

# WTD Biogas Systems 101: Biogas Use, Sales and Revenues

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### **AGENDA**

- 1. Brief Overview: Biogas from Wastewater
- 2. WTD's Uses of Digester Gas
- 3. Environmental Attributes of Renewables What are RECs, RINs, e-RINs, T-RECs?
- 4. Summary
- 5. Q&A

### **BRIEF OVERVIEW: BIOGAS FROM WASTEWATER**

- "Free" resource we already make it
- Environmental benefits
  - Creates renewable energy
  - Offsets fossil fuel use
  - Reduces greenhouse gas (GHG) emissions
- Financial benefits
  - Either saves on operating expenses or generates revenue

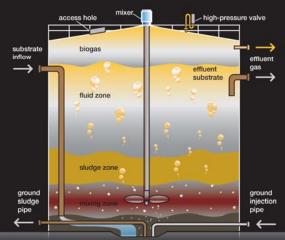


## **BRIEF OVERVIEW: BIOGAS FROM WASTEWATER**

#### What's it made of?

- **66%** methane (CH<sub>4</sub>)
- 32% carbon dioxide (CO<sub>2</sub>)
- 2% other components (H<sub>2</sub>S, siloxanes)





### How is it processed?

- 1. Capture
- 2. Compress
- 3. "Clean"
- 4. Use/Sell



## WTD'S USES OF DIGESTER GAS - WEST POINT

- 1. Raw Sewage Engines
- 2. Boiler
- 3. Cogeneration (to sell green electricity)
- 4. Near future: Microturbine demonstration
- 5. Beginning discussions on replacement of cogen at end-of-life



## WTD'S USES OF DIGESTER GAS - SOUTH PLANT

- 1. Gas scrubbing towers (to sell gas as transportation fuel)
- 2. Near future:
  Installing flash tank to capture more gas







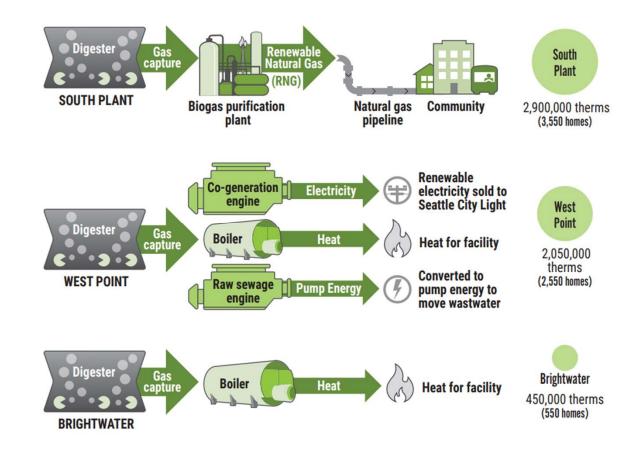


## WTD'S USES OF DIGESTER GAS - BRIGHTWATER

- 1. Boiler
- 2. Near future: RFQ for private partner to purchase raw biogas, and invest private capital to eliminate existing flared gas



### WTD'S USES OF DIGESTER GAS - SUMMARY



## **ENVIRONMENTAL ATTRIBUTES OF RENEWABLES**

#### What are RINs, RECs, eRINs, T-RECs, etc?

- **REC** Renewable Energy Certificate *Green Power (electricity)*
- RIN Renewable Identification Number Renewable Natural Gas
- eRIN Electric Renewable Identification Number

  Green Power (electricity)
- T-REC Thermal Renewable Energy Certificate

  Renewable Heat







### **REC**

#### Renewable Energy Certificate

- The most established of all environmental credits
- Created in late 1990s to promote renewable energy and market share
- Totally voluntary
- Peak value around 2010, when demand outpaced supply
- 1 REC = 1,000 kWh





**West Point Cogen** 

### RIN

#### Renewable Identification Number

- Promote use of renewable fuels & reduce GHG emissions in transportation sector
- Regulatory requirement for petroleum refiners and importers
- EPA sets annual fuel blending requirements for petroleum refiners & importers
- Created through Renewable Fuel Standard (RFS) under Energy Policy Act of 2005
- 1 RIN = energy content in 1 gallon of ethanol
- Not a voluntary market—so prices are higher





**South Plant Gas Scrubbing** 

### E-RIN

#### Electric Renewable Identification Number



- Same thing as a gas RIN—meant to offset diesel or gasoline use in transportation sector
- Intended for electric vehicles—personal vehicles, buses, trains, trucks, etc.
- **No real pathway created yet.** Excluded from recent EPA rulemaking to set 2024 threshold requirements for refiners and importers
- 1 e-RIN = 1,000 kWh



**West Point & Brightwater** 

### T-REC

#### Thermal Renewable Energy Certificate

- Same concept as a REC, but for renewable heat
- · Heat from cogen, boilers, raw sewage engines, raw sewage heat recovery, solar thermal
- Created by Washington State 2019 Clean Energy Transformation Act
- T-RECs are a source of renewables which WA electric utilities can use to help fulfill GHG neutrality requirements under RCW 19.405.040
- 1 T-REC = 3,412,000 BTUs (or 1,000 kWh)
- Currently solids from municipal wastewater are not included in the rule definition,
   so WTD doesn't qualify for T-RECs.







West Point, South Plant, Brightwater

## **SUMMARY**

<u>Facility</u>	<u>Method</u>	<b>Current Incentive</b>	<b>Likely Future Incentives</b>
West Point	Cogeneration	RECs (~\$1.5M/yr)	RINs or e-RINs, and T-RECs
South Plant	Gas Scrubbing	RINs (~\$5-9.5M/yr)	RINs and T-RECs
Brightwater	Boiler	N/A	RINs or e-RINs, and T-RECs
Sewer Heat Recovery	N/A	N/A	T-RECs

