



DIMETHYL ETHER PRODUCTION FROM NATURAL GAS

IN THE UNITED STATES

PREVIEW

PREMIUM EDITION

BY INTRATEC SOLUTIONS LLC

COMMODITY PRODUCTION COSTS

REPORTS COLLECTION

BY INTRATEC SOLUTIONS LLC

VOLUME

PRODUCTION

ISSUE

DIMETHYL ETHER PRODUCTION FROM NATURAL GAS

COUNTRY OF ANALYSIS

UNITED STATES

SERIES

PREVIEW

EDITION

PREMIUM

DEVELOPED BY

INTRATEC SOLUTIONS LLC

REPORT CODE

INTRATEC-ICC-PREV-375-B-PREM-USA

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IMPORTANT NOTICE

This document is a preview report provided by Intratec, showcasing the full structure of a cost analysis related to Dimethyl Ether Production from Natural Gas.

To protect proprietary data, numerical values have been replaced with "X" placeholders and charts have been intentionally blurred. Nonetheless, this preview faithfully reflects the structure and depth of the commercial report, including the types of tables, charts, and descriptions presented.

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Abstract

This report presents a manufacturing cost analysis of Dimethyl Ether (DME) production from natural gas. The examined process involves the combined reforming of natural gas and the use of resulting syngas in a conventional two-step process for DME generation. In the two-step process, or indirect process, syngas obtained from the combined reforming upstream is converted into methanol, which, in turn, is purified and subjected to a second reaction step, consisting of the catalytic dehydration of methanol over an aluminum-based catalyst to yield DME.

This report examines the capital costs of a Dimethyl Ether plant and the continuing operating costs associated with the plant. The analysis assumes a plant based in the United States with a capacity of 0.000 of Dimethyl Ether per year and includes:

- * Dimethyl Ether plant capital cost details, including ISBL, OSBL and Contingency; owner's cost; working capital; and costs incurred during industrial plant commissioning and start-up.
- * Operating cost, broken down by variable costs (raw materials, utilities); fixed costs (maintenance, operating labor, plant overhead, property taxes and insurance); and depreciation.
- * Raw materials consumption, products generation, and labor requirements.
- * Dimethyl Ether production process information including block flow diagram (BFD), process flow diagram (PFD) and description of industrial site installations.

Keywords: Synthesis Gas, Lurgi MegaMethanol, Johnson Matthey, JM Davy Technologies, Toyo, Kellogg Brown and Root, KBR, Johnson Matthey/Davy, Haldor-Topsoe, On-purpose Dimethyl Ether production, two-step process, indirect process, indirect synthesis, catalytic methanol dehydration, DEA Mineraloel AG, Toyo Engineering

Revision Control

The following pages present a history of revisions and main changes made in the last updates of the report “Dimethyl Ether Production from Natural Gas.” The changes in each revision are classified according to the types presented below:

- * Fix: errors correction in a released report (e.g., typos, wrong descriptions/economic figures).
- * Update: changes made by the Intratec team in the release of a new Series of reports (e.g., change of a technical parameter published in a more recent patent).
- * Improvement: structural changes common to all Intratec Commodity Production Costs reports aiming to improve the accuracy of presented estimates or reader’s comprehension of reports.

Report Revision History – Series XXXX

Rev. 0 Original

Report Changes History – Previous Series

The list below presents the main changes made in the “Dimethyl Ether Production from Natural Gas” report released in previous Series.

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Preamble

Understanding Intratec Commodity Production Costs

Reports Organization

Intratec Commodity Production Costs is a set of best-in-class professional reports that can be understood as an encyclopedia approaching plant capital and operating costs of commodities' manufacturing processes. The Intratec Commodity Production Costs reports are organized in a particular fashion, as shown in the diagram presented on the next page. The diagram shows that the reports are organized in Quarterly Series according to the period of the economic analysis presented. Every new quarter Intratec reviews the entire Series – new reports are developed, and existing reports are updated. After the release of a new Series, the reports from previous Series stop being sold. Currently, each Series includes more than 800 reports.

The reports Series are divided into Volumes, with each Volume focusing on processes for manufacturing a specific commodity. The entire Series approaches more than 250 commodities (Volumes), spanning a diverse range of industries. Each Volume, in turn, is composed of Issues, each one targeting a specific industrial process to produce the respective commodity.

Each report is identified by a unique code, containing the information on Series, Volume, Issue, Edition, and Location used as basis in the economic analysis. An example of code is shown below.



HOW INTRATEC COMMODITY PRODUCTION COSTS REPORTS ARE ORGANIZED



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- * **Detailed Edition.** This Edition includes, besides all the content from the Compact Edition, additional assumptions and further details related to the economic analysis. This Edition is suggested for the readers interested in a more comprehensive analysis and concerned in understanding each assumption used in the development of the Issue.
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About This Report

Identification

This report, "INTRATEC-ICC-PREV-375-B-PREM-USA," corresponds to the Issue B of a set of reports which is part of Volume 375, released in the Series XXXX. More specifically, this report refers to:

Item	Code	Description
Product	ICC	Intratec Commodity Production Costs
Series	XXXX	Quarter (XX) and year (XXXX) used as basis for the economic analysis
Volume	375	
Issue	B	Dimethyl Ether Production from Natural Gas
Edition	PREM	Corresponds to the Premium Edition of the report
Country	USA	The economic analysis presented in this report is based on a plant located in the United States

How to Use

The main purpose of this report is to assist readers in conducting a preliminary economic evaluation of the industrial process presented. It serves as a valuable tool for studies such as screening investment options, evaluating emerging processes, assessing economic feasibility, cost estimation double-checking, and more.

Readers should keep in mind the limitations of this report, as both the technical data and economic assessment are subject to certain constraints.

Technical Data. The preliminary design of the process is based on fast techniques that rely on reduced design efforts. The goal of such preliminary design is exclusively to represent the process in sufficient detail for supporting capital and operating costs estimation within the accuracy expected: class 4 budgetary estimates. Therefore, the technical data presented must not be confused with an actual conceptual process design and must not be used as such.

Economic Assessment. The report presents an economic assessment for the period XXXX, assuming an industrial facility based in the United States. This means that capital and operating costs estimates presented are based on several general assumptions (e.g., average market figures for raw materials, chemicals and utilities prices, labor costs, taxes, and duties), believed to suitably portray local conditions for the period of analysis informed, on a country-level basis. Accordingly, the economic assessment provided in this report is not meant to fit any specific industrial venture, which would involve a wealth of specific data and assumptions not herein considered.

Finally, it is important to highlight mistakes to avoid when using Intratec Commodity Production Costs reports:

- * The reports are not process design packages nor engineering documentation of any kind.
- * The reports are not based on surveys, interviews, or confidential information.
- * The reports are not based on any kind of confidential information.
- * The content of our reports is not tailored to customers' demands. On the contrary, all reports share the same structure (types of graphs, tables, and descriptions) and depth of content, and the content itself is the result of Intratec development methodology.
- * Intratec reports are not consulting services, though users are free to use the information in conjunction with their own data or hire consulting firms for specialized analyses.

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Acronyms & Abbreviations

AACE	Association for the Advancement of Cost Engineering
BEQ	bare equipment
BFD	block flow diagram
Btu	British thermal unit
CAPEX	capital expenditures
CW	circulating cooling water
EPC	engineering procurement and construction
FEED	front-end engineering design
ft	feet
G&A	general and administrative
HAZOP	hazard and operability study
HP	high pressure
IC index	Intratec plant construction cost index
ISBL	inside battery limits
IT	information technology
kWh	kilowatt-hour
LP	low pressure
m ³	cubic meter
MM	million
MP	medium pressure

mt	metric ton
NASA	National Aeronautics and Space Administration
Nm ³	normal cubic meter
OC	owner's cost
Op.	operator
OPEX	operational expenditures
OSBL	outside battery limits
PFD	process flow diagram
R&D	research and development
RF	refrigeration fluid
ROCE	return on capital employed
ST	steam
Sup.	supervisor
t	ton
TFC	total fixed capital
TPC	total process capital
TRL	technology readiness level
wt	weight
yr	year

Chapter 1

Executive Summary

About Dimethyl Ether

Dimethyl Ether (a.k.a. DME), is the simplest aliphatic ether, containing only two carbon atoms. This organic compound has been used in the production of the methylating agent dimethyl sulfate, as an aerosol propellant, coolant and in a number of other applications. More recently, DME has attracted considerable attention as a synthetically produced alternative to diesel, able to produce clean energy in the future.

DME is a gas at room temperature and atmospheric pressure - also colorless and almost odorless. It is most commonly stored as a liquid, under pressure, and transported in pressure tanks, tank trucks and pressure containers. It is worth noting that, while DME can be liquefied and handled similarly to Liquefied Petroleum Gas (LPG), existing infrastructure could be used to transport/store this ether.

DME differs from most other aliphatic ethers by not being susceptible to autoxidation - it is stable to atmospheric oxygen and does not form peroxides, a remarkable characteristic for industrial applications. Main commercial uses of Dimethyl Ether include production of dimethyl sulfate (used in turn as methylating agent), as a propellant in the aerosol industry and as refrigerant. DME has been increasingly viewed, over the past years, as a clean and economical alternative fuel for diesel engines, able to achieve high performance and low emissions (CO, NO_x and particulates) in its combustion. This ether may also be used as pesticide, polishing agent, anti-rust agent and in the production of acetic acid, along with water and carbon monoxide. Olefins – mainly ethylene, propylene and butenes – may also be produced from DME, by means of zeolitic catalysts.

Dimethyl Ether Production Process

The present analysis approaches Dimethyl Ether (DME) production from natural gas.

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Figure 1.1 Process Schematic Diagram

Economic Analysis

Table 1.1 provides a summary of the Dimethyl Ether production cost related to the process described in the report, based on a 0.000 /yr plant. Also, it presents some remarks about the key aspects surrounding the economic analysis performed.

Table 1.1 Dimethyl Ether Production Cost Summary

Dimethyl Ether Production from Natural Gas			
Plant location	United States	Capital investment summary	MM USD
Period of analysis	XXXX (IC Index: XXX)	Fixed capital	XXX
Nominal capacity (/yr)	0.000	Working capital	XXX
Operating rate (h/yr)	XXX (XXX XXX%)	Additional capital	XXX
Annual production (mt/yr)	XXX	Total capital investment	XXX
Description		USD/mt	MM USD/yr
Net raw materials cost		XXX	XXX
Net utilities cost		XXX	XXX
Operating variable costs		XXX	XXX
Operating fixed costs		XXX	XXX
Operating cash cost		XXX	XXX
Depreciation		XXX	XXX
Total operating cost		XXX	XXX
Corporate overhead		XXX	XXX
ROCE		XXX	XXX
Product value		XXX	XX

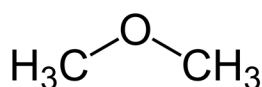
Table 1.1 shows the impact of variable costs in the product value – it represents approximately XX % of the product value. Regarding the capital investment it is worth mentioning that, in order to fulfill the infrastructure requirements assumed in the present analysis, OSBL investment represents about XX% of the Dimethyl Ether plant cost.

Chapter 2

About Dimethyl Ether

Dimethyl Ether (a.k.a. DME), is the simplest aliphatic ether, containing only two carbon atoms. This organic compound has been used in the production of the methylating agent dimethyl sulfate, as an aerosol propellant, coolant and in a number of other applications. More recently, DME has attracted considerable attention as a synthetically produced alternative to diesel, able to produce clean energy in the future.

The structure of Dimethyl Ether is presented below:



Dimethyl Ether

Figure 2.1 Dimethyl Ether

Until the 1970s, DME was produced on commercial scale primarily as byproduct from high-pressure production of methanol. Since the 1980s, with the advent of low-pressure methanol production (with low DME yields), catalytic processes have been developed for DME production, based on different raw materials such as biomass, methanol, and fossil fuels.

DME is a gas at room temperature and atmospheric pressure - also colorless and almost odorless. It is most commonly stored as a liquid, under pressure, and transported in pressure tanks, tank trucks and pressure containers. It is worth noting that, while DME can be liquefied and handled similarly to Liquefied Petroleum Gas (LPG), existing infrastructure could be used to transport/store this ether.

Commercial Forms & Applications

The uses and applications of Dimethyl Ether may vary according to its specification. The main forms of Dimethyl Ether are the technical grade, containing up to 0.05 % methanol and contaminations; and high-purity dimethyl ether, virtually free of sulfur-containing and other impurities (methanol content of 10mg/kg, at the most).

