ANALYSIS OF BIOMASS POWER GENERATION POTENTIAL FOR FEED IN TARIFF (FIT)



BACHELOR OF ELECTRICAL ENGINEERING (INDUSTRIAL POWER) UNIVERSITI TEKNIKAL MALAYSIA MELAKA "hereby declare that I have read through this report entitle "Analysis Of Biomass Power Generation Potential For Feed In Tariff (FIT)" and found that it has been comply the partial fulfilment for awarding the degree of Bachelor of Electrical Engineering (Industrial Power).

Signature :
Supervisor's Name : EN. AZHAR BIN AHMAD Date :
اونيۆمرسيتي تيڪنيڪل مليسياً ملاك
JNIVERSITI TEKNIKAL MALAYSIA MELAKA

ANALYSIS OF BIOMASS POWER GENERATION POTENTIAL FOR FEED IN TARIFF (FIT)

MOHAMAD NAJIB BIN SHAPEEI



Faculty of Electrical Engineering UNIVERSITI TEKNIKAL MALAYSIA MELAKA I declare that this report entitle "Analysis Of Biomass Power Generation PotentialFor Feed In Tariff (FIT)" is the result of my own research except as cited in the references. The report has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature : MOHAMAD NAJIB BIN SHAPEEI Name Date EKNIKAL MALAYSIA MELAKA





UNIVERSITI TEKNIKAL MALAYSIA MELAKA

ACKNOWLEDGEMENT

First of all, acknowledgement goes to Allah S.W.T for allowing me to study in a good condition and always give me a pink of health. Next, to my parents and my family that always support during my studies and completing this project and thesis. Then, thanks to En. Azhar bin Ahmad as my supervisor that always supervised and advised along the project until the end. My supervisor also gives motivation to burn up my spirit to complete my FYP project and also for contribution on guidance and generates an idea to improve my FYP project and my project clearance. Besides that, thanks to my friends that always give a hand when needed.

I acknowledge with gratitude to assistant manager at Felda Selancar 2B Palm Oil Factory and all workers at power department as my "respective teacher" who have always been sincere and helpful in making me understanding conceptual problems in my research.

Lastly, I don't claim all information in this term of research is included perfectly. There me be shortcoming, factual error, mistaken opinion which are all mine and I alone am responsible for those but I will try to give a better volume in future.

ABSTARCT

The enforcement of the Renewable Energy Act 2011 (Act 725) on 1st December 2011 has allowed the Feed-in-Tariff (FiT) processes to be implemented in Malaysia providing for a sustainable for renewable energy (RE) growth base for the RE Industry in Malaysia including biomass and biogas. Both RE resources have shown promising development and it could be seen from the number of projects which has benefited from the FiT mechanism. Biomass coming from plantation sector especially from the palm oil industry waste such as empty fruit bunches (EFB) and palm oil mill effluent (POME) has a huge potential to be explored for power generation. SEDA Malaysia, being the agency responsible for facilitation of RE growth is playing its role to ensure installations especially those under the Feed-in Tariff (FiT) mechanism meet and complying to the international standards in terms of quality, reliability and safety which will indirectly impact the performance of the biomass power plants. This project uses Kilang Sawit Felda Chini as a place to do research on the Feed-in-Tariff (FiT) process based on the existing biomass generation in the plant. If FiT implemented in this plant, it can provide a great advantage due to the sale of electricity generated each day. However, the investment cost for the implementation of FiT on biomass generation is very high.

ABSTRAK

Penguatkuasaan Akta tenaga boleh diperbaharui 2011 (Akta 725) pada 1 Disember 2011 telah membenarkan proses "Feed-in-Tariff" (FiT) yang akan dilaksanakan di Malaysia bagi menggalakkan pembangunan tenaga boleh diperbaharui (RE) yang asas dalam industri di Malaysia termasuk biomass dan biogas. Kedua-dua sumber tenaga boleh baharu ini telah menunjukkan perkembangan yang memberangsangkan dan ia dapat dilihat daripada jumlah projek yang telah mendapat manfaat daripada sistem FiT. Di Malaysia, biomass yang datang dari sektor perladangan terutamanya daripada bahan buangan industri minyak sawit seperti tandan buah kosong (EFB) dan kolam sisa buangan kilang kelapa sawit (POME) mempunyai potensi besar untuk diterokai bagi penjanaan kuasa. SEDA Malaysia, yang merupakan agensi bertanggungjawab ke atas fasilitasi kepada pertumbuhan tenaga boleh baharu memainkan peranannya bagi memastikan pemasangan berkenaan Feed-in Tariff (FiT) mekanisme memenuhi dan mematuhi piawaian antarabangsa dari segi kualiti, kebolehpercayaan dan Keselamatan yang akan memberi kesan yang langsung kepada prestasi penjanakuasa biomas. Projek ini menggunakan Kilang Sawit Felda Chini sebagai tempat untuk menjalankan penyelidikan tentang proses suapan dalam tariff (FiT) berdasarkan kepada janakuasa biomass yang sedia ada di kilang. Jika sesuai dilaksanakan di kilang ini, ia boleh memberikan kelebihan yang besar disebabkan oleh jualan tenaga elektrik yang dijana setiap hari. Walau bagaimanapun, kos pelaburan bagi pelaksanaan wajar mengenai penjanaan biomass adalah sangat tinggi

TABLE OF CONTENTS

CHAPTER	TITLE		PAGE
	ACKNOWLEDGEMENT		ii
	ABSTRACT		iii
	TABLE OF CONTENT		v
	LIST OF TABLE		viii
	LIST OF FIGURE		ix
1 TEKNIA	INTRODUCTION		1
	1.1 Research Backgrounds		1
.1	1.2 Project Motivation		2
3	1.3 Problem Statement	91	2
1.15	1.4 Objectives		3
Ur	NIVE1.5 Scope EKNIKAL MALATSIA MELAK	A	4
2	LITERATURE REVIEW		5
	2.1 Economic of Distribution Resources		5
	2.2 Feed-in Tariff		5
	2.2.1 The Advantages of Feed-in Tariff		7
	2.2.1.1 Generation Tariff		8
	2.2.1.2 Export Tariff	8	
	2.2.1.3 Energy Bill Saving 8	•	
	2.3 Energy Economic		9
	2.3.1 Cash flow		9
	2.3.2 Return on assets	10)

2.3.3 Return of investment		10	
2.3.4 Net Present Value			11
2.3.5 Internal Rates of Return			11
2.4 Financial Analysis			12
2.4.1 Equation of financial Analysis		12	
2.5 Oil Palm Biomass Power Generation			13
2.5.1 Basic process		14	
2.5.2 Layout of the system		16	
2.6 Combined heat and power			17
2.7 History of Felda Palm Industries Sdn. Bhd			18
2.7.1 Background of biomass site			

3

4

20

28

When and		
3.1 Principle of the Method		20
3.2 Technical analysis		20
3.2.1 Empty Fruit bunch and boiler	22	
3.2.2 Specification of output data at this factory		23
3.2.2 Design the single line diagram	25	
3.3 Financial analysis		25
3.3.1 Cost in term of power system studies (PSS)	26	

RESULT AND DISCUSSION

METHODOLOGY

4.1 Process Flow 28 4.1.1 Specification of Generator 29 4.1.2 Empty Fruit Bunch 30 4.1.3 Synopsis of process flow 32 4.2 Specification of data output at this factory 33 4.2.1 Performances data for one day 33 4.3 The power consumption analysis 35 4.4 Calculation in term of FIT analysis 39 4.4.1 Method A 40 4.4.2 Method B 41

4.4.3 Comparison between method A and Method B	43
4.5 Financial analysis	44
4.5.1 Financial Calculation	45
CONCLUSIONS	47
REFERENCES	48
APPENDIX	49



