Pre-Feasibility Assessment for
Integration of Wood-Fired Heating Systems
Draft Report
July 11, 2013

Tuntutuliak Community Building
Tuntutuliak, Alaska

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Trevor Sande

For
Emmonak Corporation

In partnership with
Fairbanks Economic Development Corporation
Alaska Wood Energy Development Task Group

Funded by
Alaska Energy Authority and U.S. Forest Service
TABLE OF CONTENTS

1.0 Executive Summary................................................................................................... 1
2.0 Introduction ............................................................................................................... 2
3.0 Existing Building Systems.......................................................................................... 2
4.0 Energy Use ............................................................................................................... 2
5.0 Biomass Boiler Size................................................................................................... 2
6.0 Wood Fuel Use.......................................................................................................... 3
7.0 Boiler Plant Location and Site Access ....................................................................... 4
8.0 Integration with Existing Heating Systems ................................................................. 4
9.0 Air Quality Permits ..................................................................................................... 5
10.0 Wood Heating Options ............................................................................................ 5
11.0 Estimated Costs ........................................................................................................ 5
12.0 Economic Analysis Assumptions .............................................................................. 5
13.0 Results of Evaluation ............................................................................................... 6
14.0 Project Funding ......................................................................................................... 7
15.0 Summary ................................................................................................................... 7
16.0 Recommended Action ............................................................................................... 7

Appendixes

Appendix A: Preliminary Estimates of Probable Cost .................................................. 1 page
Appendix B: Cash Flow Analysis ............................................................................... 3 pages
Appendix C: Site Plan ................................................................................................. 1 page
Appendix D: Air Quality Report ............................................................................... 22 pages
Appendix E: Wood Fired Heating Technologies ........................................................ 3 pages
1.0 Executive Summary

The following assessment was commissioned to determine the preliminary technical and economic feasibility of integrating a wood fired heating system in the Tuntutuliak Community Building in Tuntutuliak, Alaska.

The following tables summarize the current fuel use and the potential wood fuel use:

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Fuel Type</th>
<th>Avg. Use (Gallons)</th>
<th>Current Cost/Gal</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Building</td>
<td>Fuel Oil</td>
<td>3,600</td>
<td>$6.75</td>
<td>$24,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fuel</th>
<th>Cord</th>
<th>Wood Pellets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil (Gallons)</td>
<td>Wood (Cords)</td>
<td>(Tons)</td>
</tr>
<tr>
<td>Community Building</td>
<td>3,600</td>
<td>37.0</td>
</tr>
</tbody>
</table>

The wood heating system options reviewed were:

Small Wood Pellet Boiler Option:
   B.1: A freestanding boiler building with adjacent free standing pellet silo.

Cord Wood Boiler Options:
   C.1.A: A freestanding building with interior cordwood storage, 70% fuel oil offset.
   C.1.B: A freestanding building with interior cordwood storage, 50% fuel oil offset.

<table>
<thead>
<tr>
<th>Project</th>
<th>Year 1 Cost</th>
<th>NPV YR 20</th>
<th>NPV YR 30</th>
<th>20 Yr B/C</th>
<th>30 Yr B/C</th>
<th>ACF YR 20</th>
<th>ACF YR 30</th>
<th>ACF=PC YR</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.1</td>
<td>$266,000</td>
<td>-$152</td>
<td>$106,026</td>
<td>$237,205</td>
<td>0.40</td>
<td>0.89</td>
<td>$159,988</td>
<td>$442,824</td>
</tr>
<tr>
<td>C.1.A</td>
<td>$245,000</td>
<td>-$18,035</td>
<td>$238,799</td>
<td>$281,540</td>
<td>-0.97</td>
<td>-1.15</td>
<td>-$317,041</td>
<td>-$405,270</td>
</tr>
<tr>
<td>C.1.B</td>
<td>$245,000</td>
<td>-$13,504</td>
<td>$174,661</td>
<td>$206,793</td>
<td>-0.71</td>
<td>-0.84</td>
<td>-$231,819</td>
<td>-$298,259</td>
</tr>
</tbody>
</table>

The Tuntutuliak Community Building appears to be a poor candidate for the use of a wood biomass heating system. With the current economic assumptions, the economic viability of all the options is poor. None of the options meet the minimum requirement of the 20 year B/C ratio exceeding 1.0.
2.0 Introduction
The following assessment was commissioned to determine the preliminary technical and economic feasibility of integrating a wood fired heating system in the Tuntutuliak Community Building in Tuntutuliak, Alaska.

3.0 Existing Building Systems
The Tuntutuliak Community Building is a two story wood framed building constructed that is approximately 15 years old. Because of poor soil conditions, the building is supported by piles and is elevated approximately four feet above native grade. The facility is approximately 3,700 square feet and is heated by a single 207,000 Btu/hr output hot water boiler. The existing boiler is original to the building and appears to be in fair condition. The heating system infrastructure is original to the building and appears to be in fair condition.

