate problems, methanol can be useful in abating air pollution.

The current world gasoline market is of the order of 650 million metric tons. The introduction of methanol would be small to start with, but could mushroom if methanol is eventually accepted as a motor fuel additive in North America.

As an ammonia plant feedstock, it may develop that methanol `can be transported over long distances relatively more cheaply than ammonia. This relationship could potentially allow for small ammonia plants to be operational at the point of use.

* Oil and Gas Journal - June 14, 1976

In the long term world scene, protein will be in short supply. Imperial Chemical Industries* has found that it is possible to produce an excellent animal food by growing bacteria on methanol.

Under the right conditions, bacteria can double their mass in an hour. To quote Dr. Peter Reynolds*, "whereas a half-ton cow can synthesize a pound of protein in a day, a half-a-ton of bacteria could make a million tons". According to Reynolds, the amino-acid profile of the protein is excellent for animal nutrition and further, the animals love and thrive on it.

As a boiler feed material, methanol has proved to be a clean fuel for two reasons. In the New Orleans Public Utility tests** not only were the stack gases clean but the burning of only several thousand tons of methanol cleansed the boiler tubes and enhanced the heat transfer surfaces. However, extended use of methanol as a boiler feed requires experimentation to discover the results of the long term effects.

Methanol is also a potential feed to a turbo-generator. This use will also require research and development by equipment manufacturers.

As a chemical intermediate, methanol is the feedstock for plants that produce formaldehyde, dimethyl terephthalate, methyl halides, methyl methacrylate, acetic acid, methylamines, and glycol methyl ethers. The Hat Creek plant could conceivably be expanded to provide for the manufacture of some of these derivatives in secondary industries.

To consider methanol as a basic product for Hat Creek is to direct the attention to the production of a hydrogen carrier. Such a carrier could then be compared to other hydrogen

* Energy World - May 1975
** Personal observation

carriers. Current estimates of the cost of hydrogen from several carriers is as follows:

Methanol	\$3.19 - \$ 3.52 per MMBTU
Natural Gas	\$4.09 - \$ 4.41 per MMBTU
LNG	\$4.18 - \$ 4.52 per MMBTU
Naphtha	\$4.50 - \$ 4.92 per MMBTU
Electrolysis	\$7.87 - \$10.00 per MMBTU.

From the above concept a closer look at methanol may be required for Hat Creek coal.

Methanol as well as ammonia and SNG are ideal candidates for a mixed product plant. The three products lend themselves to the same front end equipment. However, the introduction of two or three downstream unit processes to convert synthesis gas to either methanol, ammonia or SNG may compromise the savings realized in using a common front end. The concept of a composite plant requires both consideration and analysis, but beyond the scope of this study.

The findings on the potential methanol markets do not project as clear a direction as is found in SNG and ammonia. There is an ample and continuing market for SNG and the level of Hat Creek potential production is only a small fraction of the current market. There is a limited tonnage market for large volumes of ammonia and its derivatives in both North America and the world. But in the case of methanol there is a large potential market but not an assured market.

Coke prices may not expand at their current accelerated levels. Alcohol motor fuels may fail to be adapted by the motor industry. Protein production may be found to be more acceptable in an ethanol media in preference to methanol. So consideration of large scale methanol production rests on a non-assured market and may require consideration of methanol as part of a mixed plant product rather than a principal plant product. The assurance of a methanol market for Hat Creek would be greatly reduced should Middle East flare gas be converted in large quantities to methanol.

5.2.5 Miscellaneous Hydrocarbon Products

A range of hydrocarbon products can be produced from Hat Creek coal by several different processes. The following table identifies the principal product of the several processes under review.

Table 5.2.14

Hydrocarbon Products					
Process	Principal Products				
Fischer-Tropsch	Motor Fuel				
Lurgi-Kellog	Motor Fuel				
SRC-1 - Gulf	Coal Solids				
SRC + H-0i1	Light Refinery Liquids				
Lurgi-Ruhrgas	Tars and Power				

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The above principal products are all energy products. Should one of the above processes be considered at Hat Creek, the products would require a frame of reference that would extend beyond the local area.

The conversion of 18,000,000 tons of coal to various hydrocarbons would introduce commodities into a marketplace with an insatiable and increasing demand. A review of the Canadian hydrocarbon market as it relates to U.S. and world energy markets will demonstrate the comparative volumes.

Working with the latest United Nations statistical paper (Series J, No. 19)* the relationship of Canadian production, trade and consumption of commercial energy as compared to the U.S. and the world, can best be described in tabular form of coal equivalent as the reference unit. These data* follow:

* World Energy Supplies (1950-1974) United Nation Series J, No.19

(millions metric tons of coal	equivalent*	or 29,300	,000 KJ/MT)			
Production	<u>Canadian</u>	<u>U.S.A.</u>	World			
Total Primary Energy	282	2,105	8,641			
Coal and Lignite	19	544	2,513			
Crude Petroleum and Nat. Gas. Lig.	139	729	4,248			
Natural Gas	98	781	1,675			
Hydro & Nuclear Electricity	28	52	205			
Imports	79	486	3,150			
Exports	129	.63	3,225			
Bunkers	5	25	243			
Consumption						
Aggregate	221	2,433	7,971			
Solid Fuels	20	500	2,531			
Liquid Fuels	113	1,068	3,567			
Natural Gas	61	811	1,668			
Hydro & Nuclear Electricity	26	53	205			

Energy Data - 1974

On a total primary energy basis, Canadian energy production and consumption is small by comparison to U.S. and world totals. The relative percentages are noted below:

Table 5.2.16

<u>C</u>	anadian Relationships	
	(in percentages)	
	To U.S.A.	<u>To World</u>
Energy Production	16%	3%
Energy Consumption	9%	3%

These data suggest that suitable energy materials, that Canada would have for export, would not substantially effect either the U.S. or world markets. Conversely, in todays energy market, suitable Canadian hydrocarbons could find a ready market if priced reasonable.

* Based on definition of coal equivalent as shown on page xviii of World Energy Supplies (1950-1974) United Nations Series J, No. 19. Even in 1974, Canada exported some 55 to 60 million metric tons of coal equivalent of mixed hydrocarbons, providing a revenue of the order of 1 to 2 billion dollars. In todays energy situation, these revenues may not be expandable following the development of a Canadian national conservation policy.

Currently Canada's flows of solid fuels (primarily coal) are noted below:

Table 5.2.17

Canadian Solid Fuel Flows* (1974)

(millions of metric tons of coal equivalent or 29,300,000 kJ/MT)

Productions	19
Imports	13
Exports	11
Consumption	21

The bulk of the imports are from the U.S. Appalachian area for use in the Ontario steel mills and power plants. The bulk of the exports are shipments of western Canadian metallurgical coal bound for Japan. The Hat Creek coal is non-metallurgical and it is very unlikely that it could enter into these steel markets even with an expected doubling of Canadian metallurgical coal to Japan.

The liquid fuel flows are primarily crude petroleum and natural gas liquids. The flows shown below are given in terms of million metric tons of liquid and not coal equivalents.

Table 5.2.18

<u>Canadian Liquid Fuel Flows</u>* (1974) (Millions of metric tons of liquid)

Natural Gas Liquid Production	11
Crude Petroleum Production	83
Imports of Liquids	41
Exports of Liquids	40
Stock Additions	-1
Apparent Supply to Refineries	84
Refining Capacity	101

* World Energy Supplies (1950-1974) United Nations (Series J, No. 19) These data indicate that Canada is presently self-sufficient in hydrocarbon liquids and that imports and exports are exchanged to compensate for the wide geographic expanse of the nation. The bulk of the imports are generally directed to the eastern provinces in approximate exchange for Canadian crude to the western parts of the U.S.A.

Canada appears to have a reasonable supply of natural gas liquids available for petrochemical production. This flow as well as the flows to the refineries could readily be supplemented with liquids produced from Hat Creek coal. At a rough ratio of one barrel of liquid per ton of coal, the 18,000,000 annual barrels would translate into some 3 million metric tons, or equivalent to some 3 percent of current refining capacity. Should liquids be manufactured at Hat Creek, the flow would have a small impact on the Canadian liquid market.

However, the flow of the liquid by-products could have an effect on the non-energy Canadian petroleum products market because of the relatively small volumes involved. These are shown below:

Table 5.2.19

Canadian Non-Energy	Petroleum	Products*
(millions of	metric tor	ns)
Total Flows		4.434
Naphtha		0.513
Bitumen and Road Oil	S	2.993
Paraffin Wax		0.040
Petroleum Coke		0.263
Lubricating Oil		0.625

Were Hat Creek liquids to be directed at the petroleum energy markets, the small production would not be expected to effect the overall national liquid energy structure and the amount would probably be consumed in the local area. The data is noted below.

* United Nations Reference

10010 3.2.20	
Canadian Petr	roleum Energy Flows*
(millions	of metric tons)
Major Product Aggregates	
Production	83
Imports	4
Exports	10
Bunkers	3
Apparent Consumption	73
Liquefied Petroleum Gases	
From Refineries	0.755
From Plants	4.419
Imports .	0.006
Exports	3.128
Apparent Consumption	2.054
Eucl Oilc	
Fuel Oils	
Distillates	23
Residuals	21
Imports	3
Exports	6
Bunkers	3
Apparent Consumption	37

The importance of the above review is that hydrocarbon products, at the 18,000,000 ton coal feed level, would find ready markets at reasonable cost.

5.2.6 Chemical Feedstock

Two aromatic compounds are reviewed here as potential candidates to be considered as principal products. They are Benzene and Phenol.

* United Nations Reference

Historically, aromatic ring compounds were ever associated with coal tar chemicals, the coal itself being possessed of a wide mixture of ring compounds. In the coal gasification process, some of the products are ring compounds (phenols and other derivities of benzene) if the reaction temperatures are not extreme.

The question to be resolved in this section is the size of a potential market for these products. If the market is relatively small, the by-product production could satisfy the demand. Should the market be insatiable, the possibility of a benzene or toluene synthesis can be investigated.

In the production of 250,000,000 SCFD (7 x $10^6 \text{ Nm}^3/\text{day}$) of SNG some 45,000 metric tons per year of phenols are recovered as by-products.

Current U.S. consumption of phenols is of the order of 1.0 million metric tons and is expected to rise to 1.3 million metric tons by the 1980's. The potential Hat Creek by-product production would be of the order of 4-5% of U.S. consumption, small enough to be absorbed in the North American market.

Should the Hat Creek plant be dedicated to the production of benzenes and phenols, the combined production at the 3,000,000 tons per year coal input level would be about 400,000 metric tons. This volume approaches 50% of U.S. demand and would require a world market for its distribution. Therefore any consideration of a dedicated plant would require a reference to the world markets for benzene and phenol. However, before the world market is reviewed, the Canadian production is analyzed. Eastern Canada now has a 400,000 metric tons of benzene capacity in the Sarnia area. Western Canada has proposals for 1 million metric tons, all in the Alberta area. The current and potential producers are shown below.

Table 5.2.21

<u>Canadian Benzene Producers</u>* (thousand metric tons)

·	Current	Under Construction	Proposed
Gulf Oil, Montreal	64		<u> </u>
Petrofina, P.A. Trembles	82		
Texaco, Port Credit	16		
Esso, Sarnia	100		
Polysar, Sarnia	68		
Shell, Sarnia	25	:	
Sun, Sarnia	38_	,	
	393		
Shell, Sarnia	•	25	
Petrosar, Sarnia		<u>375</u>	
	а.	400	
Petro-Alberta, Ft. Sask.	:		500
AGTL/AGC/Dow, Bruderheim			445
			945

The new Sarnia capacity will provide for the Canadian demand until 1980. The proposed Alberta capacity will probably move westward to the Pacific rim for part of the production and through the Panama Canal for the remainder. Should the proposed Alberta capacity become a reality, there would be little room for a Hat Creek benzene supply.

Whereas Canadian production is headed to a 2 million metric ton level, world demand is headed to 10 times this amount, one third of which will be consumed by the U.S. The data is show below.

* Canadian Petroleum - September 1976

Table 5.2.22

Benzene Supply/Demand* (thousand metric tons)

	<u>Canada</u>	<u>U.S.A.</u>	World_
Current (1977)	400	5,000	12,000
1977 - 1978	800	6,000	14,000
1978 - 1980	1,800	7,00	20,000

At the right world price, Canadian benzene could move into the world marketplace. This is to say that 400,000 M.T. additional B. C. production at the 3 million tons of coal level, could potentially find a market, but a mammoth dedicated plant at 6 times this production would be hard pressed to market its product.

Whereas world benzene capacity is of the order of 12,000,000 metric tons, world phenol is about one quarter of this volume and is expected to expand by 25% by the 1980's. The world data is shown below.

Table 5.2.23

Phen	ol Capacity*	
(thousan	d metric tons)	
	Current	1980
North America		
U.S. & Puerto Rico	1,266	1,563
Canada	50	61
Mexico	0	25
South America	62	128• •
Western Europe	1,048	1,233
Eastern Europe	220	220
Asia & Pacific	366	470
	3,012	3,700

* Stanford Research Institute data

Should 45,000 metric tons of phenol from a 7 x 10^{6} Nm³/day SNG plant at Hat Creek be introduced into the market place, it could find a market. However, whereas a dedicated plant producing 10 times this amount would have to scramble for markets (3,000,000 tons of coal), a larger plant (18,000,000 tons of coal), would produce a phenol stream about equal to world capacity. In short, neither phenol nor benzene should be seriously considered from a 3,000,000 tons per annum dedicated coal fed plant and never from an 18,000,000 tons per year coal fed Hat Creek plant.

5.3 Economic Evaluation

The economic evaluations in this Report are presented at two levels of detail. The lower level of detail is used to compare the overall economics of 14 coal conversion processes.

Once the overall economics are examined and a single recommended process is selected, a detailed economic analysis is presented for the one process. The process that is selected is chosen on both a market and an economic basis. In a subsequent section, the three additional factors of technology, process risk, and environmental impact are applied to the 14 processes to further confirm the process selection.

It is to be noted that the economic evaluations are all based on raw rather than washed coal.

Should a coal beneficiation plant have been considered, the dense medium systems would not cost less than \$10 per annual ton of raw coal throughput. The washing costs would add about \$2 - 4 per ton to the cost of the clean coal product. The economics of plant size for coal preparation plants is not appreciable for throughputs over 2-4 million tons per annum, and in the present case we are considering throughputs of 18,000,000 t.p.a. A cost of a beneficiation plant at this throughput would be of the order of \$180,000,000.

As seen from Table 4.1, the beneficiation plant would produce a final product containing 17.5% ash at 22.5% moisture content, i.e. 40% inerts. The washed product would exit with an ash content equal to or higher than the ash content of the input feedstocks in a conventional beneficiation plant.

The above considerations have lead to the conclusion that coal beneficiation of Hat Creek coal by washing is not feasible on technicoeconomic grounds.

It is to be noted that the effect of supplying washed coal to the several process units would be similar. That is, the extra yields on a proportionate basis would be about the same.

5.3.1 The Range of Processes

The processes under review manufacture gases, liquids and solids as principal products. The description of these processes is treated in Part 6 of this Report. The 14 processes mentioned above are listed below and their principal products are identified in the following table:

Tabl	le 🗄	5.	3.]

Range of Processes

	Process	Principal Product
1.	Lurgi	Pipeline Gas (SNG)
2.	Koppers Totzek	Pipeline Gas (SNG)
3.	Winkler	Pipeline Gas (SNG)
4.	Lurgi	Ammonia
5.	Koppérs-Lurgi	Ammonia
6.	Winkler	Ammonia
7.	Lurgi	Methanol
8.	Koppers	Methanol
9.	Winkler	Methanol
10.	Fischer Tropsch	Motor Fuel
17.	Lurgi-Kellogg	Motor Fuel
12.	SRC-1 - Gulf	Coal Solids
13.	SRC + H-Oil	Light Refinery Liquids
14.	Lurgi Ruhrgas	Tars and Power

The lower level of economic indication involves capital cost, working capital, production volumes, revenue analyses, and the thermal efficiency of conversion. The selection of the one process is made on the revenue/capital ratio and the percent efficiency derived from the above data. 5.3.2 <u>Pipeline Gas (SNG)</u>

The production of pipeline gas (970 - 1000 BTU/cu.ft.) by the three processes, Lurgi, Koppers-Totzek and Winkler, would generate 7 x 10^6 Nm³/d in addition to the following liquid and solid products:

<u>Table 5.3.2</u>

By-Products of SNG Units

(thousand of metric tons per year)

· .	Lurgi	<u>Koppers-Totzek</u>	<u>Winkler</u>
Tar	189	-	-
011	189	-	-
Naphtha	145	-	-
Phenols	45	-	-
Sulphur	34	65	60
Power Generation		(∼21 MW)	

The totals of the revenues from the by-products as well as the pipeline gas are listed below alongside the sum of the capital costs and working capital.

Tabl	е	5.	3.	3

SNG Plants Comparative Data (Current Costs)			
	<u>Lurgi</u>	<u>Koppers-Totzek</u>	<u>Winkler</u>
Annual Revenues 10 ⁶ \$	303	228	217
Capital Cost & Working Capital 10 ⁶ \$	933	894	927
Revenue/Capital Ratio	0.32	0.26	0.23
Thermal Efficiency	61.9%	49.7%	50.8%

From the above data, the Lurgi route to SNG was selected, both from a consideration of the Revenue/Capital Ratio and the Thermal Efficiency.

5.3.3 <u>Ammonia</u>

The production of ammonia through the front ends of the Lurgi, Koppers-Totzek and Winkler units would be supplemented by the following by-products:

Products of the Ammonia Plants

Table 5.3.4

(thousand of metric tons per year)			
	Lurgi	Koppers-Totzek	<u>Winkler</u>
Ammonia	479	756	740
SNG (Methanol)	174x10 ⁶ M ³ /a	-	46x10 ⁶ M ³ /a
Tar	29	-	-
Oils	29	-	-
Naphtha	23	-	-
Phenols	7	-	-
Sulphur	6	9	9

As in Section 5.3.2, the following comparative data is presented in a similar manner.

Table 5.3.5

Ammonia Plant Comparative Data (Current Costs)			
_	Lurgi	<u>Koppers-Totzek</u>	<u>Winkler</u>
Annual Revenues 10 ⁶ \$	600	677	737
Capital Cost & Working Capital 10 ⁶ \$	853	835	835
Revenue/Capital Ratio	0.70	0.81	0.88
Thermal Efficiency	58.5%	47.1%	50.2%

The revenue/capital ratios of ammonia production are over twice those of SNG production, but the thermal efficiencies are of the same order of magnitude. Were there an assured market for ammonia in such large quantities, ammonia production would be selected over SNG production. Since the reverse is the case, on the basis of 18,000,000 t/a, raw coal feed, SNG is favoured.

5.3.4 Methanol

For a third product the front ends of the Lurgi, Koppers-Totzek and Winkler processes are used to manufacture methanol. The products from the three routes are shown below.

Table 5.3.6

	Production of the Methanol Plants (thousand of metric tons per year)			
	Lurgi	Koppers-Totzek	<u>Winkler</u>	
Methanol	411	678	643	
SNG	186x10 ⁶ M ³ /a	3.4x10 ⁶ M ³ /a	50x10 ⁶ M ³ /a	
Tar	31	-	-	
0i1	31	-	-	
Naphtha	24	-	-	
Phenols	8	-	-	
Sulphur	6	11	9	

The above products revenues are compared to the total capital costs in the following table:

Table 5.3.7

Methanol Plant Comparative Data (Current Costs)

	Lurgi	Koppers-Totzek	Winkler
Annual Revenues 10 ⁶ \$	277	309	314
Capital Costs & Working Capital 10 ⁶ \$	664	737	737
Revenue/Capital Ratio	0.42	0.42	0.43
Thermal Efficiency	56.4%	42.4%	45.3%

The capital ratios are greater than those found in the SNG plant case while the efficiencies are lower. Here again the lack of assurance of a firm market for methanol subjugates its choice as the selected product in favour of SNG production. Nevertheless an analysis of revenues, operating costs and cash flows were developed for the years 1978 - 2010 and are shown in Table 5.3.15.

5.3.5 Miscellaneous Hydrocarbon Products

Here we relate the economics of 5 different processes that produce energy materials that can also be used as a petrochemical feedstock, thus the nomenclature, hydrocarbon products. The 5 processes with their products are shown below.

Hydrocarbon Plant Products (From 18,000,000 tons coal)

Table 5.3.8

(the	ousand of me	etric tons	per yea	r)	
	Fischer Tropsch	Lurgi Kellogg	SRC-1 Gulf	SRC <u>H-0i1</u>	Lurgi Ruhrgas
SNG Pipeline Gas	-	-	_	-	221x10 ⁶ M ³ /a
Tars	-	-	-	-	892
Phenols	-	-	-	-	27
Power*	-	-	-	-	13x10 ⁶ MWH/a
Motor Fuel	1,495	1,267	-	-	25
E-T By-Products	169	237	-	-	-
Gasification By-Products	263	231	-	-	-
SRC-1 Solids	-	-	2,134	-	-
Light Refinery Liquids	-	-	525	1,780	-
LPG	-	-	151	277	-

*Produced from char.

The revenues from the above products would generate the following cash flows.

Table 5.3.9

Hydrocarbon Plant Comparative Data (Current Costs)

	Fischer Tropsch	Lurgi <u>Kellogg</u>	SRC-1 Gulf		Lurgi <u>Ruhrgas</u>
Annual Revenues 10 ⁶ \$	380	352	144	276	379
Capital Costs & Working Capital 10 ⁶ \$	1,305	1,152	1,376	2,272	1,270
Revenue/Capital Ratio	0.29	0.31	0.10	0.12	0.30
Thermal Efficiency	38%	34%	52%	44%	40%

The revenue/capital ratios are generally less than those found in the SNG, ammonia, and methanol analyses. The thermal efficiencies are in the medium to low ranges.

Whereas the range of products are capable of being fully marketed, the selection of the SNG route is still favoured.

5.3.6 Chemical Feedstocks

Considerations of chemical feedstocks has resulted in the determination that the aromatic benzene and phenol are not principal but secondary products. For this reason, capital and revenue analyses were not prepared for comparison with the principal products.

5.3.7 Evaluation of the Selected Process

SNG production has been selected for production consideration at Hat Creek because of its ready marketability. Further, from the comparative data, SNG production is preferable, both on a revenue/capital ratio and efficiency basis.

At this juncture, it is appropriate to shift to a more intensive level of economic analyses of an SNG production facility.

The SNG plant capital cost is first presented in detail in terms of those dollars that would be spent during the construction years. This development is shown on Table 5.3.12.

The revenues, operating costs, and cash flows were developed for the years 1978-2010. The cash flows were calculated for SNG sales at \$2.00 to \$5.00 per 10^6 BTU in 1981 based on the suggested B. C. Hydro cost criteria. The development of the 1981 prices are shown below.

Table 5.3.10

	SNG Price Development											
(Dollars per million Btu's)												
	Cost											
Year	<u>Criteria</u>	Low	<u>Probable</u>	Medium	<u>High</u>							
1976/77	Base Year	\$1.43	\$2.15	\$2.86	\$3.58							
1977/78	11%	\$1.59	\$2.39	\$3.17	\$3.97							
1978/79	9%	\$1.73	\$2.60	\$3.46	\$4.33							
1979/80	8%	\$1.89	\$2.81	\$3.74	\$4.68							
1980/81	7%	\$2.00	\$3.00	\$4.00	\$5.00							
Beyond	5%											

The per ton coal costs were based on the B. C. Hydro suggested range of \$5.50, \$7.50, and \$10.00 for 1976/77 and projected to \$8.00, \$11.00, and \$14.68 for 1980/81 and at 5% per year additional for the years to 2010.

Within the above price and cost parameters and for the economic life of the plant of 30 years, the internal rates of return were calculated. The 30 year projections at the \$3.00 SNG selling price and the \$5.50 base year coal cost are detailed on Tables 5.3.13 to 5.3.14 and the results of the range of internal rates of return are summarized below.

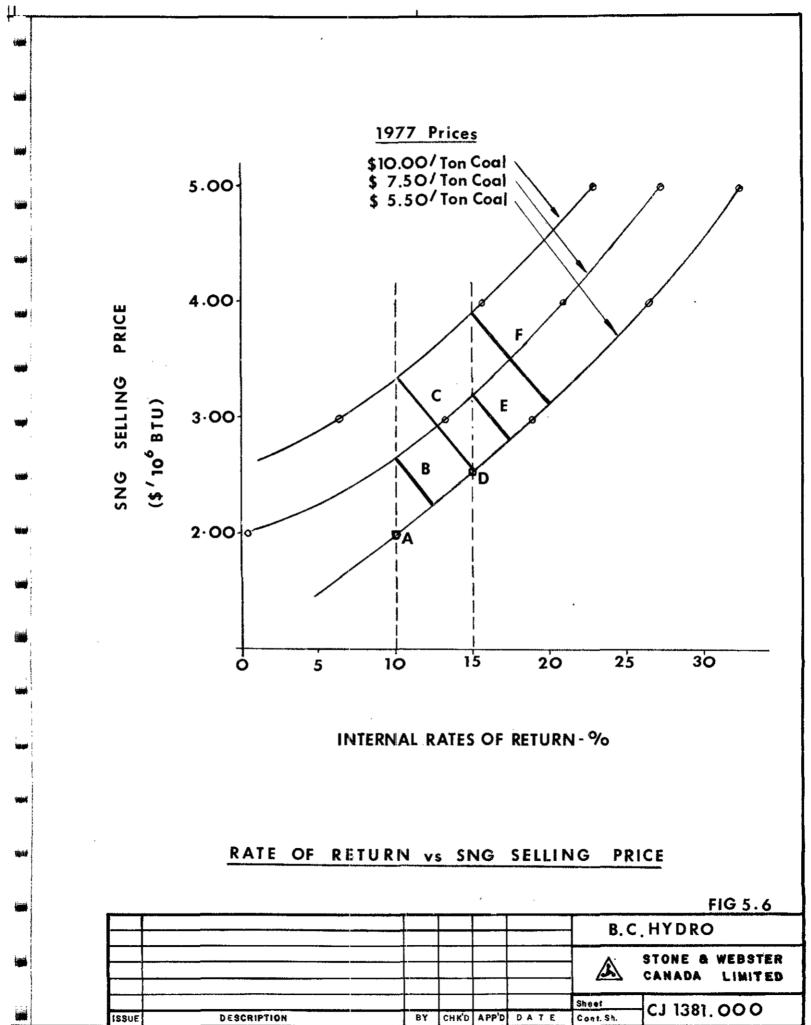
Table 5.3.10A

	Bas	e Year Coal (Costs
<u>SNG Price/10⁶ BTU</u>	<u>\$5.50</u>	\$7.50	\$10.00
\$2.00	9.77%	0.97%	Negative
\$3.00	18.32%	13.63%	5.95%
\$4.00	25.15%	21.22%	15.90%
\$5.00	31,18%	27.68%	23.07%

Internal Rates of Return

These data are plotted on Figure 5.6. By examining the graph, the management of Hat Creek can determine what the effect of the SNG selling price would have on the internal rate of return. In addition, the lost opportunity cost of relegating the 18,000,000 tons of coal annually to SNG production can be determined by further examination of the same graph.

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For example, should the SNG selling price be \$3.15 per 10^6 BTU in 1981, the lost opportunity cost would be about \$2.00 per ton at a 15 percent internal rate of return. The amount of this lost opportunity is represented by line E on the graph, the base line being the given \$5.50 coal price in 1977. Other estimates of lost opportunity costs at the various internal rates of return and SNG selling prices are shown by points A and D and lines B, C, E, and F. Their approximate values are shown in the following table.

Table 5.3.10B

Lost Opportunity Costs

	SNG <u>Selling Price</u>	Internal <u>Rate of Return</u>	Lost <u>Opportunity Cost</u>
Point A	\$2.00	10%	Zero
Line B	2.65	10%	\$2.00
Line C	3.35	10%	4.50
Point D	2.50	15%	Zero
Line E	3.15	15%	\$2.00
Line F	3.85	15%	4.50

By visualizing a curve for \$14.50 coal, and projecting the intersection of a \$5.00 SNG price and a 15 percent internal rate of return, a lost opportunity cost of some \$9.00 may be reasonable to imagine within the selected parameters.

Should future energy supplies continue to diminish, an SNG plant may be able to realize the higher lost opportunity costs from the Hat Creek coal reserve.