DME differs from most other aliphatic ethers by not being susceptible to autoxidation - it is stable to atmospheric oxygen and does not form peroxides, a remarkable characteristic for industrial applications. Main commercial uses of Dimethyl Ether include production of dimethyl sulfate (used in turn as methylating agent), as a propellant in the aerosol industry and as refrigerant. DME has been increasingly viewed, over the past years, as a clean and economical alternative fuel for diesel engines, able to achieve high performance and low emissions (CO, NO_x and particulates) in its combustion. This ether may also be used as pesticide, polishing agent, anti-rust agent and in the production of acetic acid, along with water and carbon monoxide. Olefins – mainly ethylene, propylene and butenes – may also be produced from DME, by means of zeolitic catalysts.

Dimethyl Ether can be used in the manufacture of other products, including dithylene glycol dimethyl ether; dimethyl sulfate; ethylene glycol dimethyl ether; polyethylene glycol dimethyl ether; tetraethylene glycol dimethyl ether; triethylene glycol dimethyl ether.

Dimethyl Ether Production Routes

Up until the 1970s, DME was largely produced as a byproduct in the high-pressure production of methanol. Since this technology was phased out, different processes have been employed for DME production, including methanol dehydration, direct synthesis from syngas, etc.



Figure 2.2 Dimethyl Ether Production Routes Diagram

Fig. 2.2 comprises a diagram showing different Dimethyl Ether production processes. This report is part of the Intratec Commodity Production Costs reports, focused on Dimethyl Ether manufacturing processes.

Interested in a Different Commodity Production Costs Report?

It is worth mentioning that Intratec is always working to increase its portfolio. However, if any customer is interested in a process not yet examined in an off-the-shelf report, Intratec can also develop a Commodity Production Costs report on-demand. Such tailored reports can be easily ordered online at: <https://intrat.ec/custom-icc>.

Chapter 3

Process Overview

This chapter presents an overview of Dimethyl Ether (DME) production from natural gas.

More specifically, the current chapter approaches technical aspects of the Dimethyl Ether production process examined including technology maturity assessment and description of the products generated and the process inputs.

Technology Maturity Assessment

The process technology under study was categorized according to its maturity. The technical maturity, while a measure of performance, reliability and operating experience associated with the technology being assessed, serves as an important input in the definition of assumptions that have a relevant impact on process economics (e.g., process contingency, project contingency, costs related to start-up inefficiencies and R&D, etc.).

The process technology maturity is defined by the Intratec team through a method adapted from the so-called Technology Readiness Level (TRL) method, developed by NASA, and nowadays used in a broad range of sectors/industries. There are nine TRLs, which describe the maturity of a technology, from basic technology research to system testing, launch and operations.

Originally intended to support decision-making over research and development activity, the nine technology readiness levels were divided into five major classes to portray the maturity level of chemical process technologies, from “concept” to “established technology.” Table 3.1 describes such five classes according to which the Intratec team classifies technologies being studied, as well as the TRLs included within each class.

Table 3.1 Process Technology Maturity Scale

Technology Status	Description	Scale	TRL
Established (Outdated)	* Existing plants being shut down * No longer adopted in new plants * Obsolete technology	Commercial (at least 1 plant)	-
Established (In Use)	* 2+ commercial plants * Proven technology (successful operations)	Commercial (2+ plants)	9
Emerging	* 1 commercial plant * Basic data for commercial plant * Performance validation * Demonstration plant * Prototype near or at planned operation system	Commercial (1 plant) Demonstration	7-8
Embryonic	* Pilot-scale demonstration * Engineering-scale models / prototypes * Basic data for scale-up * "Proof-of-Concept" validation * Bench-scale demonstration * Lab-scale technology definition * Process modeling * Analytical studies * Active R&D	Pilot Bench Lab	4-6 2-3
Conceptual	* Unproven idea / proposal * No analysis or testing * Paper concept / studies	Concept Idea	1

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Product(s) Description

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Inputs Description

Raw Material(s)

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Process Highlights

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Chapter 4

Industrial Site Configuration

This chapter presents the industrial site configuration for the Dimethyl Ether production process examined. In short, the information presented in this chapter is based on commonly utilized concepts related to the type of installations found within a typical industrial site. These concepts include:

- * Process unit. Also known as inside battery units, these installations comprise all main units of the site required to modify the input stream and obtain the target output. These units are located Inside the Battery Limits (ISBL).

Infrastructure. Also known as outside battery units or offsite facilities, these installations do not directly enter into the modification of the process input stream. They are support buildings, auxiliary units used for providing and distributing utilities and storage facilities. These units are located Outside the Battery Limits (OSBL).

In order to make a better distinction between these types of installation, a diagram is presented in Figure 4.1. The diagram also provides an insightful overview of the industrial site as whole, and helps to clarify which raw materials and utilities are supplied to the process unit and which products and utilities are generated.



Figure 4.1 Industrial Site Configuration

Chapter 5

Process Unit

This chapter presents the process unit associated with the Dimethyl Ether (DME) production from natural gas. The examined process involves the combined reforming of natural gas and the use of resulting syngas in a conventional two-step process for DME generation.

Basically, the process unit is the core of an industrial site. Comprising the site's battery limits (ISBL), it may be complex and involve several pieces of equipment. In this context, to facilitate the understanding, the process unit related to the Dimethyl Ether manufacturing process under analysis is presented in the next pages through the use of a block flow diagram followed by a comprehensive description.

It is important to mention that some aspects of the Dimethyl Ether production process examined are either industrial secrets, not published in patents, or have changed, but were not reported in the literature at the time this report was developed. That being the case, the design herein presented is partially based on Intratec process synthesis knowledge such that there may be some differences between the industrial process actually employed and the Dimethyl Ether manufacturing process described in this study. Nevertheless, the design presented suitably represents the technology examined in sufficient detail to estimate the economics of the technology within the degree of accuracy expected from conceptual evaluations.

Block Flow Diagram

In general, block flow diagrams consist of a series of blocks, representing unit operations or groups of equipment, connected by input and output streams. In fact, there are no strict standards according to which such diagrams are made.

To facilitate the presentation of the process unit under analysis, Intratec developed block flow diagrams according to some standards. The process areas represented correspond to a “functional unit.” Basically, a “functional unit” is a significant step in the process in which a particular physico-chemical operation (i.e., distillation, reaction, evaporation) occurs. According to this definition, a given functional unit is not associated with a single piece of equipment, but rather with a group of equipment and ancillaries required to perform a particular operation.

The blocks representing process areas also show key technical parameters related to these areas, including: the highest operating temperature and pressure, representative material of construction, and other parameters.

As to the process streams represented, there is an indication of their phase. Also, such streams may provide a global material balance of the process, normalized by the mass flow rate of the product considered in the analysis. In other words, the number near each stream represents the ratio between its mass flow rate and the output flow rate of the product under analysis.

It is worth noting that areas having no significant impact on the economics of the process may not be included in the diagram. Similarly, some streams may also not be represented. Nevertheless, the diagram presented is still extremely useful in providing readers with an overall understanding of the process studied.

The following block flow diagram illustrates the functional units related to the process under analysis.

Further Details

For more information on how the process examined was divided into functional units, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

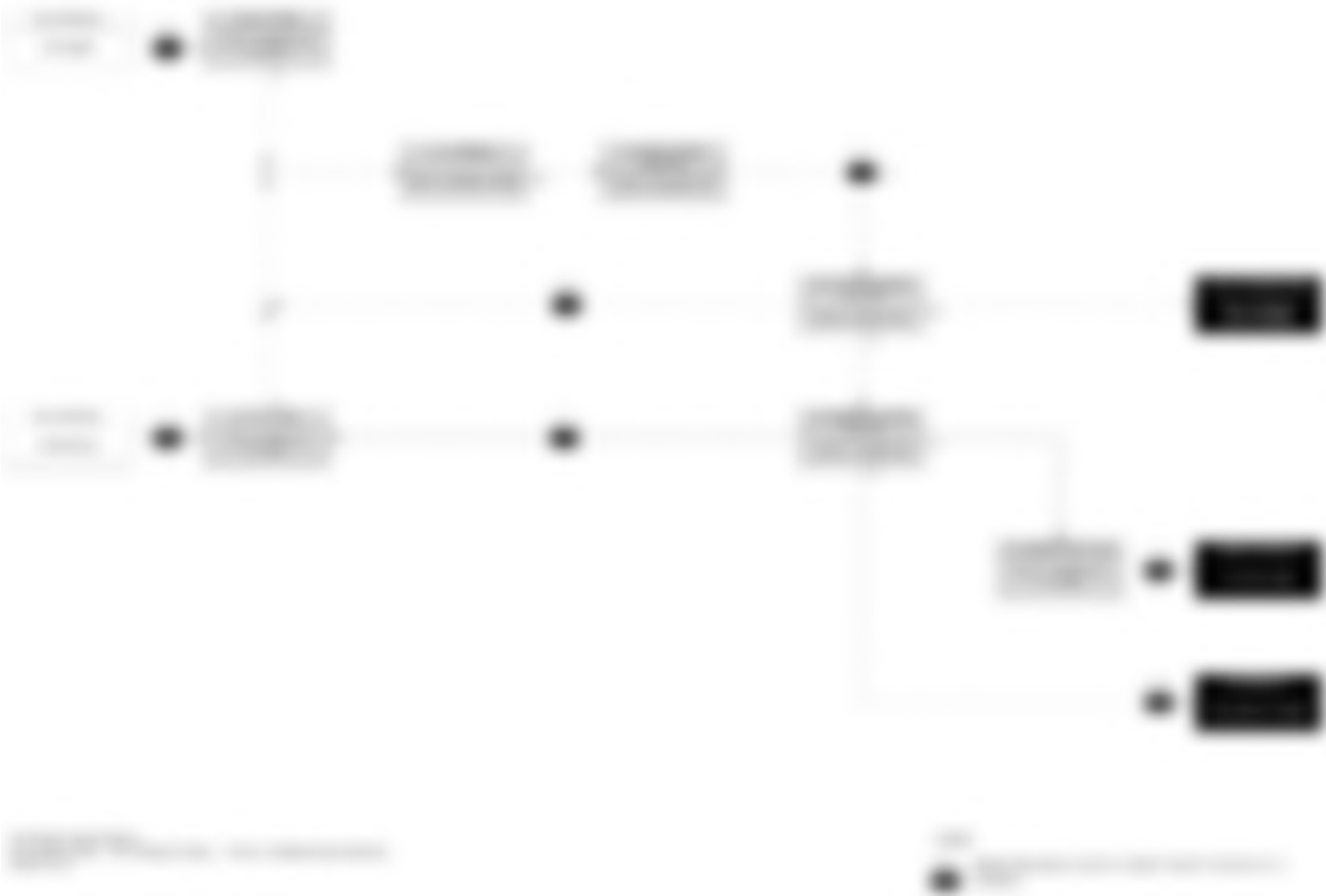


Figure 5.1 Block Flow Diagram – Dimethyl Ether Manufacturing Process

Further Details

For a more detailed diagram presenting pieces of equipment and more process streams, the reader is referred to “Appendix I. Process Flow Diagram & Equipment List.”

Description

The Dimethyl Ether production process under analysis is briefly described below. For clarity, the description was divided according to the process areas indicated in the block flow diagram.

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Chapter 6

Site Infrastructure

This chapter describes the infrastructure requirements associated with the Dimethyl Ether production process examined. Basically, infrastructure requirements comprise the offsite facilities, or the units located Outside the Battery Limits (OSBL). The OSBL usually have a significant impact on the capital cost estimates associated with any new industry venture. This impact is largely dictated by, among other things: specific conditions where the industrial site will be erected; the level of integration the new site will have with nearby facilities or industrial complexes; and assurance and promptness in the supply of chemicals.

Assumptions

The infrastructure requirements of the industrial site examined were defined according to the assumptions listed below.

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Note

According to the literature focused on the economic analysis of processes, the costs associated with waste treatment typically range from 0.5% to 5% of plant cost per year (See references M14, M15). However, since such costs may significantly vary from process to process and according to plant location, Intratec recommends a specific study for more accurate estimates.

Description

The offsite facilities were divided into areas according to their type/function. These areas are listed in the following pages, as well as a description about the major equipment, systems and facilities included in each of them.

* Area 90 – Storage Installations



Figure 6.1 Area 90 – Storage Installations

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* Area 91 – Utilities Facilities



Figure 6.2 Area 91 – Utilities Facilities

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XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

* Area 92 – Support & Auxiliary Buildings



Figure 6.3 Area 92 – Support & Auxiliary Buildings

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Chapter 7

Process Consumptions & Labor Requirements

This chapter presents the process requirements to operate an industrial site of the Dimethyl Ether production process examined. More specifically, the next pages provide key process indicators and the operators required to run the process equipment of the Dimethyl Ether manufacturing process examined (in accordance with the block flow diagram and the global material balance previously presented).

Key Input & Output Figures

The following tables show key process indicators of the technology examined. In other words, these indicators reflect the raw materials consumption in Table 7.1 rates per metric ton of Dimethyl Ether.