4.0 Current Heating Energy Use
Fuel oil bills for the facilities were provided. The following table summarizes the data:

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>Fuel Type</th>
<th>Avg. Use (Gallons)</th>
<th>Current Cost/Gal</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Building</td>
<td>Fuel Oil</td>
<td>3,600</td>
<td>$6.75</td>
<td>$24,300</td>
</tr>
</tbody>
</table>

5.0 Biomass Boiler Size
The following table summarized the connected load of fuel fired boilers:

<table>
<thead>
<tr>
<th>Output MBH</th>
<th>Likely Peak System</th>
<th>Likely Peak Load</th>
<th>Likely Peak MBH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Building</td>
<td>207</td>
<td>1.00</td>
<td>207</td>
</tr>
</tbody>
</table>

Typically a wood heating system is sized to meet approximately 85% of the typical annual heating energy use of the building. The existing heating boilers would be used for the other 15% of the time during peak heating conditions, during times when the biomass boiler is down for servicing, and during swing months when only a few hours of heating each day are required. Recent energy models have found that a boiler sized at 50% to 60% of the building peak load will typically accommodate 85% of the boiler run hours.

<table>
<thead>
<tr>
<th>Likely System</th>
<th>Likely Peak Biomass Boiler</th>
<th>Proposed Biomass Boiler Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Building</td>
<td>207</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>124</td>
</tr>
</tbody>
</table>
6.0 Wood Fuel Use and Cost
The only type of wood fuel currently available in the area is cord wood. The majority of cordwood is purchased in Bethel and transported to Tuntutuliak. Some wood is obtained from the Kuskokwim River banks as driftwood that comes from upriver and is deposited along the river banks during the spring break up. There are no commercial logging operations in the area. Most wood is collected and cut up by private individuals for use in residential wood stoves.

Although cord wood is the only fuel type currently available in the area, there are also projects in the Bethel area planning to use wood pellets. Because of this, pellets will also be considered.

The estimated amount of wood fuel needed was calculated and is listed below:

<table>
<thead>
<tr>
<th>Table 6.1 - Annual Wood Fuel Use Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Oil (Gallons)</td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>Community Building</td>
</tr>
</tbody>
</table>

The amount of wood fuel shown in the table is for supplanting the entire amount of fuel oil and is for comparison purposes only. It is extremely unlikely that wood fuel will be able to completely replace the entire amount of fuel oil use. The moisture content of the wood fuels and the overall wood burning system efficiencies were accounted for in these calculations. The existing fuel oil boilers were assumed to be 80% efficient. Cord wood was assumed to be 20% moisture content (MC) with a system efficiency of 65%. Wood pellets were assumed to be 7% MC with a system efficiency of 70%.

The unit fuel costs for fuel oil and the different wood fuel types were calculated and equalized to dollars per million Btu ($/MMBtu) to allow for direct comparison. The Delivered $/MMBtu is the cost of the fuel based on what is actually delivered to the heating system, which includes all the inefficiencies of the different systems. The Gross $/MMBtu is the cost of the fuel based on raw fuel, or the higher heating value and does not account for any system inefficiencies. The following table summarizes the equalized fuel costs at different fuel unit costs:
Table 6.2 - Unit Fuel Costs Equalized to $/MMBtu

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Units</th>
<th>Gross Btu/unit</th>
<th>System Efficiency</th>
<th>Net System Btu/unit</th>
<th>$/unit</th>
<th>Delivered $/MMBtu</th>
<th>Gross $/MMBtu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Oil</td>
<td>gal</td>
<td>134500</td>
<td>0.8</td>
<td>107600</td>
<td>$6.00</td>
<td>$55.76</td>
<td>$44.61</td>
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<td>$6.75</td>
<td>$62.73</td>
<td>$50.19</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td>$7.50</td>
<td>$69.70</td>
<td>$55.76</td>
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<tr>
<td>Cord Wood</td>
<td>cords</td>
<td>16173800</td>
<td>0.65</td>
<td>10512970</td>
<td>$600.00</td>
<td>$57.07</td>
<td>$37.10</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$700.00</td>
<td>$66.58</td>
<td>$43.28</td>
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<tr>
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<td></td>
<td></td>
<td>$800.00</td>
<td>$76.10</td>
<td>$49.46</td>
</tr>
<tr>
<td>Pellets</td>
<td>tons</td>
<td>16400000</td>
<td>0.7</td>
<td>11480000</td>
<td>$500.00</td>
<td>$43.55</td>
<td>$30.49</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>$550.00</td>
<td>$47.91</td>
<td>$33.54</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>$600.00</td>
<td>$52.26</td>
<td>$36.59</td>
</tr>
</tbody>
</table>

7.0 Boiler Plant Location and Site Access
The boiler room is not large enough to accommodate a new wood fired boiler so a new stand-alone plant would be required. The best location for a plant would be just east of the building. See Appendix C for a site plan of this building.

Any type of biomass boiler plant will require access by delivery vehicles. For cord wood systems this would likely be pick-up trucks, trucks with trailers, snow machines or ATV’s. The existing road to the building is large enough to accommodate any type of delivery vehicle that would be used for wood delivery.