Table 5.3.11

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INDICATION OF PROJECT RISK

(Millions of Dollars)

Basis - (18,000,000 T.P.A. Coal Feed) (Current Costs) (30 year plant life)

		Pipe	line Gas	(SNG)		Ammonia			Methanol		Synth.	Liquids	Hydroge Produ		Pyrolysis Products
PRODUCTS	PRICES	Lurgi	Koppers Totzek	Winkler	Lurgi	Koppers Lurgi	Winkler	Lurgi	Koppers	Winkler	Fischer Tropsch	Lurgi Kellogg	SRC-1 Gulf	SRC + H-011	Lurgi Ruhrgas
SNG Pipeline Gas	7.6¢/Nm ³	212	222	215	80		21	1	2	23					16
Tars	\$ 84.00/M.T.	16			15			16							74
Tar Oils	\$128.00/M.T.	24			22			24							
Naphtha	\$161.00/M.T.	23			22			23							
Phenols	\$600.00/M.T.	27			25			27							16
Sulphur	\$ 25.00/M.T.	1	2	2	1	2	2	1	2	2					
Power	\$.02/KWH		4						F						269
Ammonia	\$150.00/M.T.				435	675	714]		
Methano]	\$ 75.00/M.T.							185	305	289					
Motor Fuel	\$167.00/M.T.										250	212			4
F-T By-Products	\$300.00/M.T.										51	71			
Gasification By-Products	\$300.00/M.T.										79	69			
SRC-1 Solids	\$ 35.00/M.T.												75		
Light Refinery Liquids	\$132.00/M.T.												46	234	
LPG	\$150.00/M.T.			-									23	42	
Annual Rever	lues	303	228	217	600	677	737	277	309	314	380	352	144	276	379
Capital Cost & W	lorking Capital	933	894	927	853	835	835	664	737	737	1,305	1,152	1,376	2,272	1,270
Revenue/Capital	Ratio	0.32	0.26	0.23	0.70	0.81	0.88	0.42	0.42	0.43	0.29	0.31	0.10	0.12	0.30
Thermal Efficier Conversion	ncy of*	61.9	49.7	50.8	58.5	47.1	50.2	56.4	42.4	45.3	38.0	34.0	52.0	43.5	40.1

* At plant gate. Comparisons of efficiencies in end use are complex undertakings and considerable disagreement exists between differing investigators. The conclusions for electricity as against SNG reported in "Studies of Advanced Electric Power Generation Techniques and Coal Gasification. Based on Hat Creek Coal" (Ref. 5.24) may be usefully contrasted with results of studies reported by Pacific Gas and Electric Company (Ref. 5.25).

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Construction Cost

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(Thousands of Dollars)

				(11100301103 0	5011413)						
	ANG St 1976 Do <u>Material</u>	udy Mars <u>Other</u>	1976 Total <u>Cost</u>	Inflated C January <u>Material</u>		Total <u>Cost*</u>	<u>1978</u>	Distrik <u>1979</u>	oution <u>1980</u>	<u>1981</u>	<u>1982</u>
<u>Process Equipment</u> Lurgi Gasification Shift Conversion Tar Separation Rectisol Unit Methonation Phenosolvan Unit	\$ 74,700 18,900 7,400 47,900 25,500 22,700	\$ 37,000 12,300 6,500 34,200 17,900 20,700	\$111,700 31,200 13,900 82,100 43,400 _43,400	\$ 83,000 21,000 8,200 53,200 28,300 25,200	\$ 41,100 13,700 7,200 38,000 19,900 22,900	\$124,100 34,700 15,400 91,200 48,200 48,100		\$ 21,100 5,900 2,600 15,500 8,200 8,200	\$ 63,300 17,700 7,900 46,500 24,600 _24,500	\$ 39,700 11,100 4,900 29,200 15,400 15,400	- - -
Total	197,100	128,600	325,700	218,900	142,800	361,700		67,500	184,500	115,700	
ercentage Distribution		-	~	-	• • •		0	17%	51%	32%	-
upporting Facilities col prep. & Ash Disposal Product Compression Oxygen Plant Sulphur Recovery Plant Steam Generation & Scrubbing Nater Supply & Treatment System	29,900 7,400 38,300 14,900 79,100 24,200	23,100 5,000 35,200 12,900 42,000 17,700	53,000 12,400 73,500 27,800 121,100 _41,900	33,200 8,200 42,600 16,500 87,900 26,800	25,600 5,500 39,100 14,300 46,700 19,700	58,800 13,700 81,700 30,800 134,600 _46,500	-	10,000 2,300 13,900 5,200 22,900 23,300	30,000 7,000 41,700 15,700 68,600 23,200	18,800 4,400 26,100 9,900 43,100	-
Total	193,800	135,900	329,700	215,200	150,900	366,100	-	77,600	186,200	102,300	
ercentage Distribution (except Water)							0	17%	51%	32%	
ercentage Distribution - Waters							50%	50%			
eneral Facilities ower Distribution liping, Storage suildings, Land & Equip. liscellaneous Total Subtotal	3,400 6,100 18,400 <u>17,600</u> 45,500 436,400	7,800 10,100 14,000 <u>88,300</u> 120,200 384,700	11,200 16,200 32,400 105,900 165,700 821,100	3,800 6,800 20,400 <u>19,500</u> 50,500 484,600	18,700 11,200 15,600 <u>98,000</u> 133,500 427,200	12,500 18,000 36,000 <u>117,500</u> 184,000 911,800	5,000 7,200 14,400 29,400 56,000 56,000	5,000 7,200 14,400 29,400 56,000 195,100	1,200 1,800 3,600 29,400 36,000 406,700	1,300 1,800 3,600 <u>29,300</u> 36,000 254,000	
Percentage Distribution			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	404,000	427,200	511,000	40%	40%	10%	10%	
(except Misc.) ercentage Distribution - Misc.							25%	25%	25%	25%	
ther Capitalized Outlays tartup and Training ngineering Superv. & Inspect. dmin. & General ontingency Allowance - 10%		- - -	31,200 6,200 12,300 82,100	- - -	 	34,600 6,800 13,700 _91,200	- 1,700 3,500 <u>22,80</u> 0	- 1,700 3,400 22,800	1,700 3,400 22,800	17,300 1,700 3,400 22,800	17,300 - - -
Grand Total			952,900			1,058,100	84,000	223,000	434,600	299,200	17,300
ercentage Distribution - Startup ercentage Distribution - All Othe						- • ·	25%	25%	25%	50% 25%	50%
+ Fixed Coat Conturat									,	-	

* Fixed Cost Contract

SNG PROCESS

Income and Expense 1978-1989

(Thousands of Dollars)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	<u>1987</u>	<u>1988</u>	1989
Revenue from Product Sales Pipeline Natural Gas (\$3.00/MM BTU)	-	-	-	\$ 68,438	\$287,438	\$301,809	\$316,900	\$332,745	\$349,382	\$366,851	\$385,194	\$404,453
By-Products	-	-	-	29,200	122,500	128,700	135,100	141,800	148,900	156,300	164,200	172,400
Total Revenues	-	-		97,638	409,938	430,509	452,000	474,545	498,282	523,151	549,394	576,853
Direct Operating Expenses												
Feedstock Coal (18.0 MM Tons)	-	-	-	36,000	151,200	158,800	166,700	175,000	183,800	193,000	202,600	212,800
Contract Maintenance Expenses	-	-	~	7,500	31,400	33,000	34,600	36,300	38,200	40,100	42,100	44,200
Production Salaries & Benefits	-	-	-	4,300	17,900	18,800	19,700	20,700	21,800	22,800	24,000	25,200
Electric Power System	-	-	-	3,300	13,700	14,400	15,100	15,900	16,700	17,500	18,400	19,300
Catalysts and Chemicals	-	-	-	2,100	8,900	9,300	9,800	10,300	10,800	11,400	11,900	12,500
Total Direct Operating Expenses	-	-	-	53,200	223,100	234,300	245,900	258,200	271,300	284,800	299,000	314,000
Administrative & General Expenses												
Office Salaries & Benefits		-	-	2,200	9,000	9,400	9,900	10,400	10,900	11,500	12,000	12,600
Property Ins., Injury & Damage	-	-	-	900	3,900	4,100	4,300	4,500	4,700	5,000	5,200	5,500
Office Supplies and Expenses	-	-	-	200	630	660	690	730	770	800	840	890
Miscellaneous General Expenses	-	-	-	25	105	110	120	120	<u> </u>	130	140	<u>150</u>
Total Admin. & General Expenses	-	-	-	3,325	13,635	14,270	15,010	15,750	16,500	17,430	18,180	19,140
Total Expenses	-	-	-	56,525	236,735	248,570	260,910	273,950	287,800	302,230	317,180	333,140
Cash Generated from Operations	-	-	-	41,113	173,203	181,939	191,090	200,595	210,482	220,921	232,214	243,713
Less: Construction Outlays Initial Working Capital	84,000	223,000	434,600	299,200	17,300		-	-	-	-	-	-
Cash Flow from Gasification	(84,000)	(223,000)	(434,600)		155,903	181,939	191,090	200,595	210,482	220,921	232,214	243,713
									<u> </u>			

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Note: Thirty year plant life.

Table 5.3.13 (cont'd)

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Income and Expense 1990 - 2001

(Thousands of Dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Revenue from Product Sales												
Pipeline Natural Gas By-Products	\$424,676 181,000	\$445,910 <u>190,100</u>	\$468,205 199,600	\$491,616 209,600	\$516,196 220,000	\$542,006 231,000	\$569,106 242,600	\$597,562 254,700	\$627,440 267,400	\$658,812 280,800	\$691,752 294,900	\$726,340 309,600
Total Revenues	605,676	636,010	667,805	701,216	736,196	773,006	811,706	852,262	894,840	939,612	986,652	1,035,940
Direct Operating Expenses												
Feedstock Coal (18.0 MM Tons) Contract Maintenance Expenses Production Salaries & Benefits Electric Power System Catalysts and Chemicals	223,400 46,400 26,500 20,300 13,100	234,600 48,700 27,800 21,300 13,800	246,300 51,200 29,200 22,300 14,500	258,600 53,700 30,600 23,500 15,200	271,600 56,400 32,200 24,600 16,000	285,200 59,200 33,800 25,900 16,800	299,400 62,200 35,500 27,200 17,600	314,400 65,300 37,200 28,500 18,500	330,100 68,600 39,100 29,900 19,400	346,600 72,000 41,000 31,400 20,400	363,900 75,600 43,100 33,000 21,400	382,100 79,400 45,300 34,700 22,400
Total Direct Operating Expenses	329,700	346,200	363,500	381,600	400,800	420,900	441,900	463,900	487,100	511,400	537,000	563,900
•												
Administrative & General Expenses												
Office Salaries and Benefits Property Ins., Injury & Damage Office Supplies and Expenses Miscellaneous General Expenses	13,200 5,800 930 160	13,900 6,100 980 170	14,600 6,400 1,030 170	15,300 6,700 1,080 180	16,100 7,000 1,140 190	16,900 7,400 1,190 200	17,700 7,700 1,250 210	18,600 8,100 1,300 220	19,500 8,500 1,380 230	20,500 9,000 1,450 240	21,600 9,400 1,520 <u>260</u>	22,600 9,900 1,600 <u>270</u>
Total Administrative & General Expenses	20,090	21,150	22,200	23,260	24,430	25,690	26,860	28,220	29,610	31,190	32,780	34,370
Total Expenses	349,790	367,350	385,700	404,850	425,230	446,590	468,760	492,120	516,710	542,590	569,780	598,270
Cash Generated from Operations	255,866	268,660	282,105	296,356	310,966	326,416	342,946	360,142	378,130	397,022	416,872	437,670
Less: Construction Outlays	-	-	-	-	-	-	-	-	~	-	-	-
Initial Working Capital	- ·	-	-	-	-	-	-	- ·	-	-	-	-
Cash Flow from Gasification	255,886	268,660	282,105	296,356	310,966	326,416	342,946	360,142	378,130	397,022	416,872	437,670

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SNG PROCESS

Income and Expense 2000-2010

(Thousands of Dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue from Product Sales Pipeline Natural Gas By-Products Total Revenues	\$ 762,657 <u>325,100</u> 1,087,757	\$ 800,790 341,300 1,142,090	\$ 840,829 <u>358,400</u> 1,199,229	\$ 882,871 <u>376,300</u> 1,259,171	\$ 927,014 <u>395,100</u> 1,322,114	\$ 973,365 <u>414,900</u> 1,388,265	\$1,022,033 1,457,633	\$1,073,135 <u>457,400</u> 1,530,535	\$1,126,792 <u>480,300</u> 1,607,092
<u>Direct Operating Expenses</u> Feedstock Coal (18.0 MM Tons) Contract Maintenance Expenses Production Salaries & Benefits Electric Power System Catalysts and Chemicals Total Direct Operating Expenses	401,200 83,400 47,600 36,400 23,500 592,100	421,300 87,600 50,000 38,200 24,700 621,800	442,300 91,900 52,500 40,100 25,900 652,700	464,400 96,500 55,100 42,100 27,200 685,300	487,700 101,400 57,900 44,200 28,600 719,800	512,000 106,400 60,800 46,500 30,000 755,700	537,600 111,800 63,800 48,800 31,500 793,500	564,500 117,400 67,000 51,200 <u>33,100</u> 833,200	592,800 123,200 70,300 53,800 <u>34,700</u> 874,800
Administrative & General Expenses Office Salaries and Benefits Property Ins., Injury & Damage Office Supplies and Expenses Miscellaneous General Expenses	23,700 10,400 1,680 	24,900 10,920 1,800 <u>300</u>	26,100 11,500 1,850 <u>310</u>	27,400 12,000 1,940 <u>320</u>	28,800 12,600 2,040 <u>340</u>	30,200 13,300 2,140 <u>360</u>	31,800 13,900 2,250 <u>380</u>	33,300 14,600 2,360 400	35,000 15,400 2,480 420
Total Admin. & General Expenses	36,060 628,160	37,920	39,760	41,660 726,960	43,780 763,580	46,000 801,700	48,330 841,830	50,660 883,860	53,300 928,100
Total Expenses Cash Generated from Operations	459,597	659,720 482,370	692,460 506,769	532,211	558,534	586,565	615,803	646,675	678,992
Less: Construction Outlays Initial Working Capital	-	-	-	-	-	-	1	-	-
Cash Flow from Gasification	459,597	482,370	506,769	532,211	558,534	586,565	615,803	646,675	678,992

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Table 5.3.14

SNG PROCESS <u>Net Cash Analysis</u>

(Thousands of Dollars)

		Cash Flow Before <u>Gas Sales</u>	Gas Sales @ 3.00 MM BTU _in 1981	Net Cash Flow @ 3.00 MM_BTU_	Gas Sales @ 4.00 MM BTU in 1981	Net Cash Flow @ 4.00 MM BTU	Gas Sales @ 5.00 MM BTU 	Net Cash Flow @ <u>5.00 MM BTU</u>
	1978	\$(84,000)	\$ -	\$(84,000)	\$ -	\$(84,000)	\$ -	\$(84,000)
	1979	(223,000)	-	(223,000)	_	(223,000)	-	(223,000)
	1980	(434,600)		(434,600)	-	(434,600)	-	(434,600)
	1981	(347,725)	68,438	(279,287)	91,250	(256,475)	114,063	(233,662)
	1982	(131,535)	287,438	155,903	383,250	251,715	479,063	347,528
accessed.	1983	(119,870)	301,809	181,939	402,413	282,543	503,016	383,146
	1984	(125,810)	316,900	191,090	422,533	296,723	528,166	402,356
	1985	(132,150)	332,745	200,595	443,660	311,510	554,575	422,425
	1986	(138,900)	349,382	210,482	465,843	326,943	582,303	443,403
	198 7	(145,930)	366,851	220,921	489,139	343,209	611,419	465,489
	1988	(152,980)	385,194	232,214	513,592	360,612	641,990	489,010
i nami	1989	(160,740)	404,453	243,713	539,271	378,531	674,089	513,349
	1990	(168,790)	424,676	255,886	566,235	397,445	707,793	539,003
	199 1	(177,250)	445,910	268,660	594,546	417,296	743,183	565,933
791	1992	(186,100)	468,205	282,105	624,274	438,174	780,342	594,242
	1993	(195,260)	491,616	296,356	655,488	460,228	819,359	624,099
	1994	(205,230)	516,196	310,966	688,262	483,032	860,327	655,097
	1995	(215,590)	542,006	326,416	722,675	507,085	903,344	687,754
	1996	(226,160)	569,106	342,946	758,809	532,649	948,511	722,351
	1997	(237,420)	597,562	360,142	796,749	559,329	995,936	758,516
	19 98	(249,310)	627,440	378,130	836,587	587,277	1,045,733	796,423
	1999	(261,790)	658,812	397,022	878,416	616,626	1,098,020	836,230
	2000	(274,880)	691,752	416,872	922,337	647,457	1,152,921	878,041
tan)	2001	(288,670)	726,340	437,670	968,454	679,784	1,210,567	921,897
	2002	(303,060)	762,657	459,597	1,016,876	713,816	1,271,095	968,035
	2003	(318,420)	800,790	482,370	1,067,720	749,300	1,334,650	1,016,230
	2004	(334,060)	840,829	506,769	1,121,106	787,046	1,401,383	1,067,323
	2005	(350,660)	882,871	532,211	1,177,16]	826,501	1,471,452	1,120,792
	2006	(368,480)	927,014	558,534	1,236,019	867,539	1,545,024	1,176,544
	2007	(386,800)	973,365	586,565	1,297,820	911,020	1,622,275	1,235,475
	2008	(406,230)	1,022,033	615,803	1,362,711	956,481	1,703,389	1,297,159
	2009	(426,460)	1,073,135	646,675	1,430,846	1,004,386	1,788,558	1,362,098
	2010	(447,800)	1,126,792	678,992	1,502,389	1,054,589	1,877,986	1,430,186

Internal Rate of Return

18.32%

25.15%

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31.18%

Notes: 1. Based on 1976/77 coal cost of \$5.50.

2. Plant life of 30 years.

<u>Table 5.3.15</u>	METHANOL PROCESS Income and Expense 1978 - 1989 (In Thousands of Dollars)								Production of Methanol Based on Montan-Consulting Report.			
	<u>1978</u>	<u>1979</u>	1980	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
<u>Revenue from Product Sales</u> Methanol (at \$100/metric ton in 1977) By-Products Revenues	- -	-	-	\$13,590 <u>4,800</u> 18,390	\$57,080 <u>20,315</u> 77,395	\$59,900 <u>21,330</u> 81,230	\$62,930 <u>22,400</u> 85,330	\$66,100 <u>23,500</u> 89,600	\$69,400 <u>24,700</u> 94,100	\$72,850 <u>25,900</u> 98,750	\$76,500 <u>27,200</u> 103,700	\$80,300 <u>28,600</u> 108,900
Direct Operating Expenses Feed Coal (3 MM tons @ 7.50 in 1977) Contract Maintenance (+ 3.51) Production Labour & Benefits (1+4.7) Electric Power System (1+6) Catalysts & Chemicals (given in M-C Report) Total Operating Expenses	-	-	- - -	8,300 2,100 900 600 200 12,100	34,700 9,000 5,100 2,300 <u>650</u> 51,750	36,400 9,450 5,400 2,400 <u>690</u> 54,340	38,300 9,920 5,600 2,550 715 57,085	40,200 10,420 5,900 2,600 750 59,870	42,200 10,940 6,200 2,800 	44,300 11,500 6,500 2,900 <u>830</u> 66,030	46,500 12,100 6,800 3,080 870 69,350	48,800 12,700 7,200 3,200 915 72,815
Administrative and General Expenses Office Salaries & Benefits (1+4.7) Insurance (Cost Im/I6 = .202 Supplies, etc. (+ 4.7) Miscellaneous (+ 4.7) Total Admin. & General Expenses Total Expenses Cash Generated from Operations	-	- - - -	- - - -	470 180 <u>5</u> 695 12,795 5,595	1,900 790 135 20 2,845 54,595 22,800	2,000 830 140 21 2,991 57,331 23,899	2,090 871 150 22 3,133 60,218 25,112	2,195 915 160 23 3,293 63,163 26,437	2,300 960 165 24 3,449 66,379 27,721	2,400 1,000 <u>26</u> 3,596 69,626 29,124	2,540 1,060 <u>180</u> 27 3,807 73,157 30,543	2,670 1,110 190 28 3,998 76,813 32,087
Less: Construction Outlays Working Capital Requirement Cash Flow from Methanol Process (@ \$100/metric ton as above) <u>Alternative #1</u> Cash Flow from Methanol Process (at \$75/metric ton in 1977)	$ \begin{array}{c} 14,200 \\ \hline (14,200) \\ (14,200) \\ (14,200) \end{array} $	38,000 (<u>38,000</u>) (<u>38,000</u>)	74,000 (74,000) (74,000)	$50,900 \\ \underline{9,000} \\ (54,305) \\ \underline{(57,700)}$	2,900 $-$ $19,900$ (5,360)	- 23,899 8,924	 25,112 9,380	- 26,437 9,912	<u>-</u> 27,721 10,371	 29,124 10,912	- 30,543 11,418	 32,087 12,000
Alternative #2 Cash Flow from Methanol Process (at \$125/metric ton in 1977)	(14,200)	(38,000)	(74,000)	(50,910)	34,170	38,874	40,845	42,962	45,070	47,335	49,700	52,200

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<u>Table 5.3.15</u> (Cont'd)

METHANOL PROCESS Income and Expense 1990 - 2001

Production of Methanol Based on Montan-Consulting Report.

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(In Thousands of Dollars)

	1990	<u>1991</u>	1992	<u>1993</u>	1994	<u>1995</u>	1996	1997	1998	1999	2000	2001
Revenue from Product Sales												
Methanol (at \$100/metric ton in 1977)	\$ 84,300	\$ 88,500	\$ 92,900	\$ 97,600	\$102,400	\$107,600	\$112,950	\$118,600	\$124,500	\$130,750	\$137,300	\$144,200
By-Products	30,000	31,500	33,100	34,700	36,500	38,300	40,200	42,200	44,300	46,500	48,900	51,300
Revenues	114,300	120,000	126,000	132,300	138,900	145,900	153,150	160,800	168,800	177,250	186,200	195,500
Direct Operating Expenses												
Feed Coal	51,200	53,800	56,500	59,300	62,300	65,400	68,700	72,100	75,700	79,500	83,500	87,600
(3 MM tons @ 7.50 in 1977) Contract Maintenace (+ 3.51)	13,300	14,000	14,700	15,400	16,200	17,000	17,900	18,800	19,700	20,700	21,700	22,800
Production Labour & Benefits (1+4.7) Electric Power System (1+6)	7,600 3,400	8,000 3,600	8,400 3,700	8,800 3,900	9,200 4,100	9,700 4,300	10,200 4,600	10,700 4,800	11,200 5,000	11,790 5,300	12,400 5,500	13,000 5,800
Catalysts & Chemicals	<u> </u>	1,000	1,060	1,100	1,170	1,200	1,290	1,350	1,400	1,490	<u>1,600</u>	1,640
(given in M-C Report) Total Operating Expenses	76,460	80,400	84,360	88,500	92,970	97,600	102,690	107,750	113,000	118,780	124,700	130,840
Administrative and General Expenses												
Office Salaries & Benefits (1:4.7) Insurance (Cost Im/1c = .202) Supplies, etc. (+ 4.7) Miscellaneous (+ 4.7)	2,800 1,165 200 30	2,940 1,220 210 32	3,090 1,300 220 33	3,240 1,350 230 35	3,400 1,420 245 36	3,600 1,490 255 38	3,800 1,560 270 40	3,900 1,640 280 42	4,100 1,720 295 44	4,300 1,800 310 47	4,560 1,900 325 49	4,790 1,990 340 51
Total Admin. & General Expenses	4,195	4,402	4,643	4,835	5,101	5,383	5,670	5,862	6,159	6,457	6,834	7,171
Total Expenses	80,655	84,802	89,003	93,335	98,071	102,983	108,360	113,612	119,159	125,237	131,534	138,011
Cash Generated from Operations	33,645	35,198	36,997	38,965	40,829	42,917	44,790	47,188	49,641	52,013	54 ,66 6	57,489
Less: Construction Outlays Working Capital Requirements	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Methanol Process (@ \$100/metric tons as above)	33,645	35,198	36,997	38,965	40,829	42,917	44,790	47,188	49,641	52,013	54,666	57,489
Alternative #1												
Cash Flow from Methanol Process (at \$75/metric ton in 1977)	12,600	13,100	13,800	14,600	15,300	16,000	16,500	17,500	18,500	19,300	20,300	21,400
Alternative #2												
Cash Flow from Methanol Process (at \$125/metric ton in 1977)	54,720	57,300	60,200	63,370	66,400	69,800	73,000	76,800	80,800	84,700	89,000	93,500

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METHANOL PROCESS

Income and Expense 2002 - 2010

(In Thousands of Dollars)

Revenue from Product Sales	2002	2003	2004	2005	2006	2007	2008	2009	<u>2010</u>
Methanol	\$151,400	\$159,000	\$166,900	\$175,300	\$184,000	\$193,200	\$202,900	\$213,000	\$223,700
(at \$100/metric ton in 1977) By-Products	53,900	56,600	59,400	62,400	65,500	68,700	72,200	75,800	79,600
Revenues	205,300	215,600	226,300	237,700	249,500	261,900	275,100	288,800	303,300
Direct Operating Expenses									
Feed Coal (3 MM tons @ 7,50 in 1977)	92,000	96,600	101,400	106,500	111,800	117,400	123,300	129,500	135,900
Contract Maintenance (+ 3.51)	23,900	25,100	26,300	27,700	29,100	30,500	32,000	33,600	35,300
Production Labour & Benefits (1÷4.7) Electric Power System (1÷6)	13,700 6,100	14,400 6,400	15,100 6,700	15,900 7,100	16,700 7,400	17,500 7,800	18,400 8,200	19,300 8,600	20,200 9,000
Catalysts & Chemicals	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500
(given in M-C Report)									
Total Operating Expenses	137,400	144,300	151,400	159,200	167,100	175,400	184,200	193,400	202,900
Administrative and General Expenses								•	
Office Salaries & Benefits (1+4.7)	5,030	5,280	5,500	5,800	6,100	6,400	6,700	7,100	7,400
Insurance (Cost ^{Im} /Ic = .202) Supplies, etc. (: 4.7)	2,090 360	2,200	2,300	2,400 420	2,540	2,700	2,800	2,940	3,090
Miscellaneous (+ 4.7)	53	380 55	400 58	<u>420</u>	440 65	460 67	480 71	500 75	530 78
Total Admin. & General Expenses	7,533	7,915	8,258	8,680	9,145	9,627	10,051	10,615	11,098
Total Expenses	144,933	152,215	159,658	167,880	176,245	185,027	194,251	204,015	213,998
Cash Generated from Operations	60,367	63,385	66,642	69,820	73,255	76,873	80,849	84,785	89,302
Less: Construction Outlays		-	-	-	_	-	-	-	-
Working Capital Requirement	<u> </u>					-			
Cash Flow from Methanol Process	60,367	63,385	66,642	69,820	73,255	76,873	80,849	84,785	89,302
(@ \$100/metric ton as above)					= <u></u>				
Alternative #1									
Cash Flow from Methanol Process (at \$75/metric ton in 1977)	22,517	23,635	24,900	26,000	27,300	28,600	30,124	31,500	33,400
Alternative #2									
Cash Flow from Methanol Process (at \$125/metric ton in 1977)	98,200	103,100	108,400	113,600	119,300	125,200	131,600	138,000	145,200

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5.4 ENVIRONMENTAL CONSIDERATIONS

5.4.1 General Remarks

Coal conversion processes are faced with potential pollution problems that are common to coal burning power plants and with possible pollution problems which are peculiar to the conversion processes. Due to the relative lack of experimental data and full scale coal process plant operating experience, relative environmental impact of such processes compared with the impact produced by a coal fired power plant is difficult to assess. The very nature of most coal conversion systems assures the probability that some potential effluent streams will be reduced in size when compared to a power plant, however, the large numbers of chemical products and wastes produced by these systems provide potential for a variety of undesirable impacts which may require improvements in process design, construction, and operating methods.

Anticipated plant emissions for a number of conversion processes have been calculated on the basis of 40.000 t/day coal feed and are compared with the emissions of a coal fired power plant developed in the Preliminary Draft Environment Impact Statement prepared by Dolmage, Campbell and Associates, Ltd. Although these comparative emissions provide an instructive view of relative impacts in the vicinity of the plant, it is important to point out that consumption of the products of a coal conversion plant will occur in a much larger geographical area and will provide additional environmental impacts which will be significantly different from those associated with the consumption of electric power. Table 5.4.1 shows the annual emissions of several coal conversion processes compared with the emissions of a coal fired power plant on the basis of 40,000 t/day Hat Creek coal consumption. The values for coal conversion processes were interpolated from data published by the U.S. Energy Research and Development Agency (Ref 5.5, 5.11). The figures given for the

Table 5.4.1

TABLE I ANNUAL CONSUMPTION/EMISSIONS METRIC TONS

			,	•	
Process	Coal-Fired Power Plant	Lurgi Hi-BTU Gasif.	Synthoil	SRC I	Fischer Tropsch
Coal Metric Consumption 10 ⁶ Tons	10.4	18	[^] 18	18	18
Output (as shown)	2,000 MW	7.79 MMm ³ /day (275 MMSCFD)	5,725 m ³ /day (36,000 bb1/day)	5,087 m ³ /day (32,000 bb1/day)	5,325 m ³ /day (33,500 bb1/day)
so ₂	10,400	3,800	2,200	1,180	5,650
Fly Ash	3,200	4,700	1,200	800	7,900
Hydrocarbons	700	300	140	110	450
NO _X	39,000	12,500	3,600	2,900	20,000
Water Intake <u>(m</u> ³ /min.) (excluding Scrubber)	25,000	4,000	6,600	750	12,300
T.D.S. in Discharge*	330 (0)	0	7,300 (0)	0	• 0
Suspended Solids* in Discharge	75 (0)	0	0.9 (0)	0	0
B.O.D. in Discharge	5 (0)	0	0.2 (0)	0	0
Solid Waste-Ash +	3,125,000	4,250,000	4,330,000	3,800,000	4,330,000
Regenerative Scrub.	2 560 000				

+ Non-Regenerative Scrub 3,560,000

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*Based on recirculating water to scrubber and cooling tower, amount of these discharges become zero.