Table 7.1 Raw Materials Consumption

Raw Material	Quantity per metric ton of Product	Unit
XXXXXXXXXX	XXX	XXX
XXXXXXXXXX	XXX	XXX

It should be noted that estimation of raw material requirements in the conceptual design phase is usually reasonably accurate, but tends to be somewhat understated compared to real operations. Losses from vessel vents, unscheduled equipment, inerting systems, physical property inaccuracies, startup, shutdown, and other process operations not typically addressed in this phase may increase raw materials consumption.

Further Details

For detailed figures regarding utilities consumption, reader is referred to “Appendix A. Utilities Consumption Details.”

Labor Requirements

Table 7.2 presents the number of operators per shift required to run the equipment of the process examined, as well as the personnel per shift required to directly supervise the operating labor.

Table 7.2 Labor Requirements

Personnel	Workers per Shift
Operators	XX
Supervisors	XX

Chapter 8

Capital Costs Summary - United States

This chapter presents Dimethyl Ether plant capital costs associated with Dimethyl Ether (DME) production from natural gas, from design to industrial plant startup.

The costs that comprise the total Dimethyl Ether plant capital costs are grouped under three major costs:

- * Fixed capital. Depreciable capital invested in the construction of the industrial plant and making it operational. It comprises the Dimethyl Ether plant cost and owner's cost, expenses required to make the plant operational (i.e., initial catalyst load in reactors, prepaid royalties, and miscellaneous costs).
- * Working capital. Funds for getting the plant into operation and meeting subsequent obligations. It includes raw materials inventory, products inventory, in-process inventory, supplies and stores, accounts receivable and accounts payable.
- * Additional capital requirements. One-time expenses related to bringing a process on stream during plant start-up. These expenses may be related to employee training, initial commercialization costs, operating inefficiencies, and unscheduled plant modifications.

Figure 8.1 illustrates the composition of total capital investment.

Further Details

For more information about how the capital costs were estimated, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

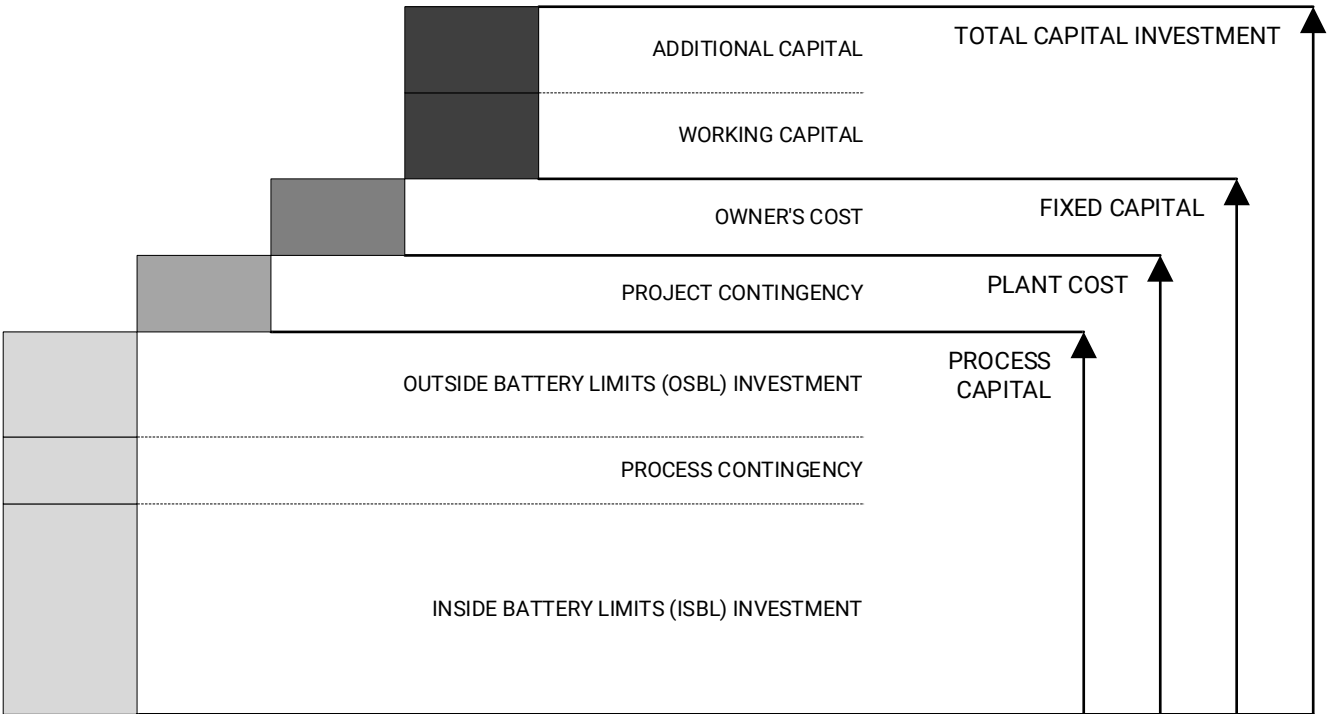


Figure 8.1 Capital Investment Composition

Assumptions

The estimates included in this chapter are based on the following assumptions:

- * Plant nominal capacity: **0.000** of Dimethyl Ether per year
- * Industrial plant location: **United States**
- * Construction on a cleared, level site
- * Period of analysis: XXXX
- * IC Index-United States at the period of analysis: XXX

Interested in Adjusting Construction Costs Over Time?

Intratec Plant Construction Cost Indexes (IC Indexes) are multipliers monthly published by Intratec to scale capital costs from one time period to another. For more information, visit <https://intrat.ec/industry-economics-worldwide>.

Total Capital Investment

Table 8.1 summarizes all major Dimethyl Ether plant capital costs that comprise the total capital investment, from the design and construction of an industrial site to plant startup.

Table 8.1 Capital Investment Summary

Component	MM USD	%
Plant cost	XXX	XX
Owner’s cost	XXX	XX
Total fixed capital	XXX	XX
Working capital	XXX	XX
Additional capital	XXX	XX
Total capital investment	XXX	XX

Figure 8.2 presents a graphical representation of the total capital investment breakdown.



Figure 8.2 Capital Investment Summary

Further Details

For the breakdown of fixed capital, working capital and additional capital, reader is referred to *"Appendix C. Capital Investment Details."*

Chapter 9

Operating Costs Summary - United States

This chapter presents ongoing costs required for Dimethyl Ether (DME) production from natural gas. Also referred to as operational expenditures (OPEX), these encompass costs associated with the plant operation and depreciation. In the current analysis, the operating cost was grouped under three major costs:

- * Operating variable costs. Costs directly proportional to the actual operating rate of the industrial site. Such costs include raw materials and utilities (i.e., steam, electricity, fuel, and refrigeration).
- * Operating fixed costs. Operating costs directly tied to the plant capacity, but which do not change with the operating level (i.e., operating labor, supervision labor, maintenance costs, plant overhead).
- * Depreciation. Refers to the decrease in value of industrial assets with passage of time.

It should be kept in mind that the sum of operating fixed costs and operating variable costs is referred to as “cash cost.” The sum of cash cost with depreciation, in turn, is referred to as “total operating cost.”

Figure 9.1, on the next page, illustrates the composition of total operating cost.

Further Details

For more information about how the operating cost components were estimated, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

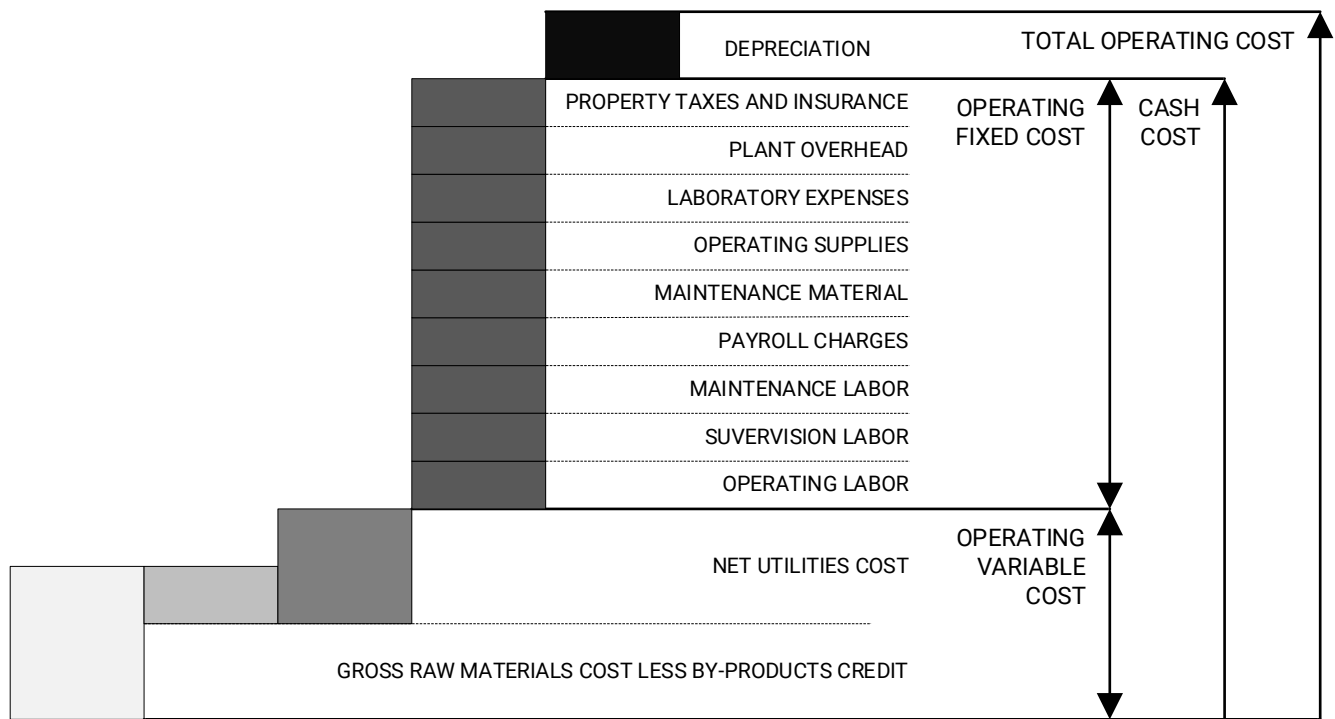


Figure 9.1 Operating Costs Composition

Assumptions

The estimates included in this chapter are based on the following assumptions:

- * Industrial plant location: **United States**
- * Period of analysis: XXXX
- * Plant nominal capacity: **0.000** of Dimethyl Ether per year
- * Plant operating rate (hours per year): XXX

The plant operating rate assumed leads to an annual throughput of XXX metric ton of Dimethyl Ether. It is important to mention that this rate does not represent any technological limitation; rather, it is an assumption based on usual industrial operating rates.

Operating Variable Costs

Table 9.1 displays the operating variable costs.

Table 9.1 Operating Variable Costs

Component	Quantity	Price	USD/mt	MM USD/yr	%
XXXXXXXXXX	XXX XXX	XXX	XXX	XXX	XX
XXXXXXXXXX	XXX XXX	XXX	XXX	XXX	XX
Gross raw materials cost			XXX	XXX	XX
Net raw materials cost			XXX	XXX	XX
Net utilities cost			XXX	XXX	XX
Operating variable costs			XXX	XXX	XX

All costs presented in this table are derived from unit consumptions and pricing information.

Total Operating Cost

Table 9.2 summarizes all operating cost by presenting its major components.

Table 9.2 Operating Costs Summary

Component	USD/mt	MM USD/yr	%
Operating variable costs	XXX	XXX	XX
Operating fixed costs	XXX	XXX	XX
Operating cash cost	XXX	XXX	XX
Depreciation	XXX	XXX	XX
Total operating cost	XXX	XXX	XX

Figure 9.2 presents a graphical representation of the operating cost breakdown.



Figure 9.2 Operating Costs Summary

Further Details

For the breakdown of utilities cost, operating fixed costs and depreciation, the reader is referred to “Appendix D. Operating Costs Details.”

Chapter 10

Product Value Summary - United States

This chapter presents the “Product Value,” a term commonly used wherein all costs associated with the manufacture of a product are combined in order to provide a more consistent economic analysis. It includes operating cost (operating variable costs, operating fixed costs, and depreciation), as well as corporate overhead costs and an expected Return on Capital Employed (ROCE). Figure 10.1 illustrates the composition of the product value.