8.0 Integration with Existing Heating System
Integration of a wood fired boiler system would be relatively straight forward in the building. The field visit confirmed the location of the boiler room in order to identify an approximate point of connection from a biomass boiler to the existing building. Piping from the biomass boiler plant would likely be run above ground under the building in arctic pipe and extend up to the boiler room. Once the hot water supply and return piping enters the existing boiler room it would be connected to existing supply and return pipes in appropriate locations in order to utilize the existing pumping systems within the building. The wood heating system would inject heat into the existing heating hot water system.

The existing hot water heating system appears to be designed for a heating supply water temperature of 180 deg. F. Perimeter finned tube heating elements are the primary devices used to heat the spaces. Heat emanates from these elements via radiation and natural convection. Because of this, the performance of the heating elements is greatly influenced by heating water supply temperature. At 140 deg. F heating water supply temperature, the heat output of these elements is approximately 50% of their output at 180 deg F. Wood chip and wood pellet boilers can consistently produce and maintain 180 deg. F water because the fuel is automatically and mechanically fed into the boiler. However, it can be difficult for manually fed cord wood systems to maintain this temperature unless they are continuously tended to and wood is constantly fed into the boiler. For this reason, cord wood boilers should be coupled with thermal storage tanks, so the boiler can be loaded, it can burn the wood hot and fast, and the water can be heated and “stored” in
the tank. In this scenario as long as the boiler is checked and tended to regularly (3 to 5 times a day depending on heating load) a consistent 140 deg. F supply temperature generally can be maintained. A very basic and preliminary building heat load analysis was performed and it appears that a 140 deg. F heating water supply temperature could provide sufficient heat for the building down to approximately 22 deg. F outside air temperature, which would cover approximately 70% of the heating hours over the course of a year.

9.0 Air Quality Permits

Resource System Group (RSG) has done a preliminary review of potential air quality issues in the area and has found no significant concerns. The proposed boiler size at this location is small enough that the boiler is not likely to require any State or Federal permits. See the air quality memo in Appendix D for more detailed information including design criteria that has been suggested to minimize emissions and maximize dispersion.

10.0 Wood Heating Options

The technologies available to produce heating energy from wood based biomass are varied in their approach, but largely can be separated into three types of heating plants: cord wood, wood pellet and wood chip/ground wood fueled. See Appendix E for summaries on these types of systems.

A cord wood boiler system is the only viable option at this time in Tuntutuliak, however, because the Bethel area may be getting pellets, a pellet option is also included in this report to see if there could be a potential benefit in the future. Two cord wood options were developed, one offsetting 70% of the current fuel oil usage and one offsetting 50% of the current fuel oil usage. Both cord wood options have the same capital costs.

The options reviewed were:

Small Wood Pellet Boiler Option:
B.1: A freestanding boiler building with adjacent free standing pellet silo.

Cord Wood Boiler Options:
C.1.A: A freestanding building with interior cordwood storage, 70% fuel oil offset.
C.1.B: A freestanding building with interior cordwood storage, 50% fuel oil offset.

11.0 Estimated Costs

The total project costs are at a preliminary level and are based on RS Means and recent biomass project construction cost data. The estimates are shown in Appendix A. These costs are conservative and if a deeper level feasibility analysis is undertaken and/or further design occurs, the costs may be able to be reduced.

12.0 Economic Analysis Assumptions

The cash flow analysis assumes fuel oil at $6.75/gal, electricity at $0.34/kwh, cord wood delivered at $800/cord and wood pellets delivered at $550/ton. The fuel oil and electricity costs are based on the costs reported by the facility and by the State of Alaska. Cord wood pricing is based on purchasing cord word in Bethel for $600/ton and transporting it
by snow machine to Tuntutuliak. Pellet costs were estimated based on an engineering study investigating using pellet boilers at a facility in Bethel.

Unless noted otherwise, it is assumed that the wood boiler would supplant 85% of the estimated heating use, and the existing heating systems would heat the remaining 15%. Each option assumes the total project can be funded with grants and non obligated capital money. The following inflation rates were used:

- O&M - 2%
- Fossil Fuel – 5%
- Wood Fuel – 3%
- Discount Rate for NPV calculation – 3%

The fossil fuel inflation rate is based on the DOE EIA website. DOE is projecting a slight plateau with a long term inflation of approximately 5%. As a point of comparison, oil prices have increased at an annual rate of over 8% since 2001.

The analysis also accounts for additional electrical energy required for the wood fired boiler system as well as the system pumps to distribute heating hot water to the building. Wood fired boiler systems also will require more maintenance, and these additional maintenance costs are also factored into the analysis.