LIST OF TABLES

TABLE	TITLE PAGE	£
1	Feed in Tariff aimed at Biomass Power Generation	6
2	Financial analysis formula	12
3	Tariff D for low voltage Industrial Tariff from TNB	24
4	Description of qualifying renewable energy installation	24
5	Financial analysis formula	26
6	Net export capacity of power system cost	27
7	Rating value of Generator	28
8	Capability of empty fruit bunch	30
9	performances data for one day at Palm Oil Factory	34
10	The average power and maximum power consumption in 7 days	35
11	Net export capacity of Renewable energy installation	36
12	Export power	38
13	UNIVE the profit FIT for two method LAYSIA MELAKA	44
14	Initial and maintenance cost for Felda Selancar Palm Oil factory	44
15	Data of financial FIT	46
16	The result in term of FIT investment	46

LIST OF FIGURES

FIGURE	TITLE	PAGE
1	Biomass share from various industries in Malaysia	13
2	The world major of Oil Palm	14
3	Rankine cycle	15
4	Flow Chart for This Project	21
5	Electrical transient analyzer protection software	25
6	Process of Biomass power generation system	27
7	Generator at Palm Oil Factory	28
8	The empty fruit bunch	30
9	measurement system	33
10	The average power consumption	35
11	The power consumption per day	36
12	single line diagram for FiT A	40
13	UNIVE single line diagram for FIT B LAYSIA MELAKA	41

CHAPTER 1

INTRODUCTION

1.1 Research Background

MALAYSIA

In early 2004, the Feed-in Tariff mechanism start presented in Malaysia. In 9th Malaysia plan (2006-2010), China has been making dream to build renewable energy by linking to the power utility grid. Renewable energy development plan is to build a 300MW in Peninsular Malaysia and Sabah 50MW [1]. Later in the year 2011, Malaysia finally achieving a dream to apply this mechanism based on two FiT the laws that need to be observed towards sustainable energy's existing or new. Feed-in Tariff is a medium of the energy services to purchase renewable energy from the manufacturer at a bill scale on set depending on future profitable investment to a company, industry, and individuals.

Based on the title of the project "Analysis on Feed-in Tariff (FiT) rates in Malaysia for Biomass System at Palm oil factory", the term "Feed-in Tariff (FiT)" mean a tariff containing the tax return or the issuance of a payment from the Government subsidies to renewable energy sources (RES) producers per Kilowatt-hour (KWh) of electricity that has been produced in an area in a specified period of time [2]. And the word of "Biomass" means all biological materials such as firewood, firewood waste, agronomic residues and compost farming [3, 4], which is a fuel used for electricity generation through the concept of renewable energy worldwide.

Starting year 2000, the increase in demand of electricity biomass power generation factor is introduced based on the ability of the preparation bio residues in four Southeast

Asian Countries including Malaysia [5]. With a growing need for green technology research and development (RD) activities have low sulfur content and being carbon dioxide neutral over many fossil fuels. In addition, the limitation of fossil fuel is one aspect that led the Government to change the policy of energy conservation to other sources of energy [6]. After Indonesia, Malaysia is the second palm oil manufacturer in the world after and the resulting large quantity of palm oil waste are used as a boiler fuel to generate steam [7]. This can reflect the palm oil producer is one of the largest contributors in the development of biomass power generation. However, Biomass power is to be weaker in Malaysia than in the other countries.

1.2 Project Motivation

Today, Malaysia is looking forward to visualize the 2020 VISION and has undertake the challenges to support the worldwide policies on environmental issues and remedy it with renewable energy resources. Nowadays, green technologies as needed to not only give benefits on environmental but also towards fighting the recycle waste product. Considering Malaysian, the waste fruit bunch as a fuel supply is the most significant sources of generating the electricity. Now, Malaysia is looking for FIT schemes that can promote for effective policies in order to make move on renewable energy and overcome the high investment risk. The goal of FIT is to such resources for the duration of the program and potentially pave the way for future growth [3]

1.3 Problem Statement

Malaysia's financial development is equally related with fossil energy resources, which is kept on belongings by the developing energy demand. The two power segment,

industrial and transportation continued intensely dependent on oil and natural gas. High demand in electricity consumption also increased from year to year.

Based on these two major issues, the feed in tariff mechanism were be introduced to settle up this problem. By warranting access to the grid and set an encouraging price per unit of renewable energy such as biomass power generation, the FiT mechanism would guarantee that renewable energy turns into a suitable and as a long term investment for companies industries and similarly for individuals.

The most common issues is about biomass power generation commonly popular used in independent industrial user. So, the electricity that were be generate will use for electrical equipment in their factory. Commonly the power that be generated is higher than the energy consumption. The waste of energy that is not used can bring in real money by access to the Power Grid is assured since the utilities are legally obliged to accept all electricity generate by renewable energy private creator.

1.4

The objectives below should be effectively accomplished so as to meet all condition of analysis due to Feed-in Tariff biomass power generation

1. To overview a biomass system power generation system with capacity of 1.6MW, by refer to the palm oil factory.

2. To analyze the net export capacity of renewable energy installation related to FiT rates.

3. To analyze the upcoming financial return as indicated by Malaysia FiT rates (Ringgit/KWh)

1.5 Scope

Approach of this project is to analyze the power system related to Malaysia FiT. There is a biomass power generation at Felda Selancar 2B Palm Oil Industries Sdn. Bhd as a place to evaluate the potential of power that were generated to sell it by follow the FiT concept. The data of electrical parameter that have been recorded is used to implement the proposed of Feed in Tariff.

This study will mainly focus on biomass system generation. For the first part, the study are focusing on observing and collect the data of a biomass power system circuit for low power consumption including specification of biomass fuel, boiler system, alternator ,genset , turbine and various load such as switch socket outlet, lighting, motors, and mechanical machine. For the second part, the study are focusing on analyzing the data in power generating and power consumption per hour. Next, the future financial return will be evaluate from the expected power that want to sell.



CHAPTER 2

LITERATURE REVIEW

2.1 Economic of Distribution Resources

The procedure expected to assess the financial matters of both side of electrical by introduce on supply side and demand side need to investigate. Some of this useful engineering economic, the energy system that we have to assess including renewable energy in biomass methods and at time required uncommon points of view to effectively describe their economic circumstances. This section additionally incorporates the technologies, system, business sector to drive the FIT plan and energy intention to be survey.

2.2 Feed-in Tarif

The FiT is Malaysia's new system under the renewable strategy and activity plan to funding the generation of renewable energy up to 30MW in size [1]. The renewable energy assets to be retailed to the power values at fixed quality cost for a particular term. The simple idea of FiT is that the distribution license pays the renewable energy power generator a best for clean energy that is produced. This permits holders to shift their clean

energy to the distribution license for fixed number of years. The length of time is directed by the sort of the renewable energy utilized for power generation.

The encouragement to give a permanent fee from the power supplier for each kilowatt hour (KWh) of power created and an ensuredless fee for each kilowatt hour (KWh) traded to the grid. The Sustainable Energy Development Authority has been built up under the Act of Parliament to accomplish and supervise the operation of the FiT. The Act has been acknowledged by parliament in March 2011 and has been built up by April 2011.

The renewable energy properties that has been qualified for FiT were solar PV, biomass, small hydro, and biomass. The FiT rates in Malaysia were appeared as Table 2.1. It shows that, the maximum capacity of installation the renewable energy for FiT is 30MWp for compelling duration for 16 years [8].

