

to the gasoline pool. Typically, the Alkymax process may not be used to alkylate an almost pure benzene stream. This benzene would be sold for its chemical value. Because the objective of the current program is to maximize the production of transportation fuels, the Alkymax unit was included to lower the benzene content of the gasoline pool. The reformulated gasoline specified in the future Clean Air Bill may limit benzene content in gasoline to a maximum of 0.8 vol-%.

- **Naphtha Hydrotreater Process.** The naphtha hydrotreater (NHT) processes the F-T C_5-C_{11} stream as well as the C_5-C_{11} naphtha stream from the hydrocracker. The primary purpose of the NHT unit is to saturate olefins and to convert small quantities of oxygenates and organic acids that may otherwise affect performance of the downstream Platforming unit. The C_5-C_6 product is charged to the Penex* isomerization unit, and the C_7-C_{11} product from the NHT is fed to a CCR Platforming unit.
- **Penex-Molex* Units.** The highly paraffinic C_5-C_6 product from the NHT is charged to the Penex isomerization unit. The octane of the fraction is improved as low-octane normal paraffins are isomerized to higher octane isoparaffins. The conversion of normal paraffins to isoparaffins is limited by thermodynamic equilibrium. The Molex unit separates and directs higher octane isoparaffins to the gasoline pool and lower octane normal paraffins back to the Penex unit for isomerization.
- **CCR Platforming Unit.** The C_7-C_{11} naphtha from the NHT product is fed to the UOP CCR Platforming or reforming unit. The unit is used to convert F-T naphtha to high-octane gasoline. The details of the process are given in Tasks 5 and 6 of the Topical Report. [9] The resulting product is blended into the gasoline pool.
- **Hydrocracker.** The hydrocracker (HC) provides a means of upgrading heavy material, primarily F-T wax, into transportation fuel. The yields and product properties were derived from past work done under the PETC-sponsored contract on F-T wax hydrocracking.

The gasoline and diesel pool properties for the Arge case are shown in Table 4.3. The gasoline blend from the complex has a research octane (RONC) of 98, RVP of 6.9 psia, aromatics level of 48.2 vol-%, and benzene content of 0.4 vol-%. The diesel pool has an extremely high cetane of 73.1 and meets all diesel specifications. The capital cost and operations summary is shown in Table 4.4. The complex before-tax IRR is 36.7% based on market feed and product prices (Table 4.5).

4.2 Synthol Products Upgrading

A similar complex flow scheme was developed for the Synthol case (Figure 4.2). The differences in the Synthol product upgrading complex are:

- The highly olefinic F-T LPG feed to the Cyclar unit is saturated using the Huels CSP process to prevent excessive catalyst coking in the Cyclar unit. The Huels CSP process hydrogenates olefins contained in the C₃-C₅ LPG stream to their respective paraffins.
- The F-T C₁₂-C₁₈ stream is processed in a distillate hydrotreater before sending it to the diesel pool. The purpose of this distillate-finishing step is to saturate the olefins and remove any oxygenates or organic acids. The cetane number of the distillate stream improves with hydrotreating.
- No hydrocracker is specified for the F-T C₁₉+ wax stream. The quantity of wax from a Synthol reactor is extremely small, and the wax is used as fuel in the complex.

The overall material balance for the Synthol case is shown in Table 4.6. The gasoline and diesel pool properties are shown in Table 4.7. The gasoline blend from the complex has a research octane (RONC) of 99.7, RVP of 7.1 psia, aromatics level of 48.8 vol-%, and benzene content of 0.5 vol-%. The capital cost and operations summary is shown in Table 4.8. The complex before-tax IRR of 19.7% is based on market feed and product prices (Table 4.9).

4.3 Sensitivity Analysis

The sensitivity of the F-T complex economics was studied over a range of product prices, feedstock costs, and plant capital investment. The results are summarized in Figure 4.3.

First, the prices of the gasoline and diesel products were increased by a factor of 1.5 over the base case. The high-end case more closely represents the market prices prevalent since the onset of the Middle East crisis. Next, the feedstock costs were increased by a factor of 1.2. The feedstock costs make up more than 70% of the net cost of production. The rate of return is extremely sensitive to both the product price and the cost of feed to the upgrading complex. In reality, the feedstock costs should represent the costs of indirect liquefaction of coal. For the base case, market values were assigned to feedstock costs because the economics of synthesis gas production and the F-T reactor section was beyond the scope of the current work. Finally, the plant capital investment was increased by a factor of 1.5 over the base case. The plant capital investment does not have as much of an impact on the F-T upgrading complex economics as the product prices and the feedstock costs.