### 13.0 Results of Evaluation

The following table summarizes the economic evaluation for each option:

<table>
<thead>
<tr>
<th>Table 13.1 - Economic Evaluation Summary</th>
<th>Tuntutuliak Community Building Biomass Heating System</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Cost</strong></td>
<td>Year 1</td>
</tr>
<tr>
<td>Cost</td>
<td>Operating</td>
</tr>
<tr>
<td>B.1</td>
<td>$266,000</td>
</tr>
<tr>
<td>C.1.A</td>
<td>$245,000</td>
</tr>
<tr>
<td>C.1.B</td>
<td>$245,000</td>
</tr>
</tbody>
</table>

The benefit to cost (B/C) ratio takes the net present value (NPV) of the net energy savings and divides it by the estimated construction cost of the project. A B/C ratio greater than or equal to 1.0 indicates an economically advantageous project.

Accumulated cash flow (ACF) is another evaluation measure that is calculated in this report and is similar to simple payback with the exception that accumulated cash flow takes the cost of financing and fuel escalation into account. For many building owners, having the accumulated cash flow equal the project cost within 15 years is considered necessary for implementation. If the accumulated cash flow equals project cost in 20 years or more, that indicates a challenged project. Positive accumulated cash flow should also be considered an avoided cost as opposed to a pure savings.

See Appendix D for the full cash flow spread sheets for each option.
14.0 Project Funding
The Tuntutuliak Traditional Council can pursue a biomass project grant from the Alaska Energy Authority. See the following website for more information:

http://www.akenergyauthority.org/refund7.html

The Tuntutuliak Traditional Council could also enter into a performance contract for the project. Companies such as Siemens, McKinstry, Johnson Controls and Chevron have expressed an interest in participating in funding projects of all sizes throughout Alaska. This allows the facility owner to pay for the project entirely from the guaranteed energy savings, and to minimize the project funds required to initiate the project. The scope of the project may be expanded to include additional energy conservation measures such as roof and wall insulation and upgrading mechanical systems. A performance contract was recently performed with some buildings owned by the City of Emmonak.

15.0 Summary
The Tuntutuliak Community Building appears to be a poor candidate for the use of a wood biomass heating system. With the current economic assumptions, the economic viability of all the options is poor none of the options meet the minimum requirement of the 20 year B/C ratio exceeding 1.0.

16.0 Recommended Action
If cord wood can be obtained for $300/cord or less or if pellets can be obtained for $250/ton or less, the economics should be re-evaluated.
APPENDIX A

Preliminary Estimates of Probable Cost
Preliminary Estimates of Probable Cost
Biomass Heating Options
Tuntutuliak Community Building
Tuntutuliak, AK

Option B.1 Small Pellet Boiler
Biomass Boiler Building: $40,000
Pellet Boiler, Silo, and Thermal Storage Tank: $45,000
Stack: $5,000
Mechanical/Electrical within Boiler Building: $25,000
Underground Piping: $20,000
Integration in Boiler Room: $8,500
Subtotal: $143,500
40% Remote Factor: $57,400
Subtotal: $200,900
Design Fees, Building Permit, Miscellaneous Expenses 15%: $30,135
Subtotal: $231,035
15% Contingency: $34,655
Total Project Costs $ 265,690

Option C.1 Cord Wood Boiler
Biomass Boiler Building Including Wood Storage Area: $55,000
Cord Wood Boiler and Thermal Storage Tank: $19,000
Stack: $5,000
Mechanical/Electrical within Boiler Building: $25,000
Underground Piping: $20,000
Integration in Boiler Room: $8,500
Subtotal: $132,500
40% Remote Factor: $53,000
Subtotal: $185,500
Design Fees, Building Permit, Miscellaneous Expenses 15%: $27,825
Subtotal: $213,325
15% Contingency: $31,999
Total Project Costs $ 245,324
### EXISTING CONDITIONS

<table>
<thead>
<tr>
<th>Store</th>
<th>Fuel Oil</th>
<th>Fuel Oil</th>
<th>Fuel Oil</th>
<th>Fuel Oil</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit</td>
<td>gal</td>
<td>gal</td>
<td>gal</td>
<td>gal</td>
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</tr>
<tr>
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<td></td>
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<tr>
<td>Estimated Average Annual Fuel Usage</td>
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<tr>
<td>Annual Heating Costs</td>
<td>$22,824 $0 $0 $0 $22,824</td>
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<td></td>
</tr>
</tbody>
</table>

#### ENERGY CONVERSION (to 1,000,000 Btu; or 1 dkt)

| Fuel Heating Value (Btu/unit of fuel) | 134,500 |
| Current Annual Fuel Volume (Btu) | 484,200,000 0 0 0 484,200,000 |
| Assumed efficiency of existing heating system (%) | 80% 80% 80% 80% |
| Net Annual Energy Produced (Btu) | 387,360,000 |