Table 2.1 Feed in Tariff aimed at Biomass Power Generation

Description of qualifying renewable energy installation	FiT rates (RM per KWh)
a) Basic FiT rates having installed capacity of:	
	0.2005
Up to and including 10000 and an and a star	0.3085
Above 10MW and up to and including 20MW	0.2886
UNIVERSITI TEKNIKAL MALAYSIA ME	LAKA
Above 20MW and up to and including 30MW	0.2687
b) Bonus FiT rates having the following criteria (one or more)	
Use of gasification technology	+0.0199
Use of steam-based electricity generating system with overall	+0.0100
efficiency of above 20%	
Use of locally manufactured or assembled boiler or gasifier	+0.0500
Use of solid waste as fuel source	+0.0982

It has payback period for a long time and the deviation rate of 8% every year. The client that attracted on this FIT plan can back without anyone else or even have title capital, there is punitive bank that may help to placed advances. This asset will reach is

combined estimation of MY18.9 billion in 2030with the expanding on current electrical tax by 1% and the sum assembled into the FiT asset [9]. A few issues must be deliver by laws to guarantee the FiT plan work effectively in Malaysia. To begin with, the energy that created by biomass framework must joined with grid. Second, any nearby endorsement must be clear and reorganize. Third, the FiT plan must have the capacity to create return on benefit. Four, the FiT rate must be reformed for long stretch of business. Fifth, the FiT must have an adequate asset and a skill organization how can actualize the FiT.

2.2.1 The Advantages of Feed-in Tariff

There are many advantages of utilizing feed-in tariff as the financial support scheme. Firstly, the FIT scheme will encourage the development and implementation of RE in order to reduce the carbon emissions being emitted to the atmosphere. Besides that, FIT scheme does not only help the community to secure their own electricity supply but also help on improving global and domestic security of electricity supply. Finally, the rate of payment on the electricity is guaranteed including the electricity produced by RET and supply to the electricity grid. Moving to renewable and environmentally responsive energy resources will likewise support to produce a new 'green' industry, which in turn it will form extra of jobs

Furthermore, there will be added technologies driven inventions which are useful to community [9]. Countries like Germany, Canada, United States, Australia, Denmark and Spain have successfully implemented the FIT systems and the FIT system has verified to be one of the "green energy" programs towards global energy conservation.

The RET producers have to submit the application to get the agreement with the utilities to apply this FIT scheme. After that, the RETproducers are entitle for the FIT of which then they will get benefits on it. Some of the benefits are:

i. Generation tariff

ii. Export tariff

iii. Energy bill savings

2.2.1.1 Generation Tariff

The generation tariff remains the set of rates payment by the utilities for each kWh of electrical energy that generated by the RET producers [10]. The rate for RET producers is same for 20 to 25 years depends on the types of solar modules being used but the rate will change each year for new installment of RET to the FIT scheme.



The export tariff is the RET producers will receive amount of price by the utilities for further 3p/kWh for every kWh that supply to an electricity grid. The rate is same for all RET.

2.2.1.3 Energy Bill Saving

Energy bill saving is the post result of the FIT scheme implementation. The RET producers do not have to import the electricity from the utilities because of they have their own electricity supplier. So that, they do not have to pay any price of electricity usage to the utilities which means, they have making the saving on electricity bills.

2.3 Energy Economic

There are numerous techniques to figure the economic viability of distribution generation and energy efficiency projects. The cost of operation, the equipment, maintenance costs and other payments must be combined in some method so that an evaluation may be made with the cost of not doing the project. It is proposed to give a sensible begin to the budgetary assessment and enough at any rate to know whether the undertaking merits further, more watchful, examination [11].

2.3.1 Cash flow

MALAYSIA

The income is state to the development of money into or out of a record, a business or a speculation. At the point when a money inflow surpass money outlaw, this is for the most part consider to be a sign as great monetary good, both of individual and organization [12].

There are commonly have three types of cash flow.

- i. Operating cash flows is discuss to the money got or spent as an outcome of organization's business activities.
- ii. Investment cash flow is state to money got or spend through investment activities. Basically acquiring and offering resource that will expand his total assets
- iii. Financing cash flows is mention to the money got through debt obligation or paid out as obligation repayment [12]. For company, issuing stock, paying death debt and repurchasing offer would as component of financing income.

2.3.2 Return on assets

It is a measure of how gainful an organization is in respect to its benefits or the assets its own particular or controls. This measure permits the financial specialist to legitimize how proficiency administration is and utilizing organization resources for produce gaining [12]. For instance, Total assets of Company X on July 1, 2014and June 30, 2015 were RM2,132,000 and RM2,434,000 respectively. During the year ended June 30, 2015 it earned net income of RM213,00.So the average total assets is RM2,283,00 and the return on assets ratio is 0.09 or 9 %. Typical industry will have diverse ROA, assembling required bunches of assets and will have huge measure of advantages. Conversely, administrations organization like record firm will have not very many hard resources, consequently is ideal to contrast ROA and same industry.

2.3.3 Return of investment

Return of investment (ROI) assists financiers with evaluating the execution of a speculation and relate it with the execution of their other venture. The ROI calculation is flexible and can be manipulated for different uses. A company may use the calculation to compare the ROI on different potential investments, while an investor could use it to calculate a return on a stock. For example, an investor buys \$1,000 worth of stocks and sells the shares two years later for \$1,200. The net profit from the investment would be RM200 and The ROI in the example above would be 20%. The calculation can be altered by deducting taxes and fees to get a more accurate picture of the total ROI.

2.3.4 Net Present Value

Net present is the estimation of a particular stream of future cash flows displayed in today's Ringgit Malaysia. The net present value can be computed by contrasting the starting cost of a project to aggregate estimation of future income the undertaking make. Net present value is have to decide climate a venture is worth doing [12]. Net present value is the value on a given date of a future payment or series of future payments, discounted to reflect the time value of money and investment risk. The analysis in which all future costs are converted into an equivalent present value of all saving revenue less the present value of all cost investment. In energy efficiency, the net present value calculation is by comparing the present value of all of those future energy savings (ΔA) with the extra first cost of the more efficient product (ΔP).

2.3.5 Internal Rates of Return

One of the most main jobs of any company administration term is choosing which venture to reserve and which venture to overlook. Nothing forms shareholder value like investing cash and venture with positive financial return. Also nothing crush shareholder value quicker than wasting money on activities that can'tprocure that cost of the capital. Internal rate of return or IRR is standout among the most strategies of assessing potential project[12]. Let's look a venture that cost RM10000, yet in year 1 it drive return RM2000, year 2 is RM3000, year 4 RM40000 and final year 5 is RM4000.

2.4 Financial Analysis

To actualize the FIT plan, is to guarantee that the plan creates a decent return of speculation at sensible benefit. In monetary analysis, each financier must know the procedure of assessment business, resources, economics and projects with specific end goal to separate a company constancy for investment. Essentially, the financial analysis is utilized to examine the company weather is stable or not.

To categorize the relationship between the financial factors that material on biomass power generation be recognize [17].



2.4.1 Equation of financial Analysis

To comfort the control, a number of assumption need to be complete and to use those parameters assumed [12].

T 11	<u> </u>	г.	• 1	1		C	1
Table	1.1.	Fina	incial	ana	VS1S	tormu	IA.
1 4010	<i>–</i> .	1 1110	inviui	unu	9010	ioiiiu	iu

No.	Parameter
1	Annual revenue = annual Fit income – maintance cost
	R = F - M
2	Total revenue = annual revenue*contract duration
	TR = R*T

3	Total profit = Total revenue – installation cost
	TP = TR - C
4	Payback period = installation cost / annual cost
	PP = C/R
5	Return of investment = Total profit / (installation cost*contract duration)
	ROI = TP / (C*T)

2.5 Oil Palm Biomass Power Generation

Biomass is relied upon to end up the most noticeable renewable energy source with a four-fold increment to 23% of aggregate world essential energy by the year 2050.Interestingly, agricultural crops and forest residues are predicted to generate about half of the 15,000 million tonnes of biomass around the globe [13]. Renewable technologies therefore are a good option, butthey must engage the business sector, cost competitive and upheld by a significant arrangement system and asset base. In Malaysia, oil palm biomass power emerges as a promising innovation for adding to a more supportable clean energy market. As such, the escalation in energy consumption, conventional fuel market price uncertainty and global climate change obligations explain the urgent need for more green solutions to replace large-scale power generation plant and produce consistent power.