4.4 Summary

When the economics of the Arge and the Synthol complexes is compared, middle distillate production via Arge is seen as less complex and cheaper than gasoline production via Synthol. This conclusion assumes that the costs of products derived from the Arge and the Synthol reactors are the same. Apart from the economics, if F-T products are considered as liquid fuels, Arge should be used to produce middle distillate (jet fuel plus diesel) for two good reasons:

- The chain-growth mechanism inherent in F-T technology is not selective to a particular boiling range, and the probability of high chain growth maximizes the formation of reactor wax, which can be hydrocracked easily to distillates.
- The F-T diesel and jet fuel have unique property attributes, such as no sulfur, no nitrogen, and no aromatics.

Table 4.1

Price and Cost Basis for the Economic Analysis of an F-T Complex

Costs and Product Values

Feedstock:

| | | |
|---------------------|----------------|---------------|
| Gasoline | \$242 \$/MT | 28.4 \$/bbl |
| Diesel | 193 \$/MT | 26.0 \$/bbl |
| Fuel Gas | 3.00 \$/MM Btu | 2.84 \$/GJ |
| LPG | 140 \$/MT | 1132 \$/bbl |
| Hydrogen (95 vol-%) | 694 \$/MT | 2.25 \$/M SCF |
| Naphtha, FBR | 160 \$/MT | 16.9 \$/bbl |
| Diesel | 193 \$/MT | 26.0 \$/bbl |
| Wax | 125 \$/MT | |

Utilities:

| | |
|----------------------|----------------|
| Power | 0.06 \$/kWh |
| Steam, 600 psig (HP) | 4.50 \$/M lb |
| Steam, 350 psig (MP) | 4.00 \$/M lb |
| Steam, 50 psig (LP) | 3.00 \$/M lb |
| Boiler Feed Water | 0.40 \$/M lb |
| Condensate | 0.40 \$/M lb |
| Cooling Water | 0.10 \$/M gal |
| Fuel Fired | 3.00 \$/MM Btu |

Labor:

| | |
|----------------|----------------|
| Operators | 36,000 \$/year |
| Supervision | 25% |
| Labor Overhead | 35% |

Table 4.2

Overall Material Balance of the F-T Complex Arge Case

| <u>Feed from Arge</u> | <u>MT/d</u> |
|--|---------------|
| C ₁ -C ₂ Fuel Gas | 221.3 |
| C ₃ -C ₄ LPG to Cyclar | 423.5 |
| C ₃ -C ₄ LPG to Alkymax | 110.0 |
| C ₅ -C ₁₁ Naphtha to NHT | 1015.9 |
| C ₁₂ -C ₁₈ to Diesel | 788.9 |
| C ₁₉ + to Wax to Hydrocracking | <u>2934.2</u> |
| | 5493.8 |
| Misc. Chemicals | <u>181.6</u> |
| | 5675.4 |

| <u>Product</u> | <u>MT/d</u> |
|---|---------------|
| Hydrogen | 39.1 |
| C ₁ -C ₄ Fuel Gas | 532.4 |
| Gasoline: | |
| Alkylate | 166.0 |
| C ₇ + from Cyclar | 280.0 |
| Isomerase | 648.0 |
| Reformate | 1025.9 |
| Diesel: | |
| C ₁₂ -C ₁₈ from Arge | 788.9 |
| C ₁₂ -C ₁₈ from Hydrocracking | <u>2013.6</u> |
| | 5493.9 |
| Misc. Chemicals | <u>181.6</u> |
| | 5675.5 |