#### WOOD FUEL COST

- **Wood Pellets**
  - $/ton: $550.00
  - Assumed efficiency: 70%

#### PROJECTED WOOD FUEL USAGE

- **Estimated Btu content of wood fuel (Btu/lb) - Assumed 7% MC**
  - 8200

### Additional Operation and Maintenance Costs

<table>
<thead>
<tr>
<th>Source</th>
<th>Proportion</th>
<th>Heating Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Heating System Operating Costs</td>
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<td></td>
</tr>
<tr>
<td>Displaced heating costs</td>
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<td>Displaced heating costs</td>
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</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Proportion</th>
<th>Heating Units</th>
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<tbody>
<tr>
<td>Biomass System Operating Costs</td>
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<tr>
<td>Displaced heating costs</td>
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<td>Displaced heating costs</td>
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<table>
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<tr>
<th>Source</th>
<th>Proportion</th>
<th>Heating Units</th>
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<td>Additional Operation and Maintenance</td>
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<tr>
<td>Costs</td>
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<tr>
<td>Additional Power Use</td>
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<tr>
<td>Additional Maintenance</td>
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</tr>
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</table>

### Simple Payback

Simple Payback: Total Project Cost/Year One Operating Cost Savings:

- $152
- $263
- $2,376
- $2,892
- $3,445
- $4,037
- $4,671
- $5,349
- $6,074
- $6,848
- $7,674
- $8,556
- $9,496
- $10,498
- $11,566
- $18,019
- $26,754
- $38,478

### Net Present Value (30 year analysis)

Net Present Value (30 year analysis): Net Present Value (20 year analysis):
### EXISTING CONDITIONS

<table>
<thead>
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<th>Fuel Type</th>
<th>Existing Fuel Type</th>
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<td></td>
<td>gal</td>
<td>gal</td>
<td>gal</td>
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<tr>
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<td>Estimated Average Annual Fuel Usage:</td>
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<td>3,600</td>
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<tr>
<td></td>
<td>Annual Heating Costs</td>
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<td>$0</td>
<td>$0</td>
<td>$22,824</td>
</tr>
</tbody>
</table>

### ENERGY CONVERSION (to 1,000,000 Btu; or 1 dkt)

- **Current Annual Fuel Value (Btu):** 484,200,000
- **Assumed efficiency of existing heating system (%):** 80%
- **Net Annual Energy Produced (Btu):** 387,360,000

### WOOD FUEL COST

#### Cord Wood
- **$/cord:** $800.00
- **Assumed efficiency of wood heating system (%):** 65%

### PROJECTED WOOD FUEL USAGE

- **Estimated Btu content of wood fuel (Btu/cord) - Assumed 20% MC:** 16,173,800

| Cords of wood fuel to supplant net equivalent of 100% annual heating load. | 37 |
| Cords of wood fuel to supplant net equivalent of 85% annual heating load. | 31 |
| 25 ton chip van loads to supplant net equivalent of 85% annual heating load. | N/A |

### Project Capital Cost - $245,000

| Project Capital Cost | $245,000 |

### Project Financing Information

<table>
<thead>
<tr>
<th>Percent Financed</th>
<th>0.0%</th>
</tr>
</thead>
</table>

### Annual Operating Cost Savings

- **Simple Payback:** Total Project Cost/Year One Operating Cost Savings:
  - Year 1: $18,035
  - Year 2: $18,128
  - Year 3: $16,542
  - Year 4: $16,569
  - Year 5: $16,577
  - Year 6: $16,565
  - Year 7: $16,530
  - Year 8: $16,472
  - Year 9: $16,388
  - Year 10: $16,276
  - Year 11: $16,135
  - Year 12: $15,962
  - Year 13: $15,755
  - Year 14: $15,512
  - Year 15: $15,230
  - Year 16: $13,139
  - Year 17: $9,607
  - Year 18: $4,114

### Adjusted Net Present Value (30 year analysis): $15,755

### Additional Power Use Additional Maintenance

<table>
<thead>
<tr>
<th>Year</th>
<th>Additional Power Use</th>
<th>Additional Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>30</td>
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</tbody>
</table>

### Net Annual Cash Flow

- **Year 1:** $18,035
- **Year 2:** $18,128
- **Year 3:** $16,542
- **Year 4:** $16,569
- **Year 5:** $16,577
- **Year 6:** $16,565
- **Year 7:** $16,530
- **Year 8:** $16,472
- **Year 9:** $16,388
- **Year 10:** $16,276
- **Year 11:** $16,135
- **Year 12:** $15,962
- **Year 13:** $15,755
- **Year 14:** $15,512
- **Year 15:** $15,230
- **Year 16:** $13,139
- **Year 17:** $9,607
- **Year 18:** $4,114

### Accumulated Cash Flow

- **Year 1:** $18,035
- **Year 2:** $36,163
- **Year 3:** $52,705
- **Year 4:** $69,274
- **Year 5:** $85,851
- **Year 6:** $102,416
- **Year 7:** $118,947
- **Year 8:** $135,419
- **Year 9:** $151,807
- **Year 10:** $168,083
- **Year 11:** $184,359
- **Year 12:** $200,635
- **Year 13:** $216,911
- **Year 14:** $233,187
- **Year 15:** $249,463
- **Year 16:** $265,739
- **Year 17:** $282,015
- **Year 18:** $298,291
- **Year 19:** $314,567
- **Year 20:** $330,843
- **Year 21:** $347,119
- **Year 22:** $363,395
- **Year 23:** $380,672
- **Year 24:** $398,948
- **Year 25:** $416,224
- **Year 26:** $433,500
- **Year 27:** $450,776
- **Year 28:** $468,052
- **Year 29:** $485,328
- **Year 30:** $502,604
Tuntutuliak Community Building
Option C.1.B
Tuntutuliak, Alaska
Cord Wood Boiler
50% Offset
Date: July 10, 2013
Analyst: CTA Architects Engineers - Nathan Ratz