Accordingly, the improving in power utilization, fuel business sector value liability and worldwide environmental change clarify the critical requirement for more green answers for supplant huge scale power plant and create consistent power. Figure 2.1 will illustrate the oil palm biomass share the highest in Malaysia.



Fig. 2.1: Biomass share from various industries in Malaysia [15]



These figure 2.1 and 2.2 showed that Oil Palm producer do not have a big problem to continues generated an electricity by biomass power generation because of the stability of fuel from waste fruit or empty fruit bunch (EFF).

2.5.1 Basic process

This process mechanism into the rankine cycle. Firstly, the steam was formed in the boiler (usually by burning coal) is flow to the prime mover steam turbine. Then, the condensed steam is fed back to boiler again. After that, the steam turbine drives the alternator and produce electricity through the circuit breaker, transformer, and bus bar. Figure 2.3 shows the simple diagram process for the steam turbine.



Water from the condenser at low pressure is pumped into the boiler at high pressure. This process was called reversible adiabatic. KAL MALAYSIA MELAKA

Process 2-3:

The water was converted into the steam at a constant pressure by the addition of heat in the boiler.

Process 3-4:

The next process was expansion of steam in the steam turbine through the reversible adiabatic.

Process 4-1:

The constant pressure of heat rejection in the condenser to convert condensate into water.

2.5.2 Layout of the system

The schematic preparation of a modern steam power can be divide into the resulting stages:-

Fuel and ash handling plant

The fuel is transported to power station by rail or street and put away in fuel storage plant and after that pulverized. Pulverized biomass fuel is sustained to feed to the boiler with conveyer. The biomass fuel gets blazed in the boiler and the ash remains produce is evacuated to the ashhandling plant.

Steam generating plant

The steam generating plant consist of a boiler for the making of steam and other supporting equipment for the operation of fuel gases.

Steam turbine

The dry and vapor steam from the boiler is served to the steam turbine. The heat energy of steam while through over the turbine is transformed into mechanical energy. After that, the steam is exhausted to the condenser which condenses the steam change into water again.

Alternator

Steam turbine was coupled to an alternator which convert the mechanical energy to electrical energy. The electrical production of the alternator was supplied to the bus bar.

2.6 Combined heat and power

Combined heat and power (CHP) is a profoundly productive system for giving power and valuable thermal energy at the purpose of utilization with single fuel source [16]. By utilizing waste heat recovery technology to catch a significant segment of the heat made as a side effect of fuel use, CHP framework typically accomplish efficiencies of 60 to 80 percent.

The CHP system reduce quantity of whole fuel needed to produce electricity and thermal energy related to equivalent separate heat and power system. From a smaller amount of fuel is combusted, greenhouse gas was released, such as carbon dioxide (CO2) as a criteria of air pollution like nitrogen oxides (NOx) and sulphur dioxide (SO2) are minimized.

2.6.1 Equation of combined heat and power

This equation is as assumption of energy satisfied of the fuel used by CHP [16]

Fchp = (CHPe/EEchp)*3412

Where:

- Fchp = Fuel used by the CHP system (Btu)
- CHPe = CHP system electricity output (KWh)
- EEchp = Electricity efficiency of the CHP system (percentage in decimal form)
- 3412 = Conversion factor between KWh and Btu

2.7 History of Felda Palm Industries Sdn. Bhd

Felda Palm Industries Sdn. Bhd. Is a limited company in collection schemes. It is the largest contributor to the national economynamely crude palm oil and palm contents. Incorporation of the corporation: On December 31, 1995, the Corporation factory felda disbanded under section 43 (4) of the Land Development Act 1996. Thus the process of alliances, all functions and net assets the corporation has been dissolved taken over by corporations namely Felda Palm Industries Sdn. Bhd. That is incorporated under the Act 1965 on 1st January 1996. The first oil refinery established in Malaysia's Palm Oil is Jerangau in Terengganu. Now the number of mills (FPISB) in Malaysia has increased, and 64 in each of the peninsula 6 units in Sabah and one in Sarawak with the ability 48/28 ton of oil processed fruit (FFB) per day. Refinery utilization rate compared with the actual capacity is 73% compared with 72% achieved in the previous year.

Level Refinery utilization is measured based on actual usage compared with capacity of processing plant capacity by the total number of milking machine (Press) is between 40 tons up to 64 tons per hour.

2.7.1 Background of Felda selancar 2B Palm Oil Industries Sdn. Bhd.

Felda Selancar 2B Palm Oil factory, is a subsidiary one of Felda Palm Oil Industries Sdn. Bhd. Felda Selancar 2B Palm Oil Factory was commercialized and began in operate in 1995. The factory is built near farms palm oil in order to reduce transportation cost. The main goal of this factory is to obtain good results, quality and production costs can be minimize. Capacity or capability of this plant is to process 54 Mt / hour.

The total number of employees who used to run namely two shift operation. The first shift from 8:00 am to 4:00 pm while the second shift starting from 4.00 pm to 12.00 pm. Operation hours also depends on the acceptance of fruits or fresh fruit bunches (BTS) sent by the supplier to the factory. It has the capacity to process in 2 parts. The fresh fruit bunches exactly is received from the Felda settlers in line with the original purpose of the main objectives of FPISB Oil Refinery Selancar 2B is was set up to process fresh fruit bunches (FFB).



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Principle of the Method

This first phase of this project is to learning and accepting the concept of Feed-in Tariff based on biomass power generation at Felda Selancar 2B Palm Oil Industries Sdn. Bhd. More books, articles and journal must to analyze in order to ensure the potential or development of biomass power generation in Malaysia. Besides that, the relative of this project connected to the net export power capacity based on performance of biomass generation at this factory.

For the second phase, the evaluation of biomass system in term of technology study need to be deployed. Another evaluation on biomass generation system is in economic study of the system. When these evaluations are done, the data related to power system and performance of biomass system were be recorded. Besides that, interview session was conducted towards assistant manager and factory workers to obtain information.

After the data has been collected from recorded and interview, the energy consumption for total load can be calculated and the power generation for the biomass power generation have been regonized. The financial analysis due to feed-in tariff also can be reviewed. The result can be obtain to prove that FiT mechanism can help the factory in term of investment. The analysis can be proceed depends on the data that were get. Figure 3.1 will show how the flow of this project.



Figure 3.1: Flow Chart for This Project

3.2 Technical analysis

In this section, there are several type of technical specification going to explain such as empty fruit bunch, boiler, generator, distribution system, and diesel generator.

3.2.1 Empty Fruit bunch and boiler

Capacity or capability of this plant is to process 54 Mt / hour. 17 % from capability of this process become empty fruit bunch. Empty fruit bunch is a fuel for heating system to generate electricity. This factory need to maintain the numbers of produce waste fruit or empty fruit bunch with fix power generate

on. Empty fruit bunch as a fuel should be produced continuously to ensure that the resulting steam is always enough with constant electricity production. Based on capability of this plant data, the total shaft power are calculated. The total assumption due to fuel and burning system will be evaluated. This equation is as an assumption of energy content of the fuel used by boiler from the biomass electrical output [16].