Above values based on Ref. 5.11 and 90 percent capacity factor, except coal-fired power plant which is based on 70 percent capacity factor.

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coal plant were based on information given in the Hat Creek EIS (Ref. 5.5, 5.12) and Stone & Webster experience.

5.4.2 Air Emissions and Regulations

Table 5.4.2 lists potentially applicable air emission regulations.

Level A in Table 5.4.2 is applicable to all new facilities constructed after 1974 and is the minimum desirable level for air quality. The Level A guidelines are based on best available control technology with emphasis placed on segregation of gaseous streams and recycling, where possible. Economic considerations provided coal conversion processes with the incentive to maximize recycling of streams and to segregate process products, thus assuring that best available control technology will be used.

Although none of the coal conversion processes is specifically described by the Pollution Control Objective guidelines of British Columbia, coal conversion processes are sufficiently similar to the chemical and petroleum industry that extrapolation of the objectives for those industries to the coal conversion industry is a reasonable approach. The Director of Pollution Control Branch (Director) may establish other minimum requirements, if it is determined that extrapolation is not deemed suitable. The five major processes which are easily extrapolated to the coal conversion industry are hydrogen sulfide recovery in Claus or Claus tail gas treatment plants, catalyst regeneration, petroleum storage, cooling towers, and waste gas incineration. Table 5.4.3 presents the air emission objectives which may be applicable to the coal conversion processes and coal fired power plant.

Emissions of particulate, sulphur dioxide, nitrogen oxides,

Table 5.4.2

Ambient Air-Quality Guidelines for the Petroleum and Chemical Industries

· · · · · · · · · · · · · · · · · · ·	Level A (a)	Level B (a)	Level C (a)	Monitoring
Sulphur Dioxide				
l-hour maximum 24-hour maximum Annual arithmetic mean	450 (0.17) 160 (0.06) 25 (0.01)	900 (0.34) 260 (0.10) 50 (0.02)	1,300 (0.5) 360 (0.14) 80 (0.05)	Continuous Continuous Continuous
Hydrogen Sulphide		,		
.l-hour maximum 24-hour maximum	7.5 (0.005)	45 (0.030) 7.5 (0.005)	45 (0.030) 7.5 (0.005)	Continuous Continuous
Suspended Particulate	2S			
24-hour maximum Annual geometric mean	150 60	200 70	260 75	
Dustfall				
Residential, tons/sq. mi/mon Other, tons/sq. mi/mon	15 25	20 30	20 35	Monthly
			<u> </u>	

(a) Concentrations given in micrograms per cubic metre ($20^{\circ}C$, 760 mm Hg, dry basis), and in parentheses, ppm by volume, except where noted.

Source: Reference 5.22

carbon monoxide and hydrocarbons are expected to be significantly lower for normal operating conditions of coal conversion plants than for a coal fired power plant. With respect to the major pollutants, the relative air quality in the region of such conversion plants should be superior to that which would result from a power plant operation. Coal process plants may produce substances that have teratogenic and carcinogenic potential, however, and even small amounts of such hydrocarbon materials released to the environment continuously over long periods may result in detrimental health effects. On the basis of information now available, it would be as imprudent to assign undue concern to this particular aspect of coal conversion plant operations as it would be to judge a coal conversion plants' air quality impact to be more acceptable than that of a coal fired power plant. Table 5.4.4 describes major effluent streams to the atmosphere for several coal process systems based on the use of Hat Creek coal. No detailed analysis of these effluent streams is as yet available; however, several research programs have been initiated recently by U.S. EPA which should provide such data.

There appears to be no new technology development requirements to provide for control of air emissions at coal conversion plants to achieve objectives presented in Table 5.4.3. A power boiler would be required and therefore electrostatic precipitators and sulphur dioxide scrubbing equipment familiar to the power industry, would be required. The only air emission control process that would be used in coal conversion plants is the Claus process and a Claus tail gas treatment system used for producing sulphur or sulphuric acid from the hydrogen sulphide generated in the coal conversion process. The remainder of the plant equipment which serves to control air emissions is required for process system control and, therefore, cannot

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Objectives for Air Emissions Applicable to Coal Conversion Processes

	Level A	i.
Sulphur Plant Sulphur recovery, % (a)	99+	•••••••
Sulfur dioxide, mg/M ³ (ppm)	830 (300)	نية
Overall Refinery Sulphur trioxide, mg/M ³ (gr/SCF)	25 (0.011)	i.
FCCU Regenerator Particulate solids, mg/M ³ (gr/SCF)	115 (0.050)	
Hydrocarbons (as Hexane) - mg/M ³ (ppm) lb./1,000 bbl. cracking feed Carbon monoxide, mg/M ³ (ppm) Sulphur dioxide, mg/M ³ (ppm)	90 (25) 20 2,400 (2,000)	•
Steam Plant	830 (300)	•
Particulate solids, mg/M ³ (gr/SCF) (c) Sulphur dioxide, mg/M ³ (ppm)	150 (0.065) 830 (300)	ŀ
	are not set for Levels B and C, but must be uality guidelines given in Table VII.	•
Sulphur Recovery	Level A	ì
Acid gas CO ₂ /H ₂ S ratio lower than 10	99	i

Acid gas CO_2/H_2S ratio higher than 10(a) 95

(a) Individual assessment may be required.

Table 5.4.3 (Cont'd)

Trace Elements	Level A (a)	
Acetaldehyde	3.8 (2.1)	
Acrolein	2.5 (1.0)	
Alkanolamines	60	
Ammonia	180 (250)	
Benzene	800 (250)	
Carbon Monoxide	2,400 (2,000)	
Cobalt	7.0 (0.003) (b)	
Copper	7.0 (0.003) (b)	
Cresol	220 (50)	
Demethyl ether	190 (100)	
Diphenyl	10 (2)	
Formaldehyde	30 (20)	
Formic acid	90 (50)	
Hydrogen sulphide	7 (4.7)	
Maleic anhydride	10 (2.5)	
Mercaptans	(c)	
Methanol	2,600 (2,000)	
Methyl ethyl ketone (2-butanone)	900 (300)	
MIBK (hexone)	2,050 (500)	
Organic disulphides	4	
Particulate solids		
Total	230 (0.100) (b)	
Organic chemical dust	115 (0.050) (b)	
Phenol	100 (26)	
Phthalic anhydride	120 (20)	
Styrene	200 (47)	
Toluene	3,750 (1,000)	
Vinyl acetate	30 (10)	

(a) Concentrations given in milligrams per cubic metre (20^oC, 760 mm Hg, dry basis) and in parentheses, ppm by volume. Concentrations in parentheses are given in grains per standard cubic foot.

(b)

(c) Not detectable.

<u>Table 5.4.4 - A</u>

Air Emissions from H-Coal Plant (Ref. 5.13) (40,000 t/d Coal Feed)

(All Values in Metric Tons/Day)

- 1. Vent Gas from Coal Dryer 3,400, bag filter required for dust control
- 2. CO₂ Vent Gas from H₂ Shift Reactor 6,900
- 3. Stack Gas from Utility Boiler 19,500
- 4. Waste Nitrogen from Oxygen Plant 8,500
- 5. Tail Gas from Sulphur Plant 5,000
- 6. Air from Cooling Towers 1,350,000 (includes 12,954 $t/day H_20$)
- 7. Drift from Cooling Tower 600
- 8. Evaporation from Ponds potential odor problems
- Hydrocarbons releases associated with storage and handling possible odor problem
- 10. Sulphur Dioxide 9
- 11. Particulate 12

Based on U.S. EPA - 650/2-74 - 009 Evaluation of Pollution Control in Fossil Fuel Conversion Process H-Coal Process. Table 5.4.4 - B

<u>Air Emissions from Lurgi, High-BTU (Ref. 5.14)</u> <u>Gasification Plant</u>

(40,000 t/d Coal Feed)

(All Values in Metric Tons/Day)

- 1. From Coal Dryer 3,400, bag filter required for dust control
- 2. Stack Gas from Utility Boiler $SO_2 = 6$

$$NO_2 = 8$$

3. Tail Gas from Sulphur Plant/Incinerator - Primarily CO₂ and nitrogen, but contains:

 $SO_2 = 20$ COS = 5 $NO_2 = 2$

- 4. Waste Nitrogen from 0₂ Plant 17,000
- 5. Water Vapor from Cooling Towers 12,800
- 6. Drift from Cooling Tower 600
- 7. Air from Cooling Tower 13,500,000
- 8. Hydrocarbons released from Ponds, Storage and Handling possible odor problems

Table 5.4.4 - C

Air Emissions from SRC I Plant (Ref. 5.15) (40,000 t/d Coal Feed)

(All Values in Metric Tons/Day)

- Vent Gas from Dryer 3,400, bag filter required for dust control (collects 110 t/d)
- 2. Stack Gases from all Furnaces 45,000 SO₂ = 0.8
- 3. Tail Gas from Claus Plant Sulphur = 0.4
- 4. Nitrogen from 0₂ Plant 12,000
- 5. CO₂ rejected from Benfield Process 1,300
- 6. Air from Cooling Tower 1,300,000
- 7. Drift Loss from Cooling Tower 600
- 8. Hydrocarbons released from Ponds, Storage and Handling possible odor problems

be segregated as pollution control equipment. Air emission costs for a coal process plant and those of a coal fired power plant, therefore, cannot be compared meaningfully.

Because of the potential hazards associated with some of the products which may be produced, the most difficult air emission control problem may be the design of equipment to ensure minimal releases of hydrocarbons from the process plant, storage and handling areas. Storage areas will need to be equipped with vapor recovery systems which would either recondense and return to storage, material that vaporizes due to external temperature changes or which would remove such vapors to a flare or fuel line. Table 5.4.5 lists substances which may be present in coal conversion plant process streams. It must be pointed out that power plants are also suspected of emitting polycyclic hydrocarbons (Ref. 5.16); however, it is unclear, as yet, to what extent air quality and health are affected by these relatively undefined emissions (Refs 5.17, 5.18).

The primary problems associated with the process plant will likely be accidental releases of product and waste gases from valves and heat exchange leakage. Small leaks of product into the cooling system could result in hydrocarbon materials being stripped from the cooling water and emitted to the atmosphere from the plant cooling towers. The circulating water is used to cool product oil, waste water, raw fuel gas, amines, and other compounds, and, therefore, heat exchanger failures may cause the cooling tower to become the source of a variety of air pollutants of unknown quantity and quality.

The sulphur plant is a potential source of considerable quantities of obnoxious emissions and, therefore, a tail gas clean up system is needed to assure acceptably low sulphur emissions.

Table 5.4.5

Potentially Hazardous Substances Suspected Present in Coal Conversion Plant Process Streams (Ref. 5.23).

Chemical Classification	Compound	Phase	
Acids and Anhydrides	Maleic Acid Cresylic Acid Sulphuric Acid Anthraquinone Disulphuric Acid	liquid liquid liquid liquid liquid	
Alcohols	Aliphatic Alcohols Aromatic Alcohols	liquid liquid	ini i
Amines	Diethylamines Methylethylamines Ammonia	gas gas gas/liquid	اعط
Inorganic Salts	Ammonium Sulphate	liquid	
Carbonyl Compounds	Ketones Aldehydes	gas/liquid gas/liquid	-
Combustion Gases	Carbon Monoxide Sulphur Oxides Nitrogen Oxides	gas gas gas	
Heterocyclics	Pyridines Pyrroles (Mono) Benzofurans	gas/liquid gas/liquid gas	_
Hydrocarbons	Benzene Toluene Xylene Aliphatics Olefins	gas/liquid gas/liquid gas/liquid gas gas	-
Phenols	Phenols Dimethyl Phenol Cresols Xylanols Phenyl Phenols Alkyl Phenols Alkyl Cresols	gas/liquid liquid gas/liquid gas/liquid gas gas gas	

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Table 5.4.5 - Continued

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Chemical Classification	Compound	Phase
Polynuclears	Anthracenes	gas
	Benzo(a)pyrene	gas
	Benzo(e)pyrene	gas
	Perylene	gas
	Benzo(g,h,i)perylene	gas
	Coronene	gas
	Phenanthrene	gas
	Fluranthrene	gas
	Chrysene	gas
	Benzo(a)anthracene	ğas
	Acridine	gas
	Benzo(a)anthrone	gas
	Dibenzo(a,1)pyrene	gas
	Dibenao(a,n)pyrene	gas
	Dibenzo(a,i)pyrene	gas
	Methyl Pyrene	gas
	Indeno(1,2,3-c,d)pyrene	gas
	Benzoacridine	gas
Sulphur Compounds	Sulphides	liquid
	Sulphohates	liquid
	Mercaptans	gas
	Thiophenes	gas/liquid
	Hydrogen Sulphides	gas/liquid
	Methyl Mercaptans	gas/liquid.
	Carbon Disulphides	gas
	Carbonyl Sulphide	gas
	Methyl Thiophene	gas
Trace Elements	Vanadium	gas/liquid
	Nickel	gas
	Lead	gas
	Cobalt	gas
	Molybdenum	gas
	Strontium	liquid
	Beryllium	gas (liquid
	Selenium	gas/liquid
	Cadmium	gas
	Mercury	gas
	Antimony	gas
	Arsenic	liquid
	Phosphorous	gas/liquid
	Manganese	liquid

Continued...

Table 5.4.5 - Concluded

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Chemical Classification	Compound	Phase	
Organo-metallics	Nickel Carbonyl Cobalt Carbonyl	gas gas	
Fine Particulates	Sulphur Particulates Catalyst fines Coke Coal Dust	gas gas gas gas	
Cyanides	Hydrogen Cyanide Ammonium Thiocyanate	liquid liquid	

A number of such processes with extensive commercial experience are available for use in this service. The tail gas treatment systems fall into two general categories. In one, the Claus plant effluent is treated to reduce all sulphur compounds to hydrogen sulphide which is then scrubbed by a conventional system such as an amine process, and the other groups of processes rely on catalytic reactions which first oxidize all sulphur compounds to sulphur dioxide which is then treated by processes similar to those used for stack gas clean up. In the event that a power boiler is used, there is some potential of integrating scrubber product sulphur dioxide with the process plant Claus unit, thereby reducing waste disposal and equipment requirements for sulphur dioxide removal.

The sulphur feed to a Claus plant in a coal conversion plant that uses 40,000 t/d of Hat Creek coal will be of the order of 200 t/d. Investment costs for a sulphur recovery system of this size will be in the range of \$6-8 million depending to a great extent on the required concentration of sulphur compounds in final stack effluent. Such sulphur recovery plants can be utilized as steam generators and, therefore, operating costs assigned to a sulphur plant will be dependent upon the value of low pressure steam within the coal process plant and the current value of the sulphur product. This, in turn, is dependent on the detailed process design of the entire plant which will, of course, be optimized to produce lowest overall plant operating costs.

As mentioned previously, consumption of the products of coal processing facilities will have additional environmental impacts and therefore deserve some attention when comparing environmental impacts of such plants with coal-fired power plants. Low BTU gas and high BTU gas products consumption is unlikely to

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generate significantly different air quality impacts than are presently observed with the use of natural gas unless the low BTU gas is used as turbine fuel in a combined cycle generation plant. In this case, there is a potential for increased nitrogen oxides emissions especially if advanced high temperature turbines are considered. Use of light end distillate coal liquids, similarly would not be expected to generate a greater air quality impact than light petroleum fuels; however, there may be health risks associated with storage and handling.

The heavier liquid and solid fuels such as may be used in existing power and steam boilers and turbines may provide a number of operating problems and associated environmental impacts. In the case of SRC I sulphur levels may not be sufficiently low to meet some emission standards or air quality regulations, and preliminary combustion tests have indicated that burner modifications may be necessary to avoid increased nitrogen dioxide emissions compared with coal firing. Insufficient information is available to characterize precipitator performance on ash generated from SRC I; however, it can be anticipated that a finer particulate size distribution will result from SRC I combustion which could lead to increased emissions of fine particles.

Coal liquids, in general, are low sulphur, low ash, high BTU fuels, which share a potential problem of increased nitrogen oxides emissions in comparison to residual fuels.

Combustion tests have shown that burner design, atomizing air pressure, and excess air affect nitrogen oxides and smoke emissions. Each system using such fuels will require performance evaluations to determine minimum nitrogen oxides and particulate emissions. It may also be necessary to process the coal derived fuels to remove nitrogen which would increase the processing and product costs. Table 5.4.6 lists the properties of several coal liquids.

Based on present experience and the state-of-the-art of coal conversion processes and associated pollution control equipment,

Table 5.4.6		TYPICAL CO	DAL LIQUIDS		
	<u>H-Coal*</u> (Syn. crude)	H-Coal* (Ref. 5.19) Fuel Oil	Exxon Donor (Ref. 5.20) Solvent Hydrotreated	<u>Gulf Catalytic</u> <u>Coal Liquids</u> (Ref. 5.21) Full Range	No. 6 Fuel Oil
Parent Coal Sulphur wt %	5	5	3.5		
API Gravity (Density)	15(.966)	4.4(1.049)	8.6(1.01)	7.0(1.02)	17.5(0.950)
Hydrogen wt %	9.48	8.43	8.6	8.84	11.3
Sulphur wt %	0.19	0.43	.04	0.07	0.8
Nitrogen wt %	0.68	1.05	.24	0.51	0.10
Ash wt %				.01	.08
HHV, kJ/Kg	42,110				43,540
Na					29 ppm
Carbon			90.8	89.93	87.7
Vanadium					60 ppm

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*H-Coal analyses shown represent samples obtained under different process operating conditions.

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there should be no technical difficulty in meeting the air emission objectives and the air quality guidelines for the Province of British Columbia during construction and operation of either a coal conversion complex or a coal-fired power plant.

5.4.3 Water Discharges and Applicable Regulations

For liquid discharges there are seven major streams which must be controlled to meet the effluent-quality objectives and receiving-water quality guidelines. These streams are foul condensate and sour water, oily waters, amine filter washes, spent chemicals and scrubber wastes, boiler and cooling tower blowdown, domestic sewage wastes and storm runoff from coal liquids storage areas.

Potential water pollutants produced by a coal liquids plant include dissolved solids and suspended solids, mercaptans and other sulphur compounds, ammonia, oxygenated compounds, hydrocarbons, tars, oils, cyanides, sulphur, phosphates and trace elements reflecting those in raw coal. Sulphur compounds tend to form acids and decrease stream pH. Sulphur, phenols, amines and other compounds mentioned may cause odor and taste problems. Turbidity may be increased and tar and oils may have an undesirable impact on aquatic biota. Neither the fate nor the effects of trace elements are clearly understood but many appear to be toxic or carcinogenic to terrestrial and aquatic biota.

As with air emissions, the applicable effluent-quality objectives and receiving-water quality guidelines are established for three levels of compliance. Again, Level A standards must be met since that level is applicable to any plant built after 1974. The receiving-water quality guidelines are not applicable at the point of discharge but must be met within an initial dilution zone defined for rivers to extend 100 metres downstream from the point of discharge but not to exceed 25 percent of the river cross-sectional area. The total plant discharge should originate from a single, submerged outfall. Table 5.4.7 presents the water quality receiving stream guidelines.

As described in the previous section, the coal conversion processes are sufficiently similar to the chemical and petroleum industry that extrapolation of effluent objectives to the coal conversion industry is a reasonable approach. Table 5.4.8 presents the applicable effluent-quality objectives. These effluent standards are based upon maximum control of losses and reduction of wastes through recovery and recycling. Separate sewer systems should be maintained for uncontaminated and waste water streams. Cooling towers or air-fan coolers are strongly recommended for thermal pollution control.

Where plausible, effluent streams should be combined so that only a single discharge point is necessary. Overall, the waste treatment system should be designed to eliminate toxicity and reduce gross emissions. It should be noted that, whenever discharge objectives are set concurrent with receiving water quality objectives, the more restrictive requirements take precedence. Treatment of foul condensate, sour water, spent chemicals, and filter washes are waste water treatment components which are integral parts of coal conversion process plants and, as such, cannot be considered as add-on pollution control equipment.

The primary purpose of the waste water or sour water treatment system is to separate and recover ammonia and H_2S . In a conventional stripper, all dissolved gasses (NH₃, H_2S , CO₂) would be vaporized and would lead to problems in the Claus plant due to solid ammonia salts formation. A proprietary waste water treating system developed by Chevron avoids this problem and yields saleable ammonia by-product. The process separates ammonia as

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Receiving-water Quality Guidelines (Ref. 5.12)

Parameter	Marine Waters	Fresh Water	·
Dissolved oxygen	90 percent of seasonal value	00 nercent of seasonal	
pH	No change	No change	Valut
Residual chlorine	Not detectable	Not detectable	him
Turbidity, APHA Units	+5 maximum	+5 maximum	
Settleable solids mg/l	Negligible	Negligible	
Floatable solids mg/1	Negligible	Negligible	
Dissolved solids, mg/l		No measurable change	
Heavy Metals mg/l	No measurable change	No measurable change	
Phenol mg/l	0.001	0.001	<u></u>
Toxicity	Below detectable limit	Below detectable limit	
Temperature increase, F maximum	+2	+2	

Biological parameters which are not amenable to tabulation will also require consideration

Table 5	5.4.8
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Effluent-quality Objectives for Chemical Industries Other Than Petroleum Refineries (Ref. 5.12A)

	Discharges to Marine Waters		Waters	Discharges to Fresh Waters		Waters	Newitering
	Level A	Level B	Level C	Level A	Level B	Level C	Monitoring
)il, nonvolatile, mg/l (a)	_	10	15	-	10	15	Daily composite, once per week
)il, total, mg/l	10	-	_	5	-	-	Daily composite, once per week
BOD, five-day, 20°C, mg/1	20	45	130	20	45	130	COD or TOC once per week, BOD checked quarterly
mmonia, as N, mg/l	10	15	15	10	15	15	Daily composite, once per week
itrates, as N, mg/l	10	50	50	iõ	50	50	Daily composite, once per week
otal nitrogen, mg/l (kjeldahl)	15	25	25	15	25	25	Daily composite, once per week
hlorate, mg/l	75	150	150	50	100	100	Daily composite, once per week
hloride ion, mg/l (b)	-	_	-	-	-	_	Daily composite, once per week
hlorine, residual, mg/l	0.2	0.5	1.0	0.2	0.5	1.0	Continuous
luoride, mg/l	2.5	10	15	2.5	10	15	Daily composite, once per week
ormaldehyde, mg/l	5	5	iŏ	5	5	iŏ	Daily composite, once per week
letals (total) -	Ť			Č.	Ũ		burry composition of a meek
Arsenic, trivalent, mg/l	0.05	0.05	0.08	0.05	0.05	0.05	Daily composite, once per month
Barium, mg/l	1.0	1.0	1.5	1.0	1.0	1.0	Daily composite, once per month
Boron, mg/l	15	15	15	10	10	10	Daily composite, once per month
Chromium, mg/l	0.2	0.2	0.2	0.2	0,2	0.2	Daily composite, once per month
Copper, mg/1	0.1	ŏ.ĩ	0.1	0.1	0.1	0.1	Daily composite, once per month
Lead, mg/1	0.2	0.2	0.2	0.2	0.2	0.2	Daily composite, once per month
Mercury, mg/1	0.002	0.050	0.050	0.002	0.050		Daily composite, once per month
Nickel, mg/l	0.2	0.2	0.2	0.2	0.2	0.2	Daily composite, once per month
Zinc, mg/1	0.2	0.2	0.3	0.2	0.2	0.2	Daily composite, once per month
henols, mg/1	0.2	0.3	1.0	0.2	0.3	1.ō	Weekly grab
hosphate, as P, mg/1	-		_'.0	1.0	10	30	Daily composite, once per week
ulphate, mg/l (b)	_	_	_		-	-	Daily composite, once per week
lrea, mg/l	2.0	2.0	2.0	1.0	1.0	1.0	Daily composite, once per week
ulphides, mg/l	0.10	0.10	ĩ.o	0.10	0.10	1.0	Weekly grab
yanide, mg/l	0.10	0.10	0.20	0.10	0.10	0.20	Weekly grab
uspended solids, mg/l (c)	20	20	30	20	20	30	Daily composite, once per week
ettleable solids, mg/l (c)	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	Daily composite, once per week
loatable solids	(d)	(d)	(d)	(d)	(d)	(d)	Daily observation
otal solids, mg/l (e)	3,000	3,000	3,000	1,500	1,500	1,500	Daily composite, once per week
olour, Pt Co Units at pH 7	20	20	30	1,500	1,500	20	ourig composites once her week
urbidity, JTU	15	15	25	iŏ .	iŏ	15	
emperature, ^O F maximum	90	90	90	90	90	90	Continuous
H	6.5-8.5	6.5-9.0	6.5-9.0	6.5-8.5	6.5-8.5	6.5-9.0	Continuous
oxicity (f)	50	45	25	100	90	50	Quarterly

(a) For discharge of once-through cooling water used for indirect cooling (heat exchangers, bearings, etc.) the maximum permissible oil concentration is 2 mg/l above background.

(b) While the importance of these characteristics is recognized, no limits have been established at this time.

(c) Not applicable to discharges to exfiltration ponds.

(d) Negligible.

(e) Depends upon the nature of solids other than normal marine composition.

(f) 96 hour TLm Bioassay on salmonid species, expressed as per cent by volume of effluent in receiving-water which is required to give 50 per cent survival over 96 hours.

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a dry liquid and hydrogen sulphide as a gas which is sent to a Claus plant. If phenols are present in amounts too large for biological oxidation systems, solvent extraction may be used to remove them from the waste water. Processes are under development to allow separation of the various types of phenol groups in order to enhance possible by-product value of these compounds.

Effluents from gas liquor/foul condensate treatment, sewage treatment plant wastes, storm water runoff, and oil water separator wastes are sent to aeration ponds for secondary treatment. This biological oxidation pond is the primary water pollution control system in any coal conversion complex. For a 40,000 metric ton per day coal conversion plant the secondary treatment pond would require approximately 162,000 m². The blowdown from this pond would range from 0.25 - 1.25 m³/s and could be recycled to the plant makeup water system. The river makeup water requirements are on the order of 0.63 m³/s with over 50 percent consumed as evaporation in the cooling towers. This is about 40 percent of the makeup water requirements (1.58 m³/s) for a 2,000 Mw coal-fired power plant.

The cooling tower blowdown could be the only discharge stream from a coal conversion plant since all treatment effluents are discharged to the aeration pond. Since the cooling tower concentrates the chemical constituents in the circulating water system, either makeup water treatment such as lime softening, or blowdown treatment such as reverse osmosis, or evaporation may be required to meet effluent objectives or receiving-water quality guidelines. At a power plant, the blowdown would be similar to a coal conversion plant, since the largest effluent by far is the cooling tower blowdown. The major difference between the two complexes is that small quantities of oil and waste stream leakages may be contained in coal conversion plant

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cooling tower blowdown and may require special additional treatment. Table 5.4.9 compares the effluent quality from several coal conversion complexes (Refs. 5.3, 5.4, 5.5). As in the case of air emissions given in Table 5.4.4, these values were interpolated from information developed for the U.S. EPA by Exxon Research and Engineering.

For both a power and a coal conversion plant, a scrubber for the boiler stack gas could eliminate a waste water blowdown requirement, but additional by-product and waste handling systems would be needed.

Table 5.4.10 shows an analysis of plant effluent at the SASOL coal conversion complex.

When compared to Level A effluent quality objectives for fresh waters, only suspended solids, fluorine and cyanide concentrations are greater than the desired levels. These data suggest that commercial scale and coal conversion plant liquid effluent should easily achieve Level A effluent quality objectives. It is technically feasible to achieve a zero liquid effluent level for coal conversion systems just as can be achieved at a power plant by recycling all waste streams to the power boiler scrubber system where components of waste streams would become part of the scrubber solid wastes.

