

2ND NATIONAL WORKSHOP & TRAINING COURSES ON OCEAN ENERGY

"OCEAN ENERGY & OCEAN THERMAL ENERGY: AN OVERVIEW By

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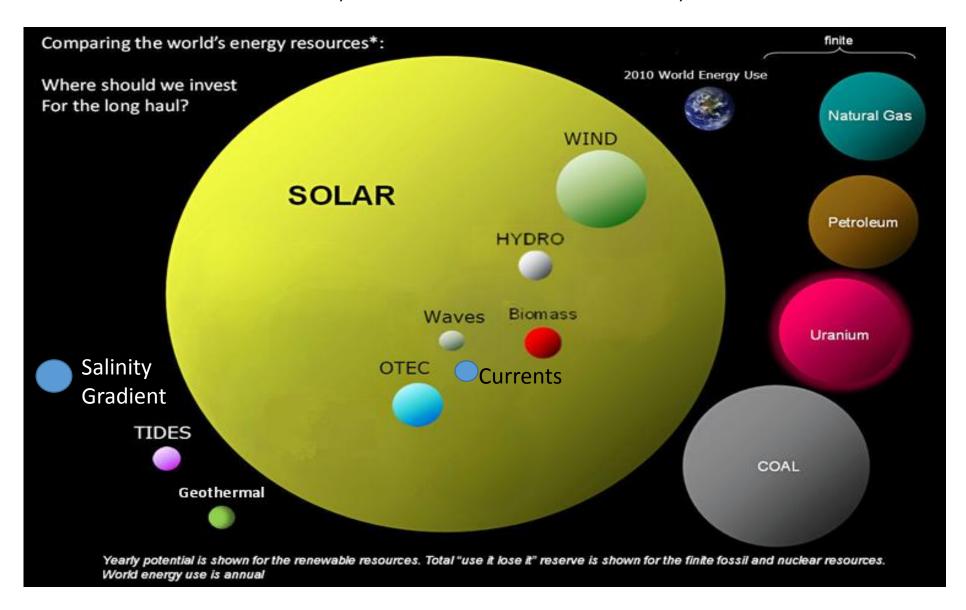


OUTLINE OF PRESENTATION

- 1. INTRODUCTION
- 2. ENERGY SOURCES, RENEWABLE & NON-RENEWABLE
- 3. OCEAN THERMAL ENERGY CONVERSION (OTEC)
- 4. BENEFITS: SECURITY [ENERGY, WATER, FOOD, CYBER], ENVIRONMENT,
- 5. GLOBAL OTEC POTENTIAL & DEVELOPMENT
- 6. THE ECONOMICS OF OTEC vis-à-vis FOSSIL-FUELS
- 7. OTEC POTENTIAL IN BRUNEI DARUSSALAM & IN MALAYSIA
- 8. AN OVERVIEW OF OCEAN ENERGY BY TYPE
- 9. THE WAY FORWARD



GLOBAL SOURCES OF ENERGY, RENEWABLE & NON-RENEWABLE, IN PERSPECTIVE





"The SIFU"

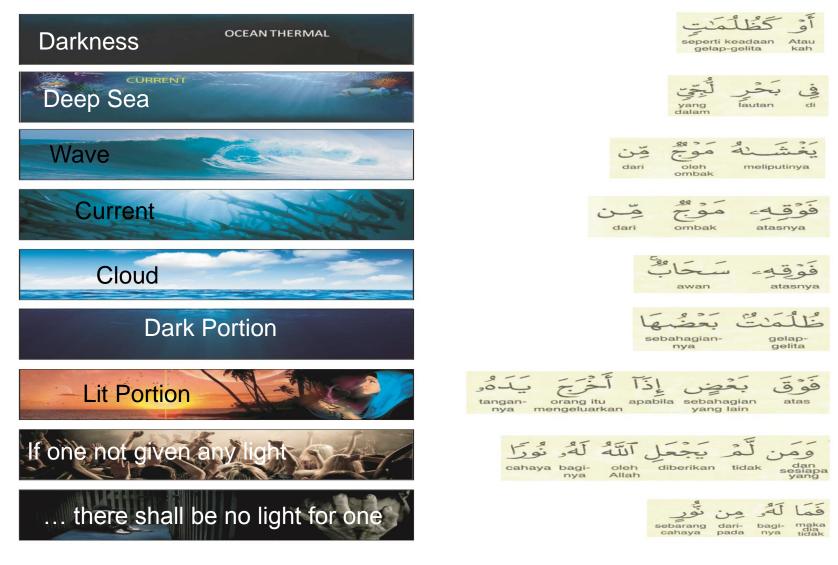
1881: Jacques-Arsène D'Arsonval (French physicist) proposed the concept of OTEC using ammonia as a working fluid to drive a turbine-generator (the *closed-cycle OTEC system*). The concept was considered economically non-viable at the time.



