# Greenhouse Gas Abatement Costs of Hydrogen Production from Underground Coal

Gasification (UCG)

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# Highlights

- Estimation of GHG abatement costs for UCG and SMR with and without CCS
- UCG-CCS has the lowest GHG abatement costs
- UCG-CCS has the highest GHG abatement potential
- Life cycle GHG emissions in SMR-CCS are higher than in UCG-CCS

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#### Abstract

The demand for hydrogen is likely to increase in the next decade to satisfy the projected growth of the bitumen upgrading industry in western Canada. This paper presents greenhouse gas (GHG) abatement costs and the GHG abatement potential in producing hydrogen from underground coal gasification (UCG) along with carbon capture and seguestration (CCS). Seven hydrogen production scenarios are considered to assess the competitiveness of implementing UCG compared to steam methane reforming (SMR). The analysis is completed through a life cycle assessment (LCA) of large-scale hydrogen production from UCG and SMR with and without CCS. Considering SMR technology without CCS as the base case, the GHG abatement costs of implementing the UCG-CCS technology is calculated to be in the range of 41-109 \$CAD/tonne-CO2-eq depending on the transportation distance to the CCS site from the UCG-H2 production plant. Life cycle GHG emissions are higher in UCG than in SMR. The GHG abatement costs for SMR-CCS-based scenarios are higher than for UCG-CCS-based scenarios; they range from 87-158 \$CAD/tonne-CO2-eq in a similar manner to UCG-CCS. Consideration of revenues for selling the CO2 captured for enhanced oil recovery (EOR) reduces the GHG abatement costs. An opportunity for revenue generation is realized in the UCG-CCS case.

## Keywords

Carbon capture and sequestration (CCS); underground coal gasification (UCG); hydrogen (H<sub>2</sub>) production; GHG abatement costs; life cycle GHG emissions

## Nomenclature

#### 1. Introduction

Bitumen, a highly viscous fluid, must be chemically and physically processed to decrease its viscosity, density, sulphur, carbon, and metal concentrations [1, 2]. This process is called bitumen upgrading, and the product obtained is known as synthetic crude oil (SCO) [1]. Bitumen is upgraded for the following reasons. First, upgraded bitumen can be fed to refineries that are designed to process conventional crude oils [3]. Second, upgraded bitumen does not require a solvent in transportation to refineries [1, 3]. Third, the market price of the bitumen increases when upgraded [1, 3].

SCO production from the Canadian oil sands is expected to increase from 51.1 million m<sup>3</sup> per annum in 2012 to 73.3 million m<sup>3</sup> per annum in 2022 [4]. Due to the greater contribution of Alberta's oil sands industry to the province's total greenhouse gas (GHG) emissions (around 23%) compared to other sectors like electricity generation, heat generation, transportation, etc., there is a growing need for the oil sands industry to adopt cleaner ways of energy production to mitigate GHG emissions [5]. More specifically, bitumen upgrading for SCO production, which requires around 21 kg H<sub>2</sub> per m<sup>3</sup> bitumen, relies mainly on natural gas for H<sub>2</sub> production and has a significant GHG footprint [6, 7]. For instance, the life cycle GHG emissions in H<sub>2</sub> production from SMR are reported to be in the range of 9-14.5 kg-CO<sub>2</sub>-eq/kg-H<sub>2</sub> [6, 8-12]. Unarguably, the GHG footprint associated with H<sub>2</sub> production alone, for bitumen upgrading, is significant and alternate fossil-fuel based H<sub>2</sub> production pathways like underground coal gasification need to be explored.

Around 54% of the Alberta's total coal reserves of 1.8-2.7 trillion tonnes, deemed unrecoverable through conventional mining methods, can be recovered through novel technologies like underground coal gasification (UCG) [13]. UCG has several economic and environmental

benefits over conventional coal gasification - low ash residues and fugitive emissions, zero coal transport cost and emissions, zero coal handling and coal gasifier costs, etc. [14-17]. In addition, Alberta has the potential to store up to three giga tonnes of CO<sub>2</sub>, apart from storing up to 450 mega tonnes (Mt) of  $CO_2$  in enhanced oil recovery (EOR) operations [18, 19]. More specifically, UCG in combination with carbon capture and sequestration (CCS) has the potential to address the current environmental issues of energy production in the Canadian oil sands industry and can also be tied to the Government of Alberta's plan to reduce 139 mega tonnes of GHG emissions through CCS in 2050 compared to GHG emissions level in 2005 [5, 7]. With regard to CCS, over CAD \$ 3 billion worth of investments have been made by various provincial governments and Canada's federal government in various CCS demonstration projects [19]. For instance, the Government of Alberta has recently approved a large-scale carbon dioxide (CO<sub>2</sub>) pipeline project called the Alberta Carbon Trunk Line (ACTL), which will transport up to 10,000 tonnes per day of CO<sub>2</sub> captured from a refinery and a fertilizer plant located in Fort Saskatchewan to an EOR site in Clive, Alberta [20]. In another large-scale CCS project - Shell Canada's Energy Quest Project – about one million tonnes of CO<sub>2</sub> per annum, captured from a bitumen upgrading facility located in Fort Saskatchewan, Alberta, will be transported and sequestered in a nearby geological site [21].

Arguably, UCG-CCS is a potential candidate for clean carbon conversion and H<sub>2</sub> production, which will aid in the sustainable development of the Canadian oil sands industry. While CCS significantly reduces GHG emissions, there are energy and cost penalties associated with it [19, 22]. The competitiveness of UCG over SMR can be evaluated from both environmental and economic perspectives. Although the UCG and CCS technologies are in the development stages in western Canada, it is important to quantify the environmental footprint and the economic assessment in order to provide key insights for decision making for the government and industry regarding such technologies. GHG abatement cost is one such policy tool used to

evaluate GHG mitigation and the economics of an energy system [23, 24]. This metric is useful in determining which technologies have superior GHG abatement potential or greater economic competency [24].

There are many studies in the literature that estimate the GHG abatement potential and GHG abatement costs of energy efficiency technologies and CCS in various industry sectors [22, 24-36]. Saygin et al. [22] concluded that energy efficiency technologies and CCS can help reduce the Netherland's 1990 industrial GHG emissions by 47% by 2040. In a study by Xiao et al. [24], the authors concluded that 34 energy saving technologies can be implemented at an calculated average GHG abatement costs of US\$19.50 (for the year 2010) per tonne-CO<sub>2</sub> in China's building sector. Garg et al. [26] created marginal abatement cost curves for electricity and CO<sub>2</sub> emissions for Gujarat, India. In a study applicable in South Africa by Telsnig et al. [27], a coalbased integrated gasification combined cycle (IGCC)-CCS plant was found to have the greatest potential for GHG mitigation and the lowest GHG abatement costs among synthetic fuel coal-to-liquid (CTL)-CCS, gas-to-liquid (GTL)-CCS and coal fired ultra-supercritical (USC)-CCS plants.