The optimum liquid waste treatment system will be dependent on the detailed design of the overall coal processing complex and the design of components, such as the ash handling system, scrubber type, the degree to which certain chemical wastes may have recycle or market value, makeup water quality and cost, and operating and maintenance practices which may become required for personnel safety. The cost of such systems will be highly variable and virtually indeterminate in the absence of a detailed process design. The cost of waste treatment

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Table 5.4.9 - A

Liquid Discharges from H-Coal Plant 40,000 t/d Coal Feed

(All values in metric tons per day)

- 1. Cooling Tower Blowdown 2,600
- Treated Waste Water from Secondary Treatment Pond 4,500; water is recycled to circulating water system.
- 3. Phenols may be recovered or sent to secondary treatment.
- 4. Ammonia recovered from sour water stripper and purified for sale 200.
- 5. Demineralizer wastes, neutralized and sent to waste water treating.

<u>Table 5.4.9 - B</u>

Liquid Discharges from Lurgi, High-BTU Gasification

(All values in metric tons per day)

- 1. Cooling tower blowdown 2,600.
- 2. Treated Waste Water from Secondary Treatment Pond to Reuse 15,000.
- 3. Phenols from Waste Water Treatment 110, recovered.
- 4. Ammonia (24.1 percent aqueous solution) recovered from gas liquor purification 110.

Table 5.4.9 - C

Liquid Discharges from SRC I Plant

(All values in metric tons per day)

1. Cooling Tower Blowdown - 2,600.

2. Treated Waste Water from Secondary Treatment Pond - 10,200.

3. Demineralizer Wastes.

4. Chemical purge from Benfield to Waste Treating - 575.

5. Oil from API separator.

6. Phenols from Waste Water Treatment - returned to hydrogenerating unit.

7. NH₃ recovered from Waste Water Treatment - 65.

Analysis of Coal Conversion Plant Effluent - SASOL

pH	8.5
Suspended Solids	3.0 mg/1
T.D.S.	959 mg/1
Free and Saline Ammonia (as N)	7.45 mg/1
Arsenic	0.05 mg/1
Chromium	0.01 mg/1
Copper	0.04 mg/1
Phenolic Compounds	0.03 mg/1
Lead	0.02 mg/1
Cyanides	0.11 mg/1
Fluorine	5.87 mg/1
Zinc	0.07 mg/1
Sodium	158 mg/1
Phosphates	0.29 mg/1
C.O.D.	82 mg/1

facilities for a 2,000 MW power plant will depend on raw water quality, design of plant grounds and fuel storage pile, and the ash handling system. Based on experience developed at a number of plants, waste water treatment equipment costs. exclusive of power plant flue gas scrubber system waste, would be on the order of 8 to 10 million dollars. We would anticipate the need for a somewhat more complex and therefore more costly system for a coal conversion plant; however, the waste treating facility would be a much more integral part of the overall plant. For example, the water treatment facilities at a Lurgi SNG gasification plant are quite extensive and would require a considerable investment but it is required as a consequence of process as well as environmental needs. Waste water treatment costs at a coal conversion plant, therefore, cannot be compared directly with those at a coal fired power plant.

5.4.4 Solid Wastes

There are no specific quidelines or objectives to control solid wastes originating either directly from a coal conversion plant process or from waste water treatment systems; however, there are general quidelines recommended for handling solid wastes. Where available and acceptable to a landfill operator, refuse and solid waste should be taken to a municipally/regionally-operated landfill. Industrial refuse (e.g., slag, ash, waste, rock, etc.) should be disposed of in a controlled access area, and adequate surface drainage should be ensured at onsite disposal area, such that groundwaters will not be contaminated. Cover material, cover frequency, compaction, and vegetative cover are required and specific details are left to the discretion of the Director. Sludges must be neutralized, dewatered and stabilized, where necessary. Waste oils should be recycled; organic liquids recovery is preferred, although incineration is acceptable.

Table 5.4.11 provides an indication of the general type and source of solid wastes generated by several types of coal conversion plants. The information was interpolated for Hat Creek Coal from data developed by Exxon. (Ref. 5.3, 5.4, 5.5) Land requirements for mining and plant operations will be approximately the same for a power plant or a coal conversion complex but will, of course, be dependent on the working life of the mine, the land reclamation plan and the degree to which waste products may find use as raw materials. If no processing of solid wastes for raw material consumption occurs, the land requirements and disposal techniques may be somewhat different due to the potentially complex nature of the wastes from coal conversion plants. The associated tars and soot material with coal conversion ashes may require special handling and disposal techniques to ensure against contamination of groundwaters and adjacent soils. If sulphur was produced at both a power plant or coal conversion complex, additional land would be required for sulphur storage.

Trace elements in coal conversion processes will be of concern as they are in coal-fired power plants. Although the reducing atmosphere present in coal conversion systems may form compounds such as hydrides, carbonyls or sulphides which may be relatively volatile, most of the trace elements will probably be associated with the solid residue. If the residue is disposed in a lined dump area, the potential problems due to trace metals could be effectively negated.

Trace metals emitted from a power plant, however, will have a tendency to escape through the stack unless an extremely efficient electrostatic precipitator is used. Several studies have been performed which indicate that several elements increase in concentration in the topsoil around coal-fired power

Table 5.4.11 - A - <u>Solid Wastes Generated by H-Coal Plant</u> (40,000 t/Day Coal Feed)

(All values in metric tons per day)

- Coal Dust from Coal Dryer collected by bag filters and sent to fly ash disposal system.
- 2. Spent Catalyst from Liquefaction Reactor contains trace elements.
- 3. Spent Chemicals from Waste Treating System and Gas Cleaning Systems primarily inorganics to waste water treating.
- 4. Sulphur from Claus Plant 190, stored on site or sold.
- 5. Gasifier Ash 10,800; disposed of in lined ponds or utilized in reclamation or raw material source.
- Power Plant Bottom and Fly Ash 1,200; disposed of with gasifier ash (No. 5 above).
- 7. Secondary Treatment Sludge 100.
- 8. Water Treating Wastes dependent upon makeup water quality.
- 9. Trace Metals.

<u>Table 5.4.11 - B</u> - <u>Solid Wastes Generated by Lurgi,</u> <u>SNG Gasification Plant</u> (40,000 t/Day Coal Feed)

(All Values in metric tons per day)

- Coal Dust from Coal Dryer collected by bag filters and sent to fly ash disposal.
- 2. Spent Chemicals from Waste Treating and Gas Cleaning Systems.
- 3. Sulphur from Claus Plant 180, stored on site or sold.
- 4. Wet Ash Disposal -

Water16 percentAsh80 percentUnused Coal4 percent

Total Weight = 15,000

- Lime sludge from makeup water treating, dependent upon makeup water quality.
- 6. Trace Metals.

<u>Table 5.4.11 - C</u> - <u>Solid Wastes Generated by SRC I Plant</u> (40,000 t/Day Coal Feed)

(All Values in metric tons per day)

- Coal Dust from Coal Dryer 200 collected by bag filters and sent to fly ash disposal.
- 2. Spent Chemicals from Waste Treating and Gas Cleaning Systems.
- 3. Sulphur from Sulphur Plant 200.
- 4. Slag from Gasifier 650.
- 5. Lime Sludge from Makeup Water Treatment.
- 6. Sludge from Secondary Treatment is Dewatered and Incinerated.
- 7. Trace Metals.

plants and that this could result in floral followed by faunal intake. Increased efficiency is available for dust collection at power boilers now, however, and it is not yet known if the potential trace metal problem can be effectively controlled in this manner. More information detailing potential impacts of trace metals is required as well as better understanding of trace metal balance over the power plant and coal conversion plant cycles.

Until recently, disposal of solid wastes in unlined landfills has been acceptable. Assuming a waste production of 12,000 metric tons per day, approx. 11.7 x 10^6 square meters of land with wastes at a depth of 10 m. would be required in 35 years. A typical operation if the landfill were adjacent to the plant site would include a 1,500 m. conveyor and the earthmoving equipment necessary to distribute the wastes throughout the landfill. Cost of disposal in such a landfill may be on the order of \$0.35 to \$0.45/ton, exclusive of land and indirect costs. Moving the landfill to a location at about eight miles from the plant site would increase the landfilling cost to about \$1.00 to \$1.20/ton range due to the increase in conveyor system costs.

Current environmental regulations may require that provision be made to protect surface and groundwaters from contamination by leachate and runoff from landfills. One method of providing this protection is to line and cap the landfill with bentonite clay. Cost of the landfilling operation described above, adjacent to the plant site, if provided with liner and cap, would be in the range of \$0.60 to \$0.70/ton and about \$1.20 to \$1.40/ ton if the disposal site was about eight miles distant from the plant.

5.91

6. Descriptions of Selected Processes

6.1 Principally Solid Products

6.1.1 It was shown in Section 4, that in accordance with its rank, Hat Creek coal exhibits no coking or caking properties. It also has a very high ash content which cannot, even on washing, be reduced below 15-20 percent, and this only at the expense of an uneconomically low product yield. This combination of lack of coking power and very high inherent ash renders the coal unsuitable for processing to upgraded products. Its potential application to:

- Carbonization

- Form coke

- Smokeless solid fuels

- Activated carbons

has been carefully considered but no recommendations are made.

6.1.2

The possibility of producing low-grade nitrogenous fertilizers by direct ammoniation of the coal was considered. Such utilization has been employed in India, and has been studied, by the Alberta Research Council. No recommendation for further work is made.

6.1.3

The use of Hat Creek coal for effluent treatment, presumably based upon ion-exchange properties of coal, has recently been publicized in British Columbia and Alberta. Although it has been known for many years that coals, particularly the low rank coals, exhibit ion-exchange properties, the exchange capacities have been low compared with manufactured exchange resins. No information on the ion-exchange characteristics of Hat Creek coal has been made available and hence no estimate of either the exchange capacity, or of the method and efficiency of regeneration can be made. The possibility of the coal finding wide use in water treatment or effluent purification is considered to be remote.

6.2 Principally Liquid Products

6.2.1 Production of Coal Liquids by the SRC-1 Process (PAMCO).

6.2.1.1 Process Developers:

- The Pittsburgh and Midway Coal Mining Co.,
 Ft. Lewis, Washington, a subsidiary of Gulf
 Oil Corporation.
- ii) Southern Services Catalytic Inc. EdisonElec. Inst., Wilsonville, Alabama.

6.2.1.2 Sponsor: U.S. ERDA

6.2.1.3 Description:

Raw coal is pulverized and mixed with a coal-derived solvent boiling in the general range 285-425°C. Hydrogen, or a hydrogen-rich synthesis gas, is added to the coal-solvent slurry and passed through a preheater to a dissolver vessel. The dissolver is operated at 435° C and 70 bar with an excess of hydrogen, and under these conditions approximately 90% of the D.A.F. coal is dissolved. The actual degree of dissolution of the coal depends on the "reactivity" of the particular coal feed. In addition to solution of the coal, several other major types of reactions occur. These are: (1) depolymerisation of the coal, necessarily accompanied by hydrogenation of the coal; (2) hydro-cracking of the solvent to lower molecular weight hydrocarbons ranging from light oil to methane; (3) removal of organic sulphur by hydrogenation of the sulphur to hydrogen sulphide.

The product stream from the dissolution-hydrogenation step consists of coal solution, unreacted coal (inerts), undissolved mineral matter (ash), light hydrocarbon gases (methane-rich) and excess hydrogen. The excess hydrogen and light hydrocarbon gases are separated from the product slurry. A portion of the hydrogen stream is recycled to the dissolution reactor and the remaining hydrogen, together with the light hydrocarbon gases are further processed for utilization as plant fuel or for sale as "town" gas (22360 KJ/m³) or upgraded by methanation to pipeline-quality gas (37,000 kJ/m³).

6.4

The product slurry is pumped to the filtration section where the undissolved coal solids are separated from the coal solution. The filtrate is sent to a vacuum-flash distillation step for removal of the solvent for recycle to the reactor. Experience at the Tacoma pilot plant has shown the filtration stage, to be unsatisfactory. Equipment availability was lower than 50 percent during an operating period from Sept. 1975 -November 1976. A process change substituting sedimentation for filtration is planned during 1977. The bottoms fraction from the vacuumflash tower is a hot liquid with a solidification point of about 175° C. This is the major product of the process and is referred to as "Solvent-Refined Coal (S.R.C.)". This material can either be transported as a hot, molten liquid or solidified by cooling for shipment.

Alternatively, the process could be modified to produce products that are liquids at normal temperatures and pressures by subjecting the product slurry, after filtration and solvent recovery, to hydro-cracking and subsequent hydro-treatment. Hydro-cracking is employed firstly to product a lighter, hydrogen-enriched material and also effect bulk removal of heteroatoms such as sulphur, nitrogen and oxygen which would increase costs in refinery operations. A tar by-product is obtained from this step and this tar may be mixed with the filter cake from the filtration step (which contains about 50% carbonaceous matter and 50% ash) and gasified in a commercially-available gasifier to produce the hydrogen for the process. The product liquid from the hydro-cracking step is further hydrotreated to produce light refinery liquids.

Off-gases from the hydro-cracking and hydro-treatment sections are combined with off-gases from the S.R.C. process and sent to acid-gas absorption for removal of CO_2 and H_2S prior to being sent to a hydrogen-methane cryogenic separation unit. The resultant hydrogen stream is recycled to the hydroconversion section and the methane is available for sale as pipeline gas.

6.2.1.4 Operating Conditions:

Reactor	<u>Temp.^OC</u>	<u>Press. Bar</u>	Reactants	<u>Product</u>
Dissolver	435	70		Solvent-Refined Coal (S.R.C.) Gas

6.2.1.5 A materials balance and overall thermal efficiency for raw coal feed is shown in Fig. 6.2.1.

About 52 percent of the coal is available for liquid conversion, the other 48 percent being required for production of hydrogen, fuel gas and power.

Liquid (and solid SRC-1) yield is about 15.6 percent.

Overall thermal efficiency is 52 percent.

6.2.1.6 A materials balance and overall thermal efficiency for washed coal feed is shown in Fig. 6.2.2.

About 54 percent of the coal is available for liquid conversion, the remainder being required for production of hydrogen, fuel gas and power.

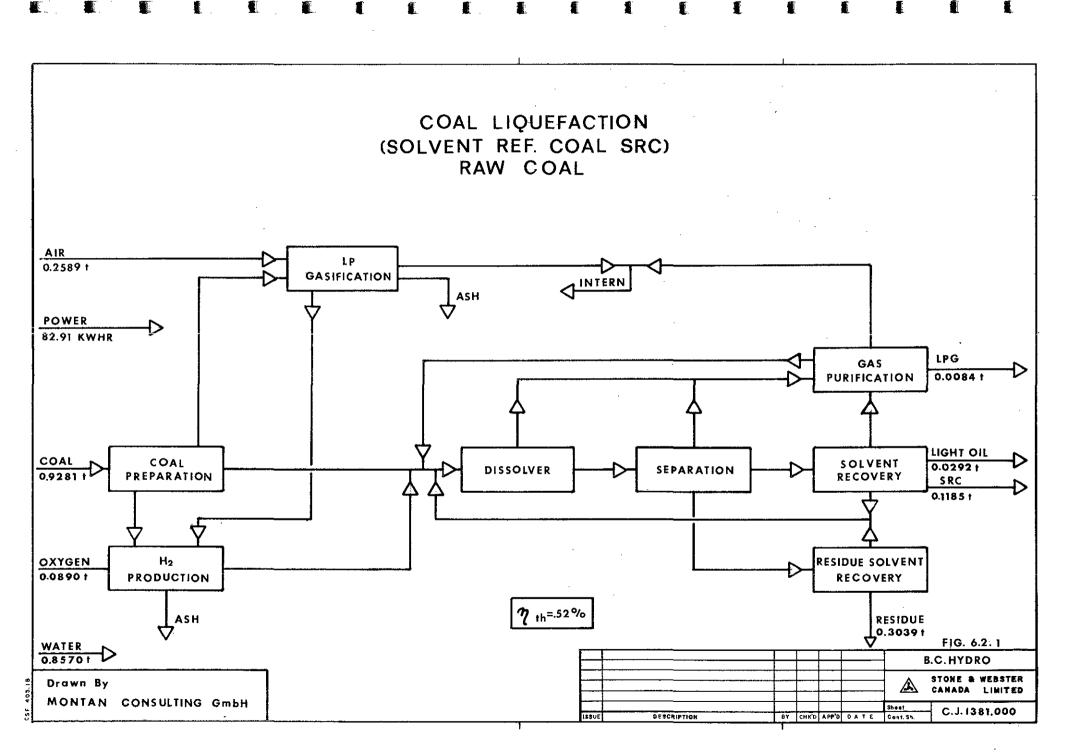
Liquid (and solid SRC-1) yield is 21.7 percent.

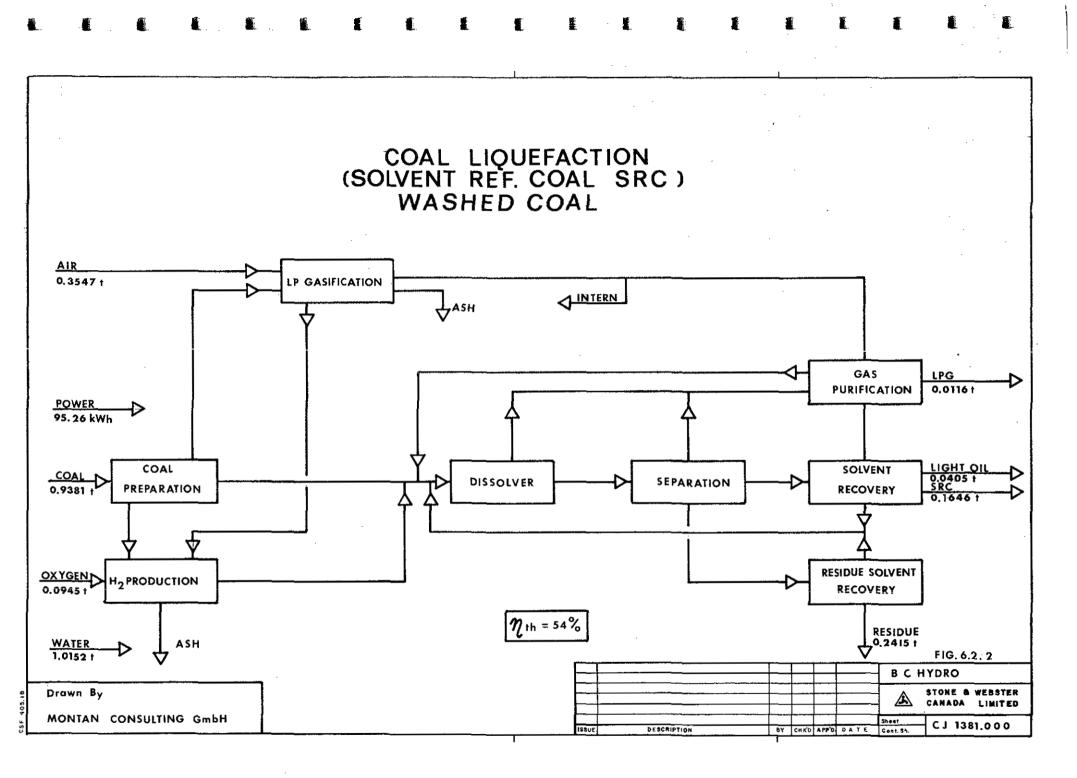
Overall thermal efficiency is 54 percent.

6.2.1.7 Commercial production plant

The coal feed rate of the commercial production plant should be 18,000,000 t/a of run-of-mine coal.

The on stream factor should be 330 d/a. For such capacity the major primary process units are as follows:





- Dissolver unit with 10 trains

- Separation unit with 10 trains

- Solvent recovery unit with 7 trains

- Gas purification unit with 1 train

- Residue solvent recovery unit with 5 trains.

- H_2 - production unit

In the H_2 - production unit are added the following units:

- Pressure gasification unit with 12 gasifiers

- CO shift conversion unit with 2 trains

- Rectisol purification unit with 2 trains

Secondary process units are included as follows:

- Phenols recovery

- Sulphur recovery and tail gas clean-up-units

- Oxygen unit

- Chemicals recovery unit

- Cooling water unit

- Water treatment unit

- Auxiliary steam and power generation unit

- Low pressure gasification unit

- Storage unit

Feed and products Feed 18,000,000 t/a run-of-mine coal

15,425,000 t/a river water

Products

2,134,000 t/a SRC I 525,000 t/a Light Oil 151,000 t/a LPG

2,810,000 t/a total products

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Product Specification of SRC I and Light Oil Products

Value	Unit	SRC I	Light Oil
C	W%	89.21	82.92
Н	н	5.07	11.33
N	41	2.49	0.58
0	zi	2.78	5.16
S	11	0.45	0.01
Density HHV	kg/m3 kJ/kg	1070 38,350 4	850 85,640
ash soft.point	₩% ⁰ С	<0.05% 180220	0.0

Capital costs

Investment cost : 1,290 . 10^6 CDN \$ Working capital : 86 . 10^6 CDN \$

Costs for chemicals and catalyst

Chemicals				-	CDN \$ /a
Catalyst	:	0.55	•	10 ⁶	CDN \$/a

Manpower requirements 420 employees

Land 1,500,000 m²

6,2.2 Production of Light refinery liquids

This process is a combination of the SRC-process and the H-oilprocess by HYDROCARBON RESEARCH INC. The H-Oil-process has been commercialized in the oil-industry for hydrocracking of crude oil residues.

The idea of hydrocracking of coal extracts was proposed firstly in Germany in the thirties and the H-Oil-process may be the best way today to do this.

6.2.2.1 Process Description

The feed coal is dried in the coal preparation unit to a residual moisture content of 3% by weight and reduced to a particle size of 3 mm. The predried and size-reduced coal is then mixed with solvent (anthracene oil) in a weight ratio 1:2 at a temperature of $180 - 200^{\circ}$ C to produce a slurry which, after being subjected to a pressure of 75 - 80 bar and admixed with hydrogenation gas (H₂ = 95% by vol.) and recycle gas (H₂ = 75% by vol.), is heated in a preheater to $430 - 450^{\circ}$ C.

This is followed by extraction of the mixture in a dissolver unit at a aforementioned pressure and temperature. In the gas separation unit succeeding the dissolver unit, the evolved gas is first separated at the same temperature and pressure. The slurry is then cooled down to $280 - 300^{\circ}$ C and subjected to stepwise flash evaporation at 35 - 37bar and at 11 - 12 bar, after which it is passed to the separation unit.

In the mechanical separation stage the slurry is separated into a high-solids fraction and a lowsolids fraction.

The low-solids fraction is passed to the solvent recovery unit, where it is subjected to vacuum distillation at 0.2 bar and from which SRC I is withdrawn as bottom product and transferred to the hydroconversion unit.

The condensed top product is reprocessed in a further distillation stage at a pressure of 2.5 bar into solvents as bottom product which is returned for slurrying the prepared coal, and into a condensed top product which, after condensation, is passed to a hydrotreating unit. Since the high-solids fraction contains a considerable amount of solvent, it is fed into a residue solvent recovery unit. The solvent recovered in this unit is reused for slurrying the prepared coal and the residue is sent to the dump.

6.11

The solvent recovery unit and the residue solvent recovery unit are included in the separation stage shown in the block diagram and are not shown separately.

The SRC I formed is brought to a pressure of 200 -240 bar, admixed with recycle gas heated to 320 -360^OC and fed into a hydroconversion reactor. The liquid-gas mixture leaving the hydroconversion reactor is separated and a light-oil fraction is recovered from the gas. The liquid product is distilled at various pressure stages and temperatures.

The top product of the distillation units together with light oil recovered from the gas fraction and the light oil from the SRC I process are brought up again to a pressure of 200 - 240 bar and, after being mixed with make-up hydrogen and heated to a reaction temperature of $400 - 450^{\circ}$ C, fed into a refining unit. The refined product leaving this unit is flash evaporated in steps and then distilled. The bottom product of this distillation is Light refinery liquid which is withdrawn and passed to the storage tanks. The gases evolving in the various process stages are fed into a gas purification unit where the recycle gas is removed and the remaining purified gases following separation of the LPG fraction, is utilized together with the lean gas from the low-pressure gasification unit for generating the heat required for the process.

The make-up hydrogen required in the dissolver unit and refining unit has a purity of 95% by vol. It is produced in the hydrogen production unit by pressure gasification of the residue from the hydroconversion unit, the tar from the low-pressure gasification unit and of raw coal, then converted in a CO shift conversion unit and then purified in the gas purification unit.

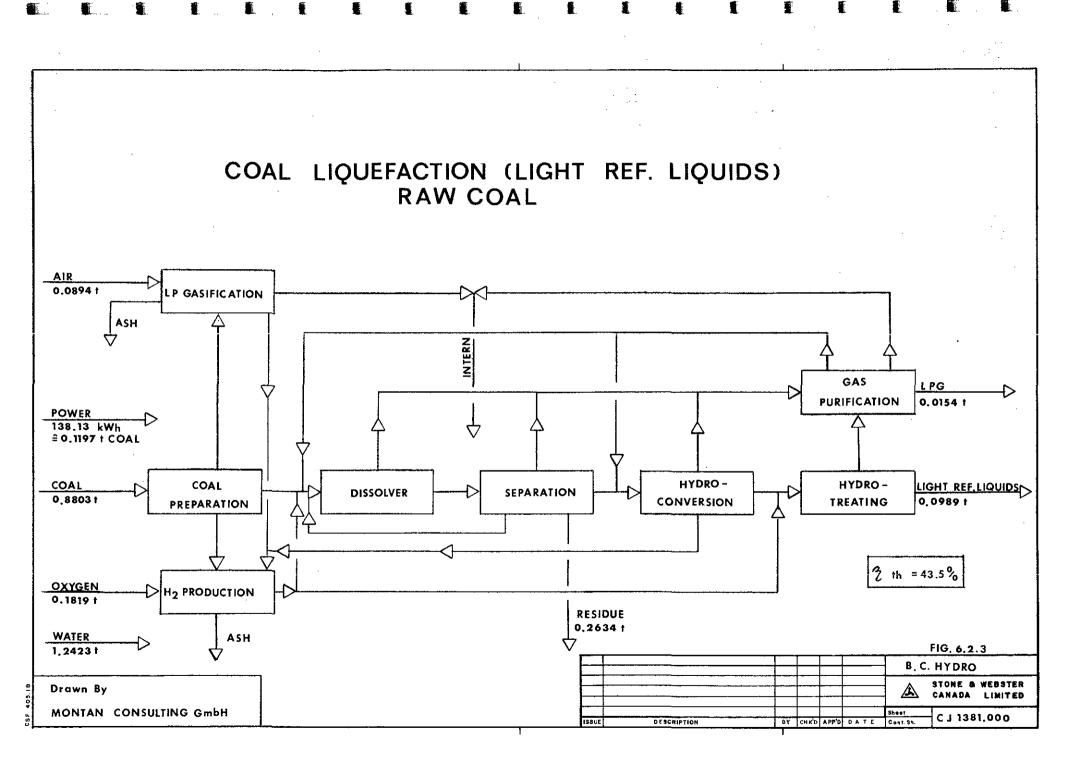
The CO shift conversion unit and the gas purification unit are included in the hydrogen production unit.

6.2.2.2 A material balance and calculated overall thermal efficiency is shown in Fig. 6.2.3 for raw coal feed.

About 45 percent of the coal feed is available for liquids conversion, the remainder being required for hydrogen production, fuel for and power generators.

Liquid yield is 11.4 percent of total coal feed.

Overall thermal efficiency is 43.5 percent.



6,2.2.3 A materials balance and overall thermal efficiency is shown in Fig. 6.2.4 for washed coal feed.

> About 48 percent of the coal feed is available for liquids conversion, the remainder being required for hydrogen production, fuel for and power generation.

Liquid field is 16.2 percent.

Overall thermal efficiency is 46.5 percent.

6.2.2.4 Commercial production plant

The coal feed rate of the commercial production plant should be 18,000,000 t/a of run of mine coal.

The on stream factor should be 330 d/a. For such capacity the major primary process units are as follows:

- Coal preparation unit with 9 trains

- Dissolver unit with 9 trains

- Separation unit

- Hydroconversion unit with 9 trains

- Hydrotreating unit with 9 trains

- Gas purification unit with 2 trains

- H₂ -production unit

In the separation unit and in the H_2 -production unit are added the following units:

- Separation unit with 9 trains
- Solvent recovery unit with 7 trains
- Residue solvent recovery unit with 5 trains
- H₂ -production unit
 - Pressure gasification unit with 24 gasifiers
 - CO shift conversion unit with 4 trains
 - Rectisol purification unit with 4 trains

Secondary process units are included as follows:

- Phenols recovery
- Sulphur recovery and tail gas clean-up units
- Oxygen unit
- Chemicals recovery unit
- Cooling water unit
- Water treatment unit
- Auxiliary steam and power generation unit
- Low pressure gasification unit
- Storage unit

Feed and products

Feed

18,000,000 t/a run of mine coal 22,361,000 t/a river water

Products

1,780,000 t/a Light refinery liquids 277,000 t/a LPG

2,057,000 t/a total products

Product specification of Light refinery liquids is shown in Table 6.2.

