Report 40850R11

Quarterly Technical Progress Report 11 Demonstration of Black Liquor Gasification at Big Island

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ABSTRACT

This Technical Progress Report provides an account of the status of the project for the demonstration of Black Liquor Gasification at Georgia-Pacific Corporation's Big Island, VA facility. The report also includes budget information and a milestone schedule.

Additional information may also be found on the project web site listed below: http://www.gp.com/containerboard/mills/big/steam.html

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Note: Any section marked by an asterisk is required (by DOE) in all technical reports.

SUBCONTRACTORS

Fluor Daniel StoneChem CB&I Constructors
Greenville, SC Baltimore, MD The Woodlands, TX

Rentech Boiler Systems CSE W.C. English
Abilene, TX Madison Heights, VA Lynchburg, VA

IMCO Danser Mohawk Construction and Supply

Monroe, VA Parkersburg, WV McMurray, PA

Teton Industrial Group ABB Emlex Alpharetta, GA Norcross, GA Moneta, VA

VOS Electric ThyssenKrupp Elevator Corporation

Green Bay, WI Roanoke, VA

Bay Mechanical, Inc. Virginia Beach, VA

PROJECT DESCRIPTION

The project to be conducted by G-P is a comprehensive, complete commercial-scale demonstration that is divided into two phases. Phase I is the validation of the project scope and cost estimate. Phase II is project execution, data acquisition and reporting, and consists of procurement of major equipment, construction and start-up of the new system. Phase II also includes operation of the system for a period of time to demonstrate the safe operation and full integration of the energy and chemical recovery systems in a commercial environment.

The objective of Phase I is to validate the process design and to engineer viable solutions to any technology gaps. This phase includes engineering and planning for the integration of the full-scale MTCI/StoneChem PulseEnhancedTM black liquor steam-reformer chemical recovery system into G-P's operating pulp and paper mill at Big Island, Virginia. During this phase, the scope and cost estimate will be finalized to confirm the cost of the project and its integration into the existing system at the mill.

The objective of Phase II of the project is the successful and safe completion of the engineering, construction and functional operation of the fully integrated full-scale steam reformer process system. This phase includes installation of all associated support systems and equipment required for the enhanced recovery of both energy and chemicals from all of the black liquor generated from the pulping process at the Big Island Mill. The objective also includes operation of the steam reformer system to demonstrate the ability of the system to operate reliably and achieve designed levels of energy and chemical recovery while maintaining environmental emissions at or below the limits set by the environmental permits.

SUMMARY

The project continues Phase II. Construction activities are complete to the point where commissioning activities can begin. The project construction activities are almost complete. All equipment has been installed, piping is 90% complete, electrical and instrumentation is 85% complete with only punch list items, heat tracing and insulation remaining. Estimated total cost of the project remains at \$97.6 million. The current spending through September is \$67.8 million, which is approximately \$6.7 million less than estimated in the spending curve presented to DOE in August 2002. G-P continues to work with DOE to secure matching funds to cover the changes in scope.

On August 5 and 6, project team members hosted a visit from Norampac. Norampac is in the process of commissioning a project using the MTCI technology. On September 29 and 30, GP was scheduled to visit the Norampac project in Trenton, Canada. This trip was postponed due to changes in the Norampac commissioning schedule. In August, the project team prepared a slide presentation for the September IEA Annex XV meeting. Jim Keiser of ORNL made this presentation for GP. In September, GP received the refractory test panels installed on our may way plugs and the corrosion coupons from ORNL. These will be installed in the operating units for data collection by ORNL.

SAFETY and ENVIRONMENTAL

There were no recordable incidents during this reporting period. We currently stand at two OSHA recordables on the project. The first recordable occurred on 4-24-2001 (see Quarterly Technical Progress Report 02) and the second recordable occurred on 9-18-2002 (see Quarterly Technical Progress Report 07). The OSHA incident rate for the project is currently 1.0 (better than the industry average). GP Corporate and Mill safety departments have had active participation in the project, performing periodic safety audits to augment the efforts of the project team.

There were no environmental incidents during the reporting period. We currently stand at 2 environmental incidents (see Quarterly Technical Progress Report 04) thus far on the project.

All of the project environmental reporting and permits are current. The site-specific rule was published as a "Direct Final Rule" on 8/5. The comment period ended on 9/4 and no comments have been received. The rule will be effective on 11/3. The XL FPA Amendment became effective on the date of signature (July 18, 2003) and has been published on the EPA website with the original FPA.

ACCOMPLISHMENTS

Engineering / Project Management/Procurement

During the reporting period, the engineering and procurement efforts concentrated on support of the construction activities. The project acceptance and test plan development was developed. The procedure for blowing the steam lines was developed and the necessary temporary piping for this purpose was designed. A chemical cleaning consultant was retained and a cleaning methodology developed for the waterside of the Reformer Boiler, HRSG and Pulse heaters.