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Fchp	=	(CHPe/EEchp)*3412	(1)	
Where	:			
Fchp	=	Fuel used by the CHP system (Btu)		
СНРе	=	CHP system electricity output (KWh)		
EEchp	=	Electricity efficiency of the CHP system (percentage	ge in decimal for	m)
3412	=	Conversion factor between KWh and Btu		
	Shaft p	ower = (m x Cv x Effc x Efft x Effh x Effcomb) / 3	600 (2	2)

Where:

Effc = Cycle Efficiency

Efft=Turbine Efficiency

Effh =Boiler heat transfer efficiency

Effcomb = Combustion efficiency

M = Mass of fuel

Cv =Calorific value

3.2.2 Specification of output data at this factory

The capability in and out of steam generated shall be identified to assess the level of performance of for this system.

- I. Turbine speed (RPM) II. Power consumption (KW) III. Power factor
- IV. Frequency (Hz)
- V. Voltage (V)

Overview of electrical parameter to get the data between power consumption and power generation. The capacity of energy need to export can be obtained.

Average power, Pave =
$$\frac{\text{Total power in 8 hour}}{8}$$
 (3)

Export power 1 = Power generation (hour) – maximum power consumption (hour) (4)

Profit Fit = Power*hours*FiT rates (5)

This is several formulas that have been use to identified the flexibility of this power generation can export their power to the TNB. Tariff Dfor industrial are used for calculating the cost since this factory is under tariff D low voltage Industrial Tariff.



Table 3.1: Tariff D for low voltage Industrial Tariff from TNB

Table 3.2: Description of qualifying renewable energy installation [18]

1/- ./

611

Description of qualifying renewable energy installation	FiT rates (RM per
a) Basic FiT rates having installed capacity of:	KWh)
Up to and including 10MW	0.3085
Above 10MW and up to and including 20MW	0.2886
Above 20MW and up to and including 30MW	0.2687
b) Bonus FiT rates having the following criteria (one or	
more)	
Use of gasification technology	+0.0199
Use of steam-based electricity generating system with overall	+0.0100
efficiency of above 20%	
Use of locally manufactured or assembled boiler or gasifier	+0.0500
Use of solid waste as fuel source	+0.0982

3.2.3 Design the single line diagram

Two method have been used to identify the best way to get the highest profit FIT. This two method will give two different situation in term of connection in term of plan diagram. Electrical transient analyze protection (ETAP) software have been used to design single line diagram for FIT system but not consider in term of protection system. This software functionality can be customized to fit from small to large power systems.



To follow the FiT mechanism, investor need to guarantee that the system produce an upright return of investment at realistic profit. For each financier must know the procedure of assessment business.

To identify the relationship between the monetary bound, that material on Biomass system must be identified[17].

i.	С	=	installating cost
ii.	F	=	Annual FIT income
iii.	R	=	Annual Revenue
iv.	TR	=	Total Revenue
V.	М	=	maintance cost
vi.	Т	=	Contract duration

vii. TP = Total profit

viii. PP = Payback Period

ix. ROI = Average Annual Return on Investment

To comfort the calculation, a number of assumption must be completed and to use those parameters given [12].

No.	Parameter
1	Annual revenue = annual Fit income – maintance cost
	R = F - M
2	Total revenue = annual revenue*contract duration
	TR = R*T
3	Total profit = Total revenue – installation cost
	TP = TR - C
4	Payback period = installation cost / annual cost
	PP = C/R
5	Return of investment = Total profit / (installation cost*contract duration)
	ROI = TP / (C*T)
	اونيومرسيتي تيكنيكل مليسيا ملاك
	UNIVERSITI TEKNIKAL MALAYSIA MELAKA

3.3.1 Cost in term of power system studies (PSS)

Before applying for the FiT application, the interested party is required to contact the Distribution Licensee (DL).For grid-connection, PSS are necessary to assess the potential impact of the distributed generation on the planning and operation of the DL's distribution system. The studies shall be conducted by the DL or its appointed consultant. Table 3.4 shows the costing in term FIT equipment.

No	Net export capacity of RE	Cost (RM)	Completion period	
	Installation			
1	Above 425KW and up to and	20,000 per	30 days	
	including 1MW	installation		
2	Above 1MW and up to and	40,000 per	40 days	
	including 10MW	installation		
3	Above 10MW and up to and	60,000 per	50 days	
	including 30MW	installation		
4	Above 425kW and up to and	500 per installation	60 days	
	including 1MW for housing			
	development or individual			
	application on the solar PV to be			
	connected to the same distribution			
	substation			
	يكل مليسيا ملاك	رسيتي تيڪ	اونيو	
	UNIVERSITI TEKNIKAI	MALAYSIA ME	LAKA	

Table 3.4: Net export capacity of power system cost [18]

CHAPTER 4

RESULTS AND DISCUSSIONS

4.1 Process Flow

Figure 4.1 shows the analogy about process in term of biomass power generation area at Felda Selancar 2B Palm Oil Factory.



Diesel generator

Figure 4.1: Process of Biomass power generation system

4.1.1 Specification of Generator

A Stamford synchronous ac generator that produce the power between 1.55MW and 1.6MW. All the detail taken at this factory.



4.1.2 Empty Fruit Bunch

Interview section

Capacity or capability of process flow at Felda Selancar 2B Palm Oil Factory. Figure 4.3 shows the empty fruit bunch of palm oil fruit.



Assumption of energy content of the fuel used by boiler from the biomass electrical output is 1 ton/hour of empty fruit bunch to generate 1.6 MW. So, in term of fuel burnt as a prime mover for heating process, it is not a problem to generate electricity continuously.

Analysis Section

The calculated combustion rate is present in equation 1.

Combustion Rate (Cr) = Total Mass of fuel burnt / burning time (equation 4.1)

= 1000 kg / 1 hour

= 1000kg/hour

Therefore the average throughput per hour is 1000kg/hour

The power produced from burning the Empty fruit bunch

Shaft power = $(m \times Cv \times Effc \times Efft \times Effh \times Effcomb) / 3600$

```
(equation 4.2)
```

The following parameters are taking into consideration Cycle Efficiency (Effc) = 46% Turbine Efficiency (Efft) = 90 % Boiler heat transfer efficiency (Effh) = 85% Combustion efficiency (Effcomb) = 95 % Calorific value Cv = 19250 KJ/kg Mass of fuel m = 1000kg Shaft power = $(1000 \times 19250 \times 0.46 \times 0.9 \times 0.85 \times 0.95) / 3600$ = 1787.6 KW

= 1.79 MW

From this analysis, Felda Selancar 2B Palm Oil Factory managed to produce about 19.8 tons per hour of empty fruit bunch which is a fuel for electricity generation process of 1.6MW in the factory. Target fuel needed at least 1 tons per hour to ensure the stability of generation electricity. In theoretically, 1 tons per hour can generate 1.79MW per hour. The factory still has excess fuel according to expected result. In a conclusion, Felda Selancar 2B palm oil factory have no problem in term of fuel.

4.1.3 Synopsis of process flow at Felda Selancar 2B Palm oil Factory

Biomass power plants at this factory use direct-fired combustion systems. They burn empty fruit bunch directly to produce high-pressure steam that drives a turbine generator to make electricity. In an addition, the spent steam from the power plant is also used for processes to produce oil. These combined heat and power (CHP) systems greatly increase overall energy efficiency to approximately 80%, from the standard biomass electricity. Direct combustion systems feed an empty fruit bunch into a combustor or furnace, where the biomass is burned with excess air to heat water in a boiler to create steam. Steam from the boiler is then expanded through a steam turbine, which spins to run a generator and produce electricity.

In a direct combustion system, biomass is burned in a combustor or furnace to generate hot gas, which is fed into a boiler to generate steam, which is expanded through a steam turbine or steam engine to produce mechanical or electrical energy. Diesel generator as a backup generator if the burning process at boiler have some trouble to produce steam.