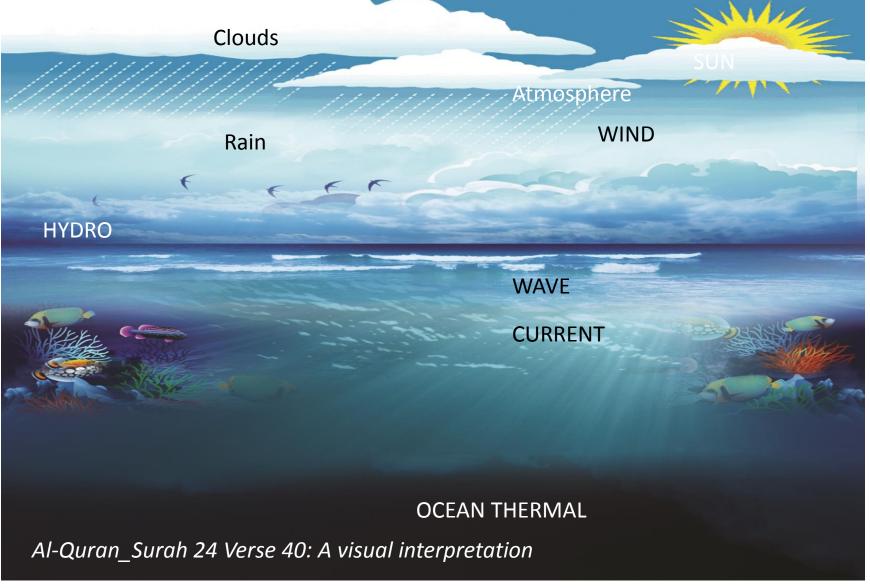
Jacques-Arsène D'Arsonaval, 1851 – 1940



An-Nur 24:40









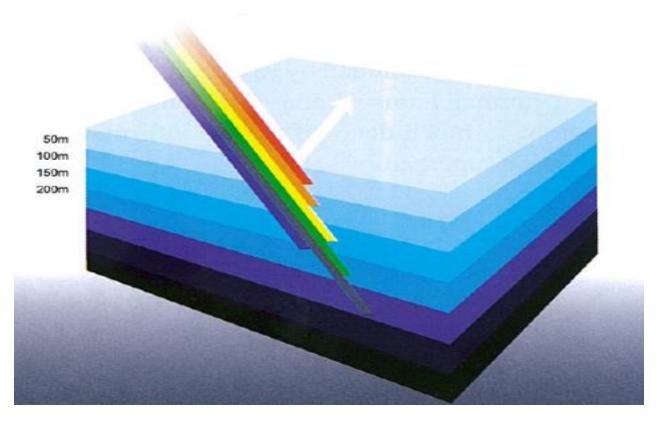
8 SECONDARY FORMS OF SOLAR ENERGY



1 June 2016



OCEAN THERMAL ENERGY: A PRIMARY SOURCE



Zakir Naik (2007). The Qur'an and the Modern Science: Compatible or Incompatible? Riyadh:

Darussalam p.39



3. **OTEC** Legal **Definition**:

"OCEAN THERMAL ENERGY CONVERSION"

"... a method of converting part of the heat from the Sun which is stored in the surface layers of a body of water into electrical energy or energy product equivalent";