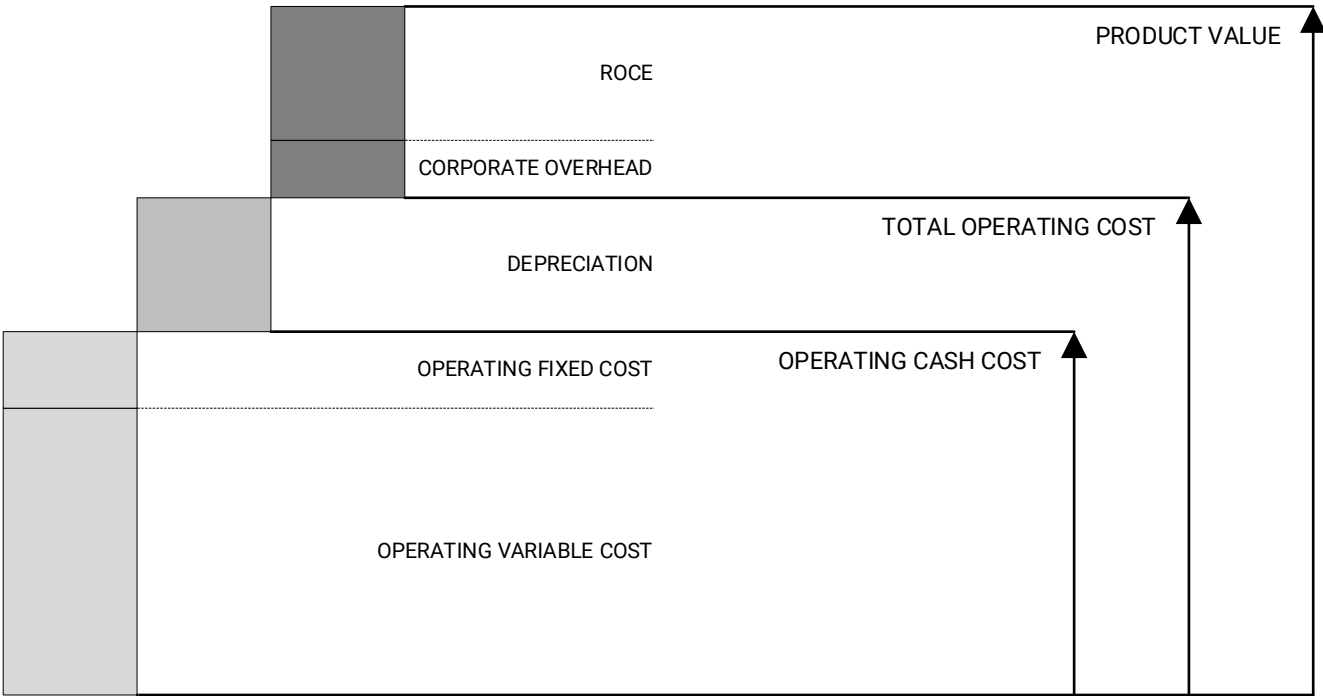


Figure 10.1 Product Value Composition

It is important to mention that product value should not be confused with product price. The product value should be seen as the minimum price for which the product could be sold, so that the plant owner can get the expected ROCE.

Table 10.1 summarizes all costs that comprise the product value in the process examined.

Table 10.1 Product Value Composition

Component	USD/mt	MM USD/yr	%
Operating cash cost	XXX	XXX	XX
Depreciation	XXX	XXX	XX
Total operating cost	XXX	XXX	XX
Corporate overhead	XXX	XXX	XX
ROCE	XXX	XXX	XX
Product value	XXX		XX

Figure 10.2 shows the impact of each cost component on the product value.



Figure 10.2 Product Value Summary

Chapter 11

Production Costs Summary - United States

This chapter provides a summary of all Dimethyl Ether production costs related to the process described so far. Also, it presents some remarks about the key aspects surrounding the economic analysis.

Dimethyl Ether Production Cost Datasheet

Table 11.1 condenses the analysis developed in this report.

Economic Remarks

It should be noted that the risk taken into account in this analysis is limited to the technical risks associated with the process uncertainties or inherent risks associated with the venture's industry sector. Other venture risks, such as business environment, raw materials and product prices variations, change in government policy, shall be evaluated case by case, and are not taken into account here, since this is a general analysis.

It is also important to mention that product value must not be confused with product price. While the product value is calculated based on operating cost and expected ROCE, the product price is the actual value practiced in market transactions.

Table 11.1 Dimethyl Ether Production Cost Datasheet

Dimethyl Ether Production from Natural Gas					
Plant location	United States	Capital investment summary		MM USD	
Period of analysis	XXXX (IC Index: XXX)	Fixed capital		XXX	
Nominal capacity (/yr)	0.000	Working capital		XXX	
Operating rate (h/yr)	XXX (XXX XXX%)	Additional capital		XXX	
Annual production (mt/yr)	XXX	Total capital investment		XXX	
Description	Quantity per mt	Price	USD/mt	MM USD/yr	%
XXXXXXXXXX	XXX XXX	XXX/XXX	XXX	XXX	XX
XXXXXXXXXX	XXX XXX	XXX/XXX	XXX	XXX	XX
Gross raw materials cost			XXX	XXX	XX
Net raw materials cost			XXX	XXX	XX
Net utilities cost			XXX	XXX	XX
Operating variable costs			XXX	XXX	XX
Operating fixed costs			XXX	XXX	XX
Operating cash cost			XXX	XXX	XX
Depreciation			XXX	XXX	XX
Total operating cost			XXX	XXX	XX
Corporate overhead			XXX	XXX	XX
ROCE			XXX	XXX	XX
Product value			XXX		XX

Further Details

For further clarification about the pricing assumptions used in this analysis, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

Chapter 12

Analysis Methodology Summary

This chapter provides a brief summary of the methodology developed by Intratec for producing its Production Cost Reports. For a more-in-depth comprehension, readers are encouraged to explore the *Intratec Commodity Production Costs – General Methodology Guide*, which can be accessed at:

► <https://intrat.ec/m?f=/icc-methodology>

The Intratec Commodity Production Costs report is a critical tool for evaluating industrial processes from a techno-economic perspective. Leveraging over a decade of experience in commodities markets and process economics, Intratec has developed a robust and consistent methodology to ensure reliable and comprehensive techno-economic evaluations.

A techno-economic assessment analyzes industrial processes from an economic viewpoint, considering factors such as operating costs, capital investments, and process requirements. This evaluation supports investment screening, process assessment, and the analysis of industrial ventures' economic feasibility.

The primary goal of the report is to deliver best-in-class economic evaluations, summarized as shown in Table 12.1, providing trustworthy estimates for informed decision-making. This approach offers readers clear insights into the economic viability of process technologies in dynamic markets.

To produce high-quality reports, Intratec conducts detailed research into raw materials, products, and processes, including thorough technical analyses of Inside Battery Limits (ISBL) and Outside Battery Limits (OSBL) areas. This analysis is grounded in an extensive bibliography of books, patents, and academic papers.

Table 12.1 Production Cost Datasheet Template

Intratec Commodity Production Costs						
Plant location	_____ (e.g., USA)	Capital investment summary		MM USD		
Period of analysis	_____ (IC Index: ____)	Fixed capital		_____		
Nominal capacity (mt/yr)	_____	Working capital		_____		
Operating rate (h/yr)	_____ (____%)	Additional capital		_____		
Annual production (mt/yr)	_____	Total capital investment		_____		
Description	Quantity per product	Price	USD/mt	MM USD/yr	%	
Raw material 1	_____ mt	_____ USD/mt	_____	_____	_____	
Raw material 2	_____ mt	_____ USD/mt	_____	_____	_____	
Raw material 3	_____ mt	_____ USD/mt	_____	_____	_____	
Raw material 4	_____ mt	_____ USD/mt	_____	_____	_____	
Gross raw materials cost			_____	_____	_____	
By-product 1	_____ mt	_____ USD/mt	_____	_____	_____	
By-product 2	_____ mt	_____ USD/mt	_____	_____	_____	
By-product credits			_____	_____	_____	
Net raw materials cost			_____	_____	_____	
Cooling water	_____ m3	_____ USD/m3	_____	_____	_____	
Demineralized water	_____ m3	_____ USD/m3	_____	_____	_____	
Electricity	_____ kWh	_____ USD/kWh	_____	_____	_____	
Steam (HP)	_____ mt	_____ USD/mt	_____	_____	_____	
Utilities consumption			_____	_____	_____	
Fuel credit	_____ MMBtu	_____ USD/MMBtu	_____	_____	_____	
Steam (LP)	_____ mt	_____ USD/mt	_____	_____	_____	
Utilities generation			_____	_____	_____	
Net utilities cost			_____	_____	_____	
Operating variable costs			_____	_____	_____	
Operating fixed costs			_____	_____	_____	
Operating cash cost			_____	_____	_____	
Depreciation			_____	_____	_____	
Total operating cost			_____	_____	_____	
Corporate overhead			_____	_____	_____	
ROCE			_____	_____	_____	
Product value			_____	_____	_____	

Using this technical foundation, key process indicators, site configurations, and labor requirements are defined. These inputs are then applied to calculate capital investment and operating costs. Capital investment is categorized into fixed, working, and additional capital, while operating costs are divided into variable costs, fixed costs, and depreciation.

Accuracy is paramount, and Intratec continuously gathers comprehensive data on commodity prices, utilities, and labor costs for the specific country and period of the study. This data is sourced from both public and private entities, including national statistics bureaus, government agencies, international organizations, market exchanges, and producers.

For simplicity, all cost estimates are consolidated into a single item: the “Product Value.” This value combines operating costs (variable, fixed, and depreciation), corporate overhead, and a return on capital employed (ROCE), which reflects the capital investment.

All Intratec reports that approach industrial processes have a common structure, i.e., indexes, tables, and charts share similar standards. This ensures that Intratec’s readers know upfront what they will get and, more than that, will be able to compare technologies addressed in different reports.

Our methodology is continuously tested and validated by manufacturers, R&D centers, EPC companies, financial institutions, and government agencies that rely on our reports. Figure 12.1 illustrates the methodology used in this report.

Complementary Documents

In addition to the full analysis methodology (<https://intrat.ec/m?f=/icc-methodology>), Intratec provides two other documents with complementary information to this report: “Glossary & Abbreviations” and “Unit Conversion.”

The “Glossary & Abbreviations” document contains definitions of important commodity market terms found in this report and our other products. Access it at: <https://intrat.ec/glossary>.

The “Unit Conversion” table presents unit conversion factors for several length, mass, energy units, and more. Access it at: <https://intrat.ec/unit-conversion>.

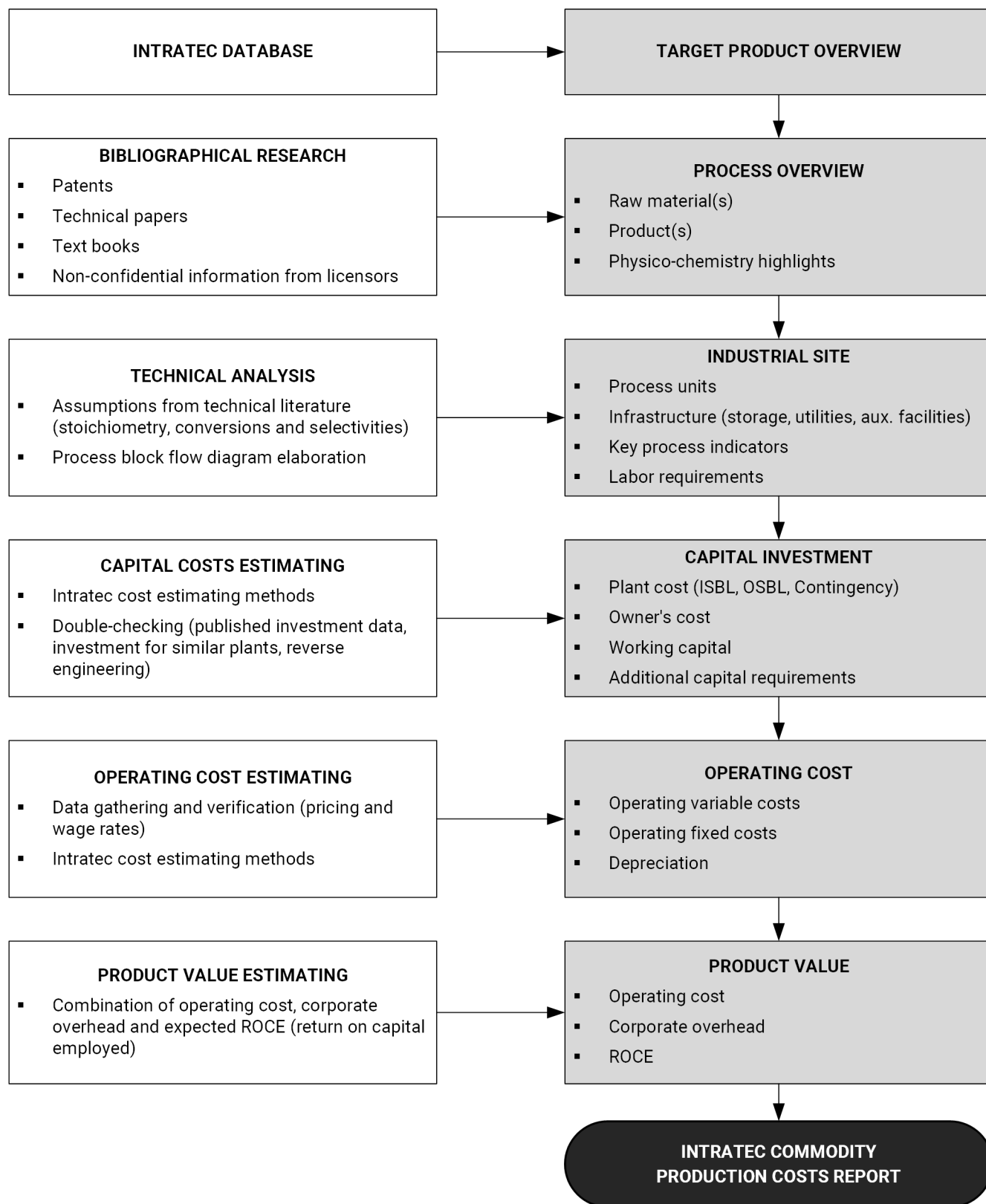


Figure 12.1 Intratec Commodity Production Costs Reports Development Methodology

Chapter 13

References

Methodology References

Intratec has built its knowledge based on the most relevant text books, encyclopedias, and technical papers related to the economic evaluation of industrial processes. Such expertise has established a large foundation that enriches all Intratec reports, in a way that the reader can expect the most trustworthy information.