4.2 Specification of data output at this factory

The data were recorded to analyze the power consumption at this factory and also to review the performance of biomass generation in one day.

4.2.1 Performances data for one day at Felda Selancar 2B Palm Oil Factory

The Turbine speed, power factor, frequency and voltage were be recorded to identify the performances for this generation at this factory.



Figure 4.4: measurement system

Hours	Turbine speed	Power	Frequency	Voltage
	(rpm)	factor	(Hz)	(v)
0400	5445	0.9	50	415
0500	5441	0.9	50	415
0600	5452	0.9	50	415
0700	5461	0.9	50	415
0800	5449	0.9	50	415
0900	5459	0.9	50	415
1000	5465	0.9	50	415
1100	5451	0.9	50	415
1200	5435 ALAYSIA	0.9	50	415
1300	5444	0.9	50	415
1400	5449	0.9	50	415
1500	5441	0.9	50	415
1600	5447	0.9	50	415
1700	5433	0.9	50	415
1800	54540 4	0.9	ور سبی به 50	415
1900	5458	0.9 EKNIKAL N	50 AVSIA MELA	415
2000	5438	0.9	50	415
2100	5441	0.9	50	415
2200	5439	0.9	50	415

Table 4.3: performances data for one day at Palm Oil Factory

From data collected clearly shows the real state of the power generation process happens in a palm oil factory. The resulting power of 1.6MW each time the plant is operating. The data clearly show lasting power performance plan was identically in good condition. This data are already recorded by the worker when the power generation were operate. The range of turbine speed is between 5433 to 5465 revolution per minute (rpm) were be recorded.

Regarding to the result of power that were be generated, this range of turbine speed still can generate 1.6MW and it will be estimate as a good condition in term of performances and full output will be achieved at a this speed. The effect will be to increase capacity factor, hence earnings will be greater. Besides that, the value of power factor, frequency and voltage supply also constant.

4.3 The power consumption analysis



Table 4.4: The average power and maximum power consumption in 7 days



Figure 4.5: The average power consumption

From figure 4.4, the data clearly details a trend of average power and maximum power consumption at this factory on 1 week observation. The highest amount of average and maximum power on the day 2 of 900kW per hour and 940kW per hour. Generally, the power that be used not be the same value on every day depends on the load that be use for processing and others equipment. The sample of data were be collected as a reference to identify a suitable net export power to be sell in term of feed in tariff(FIT) procedure. In the future, this factory still can make their product but the FiT system as an additional method to change the wasted power that were be generated.

Table 4.5: The power consumption per day



Figure 4.6: The power consumption per day

From figure 4.5, the power consumption 8 hours per day were be figured out. The range of power that be used is 6300kwh to 5873kwh per day. During the interview section, the highest for power that be used per day is around 6400kwh. The power that were be generate by biomass power plant is 12.8MW per day. Clearly can conclude that, this factory have wasted or surplus power from generation plant that can supply energy to the Tenaga Nasional Berhad by connected to the grid. However, the total export power must be as a fixed output power that want to be sell. The suitable value of export for this factory is around 650kW or 1600kW.

Export power 2 = Power generation

= 1.6 MW per hour

Export power 1 = Power generation (hour) – maximum power consumption (hour) in 7 days = 1.6MW - 950KW = 650 KW

4.4 Calculation in term of FIT analysis

In this section, the estimation in term of FIT profit for 1 week will be explained. From the data of power consumption, the export power will be get by refer to the wasted power during the generation of power supply. Table 4.6 shows the value of export power obtained. Table 4.7 and 4.8 shows the tariff D for industrial low voltage and the description for FIT rates by TNB. For this factory, basic FIT rates having installed capacity of power up to and including 10MW, overall efficiency of above 20%, use of locally manufactured and use of solid waste as fuel source. Two method will be used to identify which is the best solution for installation procedure.

Power generation for 8 hours per day	12.8MW
--------------------------------------	--------

Table 4.6: Export power

Days	Power consumption	Export Power for per
	for 1 day (kw)	day (kw)
1	5980	5200
2	6300	5200
3	6132	5200
4	6129	5200
5	5891	5200
6	5921	5200
7 MALAYSIA	5873	5200

Table 4.7: Tariff D for low voltage Industrial Tariff from TNB

7

TARIFF CATEGORY	CURRENT RATE (1 JAN		
1.1.1.1.1.1	2014)		
Malunda 15.	Si in and		
Tariff D - Low Voltage Indus	trial Tariff		
JNIVERSITI TEKNIKAI	MALAYSIA MELAKA		
For the first 200 kWh (1 - 38.00 sen/kWh			
200 kWh) per month			
For the next kWh (201	44.10 sen/kWh		
kWh onwards) per month			
The minimum monthly charge is RM7.20			

Description of qualifying renewable energy installation	FiT rates (RM per
c) Basic FiT rates having installed capacity of:	KWh)
Up to and including 10MW	0.3085
Above 10MW and up to and including 20MW	0.2886
Above 20MW and up to and including 30MW	0.2687
d) Bonus FiT rates having the following criteria (one or	
more)	
Use of gasification technology	+0.0199
Use of steam-based electricity generating system with overall	+0.0100
efficiency of above 20%	
Use of locally manufactured or assembled boiler or gasifier	+0.0500
Use of solid waste as fuel source	+0.0982
رسيتي تيڪنيڪل مليسيا ملاك	اونيوم
UNIVERSITI TEKNIKAL MALAYSIA ME	LAKA

Table 4.8: Description of qualifying renewable energy installation [18]

39

4.4.1 Method A

This method is used to maintain the original condition of the plant but only add the equipment related to export powerthat will be supply to the grid.



Figure 4.6 show the design of single line diagram for biomass power generation connected to the grid by using electrical transient analyzer program (ETAP). This design were related to the method A of selling wasted power only. The biomass power generation still distribute the power to their load at the factory.

```
Total Export power = 5200KW (7)
```

= 36400 KW {total export power for 1 week or 56 hours}

FiT rates = 0.3085 + 0.0100 + 0.0500 + 0.0982

=0.4667 (RM/KWh) {by referring to the qualifying renewable energy installation}

Profit Fit = Power*hours*FiT rates

= 36400KW (0.4667)





Figure 4.8: single line diagram for FIT B

Figure 4.6 show the design of single line diagram for biomass power generation connected to the grid by using electrical transient analyzer program (ETAP). This design were related to the method B of selling all power that have been generated. This factory must buy back electricity from TNB by follow to the industrial tariff.

Profit Fit = Power*hours*FiT rates

- = 1.6M(8*7) (0.4667)
- = RM 41816.32

Total Power Consumption = 5980 + 6300 + 6132 + 6129 + 5891 + 5921 + 5873

= 42226 kW {total load power in this factory for 1 week}

For the first 200 kW = 200×0.38

= RM 76.00

For the next (201 KW) = 42026 x 0.441

= RM 18 533.466

Total power consumption = RM 18 533.466 + RM 76.00

= RM 18609.466 {the industrial tariff for 1 week}

So, profit for this investment = Profit Fit – power consumption

= Rm41816.32 - RM 18609.466

=RM 23 206.854 {net profit}

4.4.3 Comparison between method A and Method B

type	Profit per week
Method A	RM 16 987.88
Method B	RM 23 206.85

Table 4.6: the profit FIT for two method

From the result, the profit of method B is higher than method A. Method B is the genius of the tariffs and not only to save money from importing less electricity but actually get paid for the energy were be generated. This method automatically will cause the distribution part and generation part will be separated. The generation part only need a fuel (empty fruit bunch) for generation power system and the factory do their routine process but get the electricity from TNB. This factory can even increase their own savings by being more energy efficient in term of their equipment. The less electricity have been used, the more can be export back into the grid, for which this factory will receive payments. Method B is the best solution in term of profit, routine process and value in long term period.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

4.5 Financial analysis

The financial investment exactly depends on net export capacity. Sustainable Energy Development Tenaga Nasional Berhad.Before applying for the FiT application, the interested party is required to contact the Distribution Licensee (DL) for Power Systems Study (PSS) for any RE installation more than 425 kW and above.