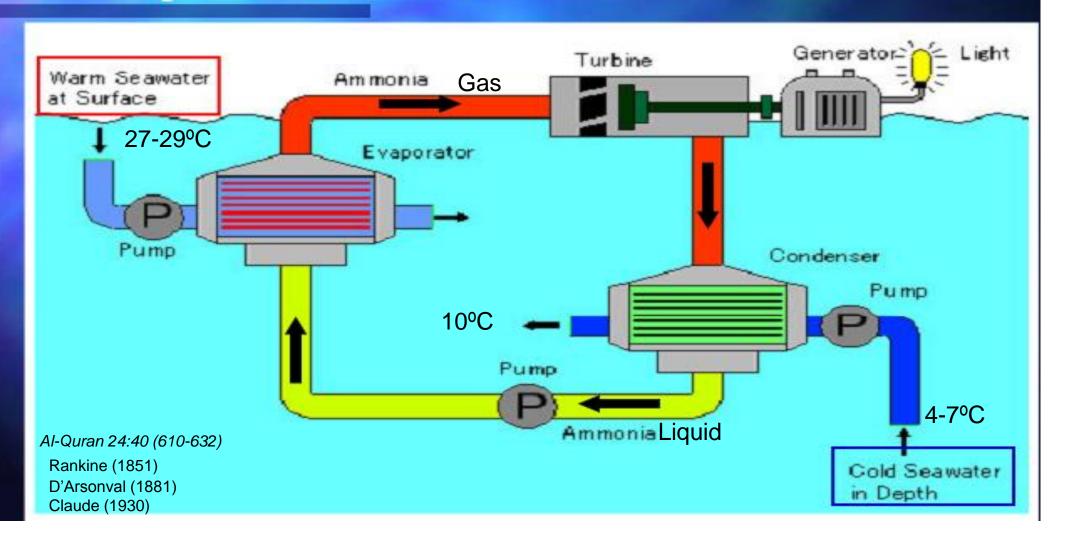
[Pub. L. 96-310, Sec. 9, July 17, 1980, 94 Stat. 946.]

Ref:

http://uscode.house.gov/download/pls/42C98.txt

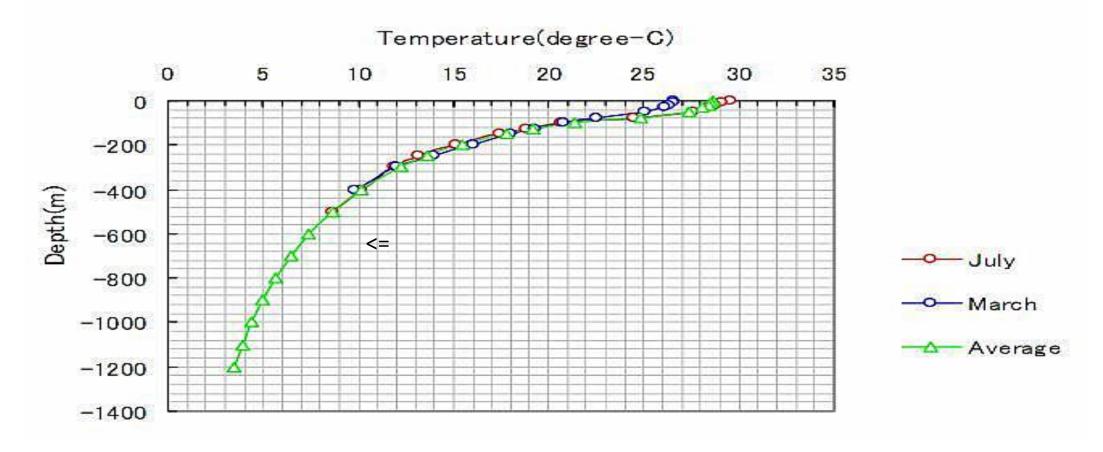


Principle of OTEC





Temperature-Depth Profile



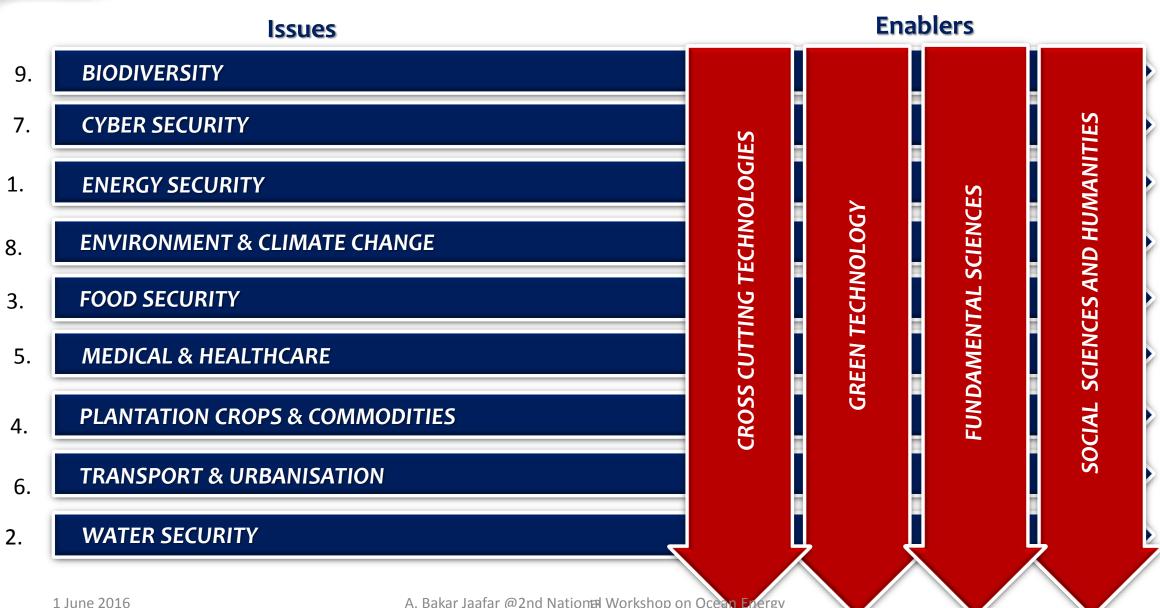


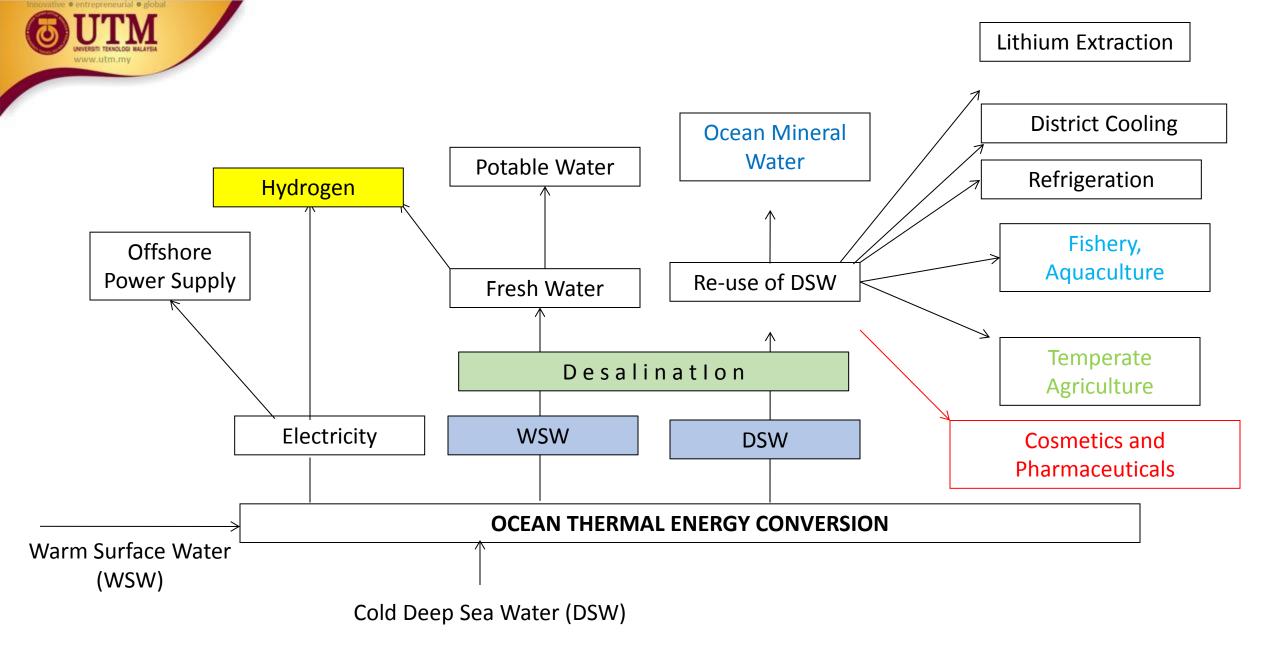
4. BENEFITS TO THE COUNTRY

- SECURITY [ENERGY, WATER, FOOD, CYBER],
- BIODIVERSITY, CLIMATE CHANGE, THE ENVIRONMENT ETC
- MEDICAL & HEALTH CARE
- TRANSPORTATION & URBANISATION
- COMMODITIES



IMPACTFUL FOCUS AREAS







Temperate **Produce**

"Import Substitutions"