Table 4.3

Product Properties for the F-T Complex-Arge CaseGASOLINE POOL:

| | <u>Alkymax</u> | <u>Cyclar</u> | <u>Penex-Molex</u> | <u>CCR Reforming</u> | <u>Blend</u> | <u>U.S. Unleaded Pool Comp.</u> | <u>Possible Reform. Gasoline Specs.</u> |
|------------------|----------------|---------------|--------------------|----------------------|--------------|---------------------------------|---|
| Flow Rate, MT/d | 166.0 | 280.0 | 648.0 | 1025.9 | 2119.9 | -- | -- |
| Specific Gravity | 0.8666 | 0.893 | 0.641 | 0.8022 | 0.7585 | -- | -- |
| API | 31.8 | 26.95 | 89.2 | 44.9 | 55.1 | -- | -- |
| RVP, psia | 0.1 | 0.7 | 14.4 | 3.3 | 6.92 | 8-12 | 8 max. |
| Molecular Weight | 130 | 101.4 | 78.4 | 103.5 | 95.4 | -- | -- |
| RONC | 118 | 113.2 | 89 | 100 | 98.7 | 87-88 | (R+M)/2 |
| MONC | 108 | 102.5 | 87.3 | 88.6 | 91.0 | -- | -- |
| ASTM D-86, °F | | | | | | | |
| IBP | 198 | 223 | 75 | 107 | -- | -- | -- |
| 50% over | 268 | 268 | 105 | 282 | -- | -- | -- |
| 90% over | 354 | 354 | 132 | 340 | 279 | 300-350 | 300 max. |
| EP | 441 | 441 | 150 | 411 | -- | -- | -- |
| Aromatics, vol-% | 100.0 | 100.0 | 0.0 | 65.9 | 48.2 | 30-35 | 20-25 max. |
| Benzene, vol-% | 0.0 | 0.0 | 0.0 | 0.9 | 0.4 | 1-2 | 0.8 max. |
| Olefins, vol-% | 0.0 | 0.0 | 0.0 | 1.0 | 0.5 | 10-12 | 5 max. |

DIESEL POOL:

| | <u>Arge</u> | <u>Hydrocracking</u> | <u>Blend</u> | <u>Specs.</u> |
|------------------------|-------------|----------------------|--------------|---------------|
| Flow, MT/d | 788.9 | 2013.6 | 2802.4 | -- |
| Specific Gravity | 0.7752 | 0.7891 | 0.7851 | -- |
| API | 51.0 | 47.8 | 48.7 | -- |
| ASTM 50% Pt., °F | 501 | 583 | 560 | -- |
| Cetane Index | 73.3 | 73.0 | 73.1 | 40 min. |
| Flash Point, °F | 191.7 | 210.5 | 203.8 | 125 min. |
| Pour Point, °F | 40.9 | -13.3 | 17.1 | 20 max. |
| Freeze Point, °F | N/A | N/A | N/A | -- |
| Viscosity, cSt @ 100°F | 2.91 | 4.61 | 3.99 | 1.9-4.1 |

Table 4.4

Capital Cost and Utilities Summary for the F-T Complex Arge Case

| | <u>Cyclar</u> | <u>Splitter+</u> <u>Alkymax</u> | <u>NHT+</u> <u>Splitter</u> | <u>CCR</u> <u>Reforming</u> | <u>Penex-</u> <u>Molex</u> | <u>HC</u> <u>Unibon</u> |
|-------------------------------|---------------|------------------------------------|--------------------------------|--------------------------------|-------------------------------|----------------------------|
| Feed Rate, MT/d | 614.6 | 211.5 | 1881.3 | 1231.6 | 651.3 | 2934.2 |
| ISBL, \$MM | 28.55 | 6.89 | 8.80 | 13.02 | 10.20 | 29.15 |
| Utility Consumptions: | | | | | | |
| Power, kW | 3533 | 100 | 705 | 2183 | 353 | 2148 |
| HPS, M lb/h | -6.6 | 9.0 | 0.0 | -6.9 | 0.0 | 16.8 |
| MPS, M lb/h | 0.0 | 0.0 | 0.0 | 0.0 | 9.2 | 7.5 |
| LPS, M lb/h | 2.2 | 0.0 | 0.0 | 0.1 | 20.3 | 0.0 |
| BFW, M lb/h | 9.7 | 0.0 | 0.0 | 11.6 | 0.0 | 0.0 |
| Cool Water, M gal/h | 241.6 | 14.6 | 9.9 | 159.4 | 0.2 | 67.2 |
| Fuel, MM Btu/h | 53.5 | 5.0 | 65.6 | 88.8 | 0.0 | 121.4 |
| Labor: Operators/Shift | 3 | 2 | 1 | 2 | 2 | 3 |