No	Net export capacity of RE	Cost (RM)	Completion period
	Installation		
1	Above 425KW and up to and	20,000 per	30 days
	including 1MW	installation	
2	Above 1MW and up to and	40,000 per	40 days
	including 10MW	installation	
3	Above 10MW and up to and	60,000 per	50 days
	including 30MW	installation	
4	Above 425kW and up to and	500 per installation	60 days
	including 1MW for housing		
	development or individual		
	application on the solar PV to be		
	connected to the same distribution		
	substation		

Table 4.7: Net export capacity of power system study cost [18]

The net export capacity of installation is above 1MW and up to and including 10MW as a qualification for the smallest capacity for biomass power plant. Basically this installation is a bigger investment mechanism as a storage to selling power that have been generate and Fit meter installation.

Initial investment and maintenance cost for this factory in term of power generation have been shown in table 4.8 that already get from Selancar 2B factory.

Asset	Asset description	Cost (RM)
1	2U pressure recorder c/w chart	3 600.00
2	Rototherm pressure recorder	1 155.00
3	Penggadang abu dandang no 1 and 2	1 780.00
4	Jambatan konkrit depan boiler 1st	50.00
5	Jambatan konkrit depan boiler 2nd	150.00
6	Boiler tube cleaner	5 245.00
7	Air compressor 10hp	9 245.00
8	Boiler Fuel Balancing control system	9 200.00

Table 4.8 Initial and maintenance cost for Felda Selancar Palm Oil factory

9	Puma air compressor 10hp model :TK100-300	99 500.00
10	6" Varimex cast steel globe valve (for boiler)	9 600.00
11	6" varimex cast steel globe valve (for boiler)	2 380.00
12	Photain smoke density equipment	14 000.00
13	Thermal dearator	363 044.82
14	Continuous emission monitoring system (CEMS)	12 500.00
15	1u blowdown chamber	5 000.00
/16	Goodway tube cleaner model: AWT-100x	16 900.00
17	40MT/HR water tube boiler	6 415 620.53
18	2U 250KW diesel Gen sets	156 500.00
19	2U steam turbo alternator	206 814.00
20	1u mega ohm meter M240513	387.00
21	All electrical engineering	505 731.35
22	Power capacitor national	2 983.00
23	Coppus turbine M/RLA- (for boiler pump)	58 000.00
24	11kv TNB substation	466 116.00
25	1600KW Turbo Alternator	1 007 136.66
26	Steam piping, electrical and civil work	610 075.47
	سيتي تيكنيكل مليسيا ملاك	Total = 12 126 106.41

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

4.5.1 Financial Calculation

Basically, the investment made for new only on installation capacity in addition to existing power plant. For the initial investment and maintenance is the capital before doing FIT mechanism. However, for this financial calculation is to show this FIT way can cover up the capital cost for power generation at this factory. This result already get by using this formula.

```
Average monthly = profit per week x = 4
```

Total profit = Total revenue – installation cost

Payback period = installation cost / annual cost

Return of investment = Total profit / (installation cost*contract duration)

Table 4.9: Data of financial FIT

Area	Capacity	Initial investment	monthly FIT profit
	installed	And maintenance	
Biomass	RM 40 000	RM 12 126 106.41	RM 92 827.416
power	(for 1MW		
generation	and above)		

Table 4.10: The result in term of FIT investment

Payback period	MALAYSIA Total profit	Return of investment
10 years 9 month	RM 11 052 177.42	0.0567
JT TEK		e M

The agreement of FIT for biomass power generation states that 16 years is a time that TNB must buy the power from the owner of FIT. From table 4.9 and 4.10, the capacity installed and initial investment as a costing installation. Duration and costing installation is the main data to verify the financial analysis value. Payback period for this project is around 10 years and 9 month. It is mean that, the profit from FIT investment can cover the initial investment for this power plan around 10 years and 9 month. After that is the profit for this investment. The total profit is RM 11052 177.42 and Rate of investment is 0.057.

CHAPTER 5

CONCLUSION

There are many criteria need to consider for analysis of feed in tariff biomass system power generation. In palm oil industries, exactly biomass (empty fruit bunch) as a fuel to conduct the power system at this factory by heating process. The steam have been produced will remain as a prime mover to produce electricity.

The analysis about export power due to FiT need can be calculated by to ensure the power flow at this factory. There have two method to export the energy. First, sell all power generation and buy again for power supply to this factory. Second is the energy that is not used will be as export energy for FiT plan.

UNIVERSITI TEKNIKAL MALAYSIA MELAKA The initial investment is to construct the facilities for the FiT process and the profit can be determine by using calculation. Exactly FiT is a one medium for renewable energy producer to gain profit in this era.

In my opinion, this factory should take an advantage in term of this FIT mechanism as a long term value investment. As long as FIT system can support this factory in 16 years period of time, the problem due to maintain and the equipment need to upgrade can be solved by the profit that will be get by export the power to TNB.

REFERENCES

[1] Renewable Energy, Available: http//www.kettha.gov.my/content/tenaga-boleh-baharu

[2] S. Ahmad, M. Z. A. A. Kadir and S. Shafie," Current Perspective of the Renewable Energy Development in Malaysia", Renewable and Sustainable Energy Reviews, vol. 15, no. 2, pp. 887-904,2011.

[3] Boyle, G., Renewable energy: Power for a Sustainable Future. 2nd ed. ed. 2004, Oxford: Oxford University Press. xi, 452 p.

[4] Demirbas, A., Modernization of biomass energy conversion facilities. Energy Sources, Part B: Economics, Planning and Policy, 2007. 2(3): p. 227-235.

[5] Kinoshita, C.M, "Potential for Biomass Electricity In Four Asian Country ", USA Energy Conversion Engineering Conference, vol. 3, p.p 1779-1784, 1997.

[6] Nel WP, Cooper CJ. Implications of fossil fuel constraints on economic growth and global warming. Energy Policy 2009,37(1),166–80.

[7] Mokanatas ER, Use palm oil waste for biomass project., in The Star Online 2010.

ject final statement whether it is achieved the objectives or not.

[8]Economic Planning unit, "Tenth Malaysia Plan", Economic Planning Unit, Putrajaya, Malaysia, 2010.

[9]http://www.energysavingtrust.org.uk/Generate-your-own-energy/Sellyour-ownenergy/Feed-in-Tariff-Scheme

[10] http://www.wisegeek.com/what-is-a-price-cap.htm

[11]Economic of Distribution Resources, chapter 5 "Energy Economics", pg. 240, 2009

[12]Largest investor resources, available: http://www.investopedia.com

[13] International Energy Agency. World energy outlook 2008; 2008. Paris.

[14] Oil World. Oil world annual 2009; 2009. Hamburg.