Levihn et al. [31] developed marginal abatement cost curves for Stockholm district heating system by utilizing a systems approach integrated with a feedback loop to overcome option redundancy. In another study by Zhang et al. [35], the authors estimated energy savings potential of around 5.7 exajoule in 2030 by implementing 56 energy efficiency measures in the Chinese iron and steel industry in China. With a focus to reduce emissions from natural gas flaring in Brazil, Branco et al. [28] calculated GHG abatement costs of installing and operating an offshore GTL plant. Kamel et al. [30] implemented the International Energy Agency Energy Technologies Perspectives model and concluded that CCS can contribute significantly (around 19% of global emissions) in achieving a 50% global emissions reduction target (compared to 2009 level) in 2050. In a recent study by Rootzén et al. [36], the authors analyzed GHG

abatement options for petroleum refining, integrated iron and steel production, and cement manufacturing industries in Nordic countries of Denmark, Finland, Norway and Sweden. They concluded that, though an extensive CCS deployment will help achieve the emissions reduction target in 2050, there is likely to be a trade-off in terms of energy use and associated costs. Granovskii et al. [29] evaluated the economic implications of adopting wind and solar technologies for hydrogen production for use in fuel-cell vehicles in Canada. They estimated the GHG abatement costs to be around \$US (2007) 0.4 and 1.4 per kg-CO<sub>2</sub> for producing hydrogen from wind and solar energies, respectively. Furthermore, the authors in [33] evaluated the environmental and economic feasibility of hydrogen production from geothermal energy-based electricity in Algeria; the geothermal thermal power plant utilized CO<sub>2</sub> as a heat transmission fluid.

While all the aforementioned studies were not implemented for specific UCG-based H<sub>2</sub> production scenarios in Canada, there is reason to assess the GHG reduction potential and GHG abatement costs of UCG technology along with the consideration of CCS. In other words, none of the studies in the literature have considered UCG-based large-scale H<sub>2</sub> production systems in the oil production sector where there is considerable interest to reduce the overall GHG footprint. The results of this study will help in increased participation of industrial and government stakeholders in formulating policy and making investment decisions for large-scale development of UCG technology. In addition, this study will help in exploring avenues for efficiency improvements in H<sub>2</sub> production processes to minimize the overall GHG emissions and costs of GHG abatement.

The principal objective of this paper is to estimate the GHG abatement costs of  $H_2$  production from fossil-fuel based pathways – SMR and UCG – for a variety of feasible scenarios applicable in western Canada. Of the seven scenarios assessed in this study, five scenarios include the

consideration of CCS with the distinctions of (1) type of  $CO_2$  sequestration method, (2) transportation distance or location of  $CO_2$  sequestration from the H<sub>2</sub> production plant, and (3) sale of  $CO_2$  to an EOR operator. The goal of the study is not only to evaluate the GHG emissions reduction potential of novel H<sub>2</sub> production technologies – UCG-CCS and SMR-CCS – but also to provide key insights and strategies to formulate energy policies for reducing the carbon footprint of the bitumen upgrading industry.

This paper uses the results of the techno-economic model developed in an earlier study [7] to estimate the GHG abatement costs for the seven scenarios. The GHG emissions for various scenarios are evaluated using a life cycle assessment (LCA) method. The life cycle GHG emissions for UCG-based H<sub>2</sub> production scenarios are evaluated using the LCA model discussed in [37]. The life cycle GHG emissions for SMR-based scenarios are calculated by using (1) the energy and material inputs of an LCA model as developed earlier in the literature [12] and (2) the earlier developed process model for the SMR process [38]. The key contribution is in development of the emission factors for material and energy use, and data inputs in the SMR-LCA model to represent western Canadian conditions<sup>2</sup>. In addition, the authors estimated the life cycle GHG emissions in H<sub>2</sub> production from SMR along with CCS. Moreover, a sensitivity analysis was completed to identify key input parameters that can substantially change the GHG abatement costs. The GHG abatement costs are in 2014 Canadian dollars. The following section gives a brief description of the H<sub>2</sub> production scenarios developed in this study.

<sup>&</sup>lt;sup>2</sup> For instance, Spath et al.[12] considered an electricity emissions factor based on the mid-continental United States electricity generation mix, which is not applicable to western Canada, especially Alberta. Ultimately, the GHG emissions associated with electricity use or export will vary. Moreover, existing studies in the literature [8, 10-12] did not evaluate or oversimplify the assumptions while calculating life cycle GHG emissions in H<sub>2</sub> production along with CCS.

#### 1.1 Western Canadian H<sub>2</sub> production scenarios

Table 1 shows the seven H<sub>2</sub> production scenarios that can be implemented in western Canada and are likely to be considered by the bitumen upgrading industry [7]. Figure 1 provides a geographical representation of these seven scenarios and a high-level system boundary. These scenarios are similar to those considered earlier [7] in a techno-economic evaluation of UCGand SMR-based H<sub>2</sub> production with and without CCS developed for western Canada. Scenarios 1-3 represent SMR-based H<sub>2</sub> production pathways; scenarios 1 and 2 have CCS with the different locations of sequestration (see Table 1). In scenarios 1-3, the H<sub>2</sub> production site is the same as the bitumen upgrading site and is located at Fort Saskatchewan, Alberta. Scenarios 4-7 represent UCG-based H<sub>2</sub> production pathways; scenario 6 is without CCS and the others are with CCS. Again, the discerning feature in the scenarios with CCS is the location of the CO<sub>2</sub> sequestration; in scenario 7, the captured CO<sub>2</sub> is sold to an EOR well operator located in close proximity to the UCG plant at a price of \$47/tonne-CO<sub>2</sub> [7]. The revenues for the sale of CO<sub>2</sub> are calculated based on the incremental flow of CO<sub>2</sub> in the UCG-CCS over the SMR-CCS case [7].

Table 1

Fig. 1

## 2. Method

## 2.1. Scope of study

The purpose of this analysis is to estimate the GHG abatement costs in different scenarios of H<sub>2</sub> production in western Canada (see Table 1). The characteristics of the bitumen upgrading plant, UCG-CCS plant, and SMR-CCS plant are listed in Table 2. The GHG abatement costs (\$CAD/tonne-CO<sub>2</sub>-eq) are evaluated using Eq. 1; the value of 'i' indicates the scenario number for which the abatement costs are being calculated, 'ref' is the reference scenario number, the costs of H<sub>2</sub> production are in \$CAD/kg-H<sub>2</sub>, and the life cycle GHG emissions are in kg-CO<sub>2</sub>-eq/kg-H<sub>2</sub>; the functional unit selected in the LCA is 1 kg of H<sub>2</sub>. The choice of the reference scenario has a considerable impact on the GHG abatement costs. The GHG abatement costs are calculated by comparing scenarios with the two H<sub>2</sub> production technologies, i.e., UCG and SMR with and without CCS; the reference technology for calculating the GHG abatement costs for all scenarios is SMR (scenario 3). The system boundaries considered for the H<sub>2</sub> production technologies (UCG, UCG-CCS, SMR, and SMR-CCS) are described in the following section.