Table 4.5

Economic Evaluation (Base Case) for the F-T Complex Arge Case

| <u>Capital Items</u> | <u>\$ MM</u> |
|--|------------------|
| Plant Investment (ISBL) | 96.61 |
| OSBL (50% ISBL) | 48.31 |
| Interest | <u>29.16</u> |
| Total Fixed Investment | 174.08 |
| Royalties & Fees | 12.24 |
| Inventory | 8.91 |
| Working Capital | <u>44.75</u> |
| Total Capital Investment | 239.98 |
| <u>Economic Analysis:</u> | <u>\$ MM</u> |
| Gasoline Sales | 171.01 |
| Diesel Sales | 180.29 |
| By-Products Credits | 30.3 |
| Feedstock Costs | <u>260.5</u> |
| Gross Margin | 121.1 |
| Variable Costs | 14.91 |
| Fixed Costs | <u>17.99</u> |
| Cash Flow | <u>88.2</u> |
| Internal Rate of Return (before tax), % | <u>36.68</u> |

Table 4.6

Overall Material Balance of F-T Complex Synthol Case

| <u>Feed from Synthol</u> | <u>MT/d</u> |
|--|--------------|
| C ₁ -C ₂ Fuel Gas | 1021.6 |
| C ₃ -C ₄ LPG to Cyclar Unit | 1218.9 |
| C ₃ -C ₄ LPG to Alkymax Unit | 200.0 |
| C ₅ -C ₁₁ Naphtha to NHT | 2270.2 |
| C ₁₂ -C ₁₈ Diesel | 397.3 |
| C ₁₉ + Wax to Fuel | <u>227.0</u> |
| | 5335.0 |
| Misc. Chemicals | <u>340.5</u> |
| | 5675.5 |

| <u>Product</u> | <u>MT/d</u> |
|--|--------------|
| Hydrogen | 32.9 |
| C ₁ -C ₄ Fuel Gas | 1573.5 |
| C ₁₉ + Wax to Fuel | 227.0 |
| Gasoline | |
| Alkylate | 413.5 |
| C ₇ + from Cyclar | 607.8 |
| Isomerase | 1025.5 |
| Reformate | 980.7 |
| Diesel | |
| C ₁₂ -C ₁₈ from Distillate Finishing | <u>397.3</u> |
| | 5258.2 |
| Misc. Chemicals | <u>417.3</u> |
| | 5675.5 |

Table 4.7

Products Properties of the F-T Complex Synthol CaseGASOLINE POOL:

| | <u>Alkymax</u> | <u>Cyclar</u> | <u>Penex-Molex</u> | <u>CCR Reforming</u> | <u>Blend</u> | <u>U.S. Unleaded Pool Comp.</u> | <u>Possible Reform. Gasoline Specs.</u> |
|------------------|----------------|---------------|--------------------|----------------------|--------------|---------------------------------|---|
| Flow Rate, MT/d | 413.5 | 607.8 | 1025.5 | 980.7 | 3027.5 | -- | -- |
| Specific Gravity | 0.8665 | 0.893 | 0.6424 | 0.8054 | 0.7622 | -- | -- |
| API | 31.8 | 26.95 | 88.76 | 44.2 | 54.1 | -- | -- |
| RVP, psia | 0.1 | 0.7 | 14.4 | 3.39 | 7.09 | 8-12 | 8 max. |
| Molecular Weight | 127 | 99.9 | 78.4 | 106.6 | 95.7 | -- | -- |
| RONC | 118 | 113.2 | 88.3 | 100 | 99.7 | 87-88 | (R+M)/2 |
| MONC | 108 | 102.5 | 87.3 | 88.6 | 92.8 | -- | -- |
| ASTM D-86, °F | | | | | | | |
| IBP | 198 | 223 | 89 | 114 | -- | -- | -- |
| 50% over | 268 | 268 | 109 | 271 | -- | -- | -- |
| 90% over | 354 | 354 | 130 | 341 | 274 | 300-350 | 300 max. |
| EP | 441 | 441 | 150 | 401 | -- | -- | -- |
| Aromatics, vol-% | 100.0 | 100.0 | 0.0 | 64.1 | 48.8 | 30-35 | 20-25 max. |
| Benzene, vol-% | 0.0 | 0.0 | 0.0 | 1.7 | 0.5 | 1-2 | 0.8 max. |
| Olefins, vol-% | 0.0 | 0.0 | 0.0 | 1.0 | 0.3 | 10-12 | 5 max. |