The methodology references reflect this foundation of bibliographical data, used in the development of all Intratec Commodity Production Costs reports, particularly in the elaboration of the methodology employed, detailed in Chapter 12.

- [M1] Acland, M., et al. 2012. Cost Estimation Handbook (2nd ed.). The Australasian Institute of Mining and Metallurgy
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Analysis References

The analysis references present the foundation of this Dimethyl Ether production cost report, providing information required to fully understand the industrial process addressed and to formulate the assumptions considered. These references, presented below, may encompass patents, encyclopedias, textbooks, academic or professional researches, technical papers and any other non-confidential information publicly available, duly reviewed by Intratec's team.

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Appendix A

Utilities Consumption Details

This appendix details the key utilities consumption indicators of the technology examined in the report. In other words, these indicators reflect the net utilities consumption rates per metric ton of Dimethyl Ether produced presented in Table A.1.

Table A.1 Net Utility Consumption Rates (per metric ton of Dimethyl Ether)

Utility	Consumption per metric ton
XXXXXXXXXX	XXX XXX
XXXXXXXXXX	XXX XXX
XXXXXXXXXX	XXX XXX
XXXXXXXXXX	XXX XXX

It should be noted that estimation of utility requirements in the conceptual design phase is usually fairly accurate, but tends to be somewhat low compared to real operations. Losses from vessel vents, unscheduled equipment, inerting systems, physical property inaccuracies, startup, shutdown and other process operations not typically addressed in this phase may increase utilities consumption.

Appendix B

Material & Utilities Pricing Data - United States

This appendix presents details of the pricing data used in the economic analysis within this report.

Analysis Pricing Basis

The economic analysis presented is based on the prices seen in Table B.1.

Table B.1 Materials & Utilities Prices (United States, XXXX)

Description	Price	Unit	Remark
Raw materials			
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
Utilities			
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX
XXX	XXX	USD/XXX	XXX

Historical Prices

The evolution of material costs over the past three years is depicted in the following pages.

Appendix C

Capital Costs Details - United States

This appendix details Dimethyl Ether plant cost, working capital, and additional capital, discussed in “Chapter 8. Capital Costs Summary.”

Fixed Capital Cost Details

Fixed capital constitutes the fraction of the capital investment which is depreciable. It includes the Dimethyl Ether plant cost and owner's cost.

Plant Cost

The Dimethyl Ether plant cost, i.e., the cost related to the construction of the industrial site itself, is broken down into the components presented in Table C.1.

Table C.1 Plant Cost Estimate Accuracy Range (USD Million)

Component	Estimate	Lower Limit	Upper Limit	%
Inside battery limits (ISBL)	XXX	XXX	XXX	XX
Process contingency (XX% of ISBL)	XXX	XXX	XXX	XX
Outside battery limits (OSBL)	XXX	XXX	XXX	XX
Total process capital (TPC)	XXX	XXX	XXX	XX
Project contingency (XX% of TPC)	XXX	XXX	XXX	XX
Plant cost	XXX	XXX	XXX	XX

The lower and upper limits for the Dimethyl Ether plant cost figures, according to the accuracy range expected from conceptual evaluations presented in this report, are also presented in Table C.1. The presented range is associated with a confidence level of 90%.

Figure C.1 summarizes all items that make up the plant cost.



Figure C.1 Plant Cost Summary

Further Details

For more information about the breakdowns for the Dimethyl Ether plant capital cost, the reader is referred to “Appendix F. Plant Cost Breakdowns.”

Owner's Cost

The owner's cost encompasses the expenses required to make the plant operational. Its components are presented in Table C.2.

Table C.2 Owner's Cost Details

Component	Assumption	MM USD	%
Prepaid royalties	XX% of plant cost	XXX	XX
Miscellaneous costs	XX% of plant cost	XXX	XX
Owner's cost		XXX	XX

Fixed Capital Summary

Table C.3 summarizes the fixed capital components that result in total fixed capital.

Table C.3 Fixed Capital

Component	MM USD	%
Plant cost	XXX	XX
Owner's cost	XXX	XX
Total fixed capital	XXX	XX

Further Details

For more information about each cost presented in this appendix, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>

Working Capital Details

Working capital, i.e., the funds for getting the plant into operation and meeting subsequent obligations, is broken down in Table C.4.

Table C.4 Working Capital Details

Component	Assumption	MM USD	%
Accounts receivable	XX day(s) of total operating cost + corporate	XXX	
Accounts payable	XX day(s) of operating cash cost + corporate	XXX	
Net accounts receivable		XXX	XX
Raw materials inventory	XX day(s) of raw materials costs	XXX	XX
In-process inventory	XX day(s) of operating cash cost + corporate	XXX	XX
Products inventory	XX day(s) of total operating cost + corporate	XXX	XX
Supplies and stores	XX% of annual operating labor & maintenance costs	XXX	XX
Cash on hand	XX day(s) of operating cash cost + corporate	XXX	XX
Total working capital		XXX	XX

Additional Capital Requirements Details

Additional capital requirements are one-time expenses related to bringing a process on stream during plant start-up. Table C.5 presents the breakdown of this cost with all its components.

Table C.5 Additional Capital Requirements Details

Component	Assumption	MM USD	%
Operator training	XX day(s) of operating + supervision labor costs	XXX	XX
Commercialization costs	XX% of annual operating cash cost + corporate	XXX	XX
Start-up inefficiencies	XX% of annual operating cash cost + corporate	XXX	XX
Unschd. plant modifications	XX% of plant cost	XXX	XX
Start-up costs		XXX	XX
Land & site development	XX% of plant cost	XXX	XX
Total additional capital		XXX	XX

Appendix D

Operating Costs Details - United States

This appendix details utilities cost, operating fixed cost and depreciation, discussed in “Chapter 9. Operating Costs.”

Utilities Cost Details

Utilities cost component encompasses costs related to a plant’s consumption of steam, electricity, fuel, and refrigeration. Table D.1 summarizes net utility costs for this cost analysis.

Table D.1 Net Utilities Details

Utility	Consumption	Price	USD/mt	MM USD/yr	%
XXXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
XXXXXXXXXX	XXX XXX	XXX USD/XXX	XXX	XXX	XX
Net utility cost			XXX	XXX	XX

Further Details

For more information about how the utilities cost components were estimated, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

Figure D.1 illustrates the utilities with greatest impact on the total utility consumption.



Figure D.1 Cost Distribution of Utility Consumption

Operating Fixed Costs Details

Operating costs directly tied to the plant capacity, but which do not change with the operating level. Table D.2 presents the breakdown of operating fixed cost.

Table D.2 Operating Fixed Costs Details

Component	Assumption	USD/mt	MM USD/yr	%
Operating labor	XX operator(s); XXX USD/oper./h	XXX	XXX	XX
Supervision labor	XX supervisor(s); XXX USD/oper./h	XXX	XXX	XX
Payroll charges	related to operating and supervision labor	XXX	XXX	XX
Maintenance labor	XX% of plant cost per year	XXX	XXX	XX
Maintenance materials	XX% of plant cost per year	XXX	XXX	XX
Operating supplies	XX% of maintenance costs	XXX	XXX	XX
Laboratory expenses	XX% of operating labor costs	XXX	XXX	XX
Plant overhead	XX% of operating labor and maintenance	XXX	XXX	XX
Property taxes & insurance	XX% of fixed capital per year	XXX	XXX	XX
Operating fixed costs		XXX	XXX	XX

Depreciation

In this study, the depreciation unit cost corresponds to XXX USD/mt of Dimethyl Ether produced. This calculation was based on the straight-line method and a project economic life of 10 years for both the core production unit (ISBL assets) and owner's assets, and 20 years for the site infrastructure (OSBL assets).

Further Details

For more information about how operating fixed costs components and depreciation were estimated, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

Appendix E

Product Value Details - United States

This appendix details corporate overhead costs and the return on capital employed, both of which make up the product value, presented in “Chapter 10. Product Value Analysis.”

Corporate Overhead Costs Details

Corporate overhead is associated with costs incurred by a company’s head office. Table E.1 presents a breakdown of corporate overhead costs.

Table E.1 Corporate Overhead Costs Details

Component	Assumption	USD/mt	MM USD/yr	%
Administration costs	XX% of operating labor and maintenance	XXX	XXX	XX
Information & technology	XX% of fixed capital	XXX	XXX	XX
Marketing & advertising	XX% of operating cash cost at full capacity	XXX	XXX	XX
Research & development	XX% of operating cash cost at full capacity	XXX	XXX	XX
Corporate overhead		XXX	XXX	XX

Return on Capital Employed (ROCE)

ROCE assumptions can vary according to the industry sector and technology readiness. For this specific process a ROCE percentage of XX% was assumed. This results in an increment of XXX USD/metric ton in the product value.

Further Details

For more information about ROCE calculation, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>

Appendix F

Plant Cost Breakdowns

This appendix describes details of the plant cost which comprises the costs, directly or indirectly, associated with the construction of the plant itself. Therefore, different breakdowns are presented for a better understanding of the total cost associated with the construction of the plant under analysis, as follows:

- * ISBL cost by functional unit. This section provides the contribution of each functional unit portrayed in the process block flow diagram in the cost of the inside battery limits (ISBL).
- * OSBL cost by piece of equipment. This section provides a distribution of the investment required for the construction of the areas that comprise the site surrounding infrastructure, as well as it details the share of the costs of each component included in these areas.
- * Plant cost breakdown per discipline. In this breakdown, the plant construction costs are rearranged into an alternative perspective: direct process costs, indirect process costs and project contingency.

ISBL Construction Cost Breakdown

In accordance with all the assumptions presented in this report, a cost estimate was developed for each functional unit inside battery limits (ISBL). Table F.1 shows the share of each functional unit.

Table F.1 Process Unit (ISBL) Construction Cost by Functional Unit

Description	%
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
Process Unit (ISBL) Construction Cost	

Figure F.1 presents an illustration of the construction cost breakdown.



Figure F.1 Process Unit (ISBL) Construction Cost by Functional Unit

OSBL Construction Cost Breakdown

This analysis provides a more detailed explanation of the fixed capital associated with the process described in the report. More specifically, it is focused on the investment required for the construction of the site surrounding infrastructure, also referred to as Outside Battery Limits (OSBL), comprising support buildings, auxiliary units used for providing and distributing utilities and storage facilities. In accordance with the configuration previously presented, a cost estimate was developed for each facility outside battery limits.

Figure F.2 presents OSBL investment broken down into each area. The investment estimated for each area will be further detailed in the next topics.



Figure F.2 Site Infrastructure (OSBL) Construction Cost by Area

Construction Cost: Area 90 - Storage Installations

This section details the cost estimate associated with Area 90 - Storage Installations. The components included in the estimate are detailed in the table below.

Table F.2 Area 90 - Storage Installations: Scope Description

Component	Description
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.



Figure F.3 Storage Installations Construction Cost per Piece of Equipment

The cost of each component was based on the following assumptions:

XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

Construction Cost: Area 91 - Utilities Facilities

This section details the cost estimate associated with Area 91 - Utilities Facilities. The components included in the estimate are detailed in the table below.