Procurement activities included the award of the insulation and heat trace packages. The Continuous Emissions Monitoring system was purchased. The decision was also made to purchase an air compressor for start up of

the fluid bed. Originally the plan was to rent compressors for start up, then purchase a unit in the future. It was more cost effective to purchase a unit for start up and avoid the rental fees. This is the last major package to be awarded.

Construction

All major equipment installation was complete by the end of the reporting period. The Reformer Boiler was hydrostatically tested and the Bed Media Transport system was installed.

Piping installation reached approximately 90% complete at the end of the reporting period. The piping/mechanical contractor has turned over 36 of 73 process systems for final GP acceptance. The remaining process systems are in the contractor checkout phase. Assembly of the elevator was complete at the end of the reporting period. The building including the elevator, fire protection system, electrical system and lighting were placed in service during this period.

The installation of all of the eight pulse heaters was completed during this period. This included the installation of the rope packing at both ends, as well as the nozzle refractory and welding of the exhaust end expansion joint to the vessel.

The electrical and instrumentation installation continued, reaching approximately 85% complete at the end of the reporting period. DCS loop checks were started and 38% were completed.

Training

Simulator based operator training was conducted and completed during this quarter. The last phase of operator training involved walking systems with P&IDs to get familiar with the layout of the piping systems and to check systems against the process design. The last phase of training was completed in early October.

Commissioning

The project team completed definition of the check out process and compiled the necessary document templates to support the check out effort. Meetings were held with the mechanical and electrical contractors to determine which in-line devices are required to be removed for flushing, testing and steam blowing of piping systems. The project team assisted the mechanical contractor's development of flushing/hydrostatic testing packages and verified that all components were suitable for the proposed testing pressures. The project team also conducted system walk downs and generated punch lists for those systems that the mechanical contractor reported as substantially complete.

The steam line steam blow plan was finalized. A consultant was hired to provide specifications and assist with the chemical cleaning of the HRSG/Pulse Heater water circuits and the boil out of the Steam Reformer Boiler.

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ACTIVITIES NEXT QUARTER

- Begin system commissioning.
- Blow steam lines.
- Chemical clean HRSG / Pulse Heater circuits.
- Boil out Reformer Boiler.
- Complete piping punch list items and system turn over.
- Begin heat tracing of piping.
- Begin piping and equipment insulation and lagging.
- Begin touch-up painting.
- Begin start-up of systems.

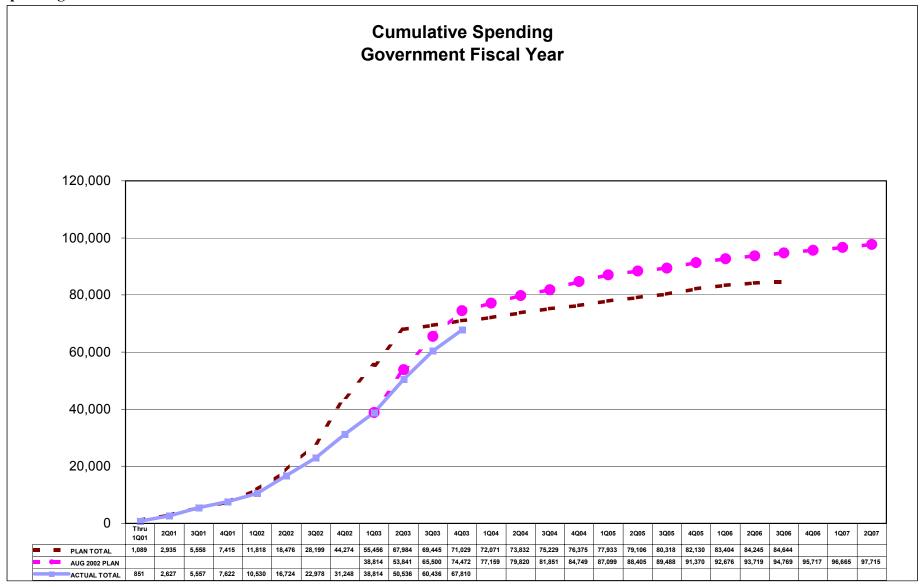
PROJECT COSTS

Budget Data

Project Budget						
Period		Period			Cumulative	
From - To	DOE	G-P	Total	DOE	G-P	Total
06/29/03-09/27/03	\$2,763,870	\$4,610,802	\$7,374,672	\$41,022,981	\$26,787,288	\$67,810,269
Previous Total	\$38,259,111	\$22,176,486	\$60,435,597	60.5%	39.5%	100.0%