DIESEL POOL:

| | <u>Distillate Finishing</u> | <u>Blend</u> | <u>Specs.</u> |
|------------------------|-----------------------------|--------------|---------------|
| Flow, MT/d | 397.3 | 397.3 | -- |
| Specific Gravity | 0.79 | 0.79 | -- |
| API | 47.6 | 47.6 | -- |
| ASTM 50% Pt., °F | 475 | 475 | -- |
| Cetane Index | 66 | 66 | 40 min. |
| Flash Point, °F | 160 | 160 | 125 min. |
| Pour Point, °F | 15.0 | 15.0 | 20 max. |
| Freeze Point, °F | N/A | N/A | -- |
| Viscosity, cSt @ 100°F | 3.00 | 3.00 | 1.9-4.1 |

Table 4.8

Capital Cost and Utilities Summary of the F-T Complex Synthol Case

| | <u>Huels CSP</u> <u>+Cyclar</u> | <u>Splitter</u> <u>Alkymax</u> | <u>NHT+</u> <u>Splitter</u> | <u>CCR</u> <u>Reforming</u> | <u>Penex-</u> <u>Molex</u> | <u>Distillate</u> <u>Finishing</u> |
|------------------------------|------------------------------------|-----------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------------------------|
| Feed Rate, MT/d | 1371.4 | 461.7 | 2270.2 | 1177.3 | 1043.8 | 397.3 |
| ISBL, \$MM | 52.48 | 11.01 | 9.85 | 12.67 | 13.53 | 6.94 |
| Utility Consumptions: | | | | | | |
| Power, kw | 7678 | 218 | 851 | 2087 | 566 | 310 |
| HPS, M lb/h | -47.6 | 19.6 | 0.0 | -6.6 | 0.0 | 0.0 |
| MPS, M lb/h | 0.0 | 0.0 | 0.0 | 0.0 | 14.8 | 0.0 |
| LPS, M lb/h | 8.3 | 0.0 | 0.0 | 0.1 | 32.6 | 0.0 |
| BFW, M lb/h | 55.6 | 0.0 | 0.0 | 11.1 | 0.0 | 0.0 |
| Cool. Water, M gal/h | 879.7 | 31.9 | 11.9 | 152.4 | 0.4 | 5.2 |
| Fuel, MM Btu/h | 306.0 | 10.0 | 79.1 | 84.9 | 0.0 | 11.1 |
| Labor: Operators/Shift | 3 | 2 | 1 | 2 | 2 | 2 |

Table 4.9

Economic Evaluation (Base Case) of the F-T Complex Synthol Case

| <u>Capital Items</u> | <u>\$ MM</u> |
|--|--------------------|
| Plant Investment (ISBL) | 106.48 |
| OSBL (50% ISBL) | 53.24 |
| Interest | <u>32.14</u> |
| Total Fixed Investment | 191.86 |
| Royalties & Fees | 13.9 |
| Inventory | 17.27 |
| Working Capital | <u>38.14</u> |
| Total Capital Investment | 261.17 |
| <u>Economic Analysis:</u> | <u>\$ MM/y</u> |
| Gasoline Sales | 244.22 |
| Diesel Sales | 25.56 |
| By-Products Credits | 63.38 |
| Feedstock Costs | <u>242.83</u> |
| Gross Margin | 90.33 |
| Variable Costs | 19.84 |
| Fixed Costs | <u>17.7</u> |
| Cash Flow | <u>52.79</u> |
| Internal Rate of Return (before tax), % | <u>19.66</u> |