Table F.3 Area 91 - Utilities Facilities: Scope Description

Component	Description
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.



Figure F.4 Utilities Facilities Construction Cost per Piece of Equipment

The percentage associated with the remaining facilities is divided as follows:

- * XXXXXXXXXX - XX %
- * XXXXXXXXXX - XX %

The cost of each component was based on the following assumptions:

XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX

Construction Cost: Area 92 - Support & Auxiliary Buildings

This section details the cost estimate associated with Area 92 - Support & Auxiliary Buildings. The components included in the estimate are detailed in the table below.

Table F.4 Area 92 - Support & Auxiliary Buildings: Scope Description

Component	Description
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXXXXXXXX

The following chart illustrates how each component impacts the construction cost estimate for this area.



Figure F.5 Support & Auxiliary Buildings Construction Cost per Piece of Equipment

The percentage associated with the remaining facilities is divided as follows:

- * XXXXXXXXXXXX - XX%
- * XXXXXXXXXXXX - XX%

The cost of each component was based on the following assumptions:

```
XXXXXXXXXX  XXXXXXXXXXX  XXXXXXXXXXX  XXXXXXXXXXX  XXXXXXXXXXX  XXXXXXXXXXX
XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
```

XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
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XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX
XXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX XXXXXXXXXXXX

Site Infrastructure Cost Summary

Table F.5 Site Infrastructure (OSBL) Construction Cost by Piece of Equipment

Component	% of Total
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
Area 90 - Storage Installations	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
Area 91 - Utilities Facilities	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
XXXXXXXXXX	XX
Area 92 - Support & Auxiliary Buildings	XX
Site Infrastructure (OSBL) Construction Cost	100.0

Plant Cost Breakdown per Discipline

Introduction

The primary objective of this analysis is to provide an alternative perspective on the plant capital cost. This analysis presents the plant capital cost divided in three categories: (1) direct costs (all material and labor costs associated with the process equipment); (2) indirect costs (defined by the Association for the Advancement of Cost Engineering (AACE) Standard Terminology as those “costs which do not become a final part of the installation, but which are required for the orderly completion of the installation”); and (3) contingency.

It is important to highlight that the breakdown presented within this analysis refers exclusively to the Plant Cost figure included in the report.

The composition of direct field costs and indirect costs are further detailed in the next topics. Other fixed capital components, such as Owner's Cost, are not included in this breakdown.

The following chart presents the plant cost divided in each category described above.



Figure F.6 Plant Construction Cost Summary

Direct Costs Breakdown

Fundamentally, the direct process costs are the total installed equipment cost (from purchase to installation, including the required installation bulks). They include the following disciplines: bare equipment, equipment setting, piping, civil, steel, instrumentation & control, electrical, insulation, and painting.

Accordingly, the chart below presents the direct costs broken down by aforementioned discipline.



Figure F.7 Direct Construction Costs by Discipline

Indirect Costs Breakdown

The indirect costs account for field indirects, engineering costs, overhead, and contract fees. Accordingly, the chart below presents the indirect costs broken down by aforementioned items.



Figure F.8 Indirect Costs Summary

Plant Cost Breakdown Summary

The next table presents the detailed plant cost breakdown, based on the direct and indirect costs approach. Two alternative views are presented in the table:

(1) % of BEQ. Each component is presented as a percentage of the bare equipment (BEQ) cost;

(2) % of Total. Each component is presented as a percentage of total plant cost.

Table F.6 Plant Construction Cost by Discipline

Component	% of BEQ	% of Total
Bare equipment (BEQ)	XX	XX
Equipment setting	XX	XX
Piping	XX	XX
Civil	XX	XX
Steel	XX	XX
Instrumentation & control	XX	XX
Electrical	XX	XX
Insulation	XX	XX
Painting	XX	XX
Direct costs	XX	XX
Engineering & procurement	XX	XX
Construction material & indirects	XX	XX
General & administrative overheads	XX	XX
Contract fee	XX	XX
Indirect costs	XX	XX
Total Process Capital (TPC)	XX	XX
Project Contingency (of TPC)	XX	XX
Total Plant Cost	XX	XX

The absolute cost of the plant is presented in the table “*Plant Cost Summary*” in “*Chapter 8. Capital Costs Summary*.” It is worth noting that the process contingency presented in the aforementioned table is included within each component listed in the table above.

Further Details

For further information about the components included in the plant cost breakdown, the reader is referred to <https://intrat.ec/m?f=/icc-methodology>.

Appendix G

Plant Capacity Assessment - United States

This assessment presents the impact of a plant capacity change on the economic analysis presented in this report. Additional capacity scenarios were analyzed using the same methodology and compared to the base case presented in the report.

The assessment is divided into two parts: (1) a capital investment comparison, examining fixed investment, working capital and additional capital requirements; and (2) an operating costs & product value comparison.

Capital Cost for Different Capacities

The economic analysis presented was reproduced for a range of plant capacities in order to estimate a curve that illustrates how capital investment varies with nominal plant output. This curve is presented in Figure G.1.

The minimum, mid-range and maximum capacities from Figure G.1 are compared in detail in Table G.1, which presents detailed capital cost figures to better portray how economy of scale impacts the process under analysis.

Table G.1 Capital Investment Analysis for Different Capacities (USD Million)

	Smaller Plant	Base	Larger Plant
Capacity (mt/yr)	XXX	XXX XXX	XXX
Inside battery limits (ISBL)	XXX	XXX	XXX
Process contingency (XX% of ISBL)	XXX	XXX	XXX
Outside battery limits (OSBL)	XXX	XXX	XXX
Total process capital (TPC)	XXX	XXX	XXX
Project contingency (XX% of TPC)	XXX	XXX	XXX
Plant cost	XXX	XXX	XXX
Owner's cost	XXX	XXX	XXX
Fixed capital	XXX	XXX	XXX
Working capital	XXX	XXX	XXX
Additional capital	XXX	XXX	XXX
Total capital investment	XXX	XXX	XXX

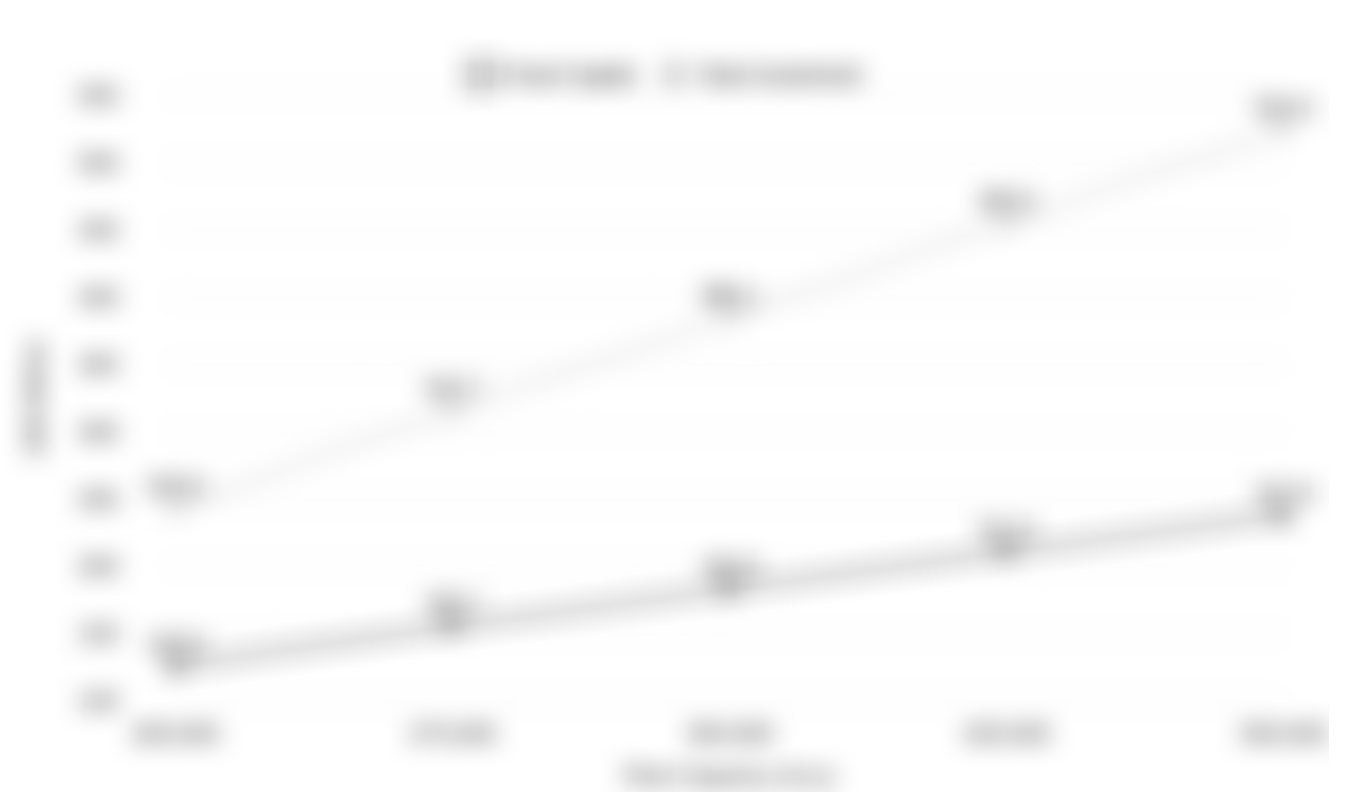


Figure G.1 Capital Investment Versus Plant Capacity

This is a preview. For the full version, visit: www.intratec.us/icc/375-B

Operating Cost for Different Capacities

The operating costs and the product value were also estimated for a range of plant capacities, resulting in Figure G.2.

A datasheet summarizing the process economics is reproduced in Table G.2, and it includes two additional scenarios evaluated in this assessment.

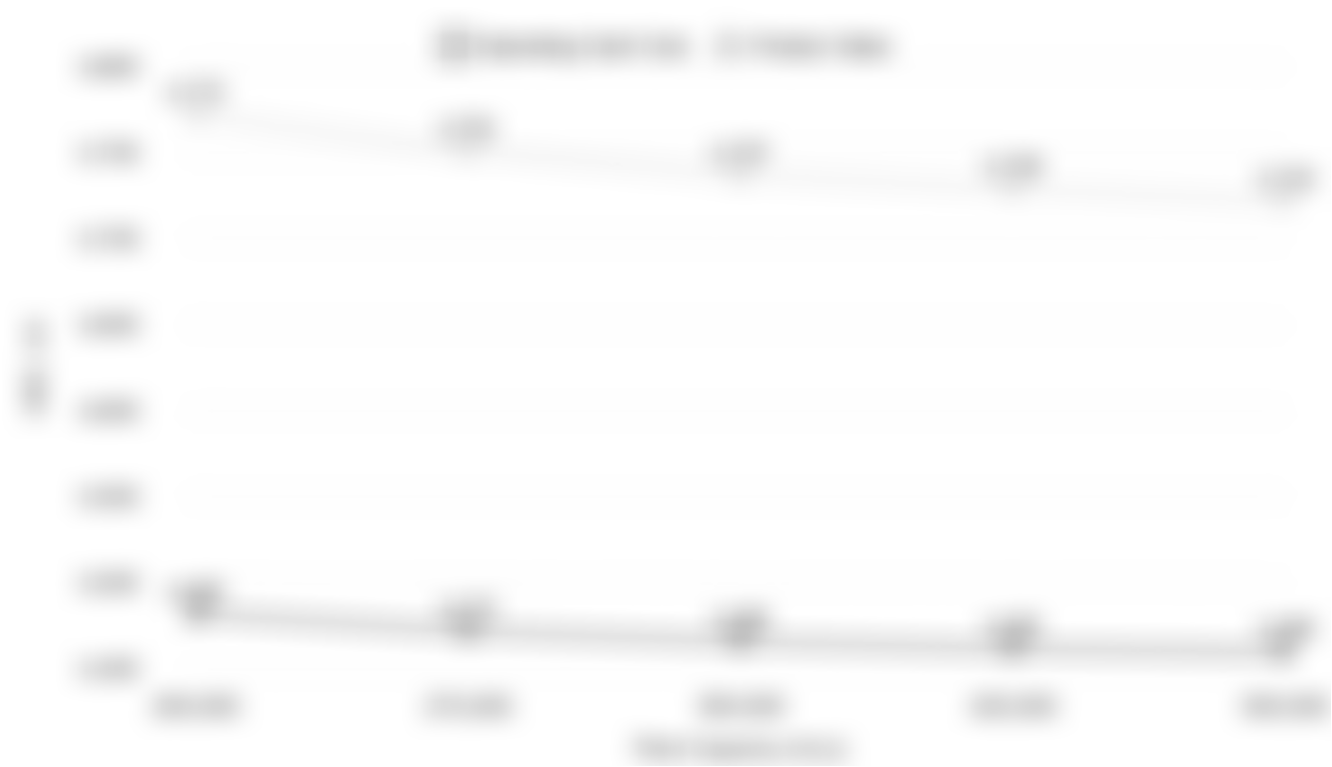


Figure G.2 Operating Cost Versus Plant Capacity

Table G.2 Operating Cost & Product Value Analysis for Different Capacities (USD/mt)

	Smaller Plant	Base	Larger Plant
Capacity (mt/yr)	XXX	XXX XXX	XXX
Operating rate (h/yr)	XXX	XXX	XXX
Annual production (mt/yr)	XXX	XXX	XXX
Operating costs			
XXXXXXXXXX	XXX	XXX	XXX
XXXXXXXXXX	XXX	XXX	XXX
Gross raw materials cost	XXX	XXX	XXX
Net raw materials cost	XXX	XXX	XXX
Net utilities cost	XXX	XXX	XXX
Operating variable costs	XXX	XXX	XXX
Operating fixed costs	XXX	XXX	XXX
Operating cash cost	XXX	XXX	XXX
Depreciation	XXX	XXX	XXX
Total operating cost	XXX	XXX	XXX
Corporate overhead	XXX	XXX	XXX
ROCE	XXX	XXX	XXX
Product value	XXX	XXX	XXX

Appendix H

Project Implementation & Construction Schedule

This appendix aims to present a preliminary project implementation schedule, encompassing the period from the decision to invest to the start of commercial production.