Table 2

#### (GHG abatement cost)i =

$$\left(\frac{(\text{Levelised cost of H}_2 \text{ production})_i - (\text{Levelised cost of H}_2 \text{ production})_{\text{ref}}}{(\text{Life cycle GHG emissions})_{\text{ref}} - (\text{Life cycle GHG emissions})_i}\right)^*1000$$
(1)

#### 2.2. Economic analysis model: H<sub>2</sub> production from UCG and SMR with and without CCS

H<sub>2</sub> production costs were calculated by developing a data-intensive discounted cash flow model for each scenario. Table 3 shows the key input data and assumptions for H<sub>2</sub> production costs estimation in different scenarios for the discounted cash flow model. The economic data for the UCG-based H<sub>2</sub> production plant was based on the costs specified for an above surface coal gasification plant in [47]. Since the plant infrastructure required for the UCG-based H<sub>2</sub> production plant is similar to the above surface coal gasification plant, this enables to reasonably estimate the plant capital costs associated with the former case. On the other hand, the SMR-based H<sub>2</sub> production plant capital costs were based on a Foster Wheeler plant developed for the International Energy Agency [41]. Since the UCG-based scenarios are characterized with transport of H<sub>2</sub> via pipeline to the bitumen upgrading facility, appropriate sizing and costing of the pipeline infrastructure were completed based on Panhandle B equation and a model in literature by [48], respectively. The capital costs associated with CO<sub>2</sub> compression (upto 150 bar) and pipeline transport were estimated based on the method discussed by authors in [49].

Table 3

#### 2.3. System boundaries and life cycle assessment model

There are different environmental indicators to evaluate the environmental impact of a product or energy production pathway over its life cycle. In this study, global warming potential (GWP) – represented by kg-CO<sub>2</sub>-eq/ kg-H<sub>2</sub>-is the only impact category of interest. The GWP of other greenhouse gases than CO<sub>2</sub> i.e., CH<sub>4</sub> and nitrous oxide have been considered and converted to the CO<sub>2</sub>-eq. There are other environmental issues and challenges (land subsidence, ground water contamination, process control and operational reliability) associated with UCG; however, a holistic evaluation of the environmental externalities associated with this pathway is beyond the mandate of the paper. The research addresses the increased uncertainty and challenges associated with UCG by assigning a risk premium relative to SMR. The differential in the IRR required for both options is reflective of the elevated risk that pertains to UCG (see Table 3). Furthermore, it is important to quantify the economic merits of implementing UCG (along with CCS) as a means to mitigate GHG emissions in the Albertan bitumen upgrading industry. To put in perspective, CCS implementation in large-scale fossil fuel energy systems is the central point of Government of Alberta's strategy to reduce GHG emissions by 200 million tonnes in 2050 compared to emissions level in 2005 [5]. Therefore, the GWP impact is the only category of interest in the present study. The life cycle GHG footprint is, therefore, evaluated for the seven  $H_2$  production scenarios using an LCA approach. The emission factors for material and energy use in different unit operations of the H<sub>2</sub> production pathway are listed in Table 4.

Table 4

#### 2.3.1. H<sub>2</sub> production from SMR with and without CCS (scenarios 1-3)

The life cycle GHG emissions in the SMR process (scenarios 1-3) are evaluated for the system boundary shown in Fig. 2. The boundary start point is the natural gas (NG) input to the hydrogenation and sulphur removal section. It is important to note that the upstream emissions and losses associated with NG production are considered in the analysis. Moreover, NG is used both as a feedstock (for H<sub>2</sub> production) and fuel (SMR fuel burner). High-pressure steam is imported for use in SMR reactor and a series of water-gas shift reactors to produce CO2 and H2 rich gas. Selexol technology is used for CO<sub>2</sub> capture which is compressed upto a pressure of 150 bar before its transport to a sequestration site via a pipeline. A heat exchanger network in the NG-to-H<sub>2</sub> conversion section recovers heat that can be used to produce either steam or electricity. The H<sub>2</sub> produced in the pressure swing adsorption unit (14 bar) is captive in nature, and is stored at a pressure of 70 bar [7] for use in the in-house bitumen upgrading facility. This is the boundary end point.

The key energy and material inputs in SMR-based H<sub>2</sub> production plant operations (see Fig. 2) are derived from the LCA study from literature [12] and the results of an earlier developed process model [38]. In SMR-based H<sub>2</sub> production scenarios with CCS (scenarios 1 and 2), the CO<sub>2</sub> pipeline design for transportation and injection well design for sequestration are derived from the method developed by Ogden [52]. The emissions related to pipeline construction and sequestration (the use of steel in pipelines and diesel in trenching and well drilling) are then evaluated using the method and assumptions incorporated in the LCA model – FUNNEL-GHG-H2-UCG (**FUN**damental ENgineering PrinciplEs-based ModeL for Estimation of GreenHouse Gases in hydrogen (H2) production from Underground Coal Gasification) – discussed in [37]. The electricity requirement for H<sub>2</sub> compression from 14 bar to 70 bar is estimated using Panhandle B equation [52].

An SMR-based H<sub>2</sub> production pathway can be self-sufficient in terms of electricity or steam use depending on the final use of the heat recovered by the heat exchangers in the NG-to-H<sub>2</sub> conversion section (see Fig. 2); the "electricity co-production" scenario represents the former case and "steam co-production" scenario represents the latter. Appropriate credits are given for the export of electricity and steam. In "electricity co-production" scenario, the total electricity production is calculated based on electricity produced by a natural gas turbine with a thermal efficiency of 36.1% [53]; the NG input is calculated based on equivalent amount of NG required to produce steam (here, refers to the excess steam produced in H2 production) in a boiler with an efficiency of 75% [12]. In case there is additional electricity production (after considering the electricity requirements of various unit operations, and a transmission loss of 6.5% in export of electricity to the grid [6]), a credit of  $0.65 \text{ kg-CO}_2$ -eq/kWh (applicable for Alberta, see Table 4) is awarded. On the other hand, in "steam co-production" scenario, the emissions credit is estimated based on offsetting use of equivalent amount of NG (i.e., emissions associated with NG use, recovery, processing, transmission and distribution, see Table 4) for excess steam production (after considering the steam requirements in various unit operations) in a boiler with an efficiency of 75% [12].

## 2.3.2. H<sub>2</sub> production from UCG with and without CCS (scenarios 4-7)

The life cycle GHG emissions in UCG-based H<sub>2</sub> production scenarios (scenarios 4-7) are evaluated using the assumptions and inputs to the FUNNEL-GHG-H2-UCG [37]; the system boundary for UCG-based H<sub>2</sub> production scenarios is depicted in Fig. 3. FUNNEL-GHG-H2-UCG uses a process modelling approach to estimate the operation emissions in H<sub>2</sub> production from UCG with and without CCS [37]. The boundary start point is the injection of gasifying agents (O<sub>2</sub> and H<sub>2</sub>O), The syngas is collected from the UCG production wells and fed to a surface syngasto-H<sub>2</sub> production plant; this plant is assumed to be located near the UCG wells and any energy inputs in transporting or storing syngas are neglected. The produced syngas is converted to H<sub>2</sub> using conventional technologies utilized in above surface coal gasification-based H<sub>2</sub> production pathways. Selexol technology is used for CO<sub>2</sub> capture. Furthermore, pipeline is used to transport H<sub>2</sub> from the UCG site to the bitumen upgrader, which is the boundary terminating point. It is important to mention that a combined cycle configuration was modelled to utilize the purge gas (produced in the H<sub>2</sub> separation process in the pressure swing adsorption unit) for electricity and steam production. Importantly, the electricity requirement in different unit operations (see Fig. 3) is offset by electricity production in the on-site co-generation plant, and a syngas expander placed after UCG. Any additional electricity produced is exported to the grid outside the system boundary, and appropriate emissions credit is awarded (around 0.65 kg-CO<sub>2</sub>-eq/kWh, see Table 4). Moreover, this pathway is self-sufficient in terms of steam use.