Figure 4.1

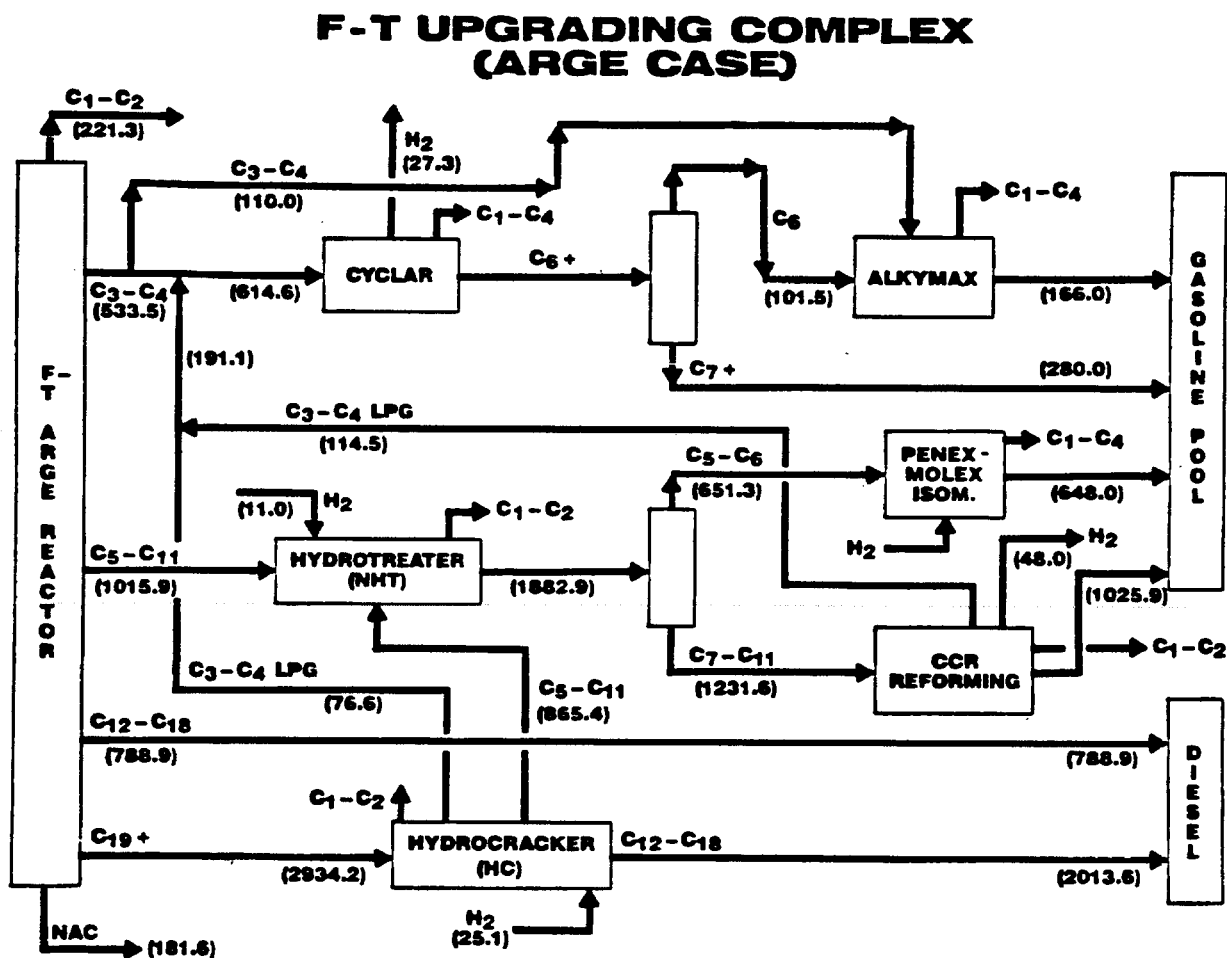


Figure 4.2