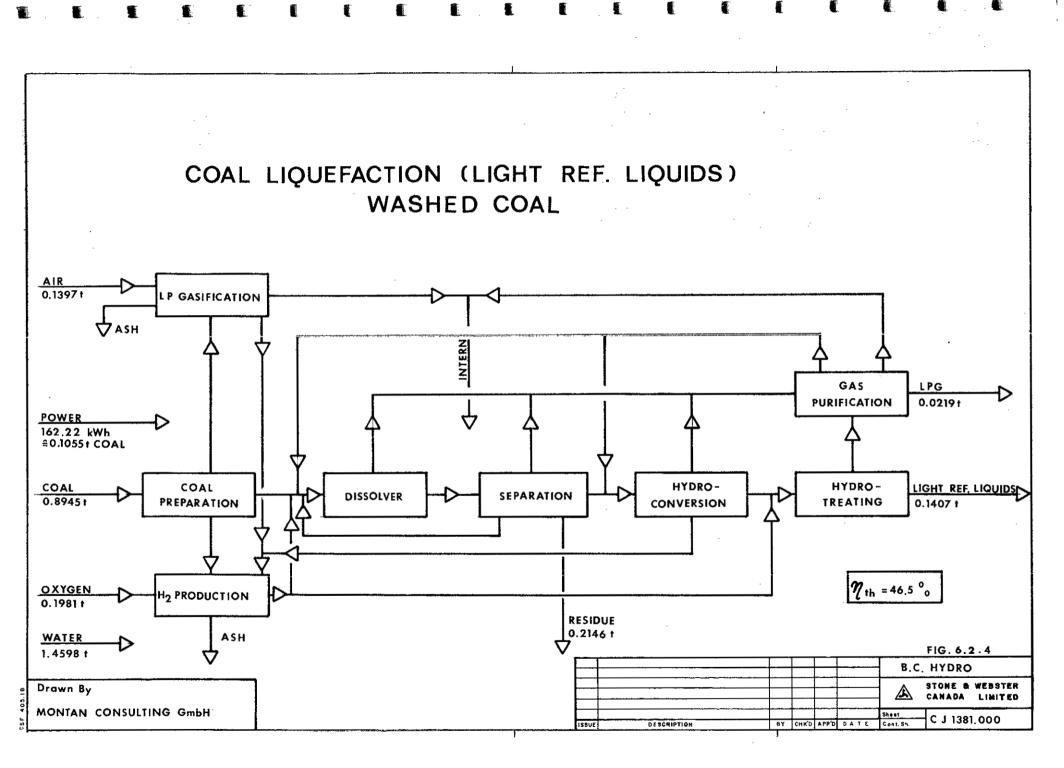


Table 6.2

PRODUCTION SPECIFICATION OF LIGHT REFINERY LIQUIDS

Light refinery	/ liquid	Total	Fraction				
Value	Unit	C5343 ⁰ C	с5 93 ⁰ с	93 [°] C 204 [°] C	204 ⁰ C 343 ⁰ C		
Volume	Vol. %	100	10	26	64		
Weight	W%	100	8	24	68		
Density	kg/m3	861	692	824	903		
S	W%				·		
N	H ·	0.07	0.01	0.06	0.08		
0		0.04	0.005	0.02	0.05		
Paraffins	н		50	20			
Olefines	11						
Naphthenes	11		47	65			
Aromatics	н		3	15			
Ash	IF	0.05					
нни	KJ/Kg	14020	-	-	-		

6.2.2.5	Capital costs						
	Investment cost :						
	Working capital :	-	142	•	10 ⁶	CDN	\$

- 6.2.2.6 Costs for chemicals and catalyst Chemicals : 5.6 . 10⁶ CDN \$ /a Catalyst :16.1 . 10⁶ CDN \$ /a
- 6.2.2.7 Manpower requirements 510 employees
- 6.2.2.8 Land

2,000,000 m²

6.2.2.6 Costs

6.2.3 Production of Liquids by the LURGI-RUHRGAS Process

6,2,3,1 Process Developers:

Lurgi GmbH, a subsidiary of Metallgesellschaft AG, Frankfurt, and Ruhrgas AG.

6.2.3.2 Description:

Feed coal and a heat carrier consisting of hot char are continuously supplied to a mechanical mixer which ensures a uniform mixing of the two components as well as a very rapid equalization of temperature between the char and coal so that a major part of the carbonization occurs at the end of the mixer. The resultant pyrolysis gas and vapours are withdrawn at the end of the mixer, passed through a cyclone for dust removal, and then sent to a condensing unit.

The tar is subjected to dust removal and hydrogenation in the hydro-treatment section to produce a range of liquid products. The gas, after cleaning, has a heating value of 26,100 - $31,670 \text{ kJ/Nm}^3$. This gas may be used as a source of hydrogen for the tar-hydrogenation steps or methanated to pipeline quality.

The char which has been used as a heat carrier and newly-formed char, fall into the carbonizer shaft where additional temperature equalization between the heat carrier and fresh distillation residue takes place so that a subsequent degasification can occur. The char leaves the carbonizer shaft at the lower end and flows to a lift pipe where it is raised by comubstion gases and heated simultaneously.

The combustion gases are produced in the lift pipe itself, into which preheated air is blown to cause partial combustion of the char. Char and combustion gases are separated and the gases, after cleaning, are exhausted.

The hot char is collected in a bin and then recirculated to the mixer to complete the cycle. The continuous production of fresh char results in a surplus of circulating char. This surplus is continuously withdrawn and used for steam and electricity production.

The close intermixing of coal and hot char in the mixer avoids the formation of agglomerates so that coking coals can be treated.

6.2.3.3	Operating C	Conditions	:		
	Reactor	Temp. ^O C	Pressure	<u>Reactants</u>	Products
	Carbonizer	595	Atmospheric	Coal-Hot Char	Char,Tar,Gas

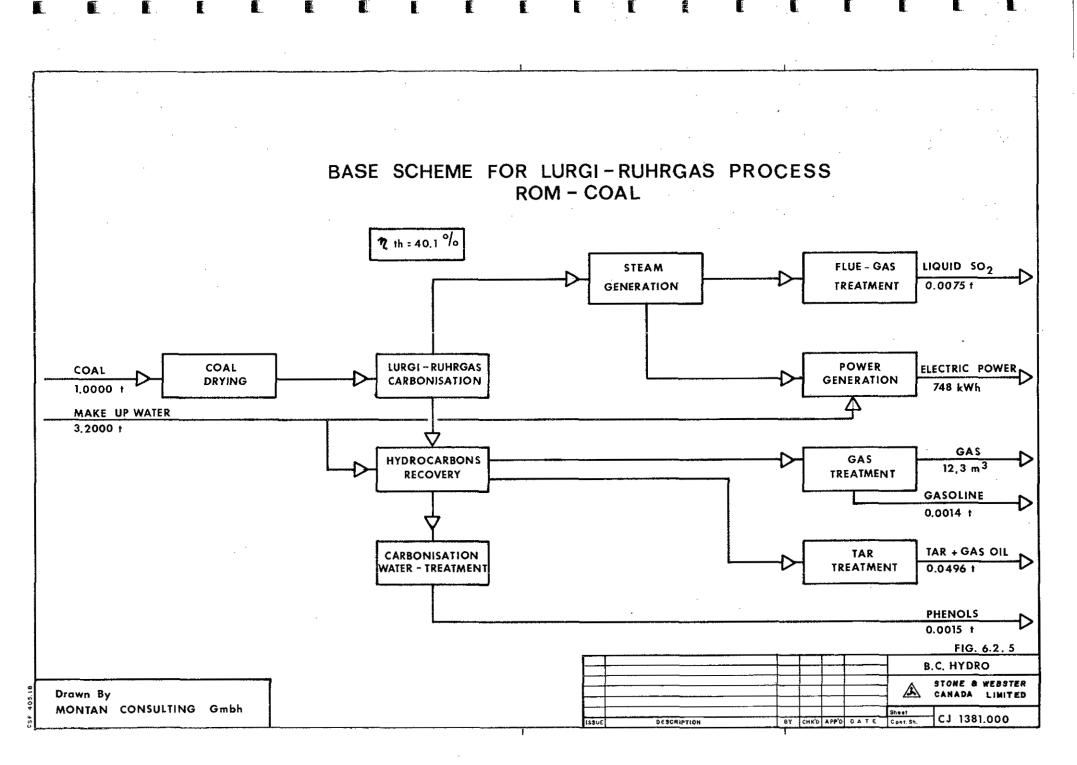
6.2.3.4 A materials balance and calculated overall thermal efficiency is shown in Fig. 6.2 5 for raw coal.

Liquid product yield is 16.5 percent. Gas yield is 2 percent.

Electric power as coal equivalent (gross calorific value basis) is 21.6 percent.

Overall thermal efficiency is 40.1 percent.

and the second second



Liquid product yield is 16.6 percent. Gas yield is 2.0 percent.

Electric power as coal equivalent (gross calorific value basis) is 22.3 percent.

Overall thermal efficiency is 40.9 percent.

6.2.3.6 Commercial production plant The coal feed for the L-R plant should be 3.10⁶ t/a run-of-mine coal. The on stream factor is

fixed to 330 days/a.

For this capacity the major primary units are as follows:

- coal-drying unit
- LURGI-RUHRGAS carbonization-unit with 2 carbonizers including quench- and waste-heat systems
- hydrocarbons recovery with gas treatment, tar treatment and carbonization-water treatment.

Secondary process units:

- Power- and steam plant
- Flue-gas treatment
- Make-up water unit
- Cooling water unit

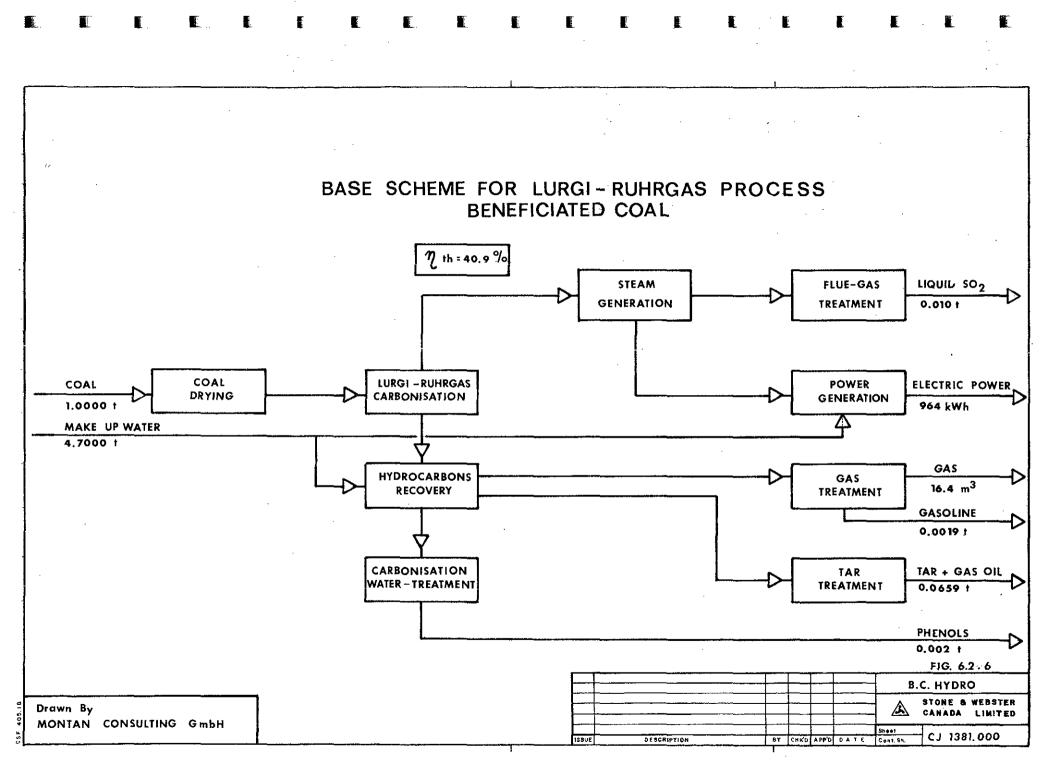
Feeds				
Coal for carbonization	1 3	- •	10 ⁶	t/a
Make-up water	9.6	•	10 ⁶	t/a
Products			,	_
Gas	36.90	٠	106	m ³ /a
Tar and gas oil	128.96	•	103	t/a
Gasoline	24.02	•	10 ³	t/a
Phenols	4.49	•	10^{3}	t/a
Electric power	2.23	•	10 ⁶	KWH/a
Capital costs				
Investment cost:	310	•	10 ⁶	CDN\$
Working capital:		•	-10 ⁶	CDN\$
Costs for chemicals an				
Chemicals:	4.2	•	10^{6}	CDN \$

-

177 employees

Land 300,000 m²

. •



- 6.2.4 Liquid Production by Lurgi Gasification combined with FISCHER-TROPSCH-synthesis
 - 6.2.4.1 Process Developers:

Fischer and Tropsch (Germany) M.W. Kellogg Co. (Synthol Process, SASOL) Arge-Arbeit Gemeinschaft Lurgi and Ruhrchemie (Arge Synthesis, SASOL)

6.2.4.2 Description:

The F-T-synthesis process basically converts carbon monoxide and hydrogen to liquid hydrocarbons. By gasification of coal the synthesis gas can be produced in an earlier step.

The combination of both processes means an indirect coal liquefaction. The reaction of the gasification process is endothermic and needs heat under a high temperature level. The reaction of the F-T-synthesis process is exothermic and delivers waste heat under a low temperature level. Following this the overall plant efficiency is significantly lower than for direct liquefaction processes. Typical products from the F-T-synthesis process are Middle- and Light-distillates like oils similar to motor gasoline and diesel fuel. But a wide range of organic chemicals are produced, which must be sold if the process is to be even marginally acceptable from a cost stand point.

As only one commercial plant, SASOL in South Africa is currently in operation to produce liquid hydrocarbons from coal-derived synthesis gas via Fischer-Tropsch Synthesis, the following description is for that plant: Coal is gasified in a battery of 13 Lurgi highpressure, steam-oxygen gasifiers to produce a gas consisting essentially of carbon monoxide and hydrogen, with a proportion of other gases, tar and oil. The gas stream from the gasifiers is quenched to remove tar and oil and purified by the Rectisol (Lurgi) process which uses a single solvent (methanol) to remove the last traces of tar and oil, carbon dioxide, hydrogen sulphide, organic sulphur, ammonia and phenol. The purified synthesis gas stream is partitioned and a part of the gas is passed through a fixedbed catalytic reactor (Arge synthesis). Feed gas has a H_2/CO ratio of about 2:1 and synthesis occurs under conditions of $220^{\circ}C$ and 24.8 bar

The products of the Arge synthesis are straightchain, high-boiling hydrocarbons, with some medium-boiling oils, diesel oil, L.P.G., and oxygenated compounds such as alcohols.

The portion of the synthesis gas which was not sent to the Arge unit goes to the Synthol plant (Kellogg synthesis) which is a fluidized-bed catalytic (iron) reactor. In this reactor, catalyst is circulated along with the synthesis gas. Gas and catalyst leaving the reactor are separated in cyclones and the catalyst is recycled. Operating conditions are $315^{\circ}-330^{\circ}C$ and 22.5 bar

A portion of the Synthol plant tail gas is reformed with steam to increase the H_2/CO ratio to about 3:1, and is mixed with the fresh synthesis gas.

Reactor effluent gas is quenched in a scrubbing tower where the remaining catalyst dust is removed and returned to the reaction zone in the form of a heavy slurry oil.

The raw products from the synthesis require certain treatment and then final purification to make the specification products. From the gas phase, valuable hydrocarbon and chemical products are scrubbed out and recovered. The oil phase is treated catalytically to remove dissolved oxygenates and then distilled into gasoline and fuel oil fractions. The remaining liquor is distilled and fractionated to produce chemical products. Heavy alcohols to pentanol are also recovered.

A portion of tail gas from the Arge and Synthol synthesis plants is removed and used for utility gas.

6.2.4.3	Operating Condition	ons:	Press		
	Synthesis Process	<u>Catalyst</u>	Temp. ^O C	bar	Products
	Arge Fixed Bed	Iron/Cobalt	230	24.8	Petrol,L.P.G.,Oil Wax, Gas
	Kellogg Fluidized Bed	Iron	325	22.8	Petrol,Alcohol,Oil Gas

6.2.4.4 A materials balance and calculated overall thermal efficiency for raw coal is shown in Fig. 6.2.7.

6.23

6.24

About 85 percent of the coal is available for production of synthesis gas, the remainder being consumed in production of process heat and electric power.

Liquid product yield is 11.3 percent.

Overall thermal efficiency is 38 percent.

6.2.4.5 A materials balance and calculated overall thermal efficiency for washed coal is shown in Fig. 6.2.8.

About 86 percent of the coal is available for production of synthesis gas, the remainder being consumed in production of process heat and electric power.

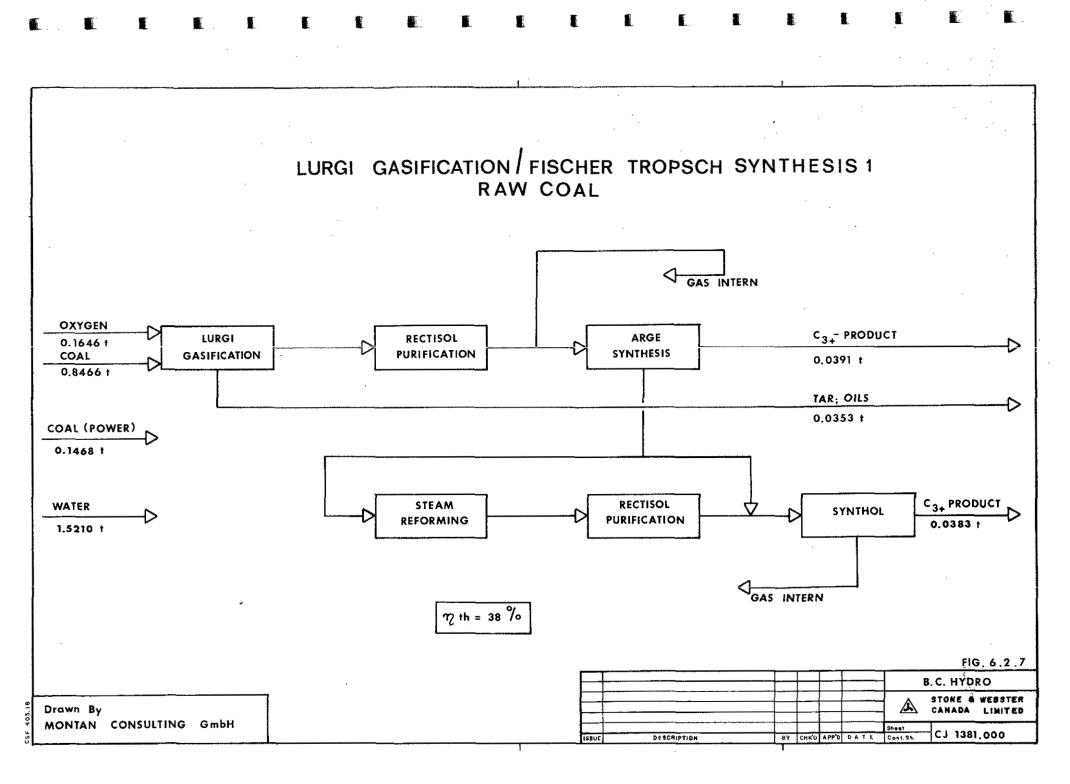
Liquid product yield is 15.5 percent.

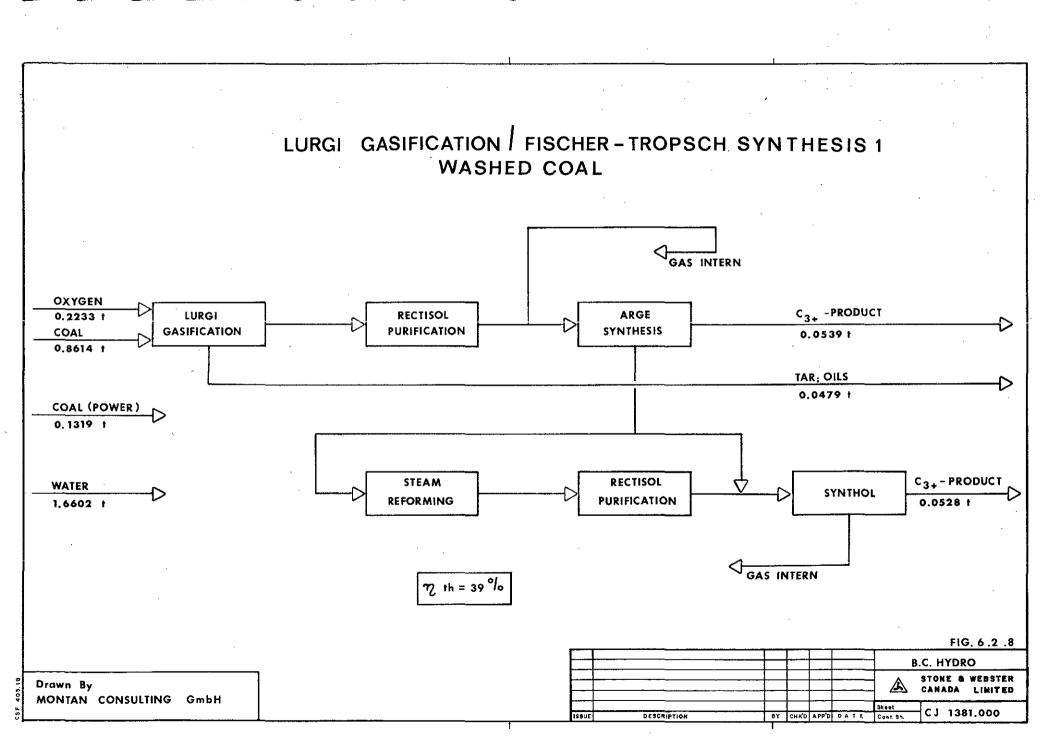
Overall thermal efficiency is 39 percent.

6.2.4.6 Commercial Production plant

The coal feed rate of the commercial production plant should be 18,000,000 t/a of run of mine coal.

The on stream factor should be 330 d/a. For such capacity the major primary process units are as follows:





- Rectisol purification unit with 5 trains
- ARGE synthesis unit with 45 reactors
- KELLOG synthesis unit with 5 reactors
- STEAM reforming unit with 8 trains

Other primary process units are:

- Units for processing gas by-products
- Units for processing primary F-T-synthesis products to motor fuels and F-T by-products.

Secondary process units are:

- Sulphur recovery and tail gas clean-up units

- Oxygen unit

- Chemicals recovery unit

- Cooling water unit

- Water treatment unit

- Auxiliary steam and power generation unit

- Storage unit

Feed and products

Feed

18,000,000 t/a run of mine coal 36,500,000 t/a river water

HAT CREEK FEEN

10,000,000 t/a run of mine coal 22,800,528 t/a river water. 12

Primary products 703,600 t/a C_3^+ - ARGE-Products 699,200 t/a C_3^+ - KELLOGG-Products 635,800 t/a Tar and Oils

2,038,600 t/a liquid products

Products

1,495,400 t/a motor fuel 168,900 t/a F-T by-products 262,600 t/a gasification by-products

1,926,900 t/a total products

Capital costs		•	
Investment cost:		-	-
Working capital:	80	. 10 ⁶	CDN 🖇

Costs	for	chemical			•		
Chemic	als		11.2				
Cataly	st	:	0.8	•	10 ⁶	CDN	\$/a

Manpower requirements 930 employees

Land 3,500,000 m². 6.2.4.7 Liquids products by LURGI - gasification combined with Kellog-synthesis.

The process description was given in para 6.2.4.2.

6.2.4.8 A material balance and calculated overall thermal efficiency is shown in Fig. 6.2.9 for raw coal.

About 75 percent of the coal is available for production of Synthesis gas, the remainder being required for fuel gas and power generation.

Liquid products yield is 9.9 percent of raw coal feed.

Overall thermal efficiency is 34 percent.

6.2.4.9 A material balance and calculated overall thermal efficiency is shown in Fig. 6.2.10 for washed coal.

About 76 percent of the coal is available for production of Synthesis gas, the remainder being required for fuel gas and power generation.

Liquid products yield is 13.6 percent of washed coal feed.

Overall thermal efficiency is 35 percent.

6.2.4.10 Commercial production plant

The coal feed rate of the commercial production plant is taken to be 18,000,000 t/a of run of mine coal.

On stream factor is 330 d/a. For this capacity the major primary process units are:

- LURGI gasification unit with 36 gasifiers
- CO shift conversion unit with 10 trains
- Rectisol purification unit with 4 trains
- KELLOG synthesis unit with 9 reactors
- Steam reforming unit with 7 trains

Other primary process units are:

- Units for processing gas by-products

- Units for processing primary F-T-synthesis products to motor fuels and F-T by-products.