It is worth noting that the key differentiating feature in the FUNNEL-GHG-H2-UCG discussed in [37] and the present study is the scale of the H<sub>2</sub> production. The former study considered small scale H2 production of around 118 tonnes/day, whereas this study evaluates the GHG foot-print of a large scale UCG-based H<sub>2</sub> production (828.2 tonnes/day). This is done by making appropriate changes with regards to sizing of the equipments like multiple UCG well pairs, CO<sub>2</sub> compressors, pipeline transport and sequestration, and H<sub>2</sub> pipeline transport. Base case assumptions of an H<sub>2</sub>O-to-O<sub>2</sub> injection ratio of 2, steam-to-carbon ratio of 3 and a ground water influx of 0.4 m<sup>3</sup>/tonne-coal are considered in this paper [37].

Fig. 2

Fig. 3

## 3. Results and Discussion

The GHG abatement costs are a function of the life cycle GHG emissions for a given scenario (see Eq. 1). Therefore, it is important to quantify the life cycle GHG emissions for energy and material inputs in different unit operations over the life cycle of the operation. As mentioned earlier, the life cycle GHG emissions are reported in kg-CO<sub>2</sub>eq/kg-H<sub>2</sub>.

## 3.1. Life cycle GHG emissions in SMR-based H<sub>2</sub> production scenarios

Table 5 lists the life cycle GHG emissions from scenarios 1, 2, and 3 for the system boundary presented in Fig. 2. It is important to reiterate that the H<sub>2</sub> production capacity in these scenarios is 607 tonnes per day (see Table 2). Moreover, for each of these scenarios, there are two subscenarios or plant schemes considered in this analysis – steam co-production and electricity co-production (see Fig. 2). In both plant schemes, the emissions associated with all energy and

material uses are the same, except electricity use, steam use, electricity export, and steam export. While there are no emissions associated with the electricity use and there is no emissions credit for the steam export from the plant scheme with electricity co-production, these emissions are considered in the plant scheme with steam co-production. However, the emissions associated with the steam use and the electricity export in the steam co-production plant scheme are considered.

The advantage of electricity co-production over steam co-production in the SMR-based H<sub>2</sub> production pathway is clearly evident in terms of the total life cycle GHG emissions (see Table 5); in the former scenario, the excess steam produced from the heat recovered in the syngas-to-H<sub>2</sub> conversion section is used to produce electricity from a steam turbine. This is mainly because producing electricity from the excess steam not only offsets the grid electricity use, but also results in electricity export to the grid. This advantage is complemented by the fact that the emission factor for electricity use (244.4 gm-CO<sub>2</sub>-eq/MJ-electricity [51])<sup>3</sup> and the emissions credit for electricity export to the grid (180.6 gm-CO<sub>2</sub>-eq/MJ-electricity [51]) in Alberta is greater than NG use (61.3 gm-CO<sub>2</sub>-eq/MJ-NG [6]). Moreover, replacing coal with other, cleaner fuels like natural gas or even renewable energy production methods like hydro, wind, etc., for electricity production would result in lower GHG emissions.

It is also evident from Table 5 that the CCS technology results in a significant reduction in the amount of GHG emissions in scenarios 1 and 2 compared to 3. The total life cycle GHG emissions in scenario 2 are slightly greater than in scenario 1. This is mainly due to the lower contribution of CO<sub>2</sub> construction emissions (steel and diesel use in pipeline construction and trenching, respectively) in the total life cycle GHG emissions. It is interesting to note that in spite

<sup>&</sup>lt;sup>3</sup> A relatively high electricity emission factor is attributed to the use of coal for electricity production in Alberta, Canada.

of a 91.6% CO<sub>2</sub> capture (see Table 2) using Selexol solvent in a pre-combustion plant configuration, the total life cycle GHG emissions decrease only by around 44% (see Table 5). This is mainly because there is an energy penalty in terms of increased electricity use to deploy CCS in this H<sub>2</sub> production pathway. Moreover, the GHG emissions associated with this increased use of electricity partially offset the advantage of CO<sub>2</sub> capture in the total life cycle GHG emissions calculation. In addition, post CO<sub>2</sub> capture, the purge gas contains significant amounts of CH<sub>4</sub> (around 33.6% by mol) [38], which results in GHG emissions on combustion in the burner (see Fig. 2).

#### Table 5

## 3.2. Life cycle GHG emissions in UCG-based H<sub>2</sub> production scenarios

The life cycle GHG emissions for scenarios 4, 5, 6, and 7 are listed in Table 6. As mentioned earlier, the results for the respective scenarios are based on the FUNNEL-GHG-H2-UCG [37], with the difference being the scale of H<sub>2</sub> production considered in the present analysis. Moreover, the H<sub>2</sub> production capacity in these scenarios is 660 tonnes per day as compared to a H<sub>2</sub> production capacity of 607 tonnes per day in SMR-based H<sub>2</sub> production scenarios (see Table 2). Because the H<sub>2</sub> production scales in the two pathways (SMR and UCG) are similar, the scenarios can be reasonably compared with each other. It is important to mention that the life cycle GHG emissions in the present analysis are slightly greater than the results presented in [37], mainly due to the increased scale of H<sub>2</sub> pipeline transport from the UCG plant to the

bitumen upgrading facility. A larger scale of H<sub>2</sub> pipeline operation results in more electricity consumption at the inlet pump station compared to a lower scale of pipeline operation; electricity consumption increases to account for increased friction losses in the pipeline. This rise in electricity consumption lowers the emissions credit for electricity export to the grid and ultimately the total life cycle GHG emissions increase.

## Table 6

#### 3.3. GHG abatement costs in H<sub>2</sub> production scenarios

The GHG abatement costs for the seven scenarios listed in Table 1 are estimated using Eq. 1, and include the additional cost of using a technology per unit savings in the life cycle GHG emissions. Table 7 lists the GHG abatement costs calculated for various H<sub>2</sub> production scenarios. The reference scenario chosen for the analysis is scenario 3, which uses an SMRbased H<sub>2</sub> production technology without CCS. As mentioned in section 2.2, two plant configurations – electricity co-production and steam co-production – are chosen for the analysis of SMR-based scenarios. The GHG abatement costs are negative and hence lowest for scenario 7; they range from -\$ 12.91 CAD to -\$ 13.27 CAD per tonne-CO<sub>2</sub>-eq. This observation can be explained by the lower costs of H<sub>2</sub> production in scenario 7 than in scenario 3. It is important to reiterate that the sale of captured CO<sub>2</sub> to an EOR operator (at \$47/tonne-CO<sub>2</sub>) not only negates the additional cost of CCS but also lowers the levelised cost of H<sub>2</sub> production in scenario 7 [7]. Another important observation is that in spite of higher levelised cost of H<sub>2</sub> production, the GHG abatement costs in all the UCG-CCS-based scenarios (scenarios 4, 5, and 7) are lower than those in the SMR-CCS-based scenarios (scenario 1 and 2). This is attributable to higher life cycle GHG emissions in the SMR-CCS scenarios than in the UCG-CCS scenarios<sup>4,5</sup>.