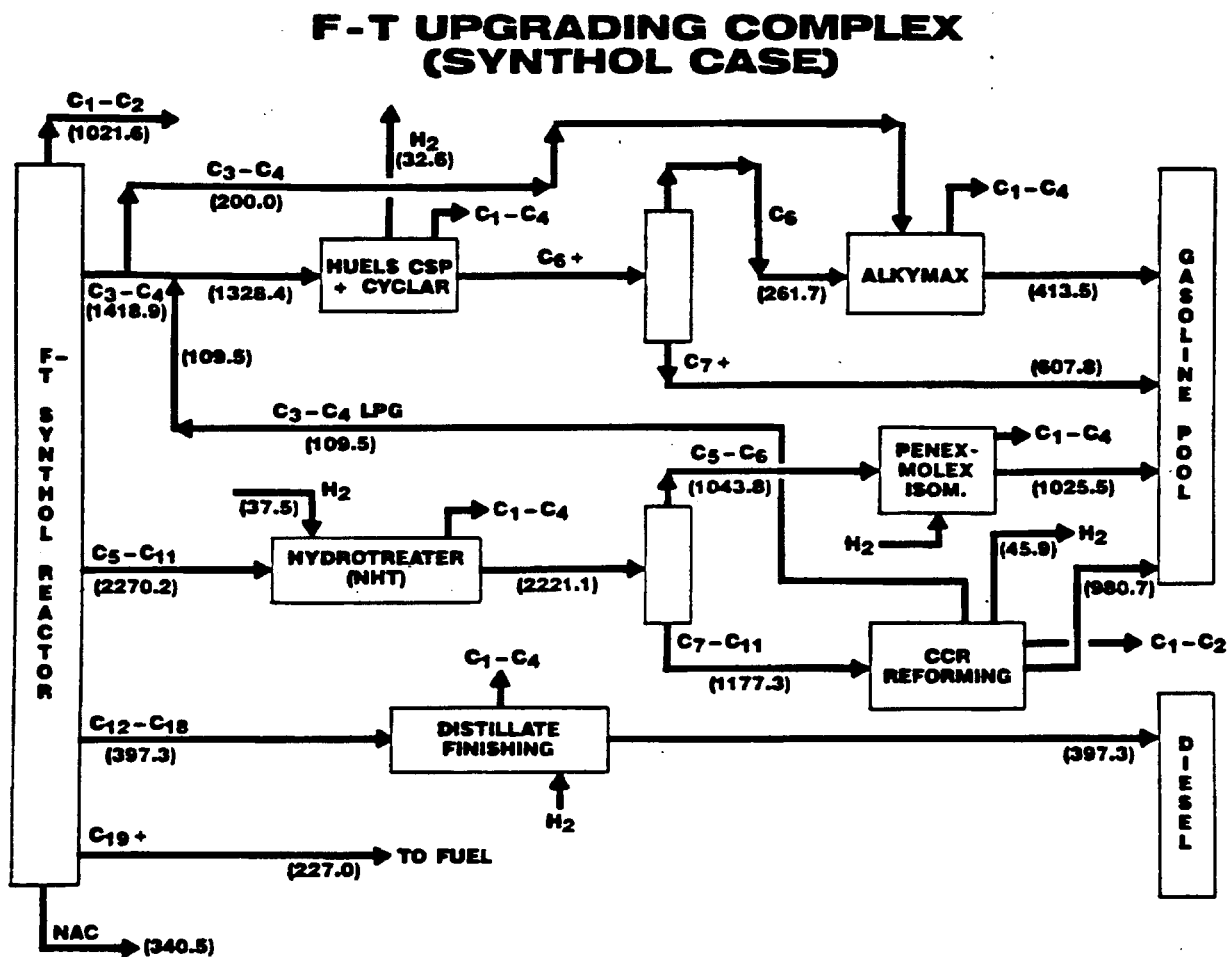
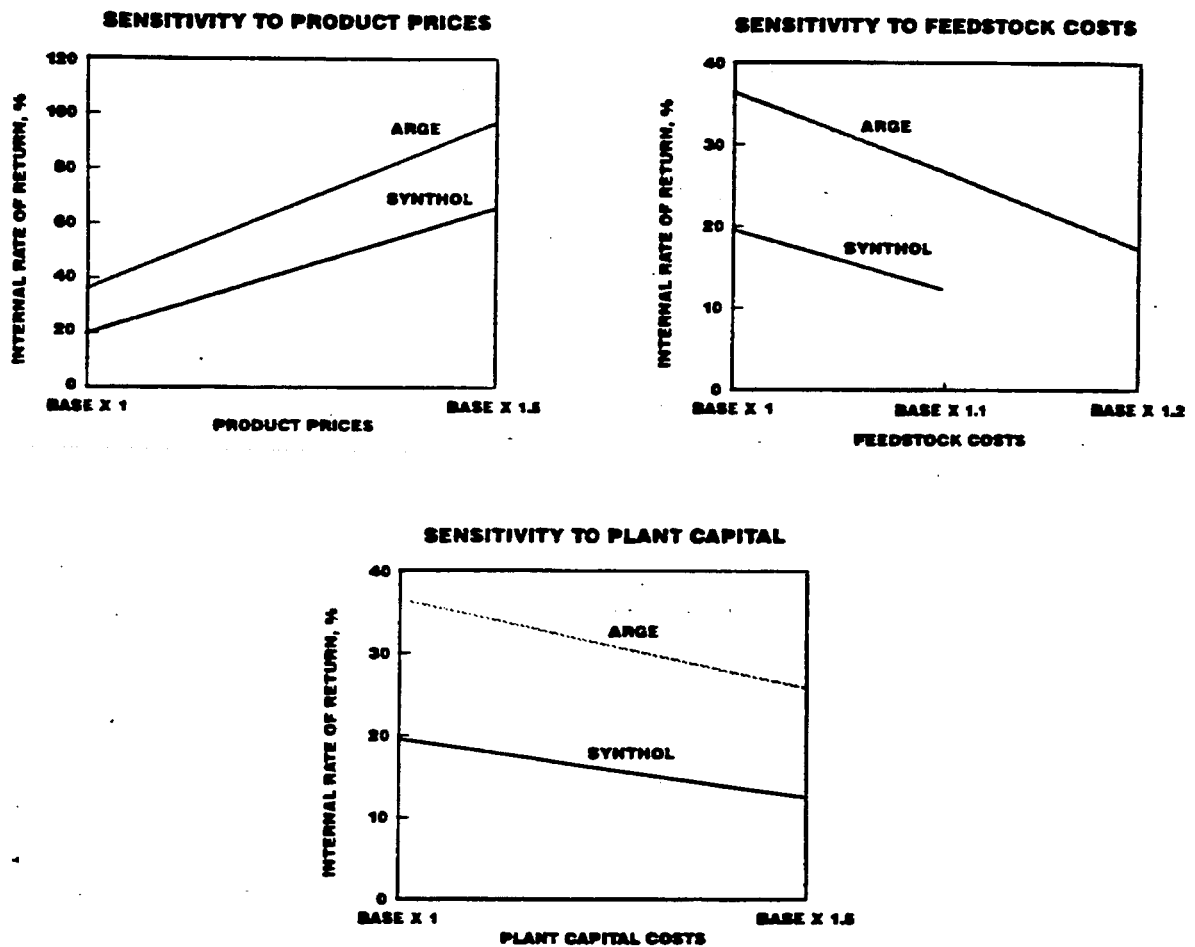