Secondary process units included are:

- Sulphur recovery and tail gas clean-up-units

- Oxygen unit

- Chemicals recovery unit

- Cooling water unit

- Water treatment unit

- Auxiliary steam and power generation unit

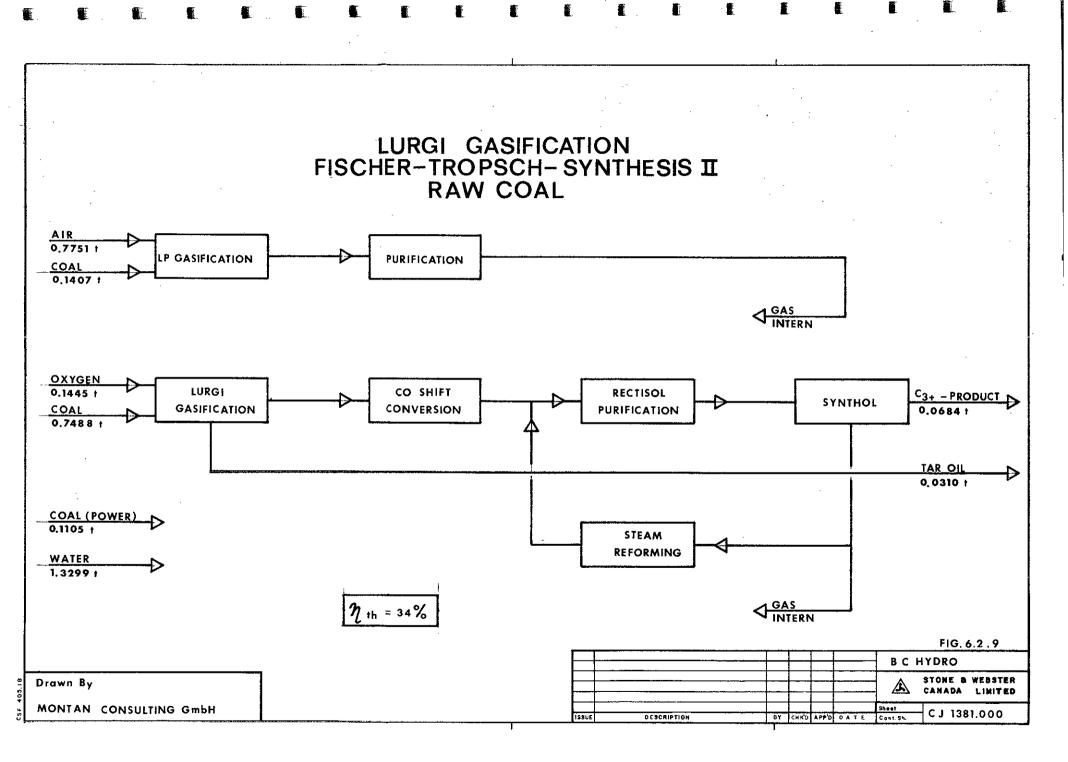
- Low pressure gasification unit

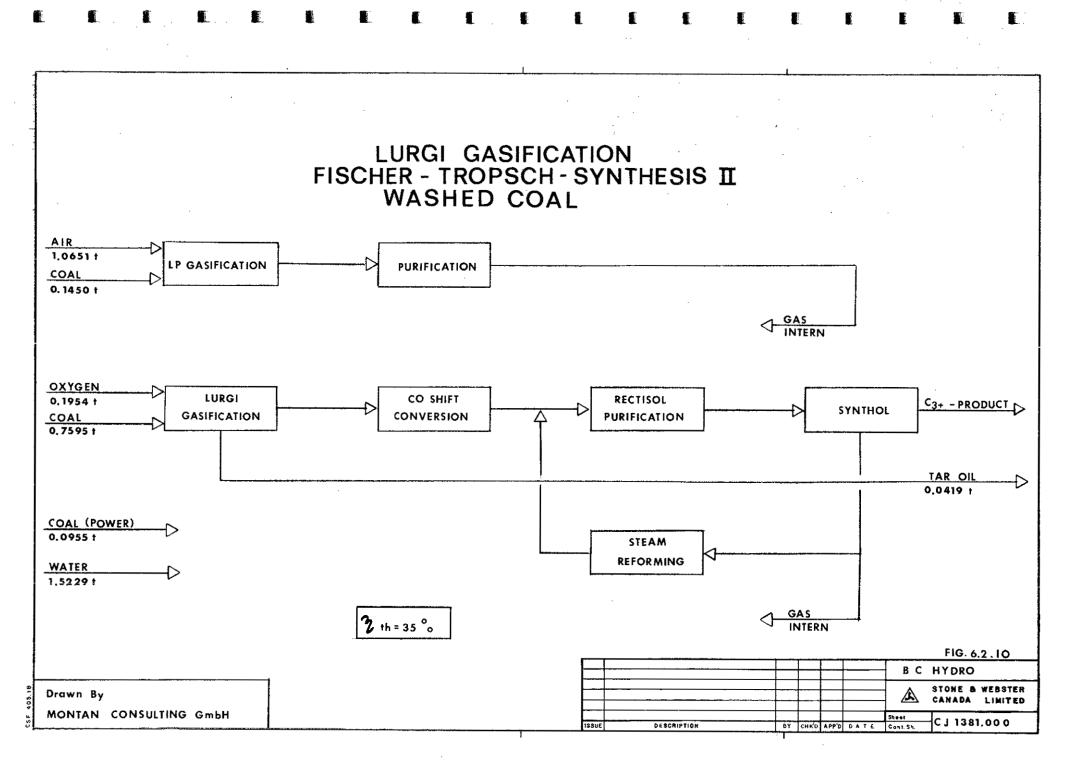
- Storage unit

Feed and products

Feed

18,000,000 t/a run of mine coal 31,920,000 t/a river water





Primary products 1,230,500 t/a C ₃ ⁺ -KELLOG-products 558,000 t/a Tar and Oils
1,788,500 t/a liquid products
Final products
1,267,200 t/a motor fuel
236,700 t/a F-T by-products
230,500 t/a gasification by-products
1,734,400 t/a
Capital costs
Investment cost: 1080 . 10 ⁶ CDN \$ Working capital: 72 . 10 ⁶ CDN \$
Costs for chemicals and catalysts
Chemicals: 10 . 10 ⁶ CDN \$/a Catalysts: 0.8 . 10 ⁶ CDN \$/a
Catalysts: 0.8 . 10 ⁶ CDN \$/a
Manpower requirements
860 employees
Land 3,200,000 m ²

6.2.5 Production of Methanol

6.2.5.1 Methanol Synthesis

Methanol can be synthesized by the catalytic reaction of synthesis gas produced by any one of a number of commercially-available coal gasification processes which produce CO/H_{2} mixtures. Suitable gas for the catalytic production of methanol utilizing conventional zinc-chromium (high pressure) or copper-zinc-chromium (low to moderate pressures) catalysts is produced by passing the raw gas from the gasifier through a conventional water-gas shift conversion to adjust the H₂:CO ratio in the gas to 2:1. After purification, this 2H₂:1CO gas is sent to the catalytic reactor operating at about 260° C and 52-310 bar (depending on the catalyst) where methanol is formed by the following reactions:

 $CO + 2H_2 = CH_3OH (methanol)$ $CO_2 + 3H_2 = CH_3OH + H_2O$

Methanol formed in the catalytic converter is condensed and recycle gas is separated for return to the converter. The raw methanol is distilled for purification and higher alcohols (through pentanol) are recovered as residue together with other organic compounds.

The commercial-scale production of methanol via the catalytic synthesis of coal-derived synthesis gas has been practiced in many countries for a great many years, primarily based on Koppers-Totzek, Lurgi and Winkler gasifiers. A materials balance and overall thermal efficiency is shown in Fig. 6.2.11 for raw coal.

About 77 percent of the raw coal feed is available for synthesis gas production.

Methanol yield is 0.137t/t raw coal feed. Methane yield is $62 \text{ m}^3/\text{t}$ raw coal feed.

Overall thermal efficiency is 56 percent.

6.2.5.3 A materials balance and overall thermal efficiency is shown in Fig. 6.2.12 for washed coal. About 78 percent of the coal feed is available for synthesis gas production.

> Methanol yield is 0.188 t/t of washed coal feed. Methane yield is $85m^3/t$ of washed coal feed. Overall thermal efficiency is 58 percent of washed coal feed.

6.2.5.4 Commercial production plant

The coal-feed for the methanol production plant should be 3 . 10^6 t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- LURGI-gasification-unit with 6 gasifiers including quench- and waste-heat systems,

- CO-shift conversion-unit
- Rectisol purification with 2 trains

- Methanol-synthesis

Secondary process-units

- Oxygen-plant
- Power- and steam plant
- Make-up water unit
- Cooling water unit

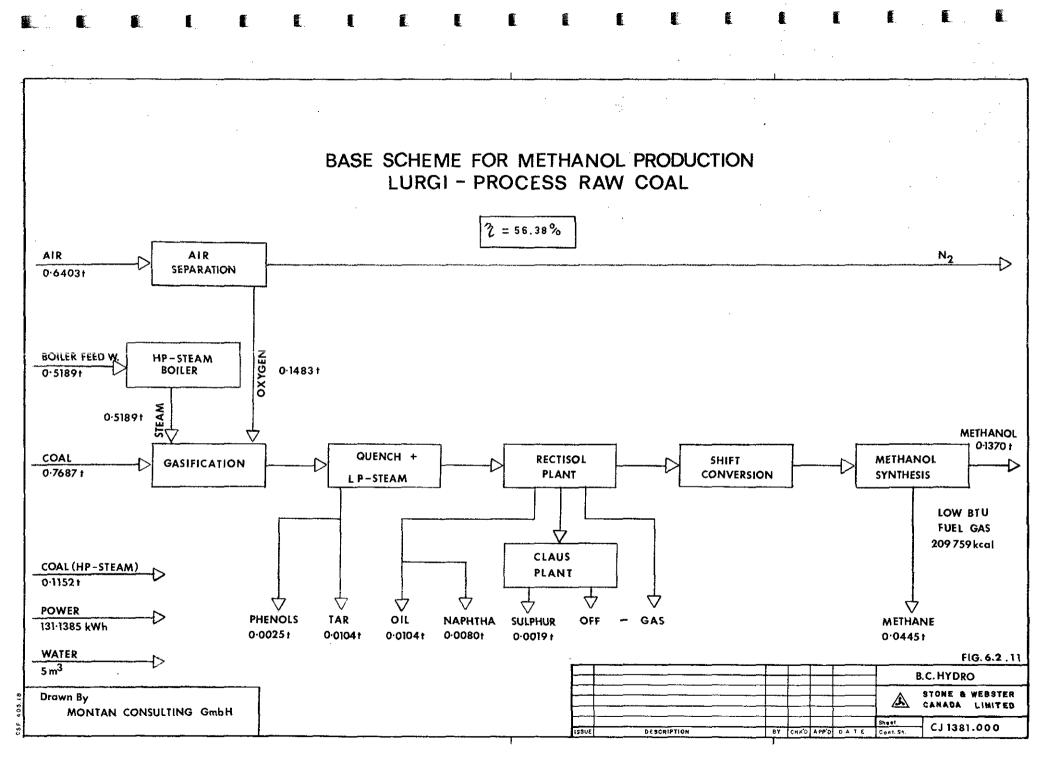
- Sulphur-recovery

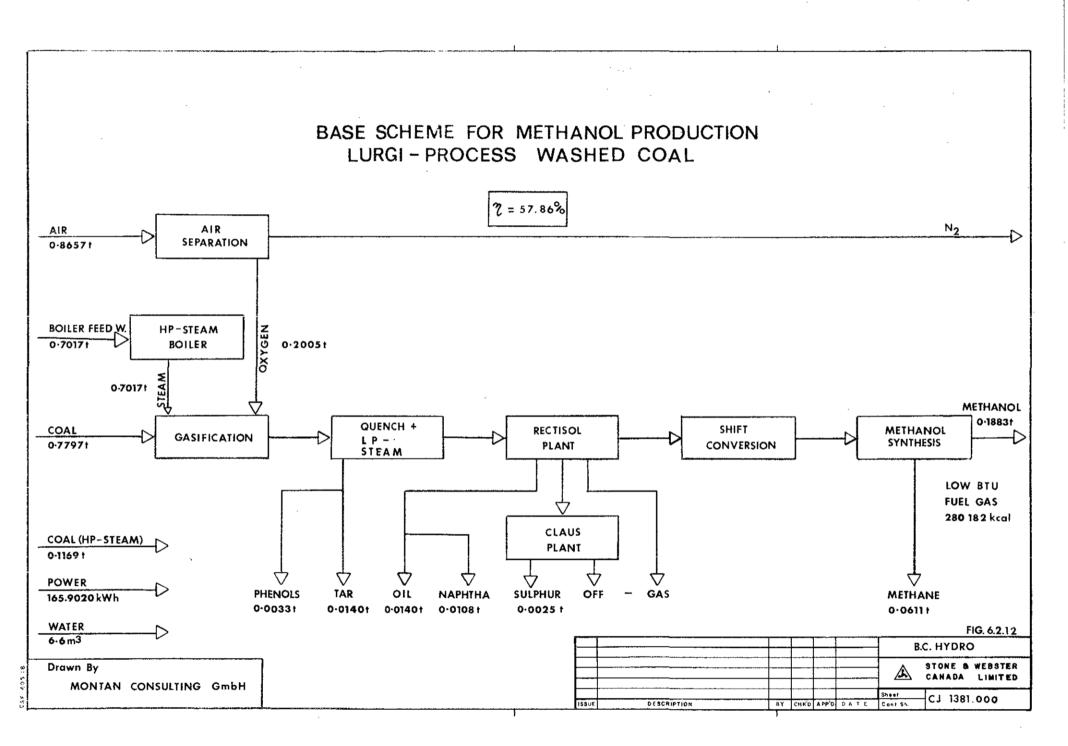
- Gas-water treatment
- Synthesis-gas compression

Feed and Products

Feed			-	
Coal	3.0	•	10 ⁶	t/a
Steam	1.557		10 ⁶	, II
0xygen	0.455	•	10 ⁶	н

Products $x 10^{3} t/a$ Methanol 411 186 . 10³ m3/a SNG (methane) . 10³ t/a 31.2 Tar . 10³ 31.2 11 0i1 . 10³ " 24 Naphtha . 10³ Phenols 7.5 п . 10³ Sulphur 5.7 н





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Capital costs Investment cost: 180 . 10⁶ CDN \$ Working capital: 9 . 10⁶ CDN \$

Costs for chemicals and catalysts Chemicals and catalysts 0.62 . 10⁶ CDN \$

Manpower requirements

Operators

100

Land Plant area required $0.75 \cdot 10^6 \text{ m}^2$

6.2.5.5 Using Koppers-Totzek gasification

A material balance and calculation of thermal efficiency for raw coal is shown in Fig. 6.2.13.

About 99 percent of the coal is available for producing synthesis gas.

Methanol yield is 0.226 t/t raw coal feed. Methane yield is 113 m^3/t raw coal feed.

Overall thermal efficiency is 42 percent.

6.2.5.6 A material balance and calculation of thermal efficiency for washed coal is shown in Fig. 6.2.14.

All the coal is available for production synthesis gas.

Methanol yield is 0.338 t/t washed coal feed. Methane yield 85 m3/t washed coal feed.

Overall thermal efficiency is 47 percent.

6.2.5.7 Commercial production plant

The coal-feed for the methanol production plant should be $3 \cdot 10^6$ t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- KOPPERS-gasification-unit with 8 gasifiers

- CO-shift conversion-unit

- Rectisol purification with 2 trains

- Methanol-synthesis

Secondary process-units

- Oxygen-plant

- Power- and steam plant

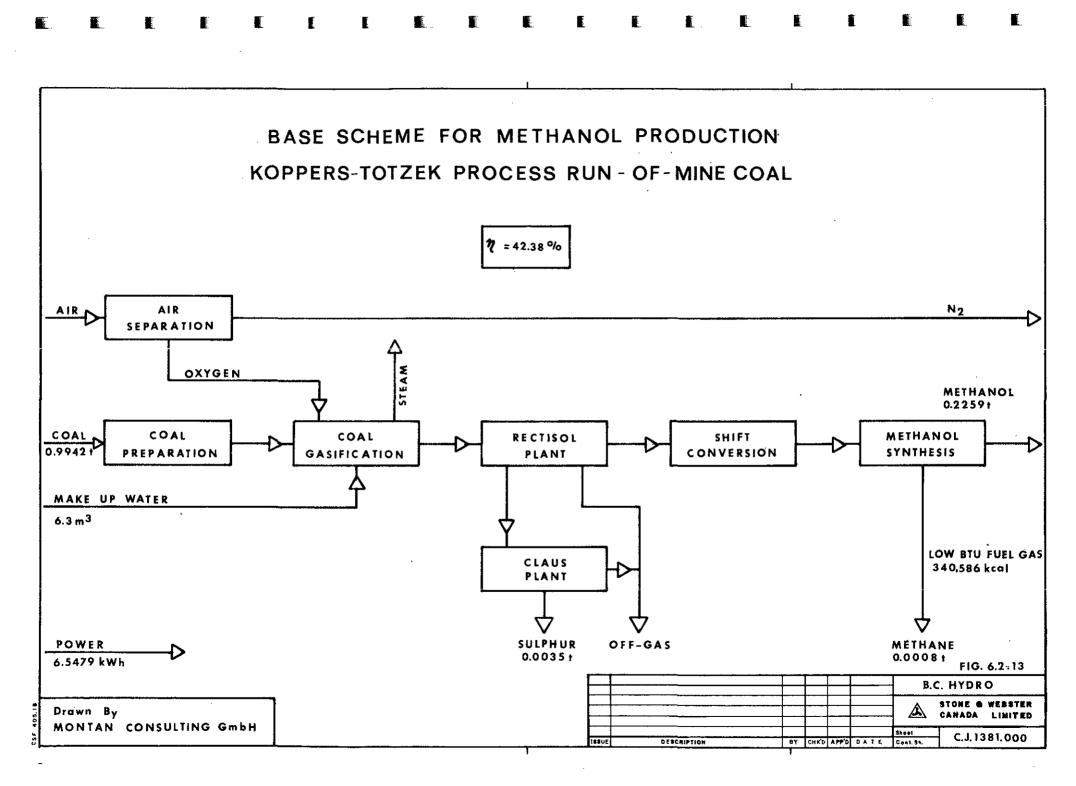
- Make-up water unit

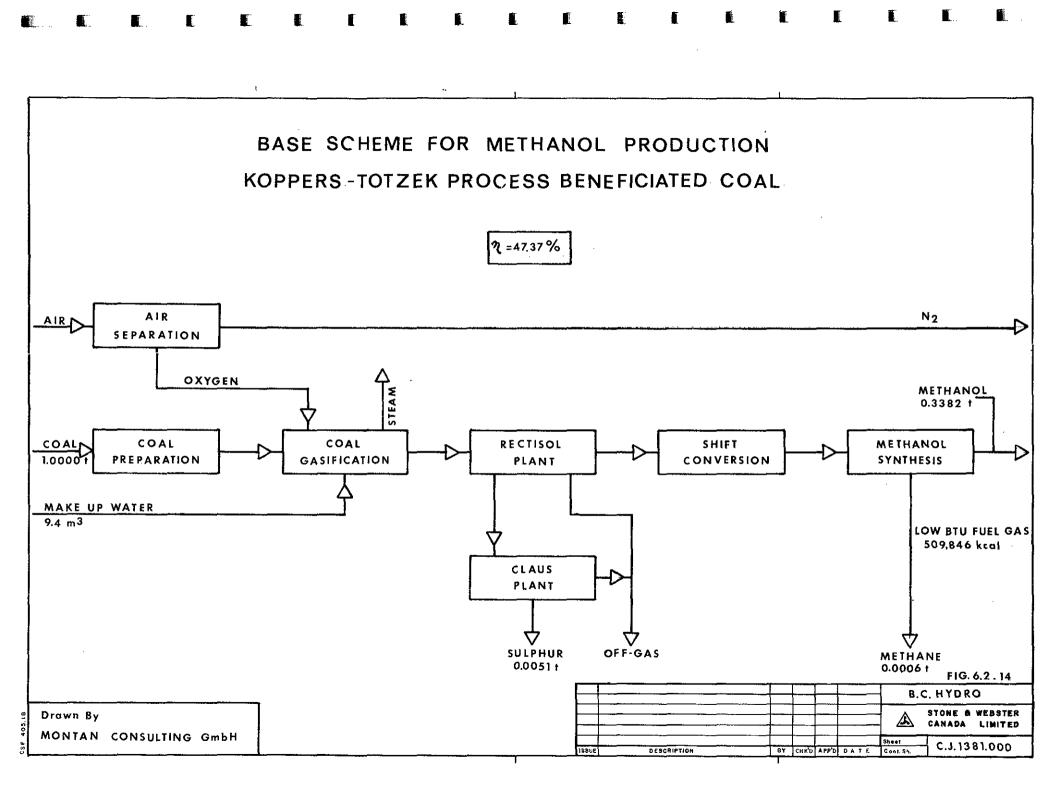
- Cooling water unit

- Sulphur-recovery

- Gas-water treatment

- Synthesis-gas compression





6.2.5.8 Feed and products

Feed	
Coal for gasification	2.9826 . 10 ⁶ t/a
Coal for power generation	0.0174 . 10 ⁶ t/a

Products			
Methanol	0.6777		10 ⁶ t/a
Sulphur	10.500		•
Methane	3.348	•	$10^{6} m^{3}$

Capital costs

Investment cost: $200 \cdot 10^6 \text{ CDN }$ Working capital: $10 \cdot 10^6 \text{ CDN }$

Costs for chemicals and catalysts Chemicals and catalysts: $1.0 \cdot 10^6$ CDN \$/a

Manpower requirements operators 100

Land plant area required 0.75 . $10^6 \ \mathrm{m}^2$

0.1

About 93 percent of the raw coal is available for synthesis for production.

Methanol yield is 0.214 t/t raw coal Methane yield is 16 m³/t raw coal

Overall thermal efficiency is 45 percent.

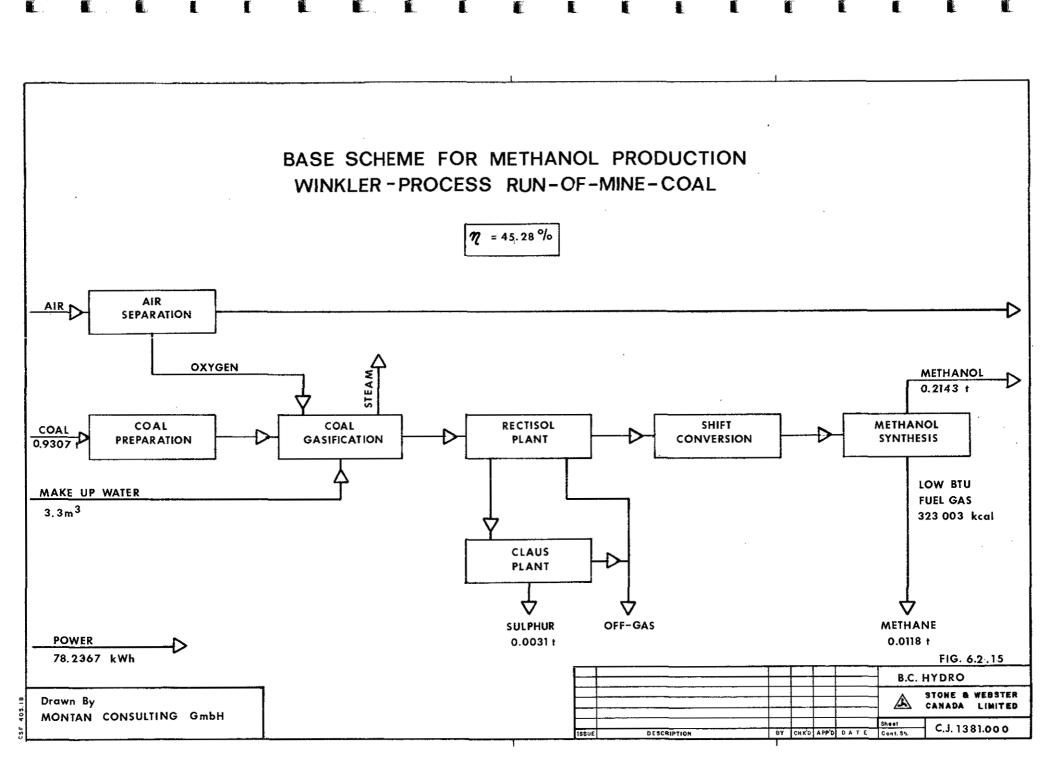
6.2.5.10 A materials balance and calculation of overall thermal efficiency is shown in Fig. 6.2.16 for washed coal.

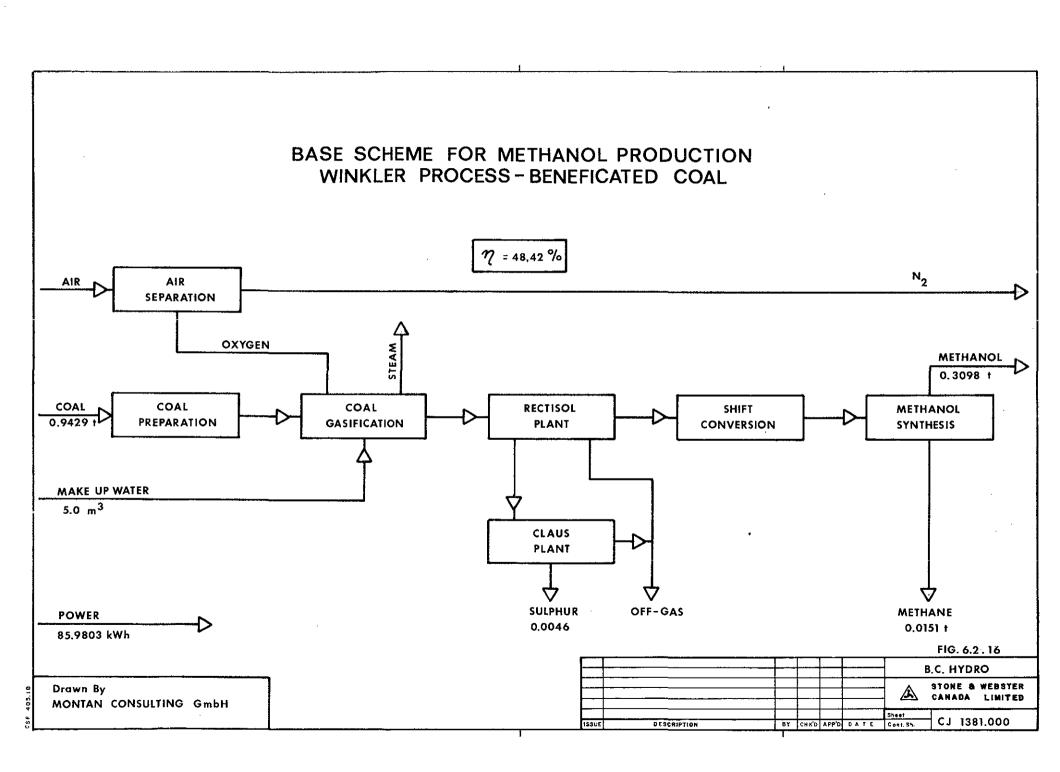
About 94 percent of the washed coal is available for synthesis for production.

Methanol yield is 0.308 t/t washed coal Methane yield is $21 \text{ m}^3/\text{t}$ washed coal

Overall thermal efficiency is 48 percent.

6.2.5.11 Commercial production plant The coal-feed for the methanol production plant should be $3 \cdot 10^6$ t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.





For this capacity the major primary units are as follows:

- WINKLER-gasification-unit with 8 gasifiers

- CO-shift conversion-unit

- Rectisol purification with 2 trains

- Methanol-synthesis

Secondary process-units

- Oxygen-plant

- Power- and steam plant

- Make-up water unit

- Cooling water unit

- Sulphur-recovery

- Gas-water treatment

- Synthesis-gas compression

Feeds and products Feeds Coal for gasification $2.792 \cdot 10^6$ t/a Coal for power-generation $0.208 \cdot 10^6$ t/a

tota]

 Products

 Methanol
 $642.900 \cdot 10^3 t/a$

 Sulphur
 9.300 t/a

 Methane
 $49.386 \cdot 10^6 m^3/a$

 $3.000 \cdot 10^6 t/a$

Capital costs Investment cost: 200 . 10⁶ CDN & Working capital: 10 . 10⁶ CDN &

Costs for chemicals and catalysts Chemicals and Catalysts: 0.9 . 10⁶ CDN \$/a

Manpower requirements operators 100

Land

plant area required 0.75 . $10^6 \ \mathrm{m}^2$

6.3 PRINCIPALLY GASEOUS PRODUCTS

6.3.1 SNG Production by the Lurgi Pressure Gasification Route

6.3.1.1 Process Developer:

Lurgi Gesellschaft für Wärme- und Chemotechnik mbh, Frankfurt, West Germany.

6.3.1.2 Licensor:

Lurgi Mineraloltechnik GmbH.

Note: The Lurgi group of companies are subsidiaries of Metallgesellschaft AG of Frankfurt (Main), West Germany.

6.3.1.3 Description:

Crushed and dried coal is fed to a moving-bed gasifier where gasification of coal takes place at 24 - 31 bar. Initial devolatisation occurs accompanied by gasification in the temperature range of 615 to 760°C. Residence time is about one hour. Steam is the source of hydrogen. Combustion of a portion of the char with oxygen supplies the necessary heat. A revolving grate at the base of the reactor supports the fuel bed, removes the ash, and introduces the steam and oxygen mixture. Crude gas leaving the gasifier at temperatures between 370 and 595⁰C (depending on type of coal) contains tar, oil, naphtha, phenols, ammonia, plus coal and ash particulates. Quenching with oil removes tar and oil. Part of the gas passes through a shift converter. Gas from the shift converter is washed to remove naphtha and unsaturated hydrocarbons. Then CO_2 , H_2S and COSare removed. The gas is methanated and pipeline gas is produced by final CO2 removal and dehydration. Methanation of Lurgi synthesis gas, using Lurgi's "Hot Gas Recycle (H.G.R.) Process" catalytic methanators, has been performed on a commercial scale at plants at Westfield, Scotland, Sasolburg, South Africa and at a Lurgi test plant in Austria*.

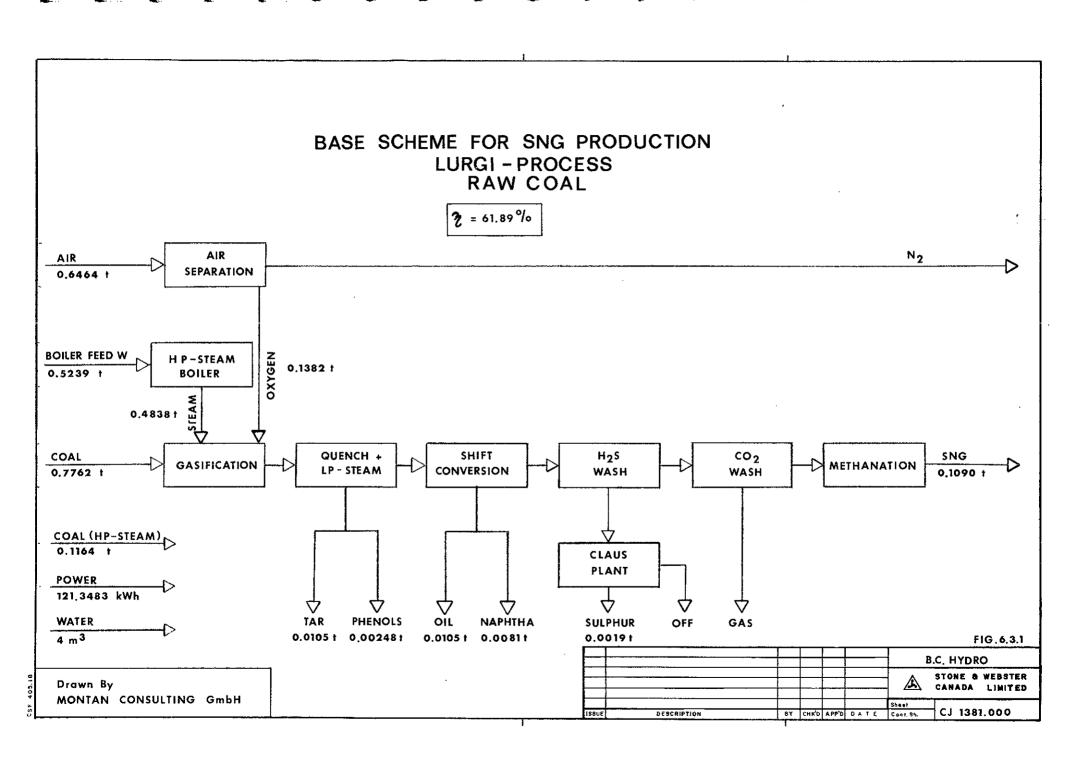
Synthesis gas from the gasifier is suitable for use as town gas, synthesis gas for ammonia, methanol, Oxo, and Fischer-Tropsch synthesis for high-purity hydrogen. The SASOL plant in South Africa utilising 13 gasifier units, has been operating commercially since 1954 and plans are in hand for expansion. The U.S. Bureau of Mines has a Lurgi-gasification pilot plant at Grand Forks, N. D. and the Office of Coal Research - American Gas Association sponsors "Lurgi Studies" as part of its R & D programme.