EXISTING CONDITIONS

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Existing Fuel Units</th>
<th>Current Fuel Unit Cost</th>
<th>Annual Heating Costs</th>
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</thead>
<tbody>
<tr>
<td>Fuel Oil</td>
<td>gal</td>
<td>$6.34</td>
<td>$22,824</td>
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</table>

ENERGY CONVERSION (to 1,000,000 Btu; or 1 dkt)

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<tr>
<th>Fuel Heating Value (Btu/unit of fuel)</th>
<th>Current Annual Fuel Volume (Btu)</th>
<th>Assumed efficiency of existing heating system (%)</th>
<th>Net Annual Energy Produced (Btu)</th>
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<tr>
<td>134,500</td>
<td>484,200,000</td>
<td>80%</td>
<td>387,360,000</td>
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WOOD FUEL COST

<table>
<thead>
<tr>
<th>Source</th>
<th>$/cord:</th>
<th>Assumed efficiency of wood heating system (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cord Wood</td>
<td>$800.00</td>
<td>65%</td>
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</tbody>
</table>

PROJECTED WOOD FUEL USAGE

- Estimated Btu content of wood fuel (Btu/cord) - Assumed 20% MC, 6,700 Btu/lb x 28.4 lb/cf x 85 cf
- 16,173,800 Btu

- Cords of wood fuel to supplant net equivalent of 100% annual heating load: 37
- Cords of wood fuel to supplant net equivalent of 85% annual heating load: 31
- 25 ton chip van loads to supplant net equivalent of 85% annual heating load: N/A

PROJECT CAPITAL COST

- -$245,000

PROJECT FINANCING INFORMATION

- Percent Financed: 0.0%
- Est. Pwr Use: 1700 kWh Type Hr/Wk Wk/Yr Total Hr Wage/Hr Total
- Amount Financed: $0
- Electric Rate: $0.340 /kWh Biomass System: 10.0 40 400 $20.00 $8,000
- Amount of Grants: $245,000
- Other: 0.0 40 0 $20.00 $0
- 1st 2 Year Learning: 2.0 40 80 $20.00 $1,600

Financing Information:

- Interest Rate: 5.00%
- Term: 10
- Annual Finance Cost: $0
- Net Benefit B/C Ratio:
  - -$206,793
  - -$451,793
  - -0.84
  - -$174,661
  - -$419,661
- Year Accumulated Cash Flow:
  - > 0: 31
  - > Project Capital Cost: 31

Inflation Factors

- O&M Inflation Rate: 2.0%
- Fossil Fuel Inflation Rate: 5.0%
- Wood Fuel Inflation Rate: 3.0%
- Electricity Inflation Rate: 3.0%
- Discount Rate for Net Present Value Calculation: 3.0%

Cash flow Descriptions


Additional Power Use Additional Maintenance

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Costs</th>
<th>Additional Power Use</th>
<th>Additional Maintenance</th>
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<tbody>
<tr>
<td>Total Project Capital Costs</td>
<td>$245,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Displaced System Replacement Costs (year one only)</td>
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<td></td>
<td></td>
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<tr>
<td>Net Annual Cash Flow</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Cash Flow</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
APPENDIX C

Site Plan
APPENDIX D

Air Quality Report
Air Quality Feasibility Report
For the:

FEDC Pre-Feasibility Studies on Wood-Fired Heating Projects

Prepared for:

CTA Architects Engineers
Missoula, MT

July, 2013

Prepared by:
RSG, Inc.
# Table of Contents

1.0 **Introduction** ............................................................................................................. 1

2.0 **Equipment Description** ............................................................................................ 1

3.0 **Site Descriptions** ..................................................................................................... 2

   3.1 Emmonak .................................................................................................................. 2

   3.2 Koyuk ....................................................................................................................... 2

   3.3 Lower Kalskag ......................................................................................................... 2

   3.4 Tuntutuliak .............................................................................................................. 2

4.0 **Meteorological Conditions** ...................................................................................... 3

5.0 **Regulatory Considerations** ..................................................................................... 4

6.0 **Design & Operation Recommendations** .................................................................. 4

## List of Figures

Figure 1: Wind Speed Data from Bethel, AK ........................................................................ 3
Figure 2: Wind Speed Data from Nome, AK ....................................................................... 3
1.0 INTRODUCTION

At the request of CTA, RSG has completed an air quality pre-feasibility study of implementing biomass energy systems in Emmonak, Koyuk, Lower Kalskag, and Tuntutuliak, Alaska. These systems will displace fossil fuel used in these locations and therefore displace fossil fuel-related emissions.