Figure 4.3

FISCHER-TROPSH COMPLEX SENSITIVITY ANALYSIS



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* UOP, Cyclar, CCR Platforming, Platforming, Alkymax, Penex, and Molex are tradenames and/or service marks of UOP.

GLOSSARY OF ABBREVIATIONS

GLOSSARY OF ABBREVIATIONS

| <u>Abbreviation</u> | <u>Meaning</u> |
|---------------------|--|
| API | American Petroleum Institute |
| ASTM | American Society for Testing and Materials |
| BFW | Boiler Feed Water |
| BP | British Petroleum |
| bb1 | Barrel |
| Btu | British Thermal Unit |
| BTX | Benzene, Toluene, Xylene |
| °C | Degrees Centigrade (Celsius) |
| C _# | Carbon Number (e.g., C ₁ = Methane) |
| CF | Cash Flow |
| CSP | Huels Complete Saturation Process |
| cSt | Centistokes |
| DCF | Discounted Cash Flow |
| DOE | United States Department of Energy |
| EP | Endpoint |
| °F | Degrees Fahrenheit |
| F-T | Fischer-Tropsch |
| gal | U.S. Gallon |
| GJ | Giga Joule |
| h | Hour |
| HC | Hydrocracking |
| HP | High Pressure |
| IBP | Initial Boiling Point |
| IRR | Internal Rate of Return |
| ISBL | Inside Battery Limits |
| kW | Kilowatt |
| kWh | Kilowatt Hour |
| LPG | Liquefied Petroleum Gas |
| lb | Pound (Mass) |
| LHSV | Liquid Hourly Space Velocity |
| LP | Low Pressure |
| M | Thousands |
| MM | Millions |

| <u>Abbreviation</u> | <u>Meaning</u> |
|----------------------------|-------------------------------------|
| MONC | Motor Octane Number |
| MP | Medium Pressure |
| MT | Metric Ton (1,000 kg) |
| MTA | Metric Tons per Annum |
| MT/d | Metric Tons per Day |
| NHT | Naphtha Hydrotreater |
| OSBL | Outside Battery Limits |
| ROI | Return on Investment |
| PETC | Pittsburgh Energy Technology Center |
| ppm | Parts per Million |
| psia | Pounds per Square Inch Absolute |
| psig | Pounds per Square Inch Gauge |
| RONC | Research Octane Number |
| RVP | Reid Vapor Pressure |
| SCFD | Standard Cubic Feet per Day |
| Wt-% | Weight (Mass) Percent |
| Vol-% | Volume Percent |
| (R+M)/2 | Average of Research + Motor Octane |

APPENDIX A

DEFINITION OF INSIDE BATTERY LIMIT (ISBL) COSTS