- 6.3.1.4 Operating Conditions: Reactor - Fixed bed Temperature ^OC - 615-760 Press bar - 24-31 Reactants - Coal-steam-0₂ Product (off gas) - 16,765 kJ/m³
- 6.3.1.5 A materials balance and overall thermal efficiency for raw coal is shown in Fig. 6.3.1 based on lt of raw coal feed.

About 78 percent of the feed is available for gasification and SNG production, the remainder being required for HP steam and power production.

The calculated methane yield is $152 \text{ m}^3/\text{t}$. Calculated overall thermal efficiency is 62 percent.

* Note: Conoco Methanation Co. is testing a fixed-bed catalytic methanator at Westfield, Scotland and Catalysts and Chemicals, Inc., is also developing fixed-bed methanation in a pilot plant at Louisville, Kentucky.



6.3.1.6 A materials balance and overall thermal efficiency for washed coal is shown in Fig. 6.3.2 based on lt of raw coal feed.

> The calculated methane yield is $209 \text{ m}^3/\text{t}$. Calculated overall thermal efficiency is 64 percent.

6.3.1,7 Commercial Production Plant The coal feed for the SNG plant should be 18 . 10⁶ t/a run-of-mine coal. The on stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- LURGI gasification-unit with 30 gasifiers* including quench-and waste-heat-systems
- CO-shift conversion unit with 3 trains including waste-heat recovery
- Rectisol purification with 3 trains
- Methanation unit with 5 trains
- Units for processing gas by-products

Secondary process units:

- Oxygen unit
- Power and steam plant
- Make-up water unit
- Cooling water unit
- Sulphur-recovery
- Gas-water treatment
- * 5 metre diameter gasifiers currently under test at Sasolburg, South Africa.

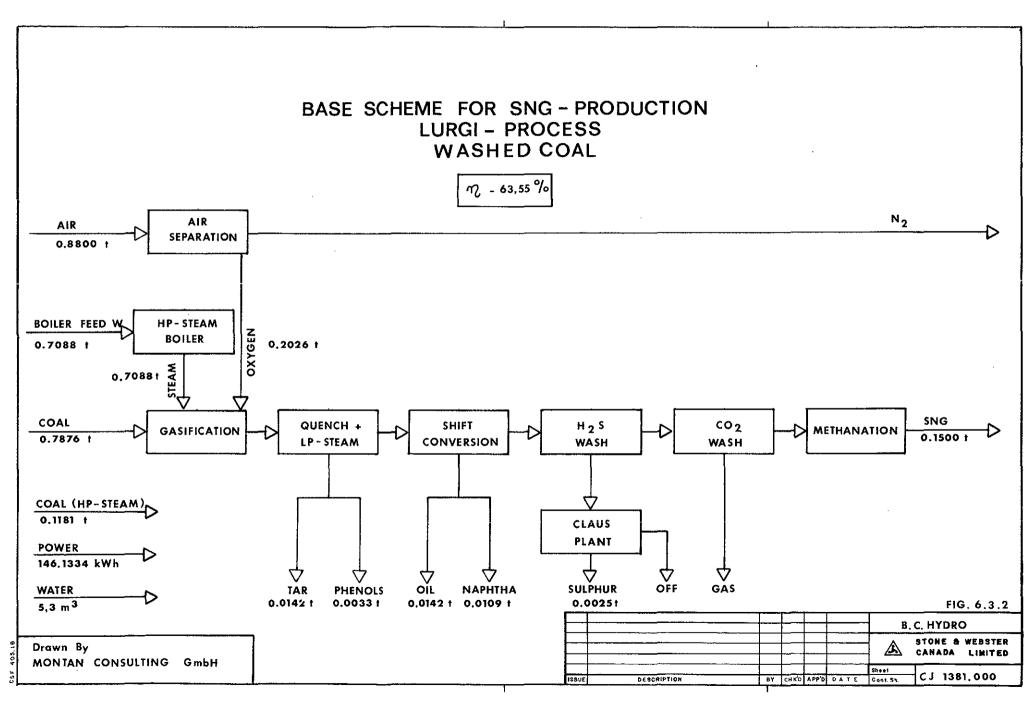
6.41

Feeds coal for gasification coal for HP-steam coal for power-generation Total	13.972 . 10 ⁶ t/a 2.095 . 10 ⁶ t/a <u>1.933 . 10⁶ t/a</u> 18.000 . 10 ⁶ t/a
Steam	9,430 . 10 ⁶ t/a
Oxygen	2,695 . 10 ⁶ t/a

Products	_
SNG (calculated as methane)	2.785 . 10 ⁹ m3/a
Tar	$189 \cdot 10^3 t/a$
011	189 . 10 ³ t/a
Naphtha	145 . 10 ³ t/a
Phenols	45 . 10 ³ t/a
Sulphur	34 . 10 ³ t/a

6.42

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Costs for chemicals and catalysts

Chemicals:	\$3.058	X 10 ⁰	CDN
Catalysts:	\$2.255	X 10 ⁶	CDN

Manpower requirements 470 employees

Land

Plant area required

 $2.6 \times 10^{6} m^{2}$

6.3.2 SNG by the Koppers-Totzek Gasification Route

6.3.2.1 Process Developer:

Heinrich Koppers GmbH, Essen, West Germany.

6.3.2.2 Sponsor:

Federal Government of the Republic of West Germany.

6.3.2.3 Description:

The gasifier is a refractory-lined, horizontal, cylindrical vessel with conical ends. Oxygen, steam and coal react at about atmospheric pressure and 1.815⁰C. Fixed carbon and volatile matter are gasified to produce offgas containing carbon monoxide and hydrogen. Coal ash is converted into molten slag a proportion of which drops into a water-quench tank, the remainder carried by the gas. Low-pressure steam is circulated around burners and refractory to cool them as well as producing process steam. Gas leaving the gasifier is guenched with water to solidify entrained molten ash. After passing through a wasteheat boiler, the gas is scrubbed to remove entrained solids. Scrubbed gas is compressed to 31 bar, hydrogen sulphide and a controlled quantity of carbon dioxide is removed by purification. The purified gas is then shifted and methanated, the methanated gas dehydrated and purified to remove carbon dioxide. Dry, pulverised coal of any type may be used.

6.3.2.4 Operating Conditions:

Reactor type - Entrained fuel Temperature ^OC - 1,815 Pressure - Atmospheric Reactants - Coal-steam-0₂ Product (raw gas) - 11,178 KJ/m³ The calculated methane yield is $149 \text{ m}^3/\text{t}$. Overall thermal efficiency is calculated to be 49.7 percent.

6.3.2.6 A materials balance and overall thermal efficiency for washed coal is shown in Fig. 6.3.4 based on lt of washed coal feed.

> The calculated methane yield is $220 \text{ m}^3/\text{t}$. Overall thermal efficiency is 54.3 percent.

6.3.2.7 Commercial Production Plant The coal feed for the SNG plant should be $18 \cdot 10^6$ t/a run-of-mine coal. The on stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- KOPPERS-TOTZEK gasification-unit with 48 gasifiers including quench-and waste-heat-systems
- Raw gas desulphuration unit
- CO-shift methanisation unit including waste-heat recovery

Secondary process units:

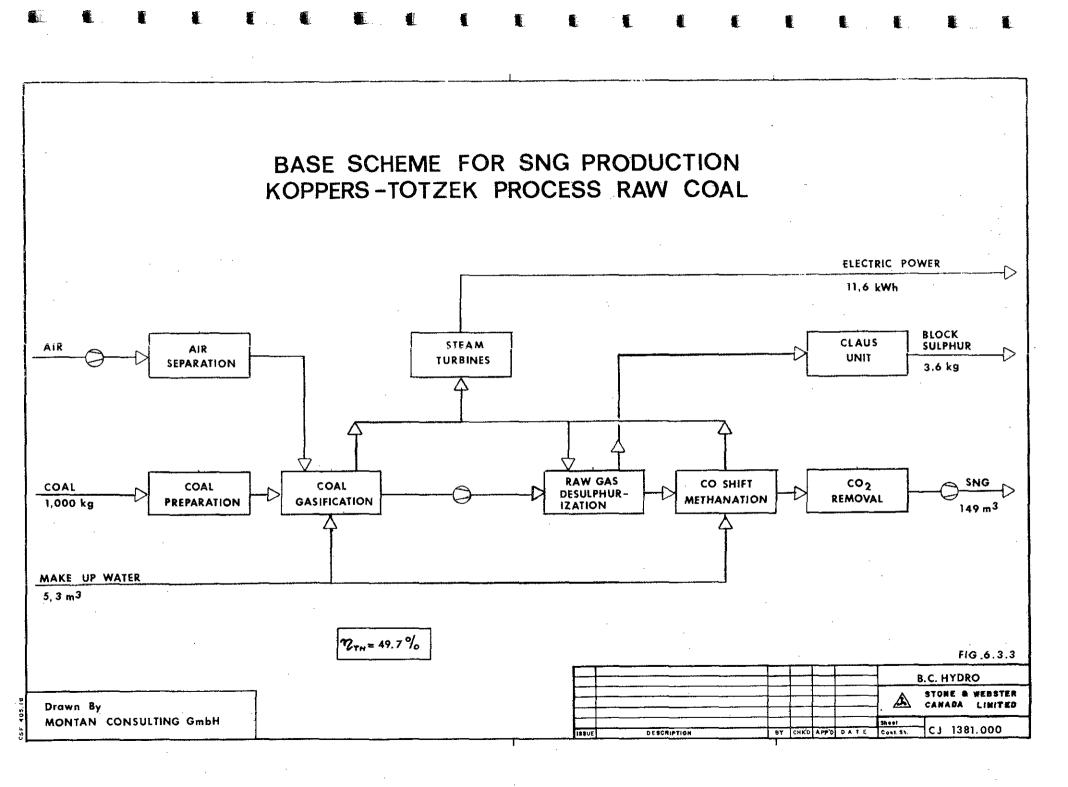
- Oxygen unit
- Power and steam plant
- Make-up water unit
- Cooling water unit
- Sulphur-recovery

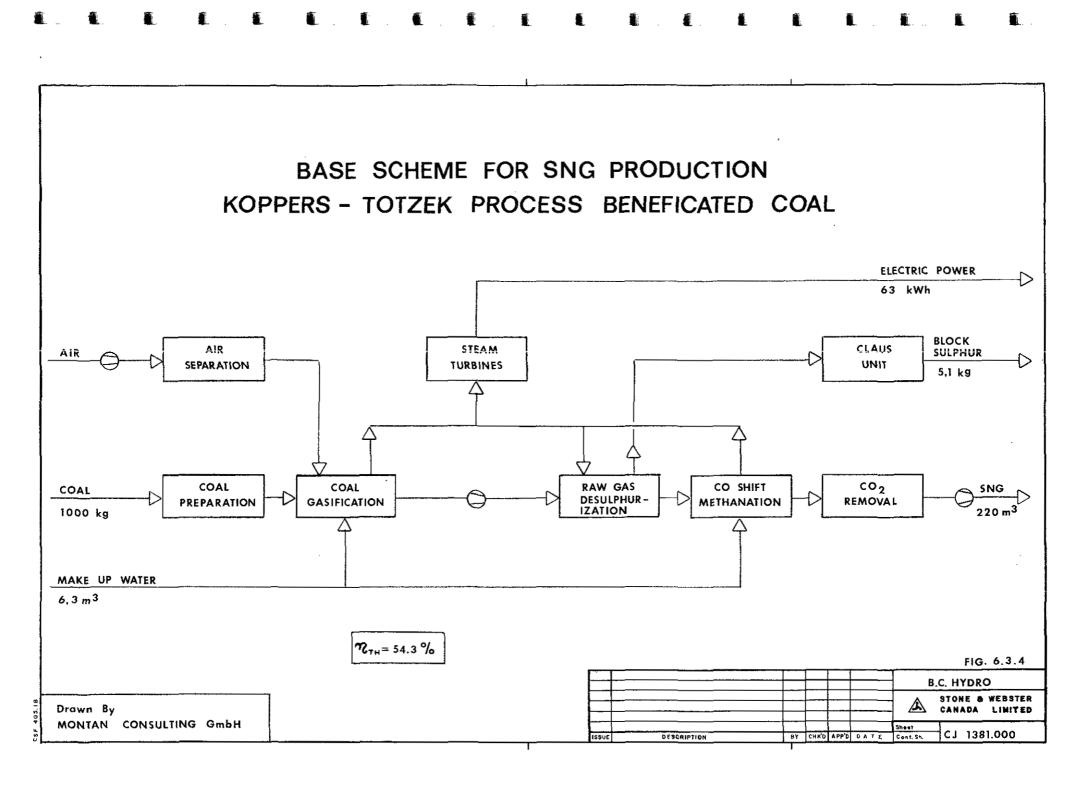
6.45

Feeds and Products

Feeds Coal for gasification	18,000 . 10 ⁶ t/a
Oxygen Make-up water	8,460 . 10 ⁶ t/a 95,400 . 10 ⁶ m ³ /a
Products SNG (calculated as methane) Sulphur	2.920 . $10^9 \text{ m}^3/\text{a}$ 64.8 . 10^3 t/a

Sulphur			10 ³ t/a
Power-generation	208.8	٠	10 ⁶ kWh/a





Capital costs			_	
Investment cost:	\$ 868	Х	10^{6}	CDN
Working capital:	26	Х	10 ⁶	CDN

Costs for chemicals and catalyst Chemicals and Catalyst:

Manpower requirements 350 operators

Land 900,000 m² 0.8 X 10⁶ CDN

- 6.3.3.1 Process Developers: Davy Powergas, Inc., Lakeland, Florida, a subsidiary of Davy International Ltd., London, and its affiliate, Bamag Verfahrens-Technik GmbH, (W. Germany.)
- 6.3.3.2 Description: Crushed coal is dried and fed to a fluidized bed gasifier through a variable-speed screw feeder. Coal reacts with oxygen and steam to produce offgas rich in carbon monoxide and hydrogen Because of the high temperatures, all tars and heavy hydrocarbons are reacted. About 70% of the ash is carried over by the gas and 30% is removed from the bottom of the gasifier by the ash screw. Unreacted carbon carried over by gas is converted by secondary steam and oxygen in the space above the fluidized bed. As a result, maximum temperature occurs above the fluidized bed. To prevent ash particles from melting and forming deposits in the exit duct, gas is cooled by a radiant boiler section before it leaves the gasifier. Raw gas leaving the gasifier is passed through a further waste-heat recovery section. Flyash is removed by cyclones, wet scrubbers and an electrostatic precipitator. Gas is then compressed and shifted. Gas from the shift converter is purified, methanated, dehydrated and compressed to pipeline quality. Thermal efficiency is 75%.

6.3.3.3	Gasifier Type	Temp. ^O C	Pressure	Reactants	Products
•	Fluidized Bed	815-980	Atmospheric	Coal-steam-0 ₂	10,245 KJ/m ³
	* Raw gas from 35,770 KJ/m ³	•	up-graded by	methanation to	

6.3.3.4 A materials balance and overall thermal efficiency for raw coal is shown in Fig. 6.3.5, based on 1 t of raw coal feed.

Calculated methane yield is 157.4 m^3/t .

Calculated overall thermal efficiency is 50.8 percent. About 6 percent of coal feed is required for power generation.

6.3.3.5 A materials balance and overall thermal efficiency for washed coal is shown in Fig. 6.3.6, based on 1 t of washed coal feed.

Calculated methane yield is 225.1 m^3/t .

Calculated overall thermal efficiency is 55.2 percent. About 4 percent of the coal feed is required for power generation.

6.3.3.6 Commercial Production Plant The coal feed for the SNG plant should be $18 \cdot 10^6$ t/a run-of-mine coal. The on stream factor is fixed at

For this capacity the major primary units are as follows:

- WINKLER gasification-unit with 46 gasifiers including quench- and waste-heat-systems;
- Raw gas desulphurization unit;

330 days/a.

- CO-shift methanation unit including waste-heat recovery.

Secondary process-units:

- Oxygen unit

- Power- and steam plant
- Make-up mwater unit
- Cooling water unit
- Sulphur recovery.

Feeds and products

Feeds

Coal	for	gasification			10 ⁶ t/a
Coal	for	power generation	the second se		10 ⁶ t/a
		Total			10 ⁶ t/a
0xyge	en		5.893	•	10 ⁶ t/a
Make-	-up v	water	34.585	•	10 ⁶ t/a

Products

SNG (calculated as methane) 2.833 . $10^9 \text{ m}^3/\text{a}$ Sulphur 60 . 10^3 t/a

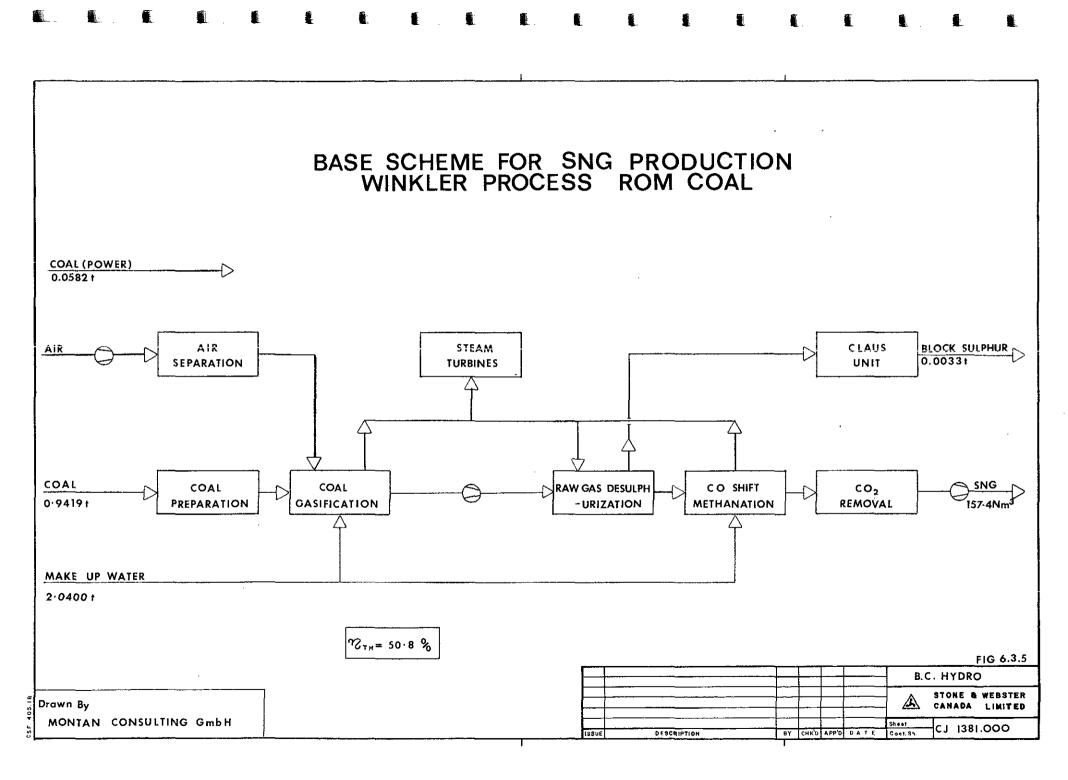
Capital costs

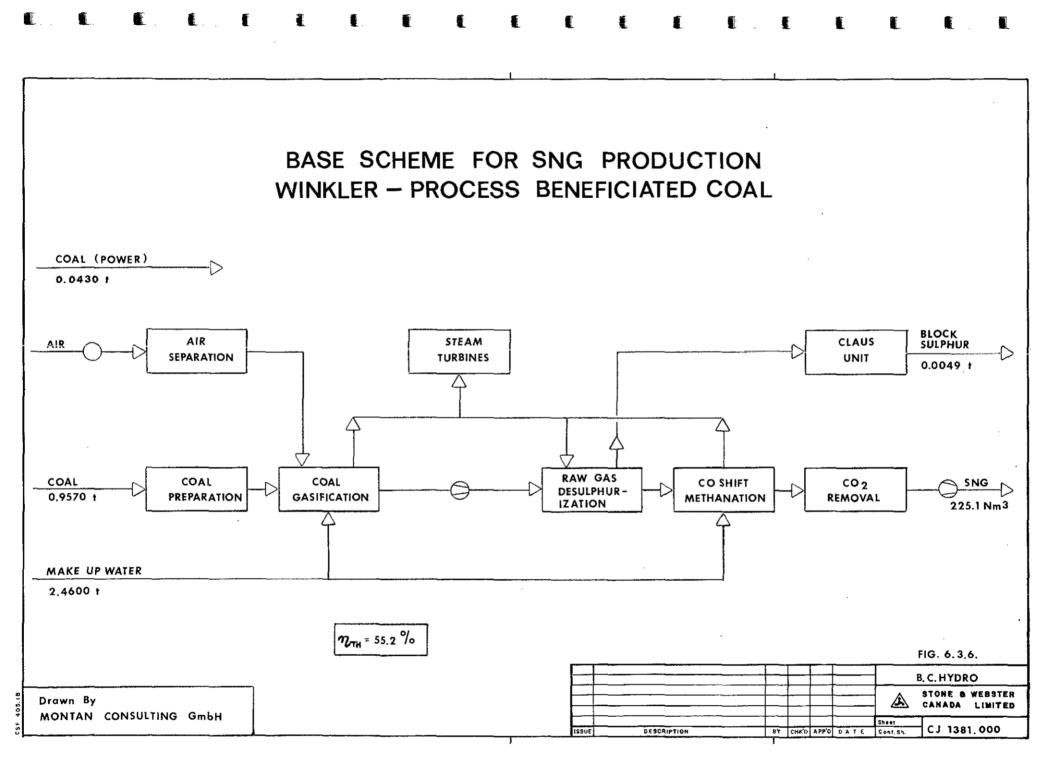
Investment cost - 900 . 10^6 CDN \$ Working capital - 27 . 10^6 CDN \$

Costs for chemicals and catalyst Chemicals and Catalyst - 0.85.10⁶ CND \$/a

Manpower requirements 360 employees

Land 950,000 m²





6.3.4 Production of Ammonia

6.3.4.1 Production of Ammonia using Lurgi Pressure Gasification

Process Description: The gasification step has been described in para. 6.3.1.3, omitting the methanation step.

The naturally formed methane is separated by a liquid nitrogen wash. The additional production of synthesis gas by reforming the methane was not investigated.

6.3.4.2 A materials balance and overall thermal efficiency for raw coal feed is shown in Fig. 6.3.7.

About 72 percent of the coal is available for synthesis gas production

Ammonia production is 0.159 t/t coal feed Methane production is 58 m^3/t coal feed.

Calculated overall thermal efficiency is 59 percent.

6.3.4.3 A materials balance and overall thermal efficiency for washed coal feed is shown in Fig. 6.3.8.

About 73 percent of the coal is available for synthesis gas production.

Ammonia production is 0.2187 t/t coal feed Methane production is 79 m^3/t coal feed.

Calculated overall thermal efficiency is 60 percent.

6.3.4.4 Commercial Production Plant

The coal feed for the ammonia synthesis plant should be 3 . 10^6 t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- Lurgi gasification unit with 6 gasifiers including quench and waste heat systems

- CO-shift conversion unit with 2 trains including waste heat recovery

- rectisol purification with 2 trains

- liquid nitrogen wash, single train

- ammonia synthesis, single train.

Secondary process units:

- oxygen unit

- power and steam plant

- make-up water unit

- cooling water unit

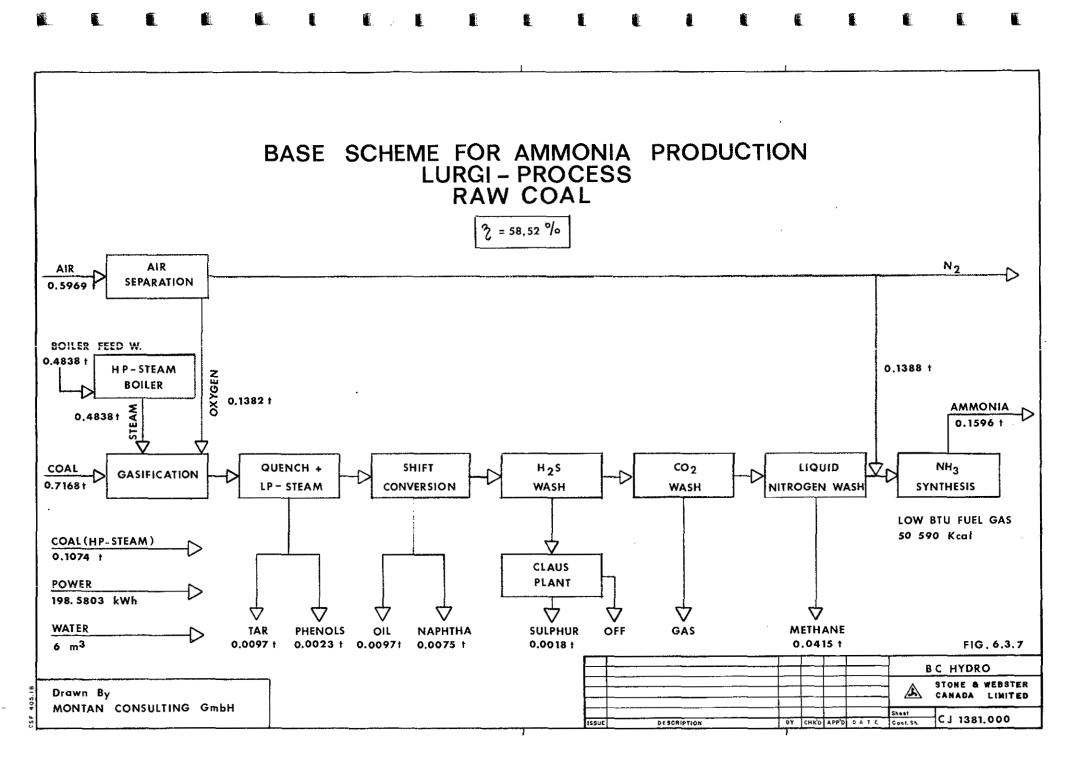
- sulphur recovery

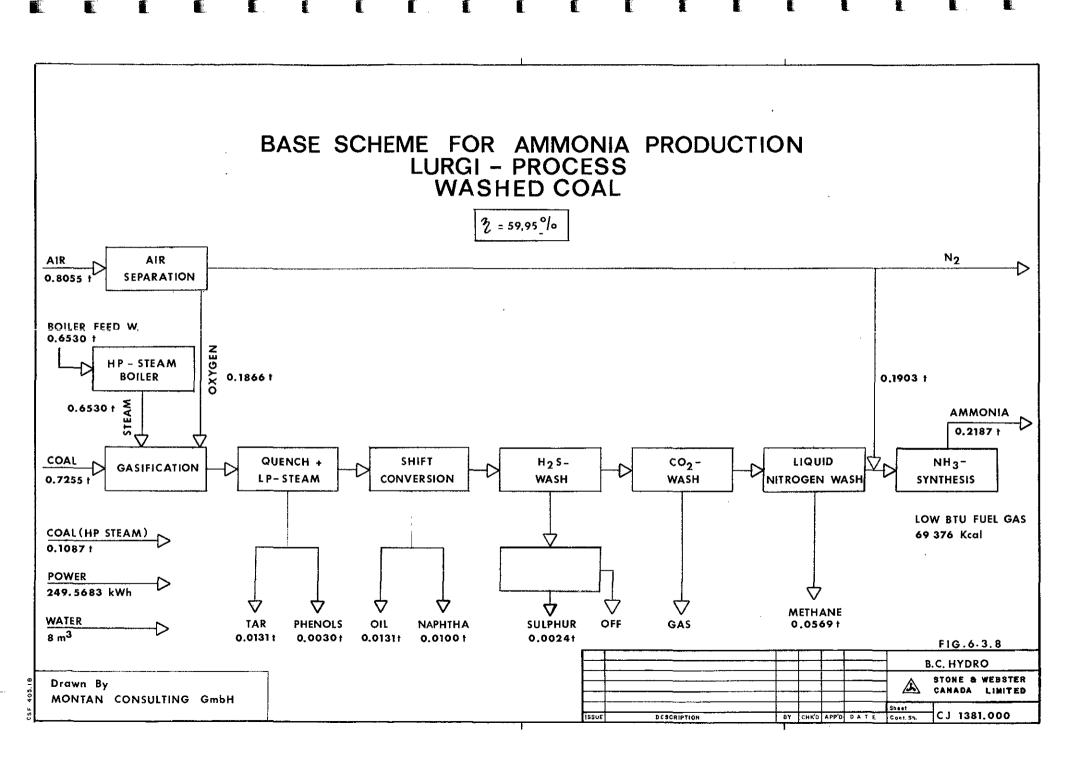
- gas water treatment

- synthesis gas compression.