It is important to note that despite different plant configurations and equipment, there is no significant difference in the levelised cost of H<sub>2</sub> production in scenarios 3 (SMR without CCS) and 6 (UCG without CCS). This is mainly because the incremental levelised cost of H<sub>2</sub> production due to the higher total capital costs in the UCG-based H<sub>2</sub> production plant than the SMR-based H<sub>2</sub> production plant is compensated by the negligible feedstock cost of coal in the former case versus a feedstock cost of \$5/GJ-NG in the latter case. That being said, the costs of GHG emissions mitigation in SMR-CCS and UCG-CCS-based scenarios are mainly due to the capital costs of the additional infrastructure required for CCS – CO<sub>2</sub> capture equipment, CO<sub>2</sub> compressors, CO<sub>2</sub> pipeline, and CO<sub>2</sub> sequestration costs. Moreover, for a fixed H<sub>2</sub> production scale in SMR- and UCG-based scenarios, the GHG abatement costs are highly sensitive to the transportation distance of the captured CO<sub>2</sub> to the sequestration site; with an increase in

<sup>&</sup>lt;sup>4</sup> In a pre-combustion carbon capture scheme, as considered in the present LCA analysis of SMR-based  $H_2$  production, a significant amount of natural gas that is not converted to  $H_2$  in the reformer is burned in the burners as purge gas (see section 3.1 and Fig. 2). On the other hand, in UCG-CCS, around 90% of the carbon in coal is converted to CO<sub>2</sub> after UCG and syngas-to-H<sub>2</sub> conversion (see Fig. 3), leading to high CO<sub>2</sub> capture efficiency as compared in the SMR-CCS pathway.

<sup>&</sup>lt;sup>5</sup> Note that the CO<sub>2</sub> capture rate in a UCG-CCS plant is higher than in a SMR-CCS plant (see Table 2) resulting in increased capital costs of CO<sub>2</sub> capture, compression and transport in the former case than in the latter. This leads to higher levelised H<sub>2</sub> production costs in the UCG-CCS than in the SMR-CCS (see results for scenario 2 and 5 in Table 6).

transportation distance from 84 km (scenario 1) to 225 km (scenario 2), the GHG abatement costs rise by around 71%.

Table 7

#### 3.4. Comparison of GHG abatement costs with other studies

To the knowledge of the authors, there is no study in the literature that discusses GHG abatements for H<sub>2</sub> production from UCG along with the consideration of CCS. That said, some studies evaluated these costs for replacing natural gas as a feedstock for H<sub>2</sub> production with alternate pathways based on solar, wind, advanced coal gasification (CG) with CCS and advanced auto thermal reforming (ATR) with CCS [29, 46]. These studies were completed for the Canadian and Dutch transportation sector. While both studies evaluated the GHG abatement costs for replacing gasoline-powered vehicles with H<sub>2</sub>-based fuel cell vehicles, the study [46] also considered various end-user markets (combined heat and power, residential and steel industry) for H<sub>2</sub> production from SMR and coal gasification along with CCS. Table 8 summarizes the key differences in the H<sub>2</sub> production costs are based on SMR as the reference H<sub>2</sub> production system, and vary in different jurisdictions, even for a similar pathway. This is mainly attributed to the fact that the assumptions for calculating H<sub>2</sub> production costs and GHG emissions differ in the studies.

## Table 8

## 3.5. Sensitivity analysis

A sensitivity analysis was conducted to appreciate the effect of various input parameters on the GHG abatement costs. In order to understand their effect on the overall results, a variation of  $\pm 36\%$  in the input parameters was completed. Figure 4 shows the sensitivity analysis completed for scenarios 1 and 4. For scenario 1, the NG price (\$5/GJ as the base case value) is found to have no sensitivity towards the GHG abatement costs. Though the levelised H<sub>2</sub> production costs increase with rise in the NG price in scenarios 1 and 3 (base case scenario), the difference in these costs remains the same. Hence, the GHG abatement costs are not affected. However, for scenario 4, the NG price has strong sensitivity towards the GHG abatement costs. The GHG abatement costs decrease from \$CAD 42 to 10.3 per tonne-CO<sub>2</sub>-eq abated. Quite intuitively, for both scenarios, the H<sub>2</sub> plant capital costs and IRR have high sensitivity towards the GHG abatement costs become zero for an IRR of around 11.5% and 7.6% in scenarios 4 and 1, respectively; the H2 production costs costs for scenarios 4 and 3 become equivalent. With regards to the impact of installation factor (base value of 1.65), it is moderate and low for scenarios 1 and 4, respectively. This is mainly

due to the fact that the percentage change in the  $H_2$  production costs in scenario 1 is greater than in scenario 4 with respect to the base scenario 3 upon equivalent change in the installation factor value.

Fig. 4

## 3.6. GHG mitigation potential of UCG-CCS and SMR-CCS technologies for H<sub>2</sub> production

Figure 5 shows the GHG mitigation potential of  $H_2$  production scenarios with CCS in 2022. The GHG mitigation potential is estimated for SMR-CCS and UCG-CCS technologies for  $H_2$  production in order to satisfy the projected SCO production of 73.53 million m<sup>3</sup> per annum in 2022 [4]. The base scenario for the analysis is scenario 3. Moreover, based on the type of SCO production pathway, i.e., upgrading of in-situ or surface-mined bitumen<sup>6</sup>, the lower limits and the upper limits for emissions mitigation in each scenario are assessed. Based on the present analysis, the GHG abatement potential is highest for UCG-CCS-based  $H_2$  production scenarios and varies from 8.58 to 22.55 Mt of GHG emissions per year. This abatement potential can contribute significantly to the Government of Alberta's plan to reduce GHG emissions by around 50 Mt per year in 2020 [5]. The GHG abatement potential is lower if one of the SMR-CCS-based scenarios (scenario 1 or 2) is adopted for  $H_2$  production; the potential varies from 4.22 to 11.30

<sup>&</sup>lt;sup>6</sup> The H<sub>2</sub> requirement in upgrading of bitumen in coking-based and hydroconversion-based configurations is estimated to be around 11.7 and 30.3 kg/m<sup>3</sup>-bitumen, respectively [6]

Mt of GHG emissions per year. This is mainly attributable to higher life cycle GHG emissions in scenarios 1 and 2 than in scenarios 4, 5, and 7.

Fig. 5

## 4. Conclusions

This paper provides insight on the GHG abatement costs of replacing SMR technology with SMR-CCS and UCG-CCS technologies for H<sub>2</sub> production for bitumen upgrading in Alberta's oil sands. Seven scenarios were developed and assessed in this study with the distinctions of novel H<sub>2</sub> production technologies (UCG and SMR with and without CCS), type of CO<sub>2</sub> sequestration method, transportation distance or location of CO<sub>2</sub> sequestration from the H<sub>2</sub> production plant, and sale of CO<sub>2</sub> to an EOR operator. The GHG emissions for various scenarios were evaluated using a life cycle assessment (LCA) method and a process modelling approach based on fundamental engineering principles.