This report is broken into the following sections:

- Equipment description
- Site descriptions
- Meteorological conditions
- Regulatory considerations
- Design and operation recommendations

2.0 EQUIPMENT DESCRIPTION

The following details were provided for the boilers being considered. Equipment vendors have not been selected.

- Emmonak
  - Fuel: cord wood likely, wood chips also possible.
  - Heating capacity: 250,000 Btu/hr output.
- Koyuk
  - Fuel: cord wood.
  - Heating capacity: 150,000 Btu/hr output.
- Lower Kalskag
  - Fuel: cord wood.
  - Heating capacity:
    - Alternative A: one boiler at 625,000 Btu/hr output.
    - Alternative B: one boiler at 250,000 Btu/hr output coupled with several high efficiency wood stoves.
- Tuntutuliak
  - Fuel: cord wood
  - Heating capacity: 125,000 Btu/hr
3.0 SITE DESCRIPTIONS

Descriptions of each site are provided below. USGS maps, aerial photography, and site maps are provided in the Appendix.

3.1 Emmonak

Emmonak is a small village located near the west coast of Alaska, on the north bank of the Kwiguk Pass of the Yukon River. The area is relatively flat. No significant air pollution sources were identified in the review for this site. One biomass plant is being considered for this site at the Emmonak Corporate Store and Offices Building.

3.2 Koyuk

Koyuk is a small village located near the west coast of Alaska. It is situated on the north bank of the Koyuk River at Koyuk Inlet. The village is bordered by hills to the north and flat terrain to the south. The land slopes downhill from north to south, with ground elevation ranging from approximately 100 feet to 15 feet. No significant air pollution sources were identified in the review for this site. One Biomass plant is being considered for this site at the Kiniaq Building.

3.3 Lower Kalskag

Lower Kalskag is a small inland village located on the western bank of the Kuskowim River. The site is relatively flat. No significant air pollution sources were identified in the review for this site. Two biomass plants are considered for this site. One at the school and one near the clinic.

3.4 Tuntutuliak

Tuntutuliak is a relatively small inland village located on the northern bank of the Kinak River. The site is relatively flat. No significant air pollution sources were identified in the review for this site. One biomass plant is being considered for this site at the Community Hall.
4.0 METEOROLOGICAL CONDITIONS

Meteorological data from Bethel and Nome, AK, were reviewed to develop an understanding of weather conditions which will affect the dispersion of emissions. Bethel is the closest weather station approximating climactic conditions in the Emmonak, Lower Kalskag, and Tuntutuliak. Nome is the closest weather data approximating Koyuk. The data indicates calm winds occur approximately only 10% of the year. This suggests there will be minimal time periods when thermal inversions and therefore poor emission dispersion conditions can occur.¹

Figure 1: Wind Speed Data from Bethel, AK

Figure 2: Wind Speed Data from Nome, AK

¹ See: http://climate.gi.alaska.edu/Climate/Wind/Speed/Annette/ANN.html
5.0 **REGULATORY CONSIDERATIONS**

The size of the proposed boilers will not trigger state or federal permitting requirements. Hot water boilers burning wood which are less than 1.6 MMBtu/hr heat input are below the threshold for EPA boiler requirements. More information about EPA boiler requirements can be obtained here:

http://www.epa.gov/boilercompliance/

6.0 **DESIGN & OPERATION RECOMMENDATIONS**

These design and operation recommendations are based on the assumption that state-of-the-art combustion equipment is installed. The following are suggested for designing this project:

- Burn natural wood, whose characteristics (bark content, species, geometry) optimizes combustion in the equipment selected for the project.
- Burn seasoned cord wood. Burning wet wood generates excess emissions.
- Do not install a rain cap above the stack. Rain caps obstruct vertical airflow and reduce dispersion of emissions.
- In situations where there are clusters of buildings, consider constructing the stack to at least 1.5 times the height of the tallest roofline of the adjacent building. Hence, a 20 foot roofline would result in a minimum 30 foot stack. *Special attention should be given to this in Koyuk due to the moderate slopes present.*
- Operate and maintain the boiler according to manufacturer's recommendations.
- Perform a tune-up at least every other year as per manufacturer's recommendations.
- Conduct regular observations of stack emissions. If emissions are not characteristic of good boiler operation, make corrective actions.

APPENDIX A

EMMONAK SITE INFORMATION
APPENDIX B

KOYUK SITE INFORMATION
APPENDIX C

LOWER KALSKAG SITE INFORMATION
Lower Kalskag Aerial Photo Map
APPENDIX E

Wood Fired Heating Technologies
CTA has developed wood-fired heating system projects using cord wood, wood pellet and wood chips as the primary feedstock. A summary of each system type with the benefits and disadvantages is noted below.