Feed and products

) ccu				-	
Coal for gast	ification	2.1504		-	-
Coal for HP s	al for HP steam			10 ⁶	-
Coal for powe	er generation	0.5274			
	Total	3.000	•	10 ⁶	t/a
Steam		1.4514		_	•
Oxygen		0.4146	•	10 ⁶	t/a





Products						
Ammonia	479	. 10 ³ t/a				
SNG (Methane)	173.689	. 10 ⁶ m3/a				
Tar	29.100	. 10 ³ t/a				
Oils	29.100	. 10 ³ t/a				
Naphtha	22.500	. 10 ³ t/a				
Phenols	6.900	. 10 ³ t/a				
Sulphur	5.400	.10 ³ t/a				
Capital Costs		_				
Investment costs	228	. 10 ⁶ CDN \$				
Working capital	15	. 10 ⁶ CDN \$				
Costs for chemicals		_				
and catalysts	0.91	. 10 ⁶ CDN \$				
Manpower requirements						
Operators	120					
Land						
		<i>c</i> 2				

Land Plant area required 0.8 . $10^6 m^2$

6.3.4.5 Production of ammonia using Koppers-Totzek gasification.

Process Description: Synthesis gas is produced as described in para. 6.3.2.3, omitting the methanation step.

6.3.4.6 A materials balance and overall thermal efficiency for raw coal feed is shown in Fig. 6.3.9.

About 89 percent of coal feed is available for synthesis gas production. Overall thermal efficiency is 47 percent.

6.3.4.7 A materials balance and overall thermal efficiency for washed coal feed is shown in Fig. 6.3.10.

About 90 percent of the coal is available for synthesis gas production.

Ammonia yield is 0.380 t/t washed coal feed.

Overall thermal efficiency is 53 percent.

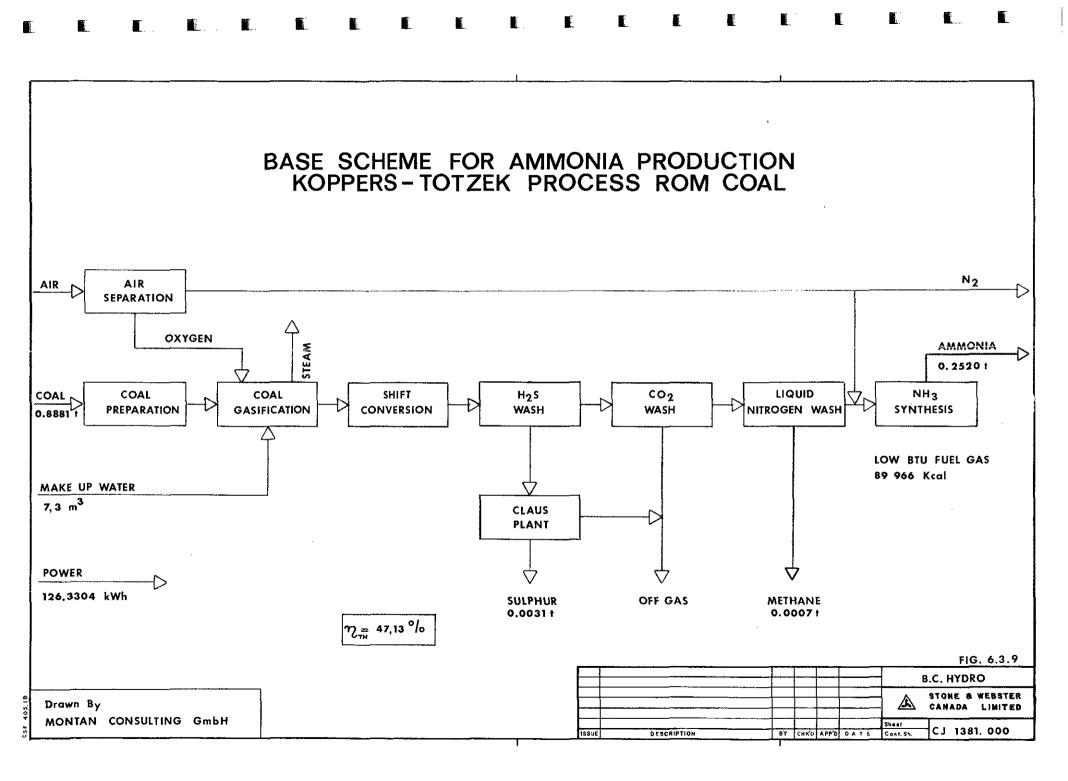
6.3.4.8 Commercial Production Plant The coal feed for the ammonia synthesis plant should be 3 . 10^6 t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.

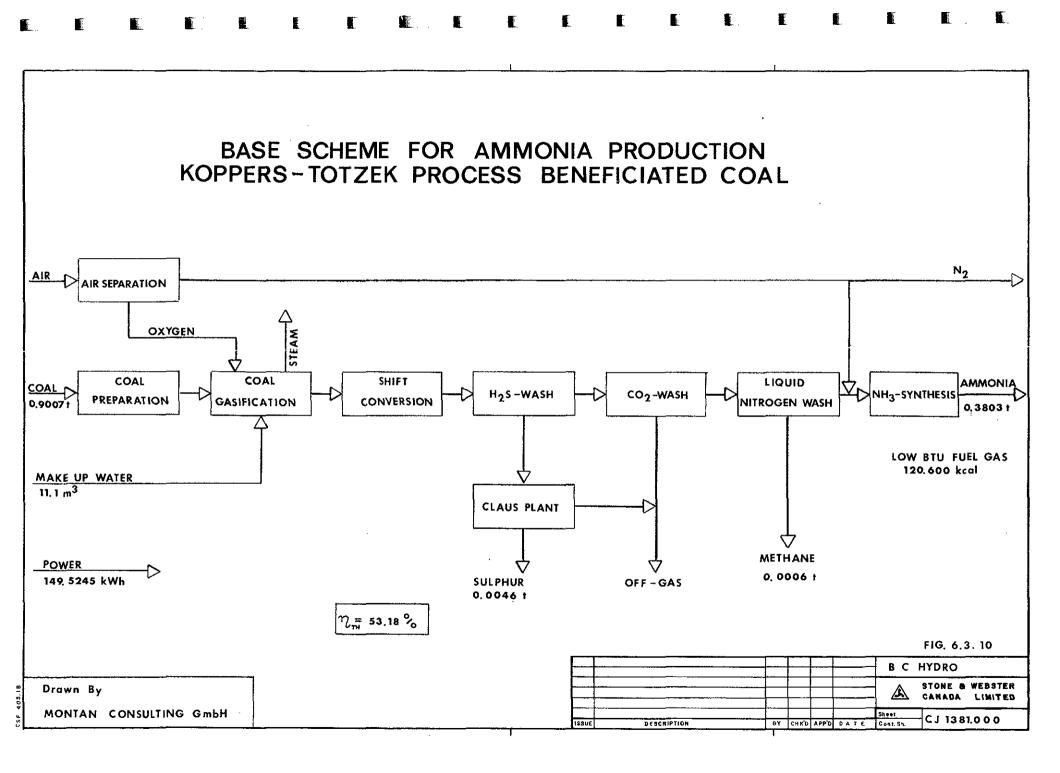
For this capacity the major primary units are as follows:

- Koppers gasification unit with 8 gasifiers
- CO-shift conversion unit with 2 trains including waste heat recovery
- rectisol purification with 2 trains
- liquid nitrogen wash, single train
- ammonia synthesis, single train.

Secondary process units:

- oxygen unit
- power and steam plant
- make-up water unit
- cooling water unit
- sulphur recovery
- gas water treatment
- synthesis gas compression.





Feeds and products

Feeds	Å
Coal for gasification	2.664 . 10 ⁶ t/a
Coal for power generation	<u>0.336 . 10⁶ t/a</u>
Total	3.000 . 10 ⁶ t/a

Products Ammonia Sulphur

Capital Costs Investment cost 224 . 10⁶ CDN \$ Working capital 14 . 10⁶ CDN \$

 $756 \cdot 10^3 \text{ t/a}$

9.300 t/a

120

Costs for chemicals and catalysts Chemicals and catalysts $1.4 \cdot 10^6$ CDN \$/a

Manpower requirements Operators

Land Plant area required $0.8 \cdot 10^6 \text{ m}^2$

6.3.4.9 Production of Ammonia by Winkler Gasification

Process Description: Synthesis gas is produced as described in para 6.3.3.2, omitting a methanation step. Methane naturally formed is removed by liquid nitrogen wash. Additional production of synthesis gas by reforming methane recovered has not been considered. About 83 percent of the coal is available for synthesis gas production.

Ammonia production is 0.246 t/t raw coal feed. Methane production is $15 \text{ m}^3/\text{t}$ raw coal feed.

Overall thermal efficiency is 50 percent.

6.3.4.11 A materials balance and overall thermal efficiency for washed coal feed is shown in Fig. 6.3.12.

About 83 percent of the coal is available for synthesis gas production.

Ammonia production is 0.3423 t/t washed coal feed. Methane production is $19 \text{ m}^3/\text{t}$ washed coal feed.

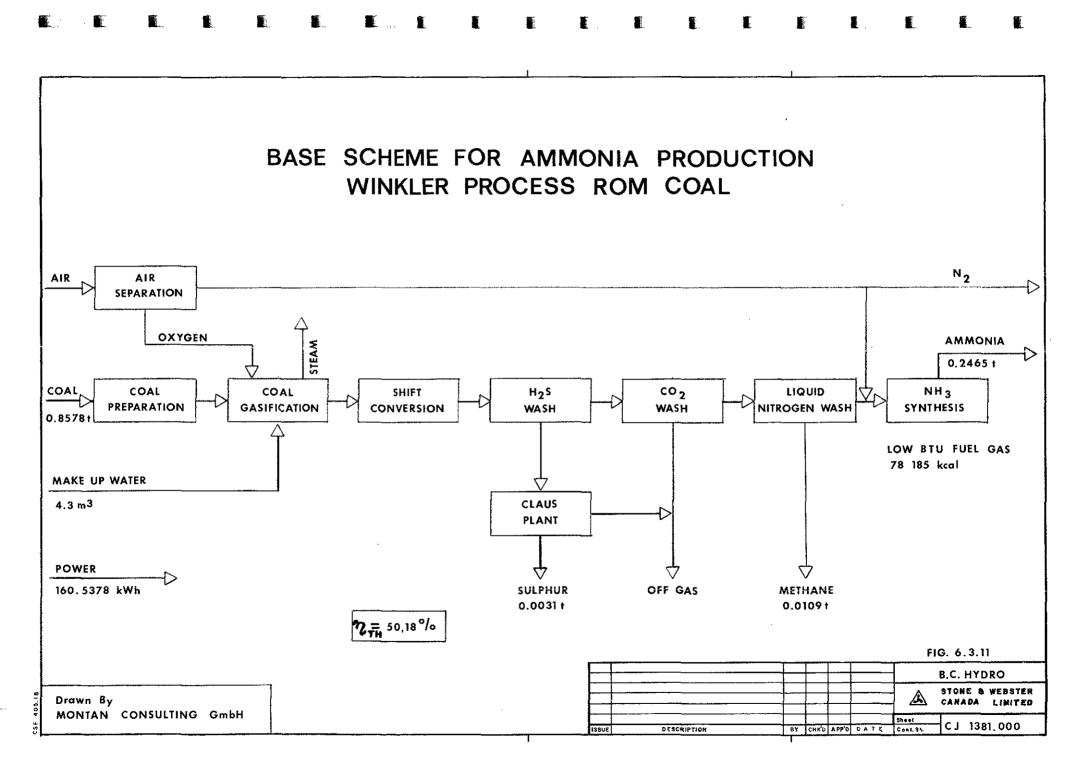
Overall thermal efficiency is 52 percent.

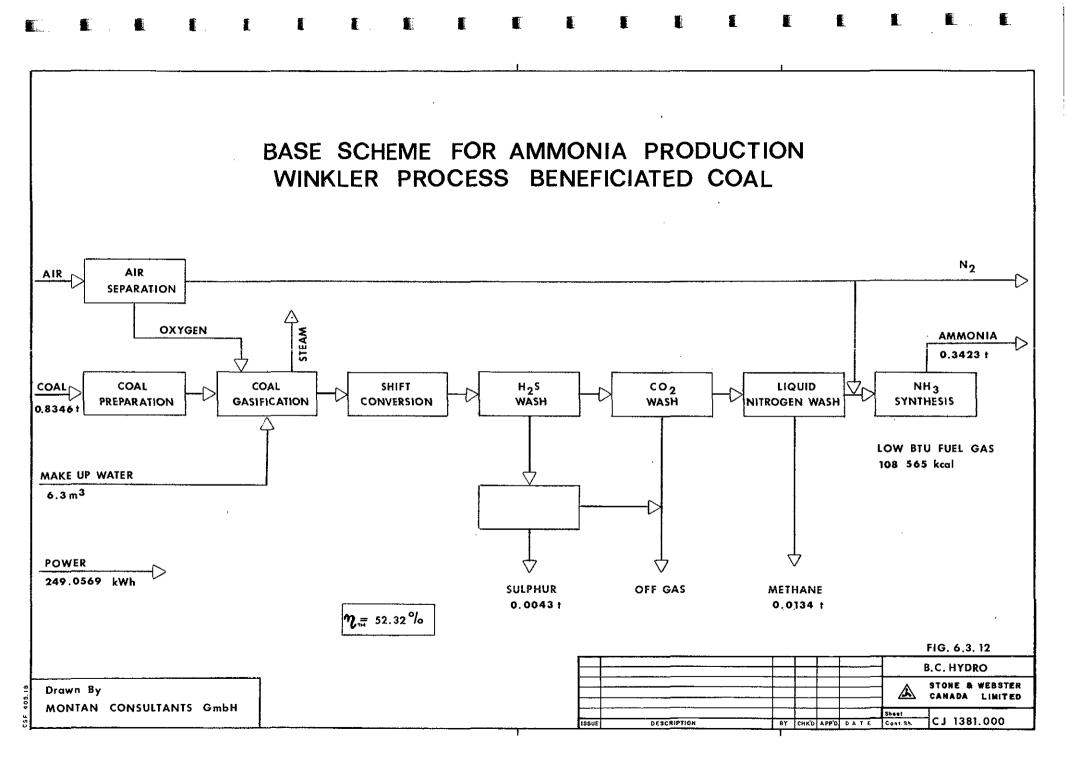
6.3.4.12 Commercial Production Plant

The coal feed for the ammonia synthesis plant should be 3 . 10^6 t/a run-of-mine coal. The on-stream factor is fixed at 330 days/a.

For this capacity the major primary units are as follows:

- Winkler gasification unit with 8 gasifiers including quench and waste heat systems
- CO-shift conversion unit with 2 trains including waste heat recovery
- rectisol purification with 2 trains
- liquid nitrogen wash, single train
- ammonia synthesis, single train.





Secondary process unit:

- oxygen unit

- power and steam plant

- make-up water unit

- cooling water unit

- sulphur recovery

- gas water treatment

- synthesis gas compression.

Feeds and products

Feeds

Coal	for	gasif	ication	2.573	•	10^{6}	t/a
Coal	for	power	generation	0.427			
			Total	3.000		10 ⁶	t/a

Products	-		_	
Ammonia	739.500			- 4
Sulphur	9.300			
Methane	45.600	•	10 ⁶	t/a

Capital Costs Investment cost $224 \cdot 10^6$ CDN \$ Working capital 14 \cdot 10^6 CDN \$

Costs for chemicals and catalysts Chemicals and catalysts $1.4 \cdot 10^6$ CDN \$/a

Manpower requirements

Operators

Land Plant area required

 $0.8.10^{6} m^{2}$

120

7 - SUMMARY AND CONCLUSIONS

The known properties and their relevance to modern coal conversion technology of Hat Creek coal have been exhaustively considered. This analysis has been accompanied by an assessment of the marketing prospects for the potential coal conversion products against a provincial, continental and world scenario. The combined results from these exercises have provided a basis for an economic and financial analysis from which the following conclusions are drawn:

- A plant to produce 7.14-8.57 million Nm³ per day (250-300 MM SCFD) of Synthetic Natural Gas is a technically and economically viable use of Hat Creek coal.
- 2. The production of methanol, while technically feasible, faces an uncertain market situation. Any alteration in present usages of methanol, such as its use as a gasoline additive, will produce a vast increase in world demand and the use of Hat Creek coal for methanol production will provide an attractive alternative to its use for steam-electric power generation.
- 3. The production of ammonia and hence of nitrogenous fertilizers, while technically feasible, faces a very unsatisfactory world market situation in which ample capacity into the 1990's seems a certainty.
- The production of coal liquids by any of the processes now becoming available, does not appear to be economically attractive.
- 5. The possible production of upgraded solid products from Hat Creek coal, such as metallurgical coke, form coke, or activated carbons is not technically feasible because of the very high inherent ash. The complete absence of coking properties, while important, is secondary to this prime question of very high ash content.

- 6. In-situ gasification of Hat Creek coal has been briefly considered and rejected because of the lack of technically relevant information on the coal deposits and major uncertainties in the present technology. (B.C. Hydro's membership of the consortium supporting the Alberta Research Council's trials at Battle River, Alberta, during the summer of 1976, has provided better information on the possibilities than the authors' can provide at this stage.)
- 7. Evaluation of the environmental impact of the coal conversion processes, recommended for Hat Creek, and indeed for other processes studied but not recommended, leads to a conclusion that emissions of particulates, sulphur dioxide, nitrogen oxides, carbon monoxide and hydrocarbons for normal operating conditions of coal conversion plants can be controlled to meet environmental regulations and guidelines.
- 8. The Report, in accordance with the agreed Scope of Work, has been confined to the consideration of single principal products plus by-products. It has become clear that a need exists for extending the studies to include mixed principal products and consideration of this course by B.C. Hydro is strongly recommended.
- 9. Some areas of the study-work has been hampered by lack of necessary or of adequate information. This need is particularly noticeable because of the uniqueness of Hat Creek coal in terms of its low rank and grade, and the unusual ash characteristics. If the development of alternatives to steam-electric power production are to be pursued further, it is strongly recommended that the appropriate work on the placing of required contracts, to obtain the necessary information be undertaken at an early date.
- 10. The very low rank and grade of Hat Creek coal are not considered to be serious obstacles to its development for coal conversion. The Report has demonstrated that coal deposits of lower rank and

7.2

grade are finding economic employment in other parts of the world and that production costs forecast for Hat Creek coal are economically viable.

7.3

11. The Report has been based, as far as Synthetic Natural Gas and coal liquids are concerned, upon a coal throughput of 18 million tons per annum. This is approximately equivalent to 6,360 m³ (40,000) barrels per day of synthetic crude oil; 7.14 - 8.57 million Nm³ (250-300 million SCFD) of synthetic natural gas; or 3,000-3,500 MW of electric power. It should be observed that this depletion rate would exhaust the No. 1 Deposit at Hat Creek, at present estimates of mineable reserves, in 30 years. Production of say SNG and electric power in the quantities mentioned would deplete mineable reserves in the No. 1 Deposit in 15 years, or in No. 1 and No. 2 Deposits in 30 years. Therefore, until mining studies prove otherwise, it is strongly recommended that the Hat Creek deposit be regarded as a finite resource, capable of exhaustion by present technology within a half-century.

8. _ RECOMMENDATIONS

During the course of the study reported here it appeared evident that certain important areas of the work were hampered by a shortage, or absence, of necessary information on the properties and behaviour of Hat Creek coal for certain utilization methods. Specific examples have been mentioned in the text as they occurred. These areas include fluidized combustion, hydrogenation and liquefaction, and gasification processes. If the decision by B.C. Hydro and Power Authority is favourable towards the continuation of the work of evaluation of alternative processes described in this report it is recommended that test, pilot or full-scale trial programmes be initiated as soon as possible in order to provide the information necessary for the remaining stages of the work.

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APPENDIX A

10. - TERMS OF REFERENCE

- The purpose of this study is to identify and evaluate major uses of Hat Creek coal. The study shall include but not be limited to a comparative analysis of the following areas:-
 - (a) Principally solid products
 - direct sales
 - combustion for heat generation
 - high and low temperature carbonization and recovery of coal chemicals
 - delayed, coking of coal tar pitch
 - form coking
 - solvent refining
 - carbon activation
 - fertilizers

(b) Principally liquid products

- pyrolysis

- solution and hydrogenation of coal and tar

- synthesis
- (c) Principally gaseous products
 - commercially proven processes
 - "second generation" processes

Information on thermal-electric generation and gasification will be provided from existing studies and included to provide a comparative evaluation report.

- 2. For each of the selected process applications, material and energy balances per unit of feed material (one tonne) shall be developed. Material and energy flows per unit of time (one hour) shall be presented on flow diagrams showing the thermodynamic states of reactants and products.
- Capital investment and operating costs for each selected process shall be identified.

- In considering alternate uses of the resource, a market forecast within the time frame 1990 - 2010 shall be developed for these uses based on:-
 - (a) supply of Hat Creek coal as a raw material for export;
 - (b) chemical products (identified under 1.) manufactured at Hat Creek and supplied to meet market demands;
 - (c) potential development of secondary industry in the Province using the products from (b).

Data relating to existing or anticipated future productive capacity, supply and demand for individual products should be accumulated and forecasts of probable future markets should be prepared. The evaluations shall include estimates of probable selling prices at selected locations, the costs involved in delivering products from Hat Creek to those areas, an indication of the profitability of serving the principal markets from Hat Creek, and a resulting evaluation of whether a given product will be economically viable.

- 5. The study shall derive opportunity costs (or values in alternative uses) based on alternate uses of Hat Creek coal. A framework within which the opportunity costs will be evaluated shall be agreed upon by B.C. Hydro.
- 6. The economic evaluation shall develop cash flow projections showing costs, potential sales dollars and resulting net income and cash generation.
- 7. The cost and feasibility of installing the required chemical or carbonization plant at Hat Creek shall be determined. Electricity, steam, land and water requirements associated with various plant sizes shall be clearly identified.
- 8. Environmental considerations associated with various processes shall be described. In particular, material balances should be carried out on the basis of uncontrolled processes (without special pollution control devices) indicating all wastes such as

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hydrocarbons, sulphur compounds, etc. released into the environment. Further, the best practical technology available to reduce the uncontrolled emissions to stringent levels should be outlined including costs.

- 9. The manpower requirements for construction and operation of the various processes shall be identified.
- 10. Economic criteria for the study shall be provided by B.C. Hydro.
- The study is to be controlled and co-ordinated on behalf of B.C. Hydro by the Assistant General Manager of the Engineering Group or his appointee.
- Draft report shall be submitted to B.C. Hydro for review by
 3 December 1976 and final report by 28 January 1977.

NOTE:-

- (i) International system of units (S.I. units) should be used throughout the report. Conventional American or English units should be put in brackets following the S.I. units.
- (ii) All calculations and use of formulas should be clearly presented for easy reading.
- (iii) Sources of information used in report should be documented.
 - (iv) All tables and figures in the report should have descriptive titles.
 - (v) The report should have a table of contents and an index of tables and figures.

List of Consultants' Reports provided by B.C. Hydro and Power Authority and by Department of Economic Development, Government of British Columbia used in the course of the study.

MINING

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	Enginee	rs Ltd.	& Go]	den Ass	soci	ates		

Preliminary Report on Hat Creek Open Pit No. 1

Campbell & Associates Ltd.)

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	-	
	- Addendum	July 31, 1975
	-	
	- Hat Creek Deposits Proposed No. 1 Open Pit -	
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	Analysis	Nov. 3, 1975	
	- Reports Nos. 64 - 11243 - 11248 Float & Sink		
	Analysis	Nov. 3, 1975	L Š
	- Reports Nos. 64 - 11249 - 11254 Float & Sink		
	Analysis	Nov. 3, 1975	
	- Reports Nos. 67 - 7356 Free Swelling Index	Jan. 30, 1975	ندة الندة
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Table B.1(A)

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PROXIMATE ANALYSIS - DRY BASIS

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ENVITATE ANALYSIS - DATA													
Laboratory Reference Ash Volatile Matter Fixed Carbon	(a)(b)(c) 35.9 33.9* <u>30.2</u> 100.0	<u>d(i)</u> 22.0 37.2 40.8 100.0	<u>d(ii)</u> 21.4 41.4 <u>37.2</u> 100.0	<u>d(iii)</u> 21.3 36.7 <u>42.0</u> 100.0	<u>(f)</u> 28.14 35.72 36.14 100.00	52.3 - -	<u>(g)</u> 49.0 - -	44.7 - -	(1) 29.5 32.5 38.0 100.0	(j) ⁺ 25.1 36.9 <u>38.0</u> 100.0	(k) <u>Lurgi</u> 32.44 29.68 <u>37.88</u> 100.00	SASOL <u>I(Sigma)</u> 35.9 22.3 <u>41.8</u> 100.0	<u>11</u> 27 25 <u>48</u> 100
Fuel Ratio Calorific Value - KJ/kg Sulphur	0.89 16,251 0.49	1.1 21,868 0.30	0.90 21,014 0.35	1.14 21,622 0,38	19,505 0.80	10,999 0.46	12,231 0.65	13,729 0,55	1.17 18,735 1.39	1.03 20,444 0.77	18,022 0.39	18,559	
* Combustible Volatile =	24.7; + (;	j) is No.	2 Deposit;	# (Corre	ted for (arbonate	s)						
Dry Ash Free Basis													
Volatile Matter Fixed Carbon Ratio FC/VM Sulphur Calorific Value - KJ/kg	52.9 47.1 0.890 0.76 25,356	47.7 52.3 1.096 0.38 28,039	52.7 47.3 0.898 0.45 26,743	46.6 53.4 1.146 0.48 27,480	49.71 50.29 1.07 - -	- 0.96 23,076	- 1.27 23,992	- - 0.99 24,820	46.1 53.9 1.169 1.97 26,586	49.3 50.7 1.028 1.03 27,302	43.9 56.1 1.278 0.58 26,675	28,554	
Table B.1(B)				1 H -	FIMATE ANA	. 2724 1	NPV RAST	ç					
						2:515 -	011 0001	<u> </u>			(k) #		
Laboratory Reference Carbon Hydrogen Chlorine Nitrogen Sulphur Ash Oxygen (by Difference)	(a) 43.50 3.39 0.03 1.06 0.51 36.59 <u>14.92</u> 100.00	<u>d(i)</u> 56.4 4.2 N/A 0.7 0.3 22.0 16.4 100.0	<u>d(11)</u> 55.3 4.0 N/A 0.5 0.3 21.4 18.5 100.0		(f) ⁺ 51.0 4.8 N/A 1.0 0.8 28.1 <u>14.3</u> 100.0					$\frac{(j)}{53.20}^{+}$ 53.20 4.11 0.03 1.01 0.77 25.14 15.74 100.00	Lurgi [#] 45.95 3.77 0.03 0.89 0.39 32.45 <u>16.52</u> 100.00		
+ (f) and (j) are No. 2	Deposit; [#]	(Correcte	d for Carbo	inates)									
<u>Dry Ash Free Basis</u> Carbon Hydrogen Oxygen Nitrogen Sulphur Chlorine	68.6 5.3 23.6 1.7 0.8 <u>Tr</u> 100.0	72.3 5.4 21.0 0.9 0.4 -	70.4 5.1 23.5 0.6 0.4 - 100.0		71.0 6.7 19.8 1.4 1.1 -					71.1 5.5 21.0 1.4 1.0 - 100.0	68.0 5.6 24.5 1.3 0.6 <u>Tr</u> 100.0		
Laboratory References for Tables B.1(A) and (B) (a)(b)(c) - Dolmage Campbell & Associates d(i) - M. H. French - Analyses by Babcock & Wilcox Canada Ltd. d(ii) - M. H. French - Analyses by Combustion Engineering-Superheater Ltd. d(iii) - M. H. French - Analyses by Birtley Engineering (Canada) Ltd. (f) - Loring Laboratories Ltd. (g) - Commercial Testing & Engineering Co. (i) - Ebasco NYK (j) - Corex Laboratories Ltd.													

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- Lurgi Mineraloltechnik GmbH (k)

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