A number of valuable conclusions can be drawn from this analysis. First, the life cycle GHG emissions in a large-scale SMR-CCS-based H<sub>2</sub> production (6.024-6.758 kg-CO<sub>2</sub>-eq/kg-H<sub>2</sub>) are higher than in a large-scale UCG-CCS-based H<sub>2</sub> production (1.255-1.404 kg-CO<sub>2</sub>-eq/kg-H<sub>2</sub>). However, the life cycle GHG emissions in H<sub>2</sub> production without CCS from SMR (calculated as 11.237 kg-CO<sub>2</sub>-eq/kg-H<sub>2</sub>) are lower than in H<sub>2</sub> production from UCG without CCS (11.258 kg-

CO<sub>2</sub>-eq/kg-H<sub>2</sub>). Second, the application of the CCS technology in a UCG-based pathway is more beneficial, both with regard to GHG abatement costs and potential, than in an SMR-based pathway. The GHG abatement costs are calculated to be 40.87-42.03 and 105.86-108.90 \$CAD/tonne-CO<sub>2</sub>-eq for UCG-CCS-based scenarios. For SMR-CCS-based scenarios the costs vary from 86.83-91.83 and 148.79-157.67 \$CAD/ tonne-CO<sub>2</sub>-eq. However, CCS could play a major role in reducing the GHG emissions in the bitumen upgrading industry.

Third, sale of incremental flows of captured  $CO_2$  for EOR operations in a UCG-CCS-based scenario (scenario 7) compared to the SMR-CCS alternative has the maximum advantage, and an opportunity for revenue generation is recognized. Fourth, for a fixed H<sub>2</sub> production scale, the GHG abatement costs are highly sensitive to the transportation distance of the captured  $CO_2$  to a sequestration site. Finally, large-scale H<sub>2</sub> production from UCG-CCS for SCO production can help reduce Alberta's annual GHG emissions by 22.6 mega tonnes in 2022.

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Fig. 1: Geographical representation of the H<sub>2</sub> production scenarios in Alberta



**<sup>\*\*</sup>**Applicable in steam co-production scenario

Fig. 2: System boundary for SMR based-H<sub>2</sub> production scenarios. Note: SMR=steam

methane reforming; WGSR=water gas shift reactor; HX=heat exchanger; PSA=pressure

swing adsorption; HRSG=heat recovery steam generator; ST=steam turbine.



Fig. 3: System boundary for UCG based-H<sub>2</sub> production scenarios. Note: ASU=air separation unit; SRR=syngas reforming reactor; WGSR=water gas shift reactor; HX=heat exchanger; PSA=pressure swing adsorption; HRSG=heat recovery steam generator; ST=steam turbine; GT=gas turbine.



Fig. 4: Sensitivity analysis for GHG abatement costs in scenarios 1 and 4. Note: reference scenario for GHG abatement costs calculation is scenario 3 with electricity co-production.


Fig. 5: GHG mitigation potential of replacing SMR technology with SMR-CCS and UCG-CCS technologies for H<sub>2</sub> production in bitumen upgrading in western Canada. The upper limit corresponds to 100% SCO production (projected in 2022) by employing a hydroconversion-based bitumen upgrading configuration, whereas the lower limit corresponds to SCO production in a coking-based bitumen upgrader.

### Nomenclature

ACTL	Alberta Carbon Trunk Line
ASU	air separation unit
CCS	carbon capture and sequestration
CO <sub>2</sub> -eq	carbon dioxide equivalent
CTL	coal to liquid
EOR	enhanced oil recovery
GHG	greenhouse gas
GREET	Greenhouse Gases, Regulated Emissions and Energy Use in Transportation
GT	gas turbine
GTL	gas to liquid
GWP	global warming potential
HRSG	heat recovery steam generator
HX	heat exchanger
IGCC	integrated gasification combined cycle
kWh	kilowatt hour
LCA	life cycle assessment
MDEA	methyl diethanolamine
MEA	monoethanolamine
MJ	megajoule
Mt	mega tonne
NG	natural gas
PSA	pressure swing adsorption
SCO	synthetic crude oil

SMR	steam methane reforming
SRR	syngas reforming reactor
ST	steam turbine
UCG	underground coal gasification
USC	ultra supercritical
WGSR	water gas shift reactor

Table 1:  $H_2$  production scenarios from UCG and SMR in western Canada (Adapted from [7])

		H₂ supply chain			CO <sub>2</sub> supply chain	
Scenario number	Pathway	Production site	Delivery site	Transportation distance and mode	With or Without CCS, and sequestration type	Delivery site
Scenario 1	SMR	Fort Saskatchewan, Alberta	Fort Saskatchewan, Alberta	-	With CCS – geological sequestration	Shell Quest Thorhild Alberta
Scenario 2	SMR	Fort Saskatchewan, Alberta	Fort Saskatchewan, Alberta	-	With CCS – geological sequestration	Swan Hills, Alberta
Scenario 3	SMR	Fort Saskatchewan, Alberta	Fort Saskatchewan, Alberta	-	Without CCS	-
Scenario 4	UCG	Swan Hills, Alberta	Fort Saskatchewan, Alberta	225 km via pipeline	With CCS – geological sequestration	Swan Hills, Alberta
Scenario 5	UCG	Swan Hills, Alberta	Fort Saskatchewan, Alberta	225 km via pipeline	With CCS – geological sequestration	Shell Quest Thorhild Alberta
Scenario 6	UCG	Swan Hills, Alberta	Fort Saskatchewan, Alberta	225 km via pipeline	Without CCS	-
Scenario 7	UCG	Swan Hills, Alberta	Fort Saskatchewan, Alberta	225 km via pipeline	With CCS – EOR	Swan Hills, Alberta

ameter	Value	Sources/ comments
men upgrader		
pacity, bitumen-barrels/day	290,000	Based on Shell Canada's planned upgrader capacity [7].
equirement in upgrading, kg/m³-bitumen	21	Based on an average value of 11.7 kg-H <sub>2</sub> /m <sup>3</sup> in coking-based bitum
		upgrading configuration and 30.3 kg H <sub>2</sub> /m <sup>3</sup> in hydroconversion-base
		bitumen upgrading configuration [6]
demand, tonnes/day	828.2	[7]
<u>G-CCS plant</u>		
production capacity, tonnes/day	660	[7]
al consumption, tonnes/day	4784.28	Based on a coal-to-hydrogen conversion efficiency of 58.1% (LHV
		basis) [39] and coal calorific value of 28.5 MJ/kg [7, 40].
pacity factor	85%	[41]
nber of well pairs required	70	Based on coal thickness (7.5 m), width (80 m), and length (1400 m)
		a coal seam gasified in a pilot scale project by Swan Hills Synfuels
		Alberta; a coal utilization factor of 50% is employed [42, 43]. The co
		bulk density and well lifetime are assumed to be 1.205 gm/cm <sup>3</sup> [42]
		and 20 years [44], respectively.
al CO <sub>2</sub> captured, tonnes/day	8540.06 <sup>1</sup>	Based on the results of FUNNEL-EGY-H2-UCG (FUNdamental
		ENgineering PrinciplEs-based ModeL for Estimation
		of EnerGY consumption and production in hydrogen (H2) production
		Underground Coal Gasification) developed in [39]; Selexol technolo
		is employed for $CO_2$ capture [39].
R-CCS plant		

## Table 2: UCG-CCS and SMR-CCS plant specifications

production capacity, tonnes/day

[41]

607

42

pacity factor	90%	[41]
ural gas (NG) consumption (fuel and	1762.26 <sup>2</sup>	Based on energy consumption of NG feedstock and fuel equivalent
dstock), tonnes/day		137 MJ/kg-H <sub>2</sub> and 15 MJ/kg-H <sub>2</sub> , respectively [12]. The lower heating
		value (LHV) of NG and $H_{\rm 2}$ is taken as 47.14 and 120 MJ/kg,
		respectively [6].
al CO <sub>2</sub> captured, tonnes/day	3235.57 <sup>2</sup>	Calculated based on the $CO_2$ content of the H <sub>2</sub> -rich gas fed to the P
		unit [38] and a $CO_2$ capture efficiency of 91.6% achieved by using
		Selexol technology [39, 45, 46]. While other traditional technologies
		(i.e., MEA and MDEA) can be applied for $CO_2$ capture in $H_2$ product
		from SMR [46], the Selexol technology is purposefully chosen for
		benchmarking SMR-CCS with the UCG-CCS-based $H_2$ production
		technology.

