Centralized versus decentralized biorefinery configurations for cellulosic ethanol: Can we reconcile environmental sustainability and profitability?

Aklesso Egbendewe-Mondzozo
Michigan State University, Department of Agricultural, Food, and Resource Economics & Great Lakes Bioenergy Research Center
212 Agriculture Hall East Lansing, MI 48824
Email: aklesso@msu.edu

Scott M. Swinton
Michigan State University, Department of Agricultural, Food, and Resource Economics & Great Lakes Bioenergy Research Center
202 Agriculture Hall East Lansing, MI 48824
Email: swintons@msu.edu

Bryan D. Bals
Michigan State University, Department of Chemical Engineering and Materials Science & Great Lakes Bioenergy Research Center
3815 Technology BLVD STE A118 Lansing MI 48910, USA

Bruce E. Dale
Michigan State University, Department of Chemical Engineering and Materials Science & Great Lakes Bioenergy Research Center
3815 Technology BLVD STE A118 Lansing MI 48910, USA


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Aklesso Egbendewe-Mondzozo, Scott M. Swinton, Bryan D. Bais, and Bruce E. Dale
Michigan State University, Great Lakes Bioenergy Research Center, East Lansing, MI 48824-1039. Email: aklesso@msu.edu

RESEARCH OBJECTIVES

Compare spatial configurations of Central Biorefinery versus dispersed Local Biomass Processing Depots (LBPDs), focusing on:
1) Profitability of biomass production, transport, pretreatment and final processing;
2) Environmental impacts in terms of soil nutrient runoff, soil erosion, greenhouse gas (GHG) emissions, and land use change;
3) Technological change impacts of improved ethanol yields on system profitability and environmental outcomes.

RESEARCH QUESTIONS

1. What parameters drive the profitability of the two biorefinery spatial configurations?
2. What land use changes and environmental costs ensue from each spatial configurations of ethanol refining (nutrient runoff, GHG emissions, land use change and soil erosion)?
3. How does more efficient processing of a perennial grass affect biorefinery profitability and environmental impacts?

BIOMASS SUPPLY AND PROFITS WITH LBPD AND WITHOUT LBPD

Without LBPDs, corn stover and wheat straw are the only feedstocks and the system is profitable with ethanol at $2.00/gal. With LBPDs, mixed perennial grasses join the annual crop residues and system profitability requires an ethanol price of $2.20/gal.

ENVIRONMENTAL IMPACT AND LAND USE CHANGE

Spatially dispersed LBPDs reduce environmental impacts due to more perennial grass production. Crop land use with LBPDs has 3% more area under perennials.

METHODS

The bioeconomic model uses mathematical optimization to maximize gross margin (profitability) from crop production and ethanol biorefining. Biorefining activities include the case of 8 local biomass processing deposits (LBPDs) compared to a centralized biorefinery operation.

- The Environmental Policy Integrated Climate (EPIC) model simulates yield and environmental outcomes from 82 cropping systems in 37 watersheds across 9 counties in S.W. Michigan.
- Transport costs of biomass from each watershed centroid to the biorefinery or to each LBPD with concentrated briquets moved to biorefinery.
- Prices of crops & fertilizers and production costs for each cropping system are calculated using data from Michigan State University Extension and the U.S. Department of Agriculture.
- A techno-economic model of the LBPDs and biorefinery provides fixed and variable costs for biomass pretreatment and final conversion into ethanol and byproducts.


Higher ethanol yield triggers more switchgrass use, improving environmental quality.