[15] Ahmad S, Kadir MZAA, Shafie S. Current perspective of the renewable energy development in Malaysia. Renew Sustain Energy Rev 2011;15:897e904

[16] Combined heat and power system, Available: http://http://www3.epa.gov/chp/documents

[17] Firdaus Muhammad Sukki, Robert Ramirez-Iniguez, Siti hawa Abu Bakar, Scott G.Mcmeekin, B. G. Steward, Mahendra V. Chilukuri, "Feed in Tariff for PV in Malaysia:Financial Analysis and Public Perspective", pp.987-4577-0354,IEE, 2011

[18] Feed in Tariff, Available : http://seda.gov.my



APPENDIX A

Electrical Tariff bill for Palm Oil Felda Selancar 2B Industries

	LOT ## KILANG SAWIT JLN KTRS KTRS KILAN SELANCAR 2B 26700 PERWIRA JAYA	g Pahang		•	
	Jumlah Perlu Baya	r : RM	1 20,885.40		
	Tunggakan RM CarSemasa RM Penggenapan RM fumlah Bil RM	13,442 7 7,442 6 0 0 20,885 4	0 Bayar Seg 9 Bayar Seb 1 0	era	31.05.2015
-	Bit dan Pembayaran Tord. Bit Teydahulu RM (01.07/2015)	13,442.7	0 Bayaran T (11.06.201	erakhir RM 5)	721.86
	Caf Somasarunto	52	ie	فترسيتي	<u>ساو</u> ی
	Keterangan UNIVERSITI TEI	CNIKA	GST	SIA SI	Jumlah
	Kegunaan kWh ICPT (RM 0.0225-)	RM	0.00	7,283,70	7,283.70
	Kegunaan Bulan Semasa 6% GST (6% x RM 6.911.46) KWTBB (1.6%)	RM RM RM	0.00	6,911.46	6,911.4 414 6 116.5



APPENDIX B



Circuit Drawing for Biomass Plant at Palm Oil Felda Selancar Factory

APPENDIX C

Industrial Tariffs from Tenaga Nasional Berhad

TARIFF CATEGORY	CURRENT RATE (1 JAN 2014)
Tariff D - Low Voltage Industrial	Tariff
For the first 200 kWh (1 -200 kWh) per month	38.00 sen/kWh
For the next kWh (201 kWh	44.10 sen/kWh
onwards) per month	
The minimum monthly charge is	RM7.20
Tariff Ds – Special Industrial Tari only) For all kWh	ff (for consumers who qualify 42.70 sen/kWh
is RM7.20	اونيۇمرسىتى تيك:

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

Net export capacity of power system study cost

No	Net export capacity of RE	Cost (RM)	Completion period
	Installation		
1	Above 425KW and up to and	20,000 per	30 days
	including 1MW	installation	
2	Above 1MW and up to and	40,000 per	40 days
	including 10MW	installation	
3	Above 10MW and up to and	60,000 per	50 days
	including 30MW	installation	

APPENDIX D

Initial investment and maintenance in term of biomass power plan

Asset SNo. Capitalized on Deact. Date Asset description 2 Acquis.val. 2 Accum.dep. X 2300010895 0 01.08.1985 2U.250KW DIESEL GEN SETS 156,500.00 156,500.00 156,500.00 156,500.00 206,814.00 206,914.00 206,914.00 206,914.00 206,914.00 206,913.00 2,923.34 <td< th=""><th>Report d</th><th>late: 31.12.2015 -</th><th>Created on: 30.05.2016</th><th>Station Station</th><th></th><th></th></td<>	Report d	late: 31.12.2015 -	Created on: 30.05.2016	Station Station		
١,154,80 ١,154,80	ASSET 2300010895 2300010895 2300010896 2300010899 2300017055 2300022158 2300022158 2300022736 2300022736	AND ON	Capitalized on Deact. Date 01.08.1965 01, 12, 1995 01, 12, 1995 01, 12, 1997 01, 08, 1965 01, 05, 1994 12, 02, 2004 04, 02, 2013 31, 08, 2013 30, 11, 2015	Asset description 20 250KW DIESEL GEN SETS 20 STEAM TURBO ALTERNATORS 10 MEGA OHM METER M240513 ALL ELECTRICAL ENGINEERING POWER CAPACITOR NATIONAL CORPUS TURBINE M/RLA16- UTK BOILER PUMP 11KV TNB SUBSTATION 1600KW TURBO ALTERNATOR STEAM PIPING, ELECTRICAL & CIVIL WORKS	 Acquis.vsl, 2 156,500.00 206,814.00 387.00 505,731.35 2,983.00 58,000.00 466,116.00 1,007,136.66 610,075.47 3,013,743.48 3,013,743.48 3,013,743.48 	Accum.dep., 2 156,500.00- 206,814.00- 379.26- 505,731.35- 2,923.34- 34,642.55- 64,712.43- 118,331.34- 64,769.68- 1,154,803.95- 1,4 1,154,803.95- 1,4 1,154,803.95

Asset	SNo.	Capitalized on Deact.Date	Asset description	F	A		
2300010918	0	01.12.1992	2U PRESSURE RECORDER CAW CHART	Σ	Acquis, val. 2	Accum.dep. 2	
2300010919	0	01.11.1994	ROTOTHERM PRESSURE RECORDER		3,000.00	3,528.00-	
2300010920	0	01.01.1995	PENGGADANG ABU DANDANG NO: 1 & 2		1,100.00	1,131.90-	
2300010921	0	01.01.1995	JAMBATAN KONKRIT DEPAN BOILER		50.00	40.00	
2300010922	0	01.01.1995	JAMBATAN KONKRIT DEPAN BOILER		150.00	147.00-	
2300010923	D	01.01.1996	BOILER TUBE CLEANER		5 245 00	5 127 65	
2300017747	0	14.07.2006	AIR COMPRESSOR 10HP		9,200.00	4 245 02.	
2300018777	0	31.03.2009	BOILER FUEL BALANCING CONTROL SYSTEM		99.500.00	32 909 63	
2300019014	0	04.05.2009	PUMA AIR COMPRESSOR 10HP MODEL: TK100-300		9.600.00	3,096,80.	
2300019363	0	20.08.2009	6" VARIMEX CAST STEEL GLOBE VALVE (UTK BOILER)		2,380.00	738 50.	
2300019364	0	20.08.2009	6" VARIMEX CAST STEEL GLOBE VALVE (UTK BOILER)		2,380.00	738.59-	
2300019486	0	06.04.2010	PHOTAIN SMOKE DENSITY EQUIPMENT		14,000.00	3,887,33-	
2300019515	0	14.10.2009	THERMAL DEARATOR		363,044.82	109,700.06-	
2300019694	0	30.04.2010	CONTINUOUS EMISSION MONITORING SYSTEM (CEMS)	1	12,500.00	3,470,83-	
300020020	0	01.07.1992	1U BLOWDOWN CHAMBER		5,000.00	4.826.89-	
300020737	0	06.05.2011	GOODWAY TUBE CLEANER MODEL: AWT-100X	The second	16,900.00	3.795.46-	
300021866	0	31.07.2012	40MT/HR WATER TUBE BOILER	L 6,	415,620.53	1.074.081.82-	
	-			. 9,1	12,362.93 .	3,307,437.20-	
	A			** 9,1	12,362.93	3,307,437.20	1
	23				9,112,36	. 3,307,43	
	411	Manual	and the second s		and an other designs of the		

<u>Bus Input Data</u>

								Load					
Bus		Initial Voltage		Constant kVA		Const	ant Z	Constant I		Generic			
D	kV	Sub-sys	% Mag.	Ang.	MW	Mvar	MW	Mvar	MW	Mvar	MW	Mvar	
Bus2	11.000	1	100.0	0.0			0.009	1.000					
Bus3	0.415	1	100.0	0.0			0.009	0.950					
Bus5	0.415	1	100.0	0.0			0.004	0.400					
Total Number of Buses: 3					0.000	0.000	0.021	2.350	0.000	0.000	0.000	0.000	

Generation Bus				Volta	ige	Generation			Mvar Limits	
D	kV	Type	Sub-sys	% Mag.	Angle	MW	Mvar	% PF	Max	Min
Bus2	11.000	Swing	1	100.0	0.0					
Bus3	0.415	Swing	1	100.0	0.0					
						0.000	0.000			



56