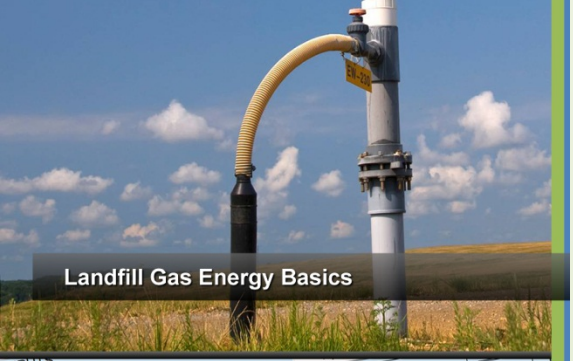

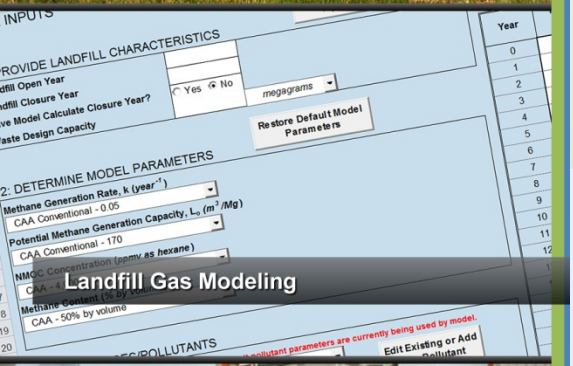

LANDFILL METHANE OUTREACH PROGRAM

LFG Energy Project Development Handbook

September 2016

Table of Contents

Units of Measure, Element Symbols, Constants and Variables ..... **iv**

Abbreviations and Acronyms ..... **v**

Introduction **I-1**

1 Landfill Gas Energy Basics **1-1**

1.1 What Is LFG? 1-1
1.2 LFG Collection and Flaring 1-3
1.3 LFG Treatment 1-4
1.4 Uses of LFG 1-5
1.5 Environmental and Economic Benefits of LFG Energy Recovery 1-8
1.6 Overview of the Regulatory Framework 1-11
1.7 Steps to Developing LFG Energy Projects 1-14

2 Landfill Gas Modeling **2-1**

2.1 Introduction to LandGEM 2-1
2.2 Estimating LFG Collection 2-4
2.3 Model Limitations 2-6

3 Project Technology Options **3-1**

3.1 Design Factors 3-2
3.2 Electricity Generation 3-4
3.3 Direct Use of Medium-Btu Gas 3-7
3.4 Conversion to High-Btu Gas 3-12
3.5 Selection of Technology 3-16

4 Project Economics and Financing **4-1**

4.1 Step 1: Quantify Capital and O&M Costs 4-2
4.2 Step 2: Estimate Energy Sales Revenues and Other Revenue Streams or Incentives 4-9
4.3 Step 3: Assess Economic Feasibility 4-12
4.4 Step 4: Compare All Economically Feasible Options and Select Winners 4-15
4.5 Step 5: Assess Project Financing Options 4-15

5 Landfill Gas Contracts and Permitting **5-1**

5.1 Power Sales Agreements 5-1
5.2 LFG Purchase Agreements 5-3
5.3 Environmental Attribute Agreements 5-5
5.4 Construction and Operating Permits 5-8

6 Evaluating and Working with Project Partners **6-1**

6.1 Approaches to Project Development 6-1
6.2 Selecting a Project Developer (Pure Development Approach) 6-5
6.3 Identifying Project Partners (Self-Development Approach) 6-6
6.4 Interacting with Project Partners 6-7
6.5 Evaluating Projects from an End User's Perspective 6-11

List of Tables **Page**

2-1 LFG Generation and Recovery Projections 2-4

3-1 Operational Project Technologies 3-1
3-2 Advantages and Disadvantages of Vertical and Horizontal LFG Collection Wells 3-2
3-3 Internal Combustion Engine Sizes 3-4
3-4 Examples of Typical Costs 3-6
3-5 Advantages, Disadvantages and Treatment Requirements Summary (Electricity) 3-7
3-6 Potential LFG Flows Based on Landfill Size 3-8
3-7 Cost of Leachate Evaporation 3-10
3-8 Advantages, Disadvantages, and Treatment Requirements Summary (Direct-Use) 3-12
3-9 Cost of CNG Production 3-14
3-10 Advantages, Disadvantages and Treatment Requirements Summary (High-Btu) 3-16
3-11 Summary of LFG Flow Ranges for Technology Options 3-17

4-1 Capital and O&M Cost Elements 4-2
4-2 Gas Collection and Flare System Components and Cost Factors 4-3
4-3 LFG Electricity Project Technologies — Cost Summary 4-4
4-4 Electricity Generation System Components and Cost Factors 4-4
4-5 Example Preliminary Assessment Results for an Electricity Project 4-5
4-6 LFG Direct-Use Project Components — Cost Summary 4-6
4-7 Direct-Use Project Components and Cost Factors 4-7
4-8 Example Preliminary Assessment Results for Direct-Use Projects 4-7
4-9 Example Financial Performance Indicators for Projects without an Existing Gas Collection and Flare System 4-13
4-10 Example Financial Performance Indicators for Projects with a Gas Collection and Flare System in Place 4-14
4-11 Addressing LFG Energy Project Risks 4-16