High Value Produce

Health & Cosmetics

> Lithium **Production**

OTEC-H2















OTEC SPIN-OFF INDUSTRIES





hydrogen









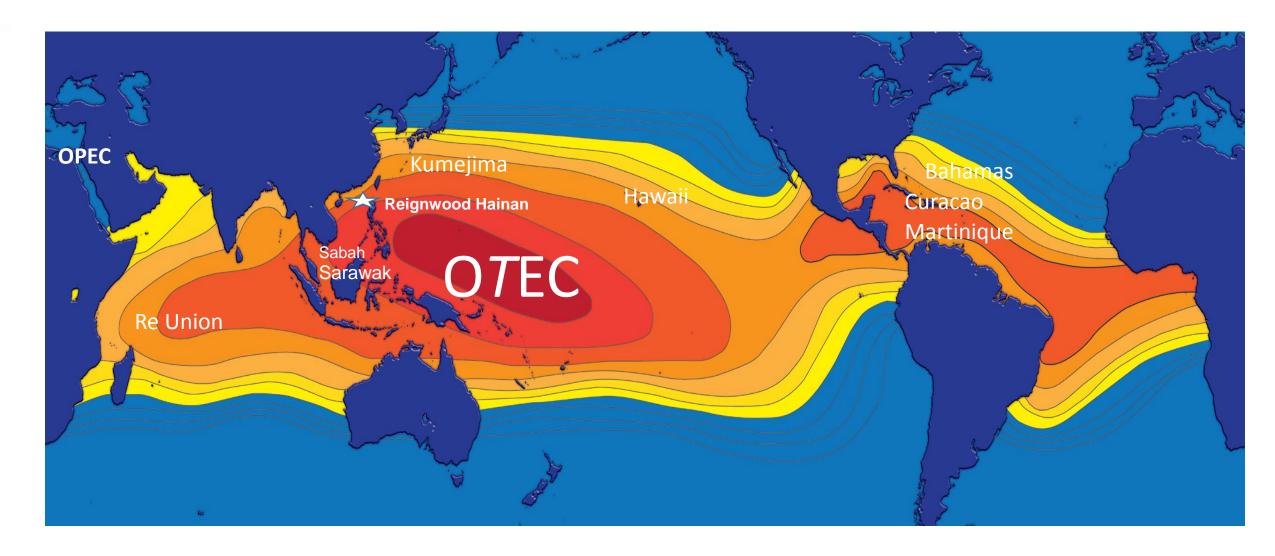
Mineral H20







5. Global OTEC Potential & Development: From OPEC to OTEC



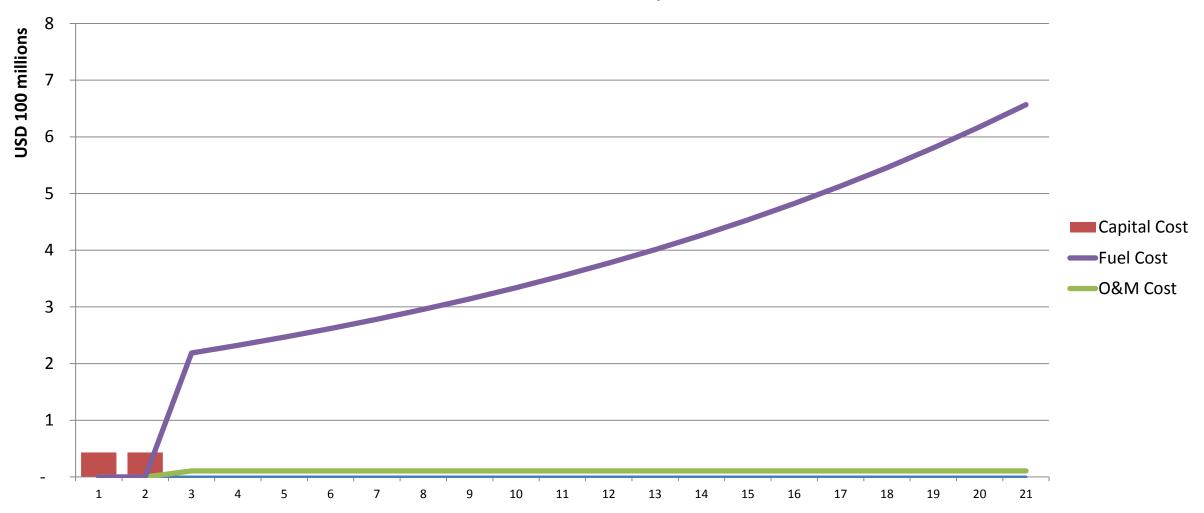