This is divided into five major steps:

- (1) Basic engineering;
- (2) Detailed engineering;
- (3) Procurement;
- (4) Construction; and
- (5) Start-up.

The duration of each project phase is detailed in Table H.1.

Table H.1 Project Phases Schedule

	Phase Start	Duration
	Months after project started	Months
Basic engineering	XX	XX
Detailed engineering	XX	XX
Procurement	XX	XX
Construction	XX	XX
Commissioning & start-up	XX	XX

Since the project phases overlap, the total project duration is not equal to the sum of each phase duration. The Engineering, Procurement & Construction (EPC) period - from the basic engineering start until the end of construction - is about **XX months**. The total project duration, also including commissioning and start-up, is approximately **XX months**.

Figure H.1 illustrates the project implementation and construction schedule and clarifies the overlaps among the distinct project phases.

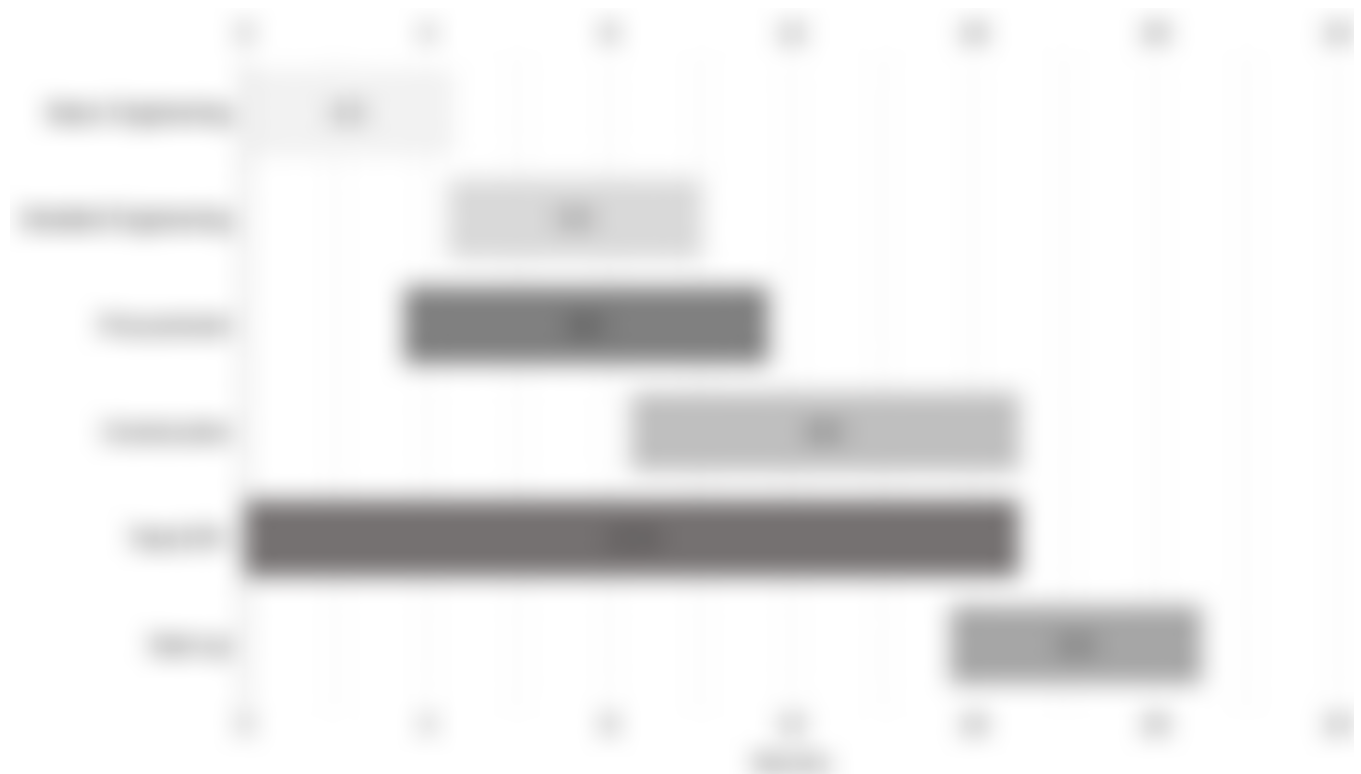


Figure H.1 Implementation & Construction Schedule

Appendix I

Process Flow Diagrams & Equipment List

This chapter comprises a schematic representation of relevant operations of the process examined in this report. It indicates process operations, main process streams, main pieces of equipment and utilities consumed.

For better comprehension, the main conventions for equipment tags and symbols for lines used in the process flow diagram are listed in Figure I.1 and Figure I.2.

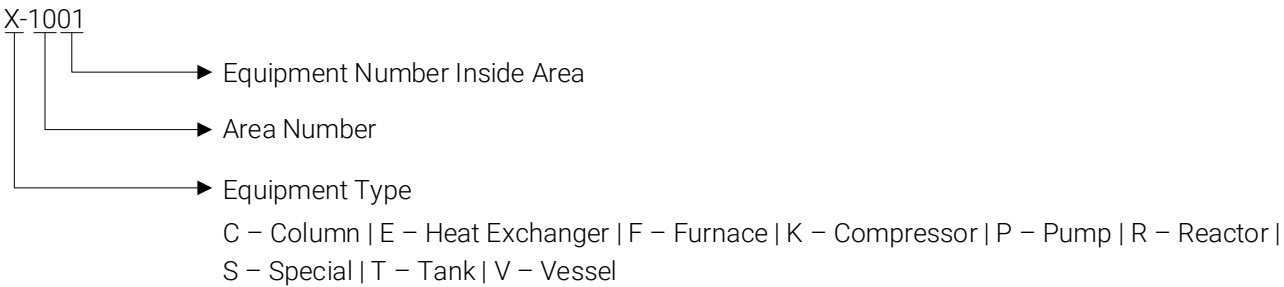


Figure I.1 Convention for Process Equipment Tags

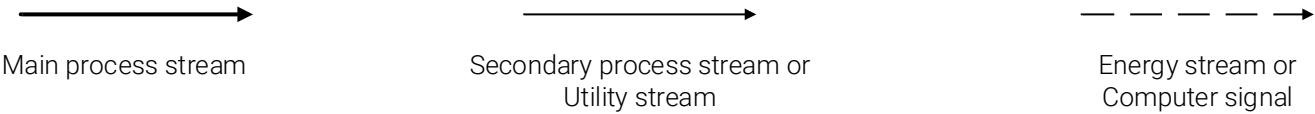


Figure I.2 Symbols for Lines

Table I.1 and Table I.2 present the different codes used along with their definitions.

Table I.1 Diagram Legend - Utilities

Code	Definition
BFW	Boiler feed water
CW	Cooling water
DW	Demineralized water
FU	Fuel
HTF	Heat transfer fluid
N2	Nitrogen
O2	Oxygen
PC	Process condensate
PW	Process water
RF	Refrigerant
RW	Refrigerated water
ST	Steam

Table I.2 Diagram Legend - Equipment Type

Code	Definition
C	Column
E	Heat exchanger
F	Furnace
K	Compressor
P	Pump
R	Reactor
S	Special
T	Tank
V	Vessel

Furthermore, most of the symbol standards adopted in the development of the diagram are presented in the next figures.