**Cord Wood**
Cord wood systems are hand-stoked wood boilers with a limited heat output of 150,000-200,000 British Thermal Units per hour (Btu/hour). Cord wood systems are typically linked to a thermal storage tank in order to optimize the efficiency of the system and reduce the frequency of stoking. Cord wood boiler systems are also typically linked to existing heat distribution systems via a heat exchanger. Product data from Garn, HS Tarm and KOB identify outputs of 150,000-196,000 Btu/hr based upon burning eastern hardwoods and stoking the boiler on an hourly basis. The cost and practicality of stoking a wood boiler on an hourly basis has led most operators of cord wood systems to integrate an adjacent thermal storage tank, acting similar to a battery, storing heat for later use. The thermal storage tank allows the wood boiler to be stoked to a high fire mode 3 times per day while storing heat for distribution between stoking. Cord wood boilers require each piece of wood to be hand fed into the firebox, hand raking of the grates and hand removal of ash. Ash is typically cooled in a barrel before being stock piled and later broadcast as fertilizer.

Cordwood boilers are manufactured by a number of European manufacturers and an American manufacturer with low emissions. These manufacturers currently do not fabricate equipment with ASME (American Society of Mechanical Engineers) certifications. When these non ASME boilers are installed in the United States, atmospheric boilers rather than pressurized boilers are utilized. Atmospheric boilers require more frequent maintenance of the boiler chemicals.

Emissions from cord wood systems are typically as follows:

<table>
<thead>
<tr>
<th>Emission</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM2.5</td>
<td>&gt;0.08 lb/MMbtu</td>
</tr>
<tr>
<td>NOx</td>
<td>0.23 lb/MMbtu</td>
</tr>
<tr>
<td>SO2</td>
<td>0.025 lb/MMbtu</td>
</tr>
<tr>
<td>CO2</td>
<td>195 lb/MMbtu</td>
</tr>
</tbody>
</table>

**Benefits:**
Small size  
Lower cost  
Local wood resource  
Simple to operate

**Disadvantages:**
Hand fed - a large labor commitment  
Typically atmospheric boilers (not ASME rated)  
Thermal Storage is required
Wood Pellet
Wood pellet systems can be hand fed from 40 pound bags, hand shoveled from 2,500 pound sacks of wood pellets, or automatically fed from an adjacent agricultural silo with a capacity of 30-40 tons. Pellet boilers systems are typically linked to existing heat distribution systems via a heat exchanger. Product data from KOB, Forest Energy and Solagen identify outputs of 200,000-5,000,000 Btu/hr based upon burning pellets made from waste products from the western timber industry. A number of pellet fuel manufacturers produce all tree pellets utilizing bark and needles. All tree pellets have significantly higher ash content, resulting in more frequent ash removal. Wood pellet boilers typically require hand raking of the grates and hand removal of ash 2-3 times a week. Automatic ash removal can be integrated into pellet boiler systems. Ash is typically cooled in a barrel before being stock piled and later broadcast as fertilizer. Pellet storage is very economical. Agricultural bin storage exterior to the building is inexpensive and quick to install. Material conveyance is also borrowed from agricultural technology. Flexible conveyors allow the storage to be located 20 feet or more from the boiler with a single auger.

Emissions from wood pellet systems are typically as follows:

PM2.5 >0.09 lb/MMbtu
NOx 0.22 lb/MMbtu
SO2 0.025 lb/MMbtu
CO2 220 lb/MMbtu

Benefits:
Smaller size (relative to a chip system)
Consistent fuel and easy economical storage of fuel
Automated

Disadvantages:
Higher system cost
Higher cost wood fuel ($/MMBtu)
**Wood Chip**

Chipped systems utilize wood fuel that is either chipped or ground into a consistent size of 2-4 inches long and 1-2 inches wide. Chipped and ground material includes fine sawdust and other debris. The quality of the fuel varies based upon how the wood is processed between the forest and the facility. Trees which are harvested in a manner that minimizes contact with the ground and run through a chipper or grinder directly into a clean chip van are less likely to be contaminated with rocks, dirt and other debris. The quality of the wood fuel will also be impacted by the types of screens placed on the chipper or grinder. Fuel can be screened to reduce the quantity of fines which typically become airborne during combustion and represent lost heat and increased particulate emissions.

Chipped fuel is fed from the chip van into a metering bin, or loaded into a bunker with a capacity of 60 tons or more. Wood chip boilers systems are typically linked to existing heat distribution systems via a heat exchanger. Product data from Hurst, Messersmith and Biomass Combustion Systems identify outputs of 1,000,000 - 50,000,000 Btu/hr based upon burning western wood fuels. Wood chip boilers typically require hand raking of the grates and hand removal of ash daily. Automatic ash removal can be integrated into wood chip boiler systems. Ash is typically cooled in a barrel before being stock piled and later broadcast as fertilizer.

Emissions from wood chip systems are typically as follows:

- **PM2.5**: 0.21 lb/MMbtu
- **NOx**: 0.22 lb/MMbtu
- **SO2**: 0.025 lb/MMbtu
- **CO2**: 195 lb/MMbtu

**Benefits:**
- Lowest fuel cost of three options ($/MMBtu)
- Automated
- Can use local wood resources

**Disadvantages:**
- Highest initial cost of three types
- Larger fuel storage required
- Less consistent fuel can cause operational and performance issues