6-1 Types of Risks for LFG Energy Projects 6-3
6-2 Example Evaluation Criteria for Selecting an LFG Energy Project Developer 6-6
6-3 Financial Partners for LFG Energy Projects 6-7
6-4 Professional Partners for LFG Energy Projects 6-8
6-5 Contractor Partners for LFG Energy Projects 6-9

List of Figures **Page**

1-1 Changes in Typical LFG Composition after Waste Placement....1-2
1-2 Vertical Extraction Well....1-3
1-3 Horizontal Extraction Well....1-3
1-4 Open and Enclosed Flares....1-4
1-5 LFG Collection, Treatment and Energy Recovery....1-5
1-6 Estimated LFG Energy Project Output in the United States (July 2016)....1-6

2-1 LandGEM User Inputs Worksheet....2-2
2-2 LFG Generation Variance by k Value....2-3
2-3 LFG Generation and Recovery Rates....2-5

3-1 Sample LFG Extraction Site Plan....3-2
3-2 Siloxane Removal System....3-3
3-3 Internal Combustion Engines....3-4
3-4 Gas Turbine....3-5
3-5 Microturbine....3-5
3-6 Boiler and Cement Kiln....3-7
3-7 Infrared Heater....3-9
3-8 Greenhouse....3-9
3-9 LFG-Powered Glass Studio....3-10
3-10 Leachate Evaporator....3-10
3-11 Leachate Evaporation Diagram....3-11
3-12 LNG Station and LNG-Powered Trucks....3-12
3-13 Water Scrubbing Unit Flow Schematic....3-13

4-1 The Economic Evaluation Process....4-2

6-1 Considerations for Selecting the Project Development Approach....6-2

Units of Measure, Element Symbols, Constants and Variables

Btu	British thermal unit
cf	Cubic feet
cfm	Cubic feet per minute
CH_4	Methane
CO_2e	Carbon dioxide equivalent
GGE	Gallons of gasoline equivalent
gpd	Gallons per day
k	Methane generation rate constant
kV	Kilovolt
kW	Kilowatt
kWh	Kilowatt-hour
L_0	Potential methane generation capacity
lb/hr	Pounds per hour
m^3	Cubic meter
m^3/Mg	Cubic meter per megagram
m^3/yr	Cubic meter per year
Mg	Megagram
M_i	Annual waste disposal rate
MMBtu	Million British thermal units
MMBtu/yr	Million British thermal units per year
mmscfd	Million standard cubic feet per day
$MMTCO_2e$	Million metric tons of carbon dioxide equivalent
MW	Megawatt
MWh	Megawatt-hour
psi	Pounds per square inch
psig	Pound-force per square inch gauge
Q_{CH4}	Estimated methane generation flow rate
scfm	Standard cubic foot per minute
yr	Year

Abbreviations and Acronyms

ARB	Air Resources Board
ARRA	American Recovery and Reinvestment Act
C&D	Construction and demolition
CAA	Clean Air Act
CFR	Code of Federal Regulations
CHP	Combined heat and power
CNG	Compressed natural gas
CREB	Clean Renewable Energy Bond
CWA	Clean Water Act
DSIRE	Database of State Incentives for Renewables & Efficiency
EG	Emission Guidelines
EPA	U.S. Environmental Protection Agency
EPC	Engineering, procurement and construction
ESA	Energy sales agreement
FLIGHT	Facility Level Information on GreenHouse gases Tool
GEC	Green Energy Center
GHG	Greenhouse gas
GWP	Global warming potential
IOU	Investor-owned utilities
IRR	Internal rate of return
LandGEM	Landfill Gas Emissions Model
LFG	Landfill gas
LFGcost-Web	Landfill Gas Energy Cost Model
LMOP	The U.S. Environmental Protection Agency's Landfill Methane Outreach Program
LNG	Liquefied natural gas
MACT	Maximum achievable control technology
MSW	Municipal solid waste
NAAQS	National ambient air quality standards
NESHAP	National Emission Standards for Hazardous Air Pollutants
NMOC	Non-methane organic compound
NPDES	National Pollutant Discharge Elimination System
NPV	Net present value
NSPS	New Source Performance Standards

NSR	New Source Review
NYMEX	New York Mercantile Exchange
O&M	Operation and maintenance
OPS	The U.S. Department of Transportation's Office of Pipeline Safety
OTC	Over-the-counter
PM	Project manager
POTW	Publicly owned treatment works
PPA	Power purchase agreement
PSA	Power sales agreement
PSD	Prevention of Significant Deterioration
RCRA	Resource Conservation and Recovery Act of 1976, as amended
REC	Renewable energy certificate
RFP	Request for proposal
RFS	Renewable Fuel Standard
RGGI	Regional Greenhouse Gas Initiative
RIN	Renewable Identification Number
RPG	Renewable Portfolio Goal
RPS	Renewable Portfolio Standard
RTO	Regional transmission operators
RVO	Renewable volume obligation
SCADA	Supervisory control and data acquisition
SIP	State Implementation Plan
SOQ	Statement of Qualifications
SSM	Startup, shutdown, and malfunction
SWANA	Solid Waste Association of North America
Uniform Act	Uniform Relocation Assistance and Real Property Acquisitions Act of 1970