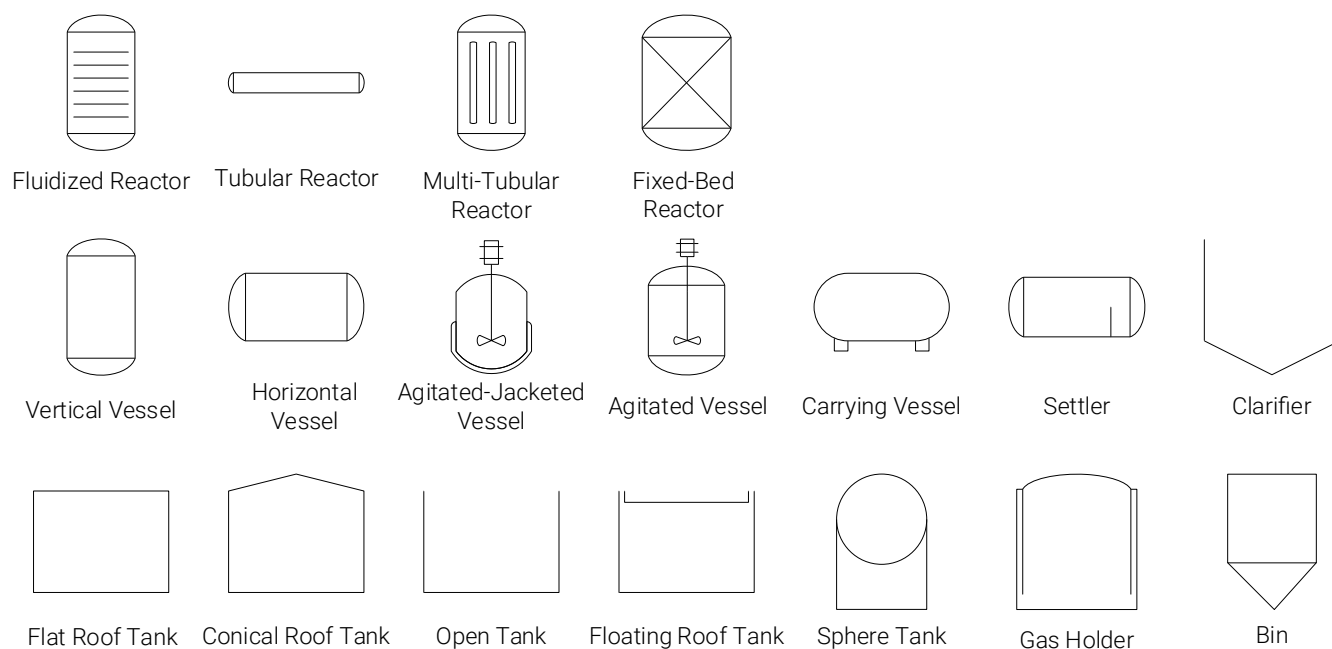


Figure I.3 Equipment Symbols - Reactors & Vessels

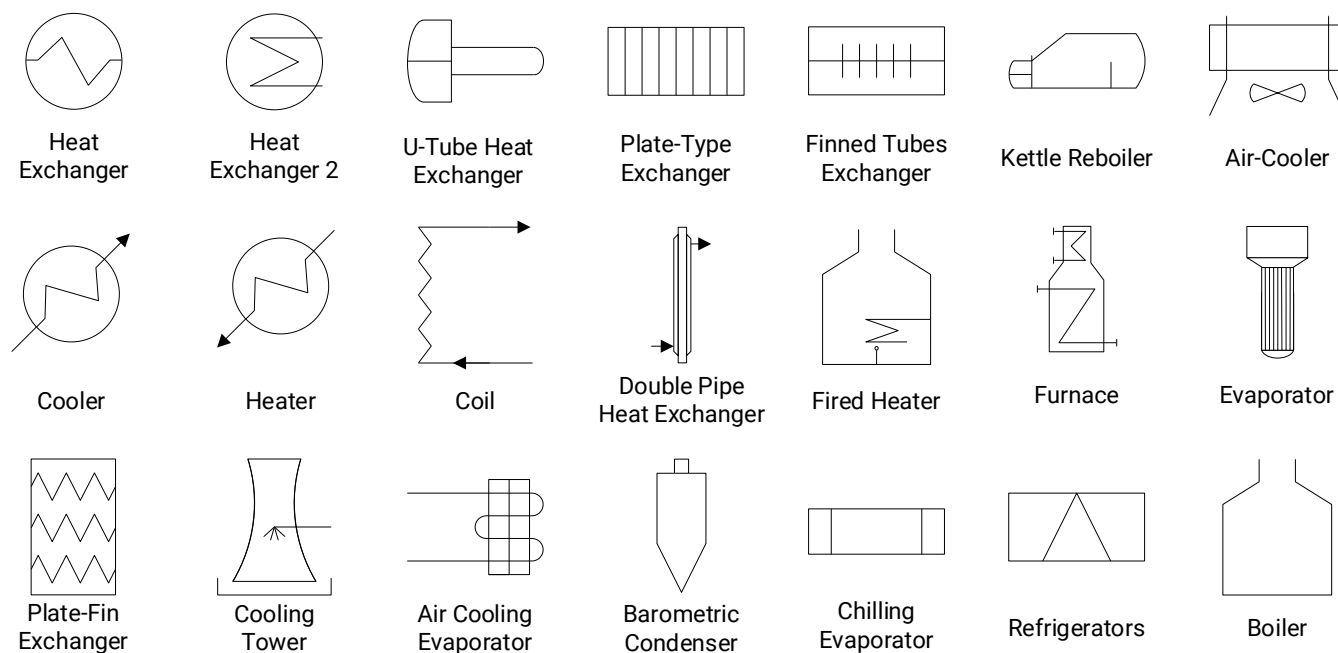


Figure I.4 Equipment Symbols - Heat Exchangers

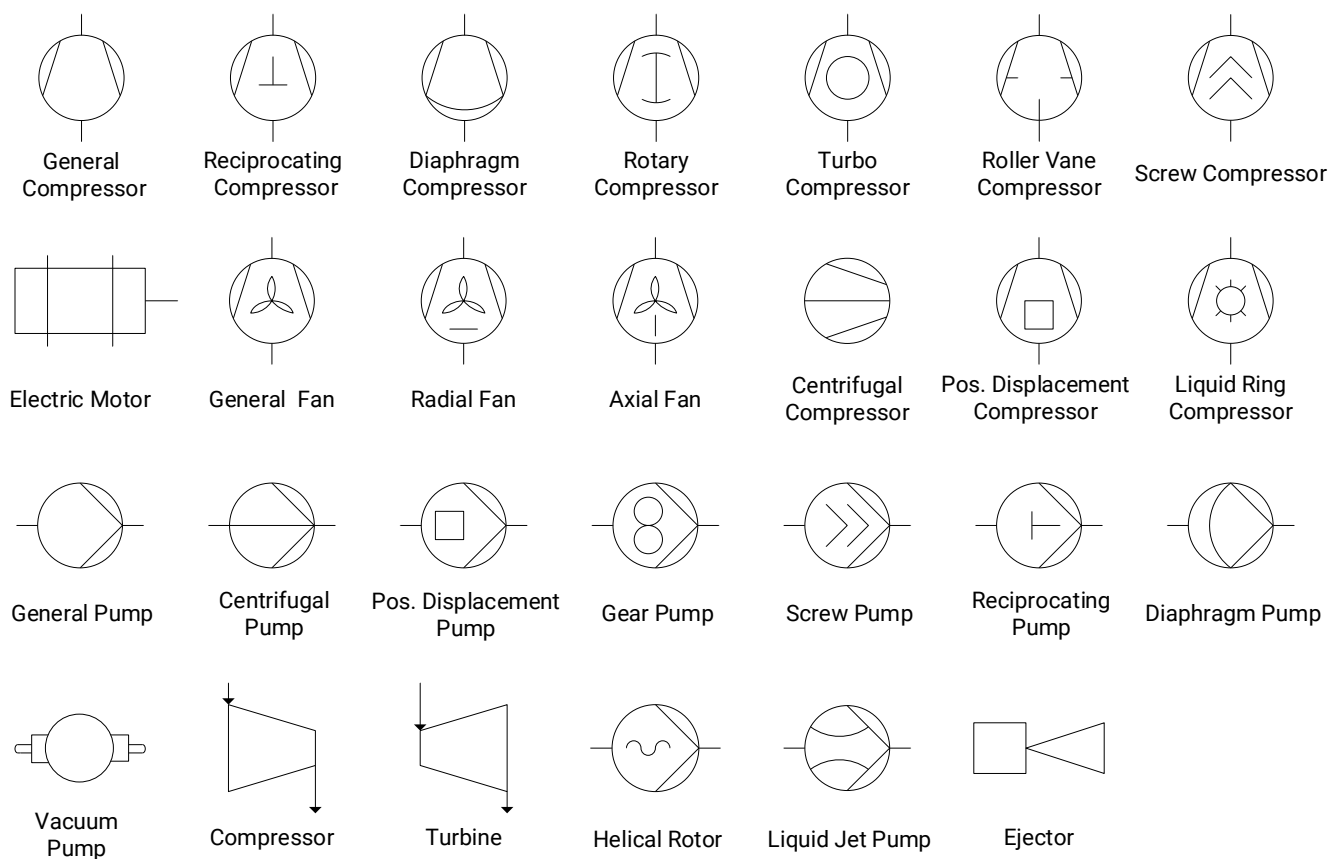


Figure I.5 Equipment Symbols - Compressors & Pumps

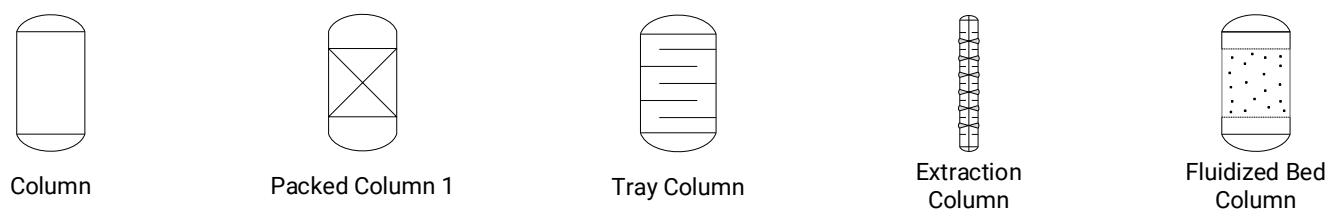


Figure I.6 Equipment Symbols - Columns

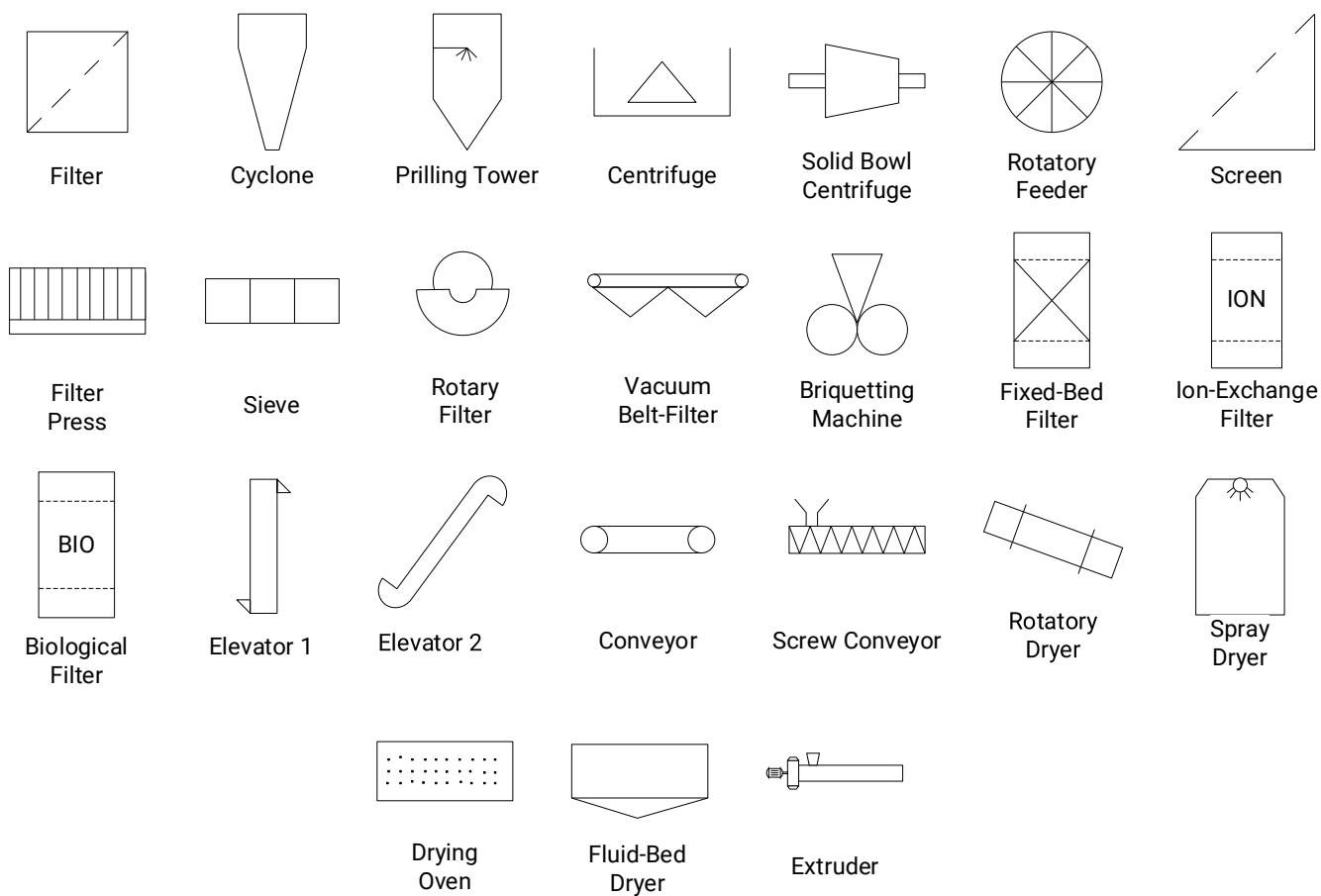


Figure I.7 Equipment Symbols - Solids Processing



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Appendix J

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Our Business

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Our AI-driven reports and analyses present independent, trustworthy data so that our customers can focus on what they do best. Our website is an e-commerce resource where customers easily learn about Intratec offerings and promptly order what they need. Our products focus on key information surrounding commodities such as prices, trends and forecasts, as well as cost structures of production processes. Our expertise spans the following commodity sectors: Oil & Energy, Fertilizers & Gases, Olefins & Derivatives, Aromatics & Derivatives, Alcohols & Organic Acids, Inorganic Chemicals, Polymers, Food & Nutrition, Metals & Mining, Pharmaceuticals and Water & Utilities.

With well-designed offerings, we serve a diverse group of customers, from Fortune 500 companies and local manufacturers to biotech startups and consultants. Our studies and data have been used in multiple ways, such as:

- * To evaluate transaction prices in international markets
- * To identify monthly/yearly price trends
- * To assess procurement planning performance
- * To obtain estimates of capital and operating costs of industrial plants
- * To learn about the economic potential of R&D breakthroughs

* To screen and assess industrial investment options

Our Products

Intratec Commodity Production Costs

Intratec Commodity Production Costs, like this one, are best-in-class professional reports examining production processes, with independent and up-to-date analyses of capital and operating costs. We offer reports focused on technologies for the manufacture of +250 commodities, spanning a diverse range of industries including Oil & Energy; Fertilizers & Gases; Olefins & Derivatives; Aromatics & Derivatives; Alcohols & Organic Acids; Polymers; Inorganic Chemicals; Food & Nutrition; Metals & Mining; and Pharmaceuticals.

Our reports detail technologies within a wide range of maturity, from established processes to embryonic/emerging technologies. Also, our reports examine a variety of manufacturing techniques, targeting transformation processes (e.g., nitrile gloves production), processes for fabric and fibers production (e.g., nonwoven, carbon fiber), polymerization processes (e.g., PP, PE, PVC), electrolytic processes (e.g., chlorine, caustic soda), fossil-based/petrochemical processes (e.g., propylene, ethylene), processes for the production of green chemicals from renewable sources (e.g., bioethanol, bio-based succinic acid) and others. Our Reports Library can be found at:

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changes in capital expenditure (capex) for building industrial plants, providing an efficient method to instantly adjust past construction cost data to reflect current costs.

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Appendix K

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Appendix L

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