 $^1$  Capacity factor of 85% is applied to estimate this value. Around 15.22 kg-CO\_2 is captured per kg of H\_2

produced [39].

<sup>2</sup> Capacity factor of 90% is applied to estimate this value.

Parameter		Va	alue		Sources and comments
	SMR	SMR-CCS	UCG	UCG-CCS	
Financial year	2014	2014	2014	2014	
Inflation rate	2.5%	2.5%	2.5%	2.5%	[7]
Installation factor	1.65	1.65	1.65	1.65	A higher installation factor
					harsh climatic conditions a
					in Alberta [7]
Internal rate of return (IRR)	10%	10%	15%	15%	A higher IRR is chosen for
					owing to technological infa
					risk factors (land subsidend
					contamination, etc.) and re
					to syngas production in UC
Plant life, years	25	25	40	40	[7, 41]
Natural gas price,	5	5	-	-	[7]
\$CAD/GJ					
Coal feedstock cost,	-	-	0	0	UCG process negates coa
\$CAD/tonne					transportation costs of the
					is deemed unrecoverable b
					mining methods
Electricity cost, \$CAD/kWh	0.07	0.07	0.07	0.07	Based on average cost of
					[50]
Annual labour costs, \$CAD	1.7	1.7	1.7	1.7	Based on 8 plant operators
millions/annum					shift of 8 hours each [7, 41

# Table 3: Key input economic data and assumptions in $H_2$ production costs estimation in different scenarios

Supervision and	1.3	1.3	1.3	1.3	Estimated by considering if
administration costs,					labour costs [7, 41]
\$CAD millions/annum					
Total capital costs, \$CAD	1173 <sup>1</sup>	1404 <sup>2</sup>	1542 <sup>3</sup>	1732 <sup>₄</sup>	[7]. See foot notes below
millions					
Plant equipment operation	4%	4%	4%	4%	[25]. Expressed as a perce
and maintenance costs					costs

<sup>1</sup> Aggregate capital costs of key plant equipments (reformer, pressure swing adsorption unit, reactors, steam generators, gas turbine, catalysts, H<sub>2</sub> storage (70 bar) and compressors) in an SMR-based H<sub>2</sub> production plant. These also include project contingency costs and associated costs of instrumentation, electrics and piping.

<sup>2</sup> Aggregate capital costs of key equipments (listed above), and CO<sub>2</sub> pump and compressors, pipeline (84 km) and sequestration

<sup>3</sup> Aggregate capital costs of key plant equipments (drilling of UCG wells, air separation unit, O<sub>2</sub> compressors, reactors, pressure swing adsorption unit, gas turbine reactors, steam generators, steam turbine, sulphur recovery unit, H<sub>2</sub>S and CO<sub>2</sub> absorber and strippers, H<sub>2</sub> pipeline) in a UCG-based H<sub>2</sub> production plant. These also include project contingency costs and associated costs of instrumentation, electrics and piping. These also include project contingency costs and associated costs of general facilities, balance of plant, engineering, etc..

<sup>4</sup> Aggregate capital costs of key equipments (listed above), and CO<sub>2</sub> pump and compressors, pipeline (10 km) and sequestration

## Table 4: Emission factors used in this study

Parameter	Value	Sources/comments
Electricity use, kg-CO <sub>2</sub> -eq/kWh	0.88	Applicable for Alberta [51]
Electricity export, kg-CO <sub>2</sub> -eq/kWh	0.65	Applicable for Alberta [51]
NG use, gm-CO <sub>2</sub> -eq/MJ-NG	56.24	[6]
NG recovery, processing, transmission and	E 10	161
distribution, gm-CO <sub>2</sub> -eq/MJ-NG	5.12	[6]
		Calculated based on the NG use in a
Steam ownert am CO. cg/ML steam ownert	01 70	boiler to produce an equivalent
Steam export, gm-CO <sub>2</sub> -eq/MJ-steam export	81.79	amount of steam energy; a boiler
		efficiency of 75% is assumed [12].
Steel use, kg-CO <sub>2-</sub> eq/kg-steel	4.97	[6]
Diesel use, gm-CO <sub>2</sub> -eq/MJ-diesel	73.96	[6]

		With steam	า	With electricity			
Parameter	C	o-productio	on	co-production			
	(kg	-CO₂eq/kg	-H2)	(kg	-CO₂eq/kg	-H2)	
Applicable scenarios	1	2	3	1	2	3	
<u>H<sub>2</sub> production</u>							
Losses in the NG	4 4 0 0	1.129	1.129	1.129	1.129	1.129	
production <sup>1</sup>	1.129	1.129	1.129	1.129	1.129	1.129	
Electricity use	1.908 <sup>3</sup>	1.908 <sup>3</sup>	0.990 <sup>2</sup>	0	0	0	
NG fuel use and upstream	0.000	0.000	0.000	0.000	0.000	0.000	
emissions	0.922	0.922	0.922	0.922	0.922	0.922	
NG feedstock upstream	0 700	0.700	0.700	0.700	0.700	0.700	
emissions	0.700						
Emissions from purge gas	0.004	0.004	0.004	0.004	0.004	0.004	
combustion <sup>₄</sup>	2.981	2.981	8.904	2.981	2.981	8.904	
Steam use	0	0	0	2.723	2.723	2.723	
Steam export	-1.168	-1.168	-1.168	0	0	0	
Electricity export⁵	0	0	0	-2.549	-2.549	-3.182	
Construction and							
decommissioning of $H_2$	0.041	0.041	0.041	0.041	0.041	0.041	
production plant <sup>6</sup>							
<u>ccs</u>							
CO <sub>2</sub> pipeline infrastructure,	•						
well drilling and leakage	0.077	0.244	-	0.077	0.244	-	

Table 5: Life cycle GHG emissions in  $H_2$  production from SMR with and without CCS (scenarios 1, 2 and 3)

Total life cycle GHG						
-	6.590	6.757	11.518	6.024	6.191	11.237
emissions						

<sup>1</sup> Assumed to be 1.4% of NG production [12]. A global warming potential (GWP) of 25 is taken for CH<sub>4</sub> to calculate GHG emissions [6].

<sup>2</sup> The H<sub>2</sub> is delivered at a pressure of 14 bar and compressed to 70 bar for storage [7]. The value in the table is inclusive of electricity use in compression of H<sub>2</sub> from 14 bar to 70 bar; the power requirement is calculated using a model developed by Ogden [52].

<sup>3</sup> The value includes electricity use in H<sub>2</sub> compression from 14 bar to 70 bar and CO<sub>2</sub> capture using Selexol technology and compression in a five-stage compression train up to 150 bar. Electricity use in CO<sub>2</sub> capture and compression is taken as 203.8 kWh/tonne-CO<sub>2</sub> [39].