Amendment	DOE Ob Amount	Total	Date
000	\$4,537,776	\$4,537,776	2/13/200
001	\$0	\$4,537,776	4/25/200
002	\$0	\$4,537,776	5/3/200
003	\$0	\$4,537,776	8/13/200
004	\$0	\$4,537,776	8/17/200
005	\$4,671,000	\$9,208,776	9/10/200
006	\$13,130,000	\$22,338,776	9/17/200
007	\$162,665	\$22,501,441	9/26/200
008	\$0	\$22,501,441	10/31/20
009	\$0	\$22,501,441	11/6/200
010	\$6,385,000	\$28,886,441	2/1/200
011	\$3,684,000	\$32,570,441	9/16/200
012	\$44,540	\$32,614,981	9/30/200
013	\$4,000,000	\$36,614,981	3/24/200
014	\$4,408,000	\$41,022,981	5/7/200
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Spending Curve



SCHEDULE

Project Milestone Summary

Government Fiscal Year		2001			20	102			20	03			20	Ω4			20	05			20	006				2007		
Government Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
G-P Fiscal Year		20	101				002			20	003			20				20					006			20	107	
G-P Quarter	Q1	Q2	QЗ	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	QЗ	Q4	Q1	Q2	QЗ	Q4	Q1	Q2	QЗ	Q4
Activity Description											Data	Date																
Phase 1 Estimate Validation																												
DOE Contract Executed	♦ Cr	ritical Ac	tivities to	Start P	hase 1																							
Estimate Validation	8000		333																									
DOE Review Period																												
DOE Approval to Begin Phase 2			¢	•	Relea	se by Do	DE for Pu	ırchasin	g and C	onstruc	tion																	
Engineering																												
Purchase Major Equipment																												
Detailed Design		HEER																										
Major Equipment Engineering & Fabrication						888																						
Delivery of Major Equipment				E							ı																	
Construction																												
Demolition																												
Foundations											F																	
Structural Steel & Equipment					B1000																							
Building									ļ																			
Piping, Electrical & Instrumentation																												
Commissioning and Start-up																												
Commissioning and Shake-down											#					,,,,,,,	,,,,,,,											
EPA Deadline for Start-up													♦	•			•											
Testing & Deployability Demonstration																												
MACT II Testing & Compliance Window													123				С											
Kraft Liquor Trial																			\Leftrightarrow				•					
Deployability Demonstration													8				£				ļeses)				l			
Legend: ginal Schedule		Shaded	l Area In	dicates	rogress				Dotted	Line Ind	licates C	urrent F	orecast		7////	,,,,,,,,	7772	Additio	nal Time	Requir	ed Due t	to Syste	m Compl	exity				

EXPERIMENTAL

This report is for a demonstration project that is still in the engineering and construction phase. As such, no experimental methods were used during this reporting period.

The project team is providing support to various DOE supported R&D projects. Some of this support is through this project and some is provided outside of this project. Projects supported include:

- DE-FC26-02NT41490 University of Utah project "Investigation of Fuel Chemistry and Bed Performance in Fluidized Bed Black Liquor Steam Reformer"
- NETL Project NT02.2 "Fuels Chemistry"
- NETL Project NT02.3 "Fuels Chemistry"
- NETL BL/Biomass Gasification Mill Integration Effort Yocum
- NETL BL/Biomass Gasification BL Containment Chaddock
- ORNL Materials Evaluation for Black Liquor Gasifiers Keiser
- MTCI Liquor Injection / Tar Formation Study Chandran

RESULTS and DISCUSSION

This report is for a demonstration project that is still in the engineering and construction phase. As such, no performance or test data was collected during this reporting period.

CONCLUSION

This report is for a demonstration project that is still in the engineering and construction phase. As such, no conclusions can be reached during this reporting period.

REFERENCES

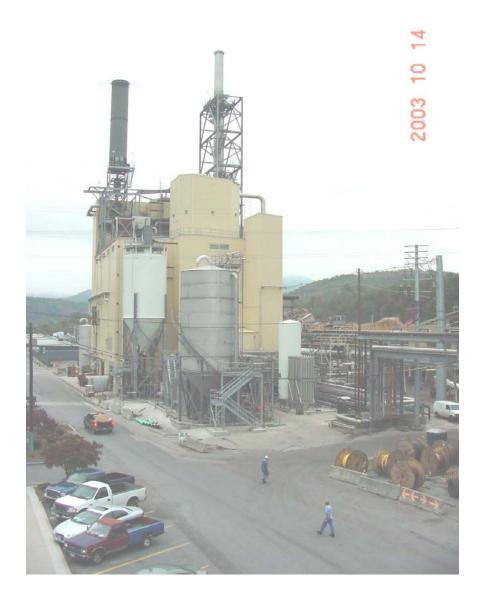
No references have been used in the preparation of this report.

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PHOTOGRAPHS

Facing South

Facing North





PHOTOGRAPHS

Facing East