<sup>4</sup> Calculated based on a purge gas composition (mol %) – CO-0.3%, CO<sub>2</sub>-49.4%, H<sub>2</sub>-29.7%, H<sub>2</sub>O-1.1%, CH<sub>4</sub>-18.4%, N<sub>2</sub>-1.1% in scenario 3 [38]; PSA efficiency for H<sub>2</sub> separation is reported in a range of 82-90% [38, 54]. It is assumed to be 85%, which is also consistent with UCG-based H<sub>2</sub> production scenarios [39] and appropriate for benchmarking purpose.

<sup>5</sup> Estimated based on electricity production by a gas turbine with a thermal efficiency of 36.1% [53]; the NG input is calculated based on equivalent amount of NG required to produce steam that would otherwise be exported in a boiler with an efficiency of 75% [12]. Moreover, the value includes the electricity requirement in the H<sub>2</sub> plant operation and a transmission loss of 6.5% in export of electricity to the grid [6].

<sup>6</sup> The difference in this value is negligible for H<sub>2</sub> production with and without carbon capture [55]; a value of 0.041 kg-CO<sub>2</sub>eq/kg-H<sub>2</sub> [12] is, therefore, used for both cases.

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Parameter	Life cycle GHG emissions (kg-CO <sub>2</sub> eq/kg-H <sub>2</sub> )						
Applicable scenarios	4	5	6	7			
UCG well drilling	0.003	0.003	0.003	0.003			
<u><i>H<sub>2</sub> production and transport</i></u>							
Purge gas combustion and venting of	4 504	4 504		4 504			
gases from CO <sub>2</sub> removal section	1.521	1.521	19.519	1.521			
Steam use	0	0	0	0			
Electricity use	0	0	0	0			
Electricity export	-0.341	-0.458	-1.318	-0.341			
H <sub>2</sub> pipeline construction	0.015	0.015	0.015	0.015			
Construction and decommissioning of $H_2$		0.040	0.040	0.040			
production plant	0.048	0.048	0.040	0.048			
<u>CCS</u>							
CO <sub>2</sub> pipeline infrastructure, well drilling	0.040	0.075	0	0.040			
and leakage	0.010	0.275	0	0.010			
Total life cycle GHG emissions	1.255	1.404	18.258	1.255			

Table 6: Life cycle GHG emissions in  $H_2$  production from UCG with and without CCS (scenarios 4, 5, 6 and 7)

		Life cyc	le GHG	GHG abata	ment costs
Scenario	H <sub>2</sub> production	emis	sions		ne-CO <sub>2</sub> -eq)
	cost	(kg-CO <sub>2</sub> -	eq/kg-H₂)		ne-002-eq)
number	(\$CAD/kg-H <sub>2</sub> ) <sup>3</sup>	Lower	Upper	Lower	Upper
		limit <sup>1</sup>	limit <sup>2</sup>	limit <sup>1</sup>	limit <sup>2</sup>
Scenario 1	2.36	6.024	6.590	86.83	91.83
Scenario 2	2.66	6.192	6.758	148.79	157.67
Scenario 3	1.91	11.237	11.518	-	-
Scenario 4	2.33	1.255	-	40.87	42.03
Scenario 5	2.98	1.404	-	105.86	108.90
Scenario	1.96	18.258	-	-	-
6 <sup>4</sup>					
Scenario 7	1.78	1.255	-	-12.91	-13.27

Table 7: GHG abatement costs in H<sub>2</sub> production scenarios. Note: the reference scenario for GHG abatement costs calculation is scenario 3

<sup>1</sup> Applies in SMR-based H<sub>2</sub> production with electricity co-production (see Table 2).

<sup>2</sup> Applies in SMR-based H<sub>2</sub> production with steam co-production (see Table 2).

<sup>3</sup> Derived from the techno-economic model developed for a similar H<sub>2</sub> production plant size by Olateju et

al. [7]. The costs are corrected to 2014 Canadian dollars using an inflation rate of 2.5% [7].

<sup>4</sup> The GHG abatement costs are not calculated for this scenario because the life cycle GHG emissions in this scenario are greater than the life cycle GHG emissions in the reference scenario (scenario 3).

Relevant	Damen et al. [46]	Damen et al.	Granovskii et al.	Present Study
studies		[46]	[29]	
H <sub>2</sub> end use and	Combined heat	Transport	Fuel-cell based	Bitumen
delivery	and power, 20 bar	sector, 20 bar	automobiles, 20	upgrading
pressure			bar	
Pathways	Advanced Auto-	Advanced Auto-	Water electrolysis	UCG-CCS,
considered	Thermal	Thermal	run by electricity	SMR-CCS
	Reforming (ATR),	Reforming	produced from	
	advanced CG	(ATR),	solar and wind	
		advanced CG		
Carbon capture	MDEA (for ATR),	MDEA (for	-	Selexol
technology	Selexol (for CG)	ATR), Selexol		
		(for CG)		
Jurisdiction	Netherlands	Netherlands	Canada	Alberta,
				Canada
H <sub>2</sub>	Pipeline	Pipeline	-	Pipeline
transportation				
mode				
CO <sub>2</sub>	Pipeline	Pipeline	-	Pipeline
transportation				
mode				
H <sub>2</sub>	20 km	200 km	Not explicitly	No H <sub>2</sub>
transportation	transmission line	transmission	stated	transportation

### Table 8: Comparison of GHG abatement costs with other relevant studies

distance, km	(for CG) or 200	line +125 km		for SMR-based				
	km transmission	regional		$H_2$ , 225 km for				
	line (for SMR)	transmission		UCG-based H <sub>2</sub>				
	+125 km regional	line + 70 km						
	transmission line +	high pressure						
	10 km high	distribution line						
	pressure							
	distribution line							
CO <sub>2</sub>	10 km	10 km	-	10-225 km				
transportation								
distance, km								
H <sub>2</sub> production co	<u>H<sub>2</sub> production costs, \$/kg-H<sub>2</sub></u>							
ATR	-	-	1.77	-				
ATR-CCS	1.92	3.46	-	-				
CG-CCS	2.31	3.10	-	-				
SMR-CCS	-	-	-	2.36-2.66				
UCG-CCS	-	-	-	1.78-2.98				
SMR	-	-	-	1.91				
UCG	-	-	-	1.96				
Emissions factor, kg-CO <sub>2</sub> -eq/kg-H <sub>2</sub>								
SMR	6.840	6.840	9.084	11.237-11.518				

CG	12.360	12.360	-	-			
SMR-CCS, CG-	Range given: 1.2-	Range given:	-	6.024-6.758			
CCS	4.8	1.2-4.8					
UCG	-	-	-	18.258			
UCG-CCS	-	-	-	1.255-1.404			
Solar	-	-	2.088	-			
Wind	-	-	0.846	-			
GHG abatement costs, \$CAD/tonne-CO2-eq abated (reference system: SMR-based H2 without							
<u>CCS)</u>							
Solar	-	-	2228.79	-			
Wind	-	-	668.64	-			
CG-CCS	257.93	320.81	-	-			
ATR-CCS							
AIN-000	230.98	310.11	-	-			
SMR-CCS	-	310.11 -	-	- 86.83-157.67			