6. THE ECONOMICS OF OTEC vis-à-vis OIL

Investment in OTEC will save more money than that of oil-fired power plant, by 5 times over

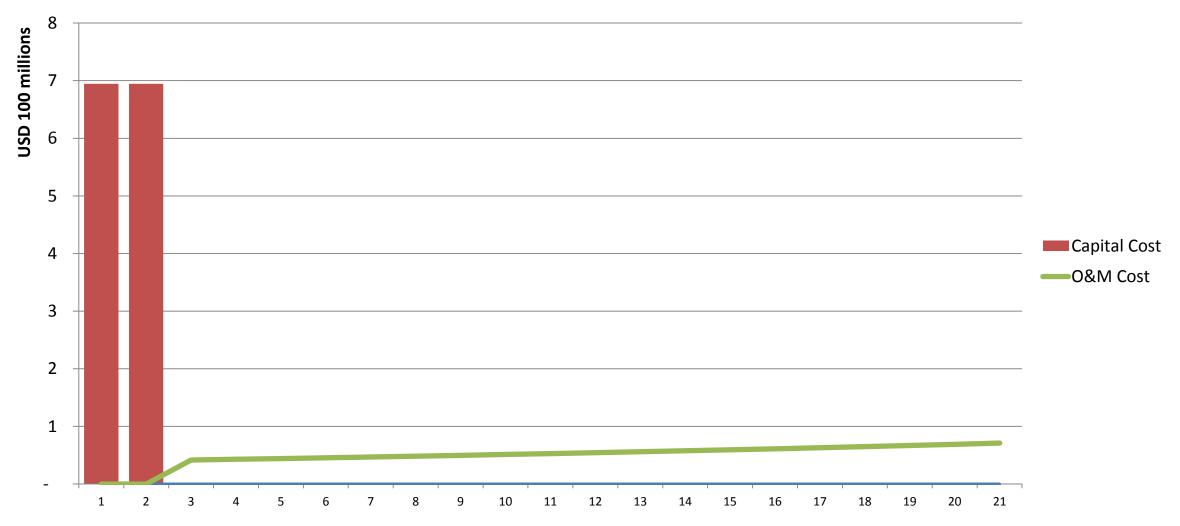


CAPITAL & OPERATING COSTS OVER PROJECT LIFE CYCLE OF 100MW OIL-FIRED POWER PLANT @USD 5 MILLION/MW



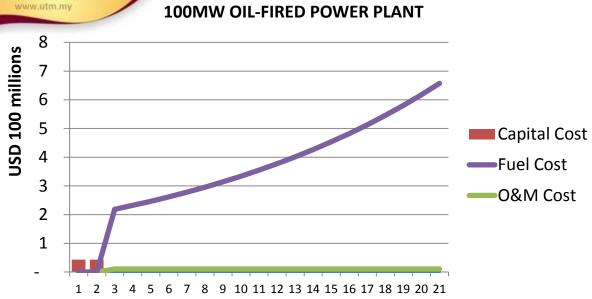


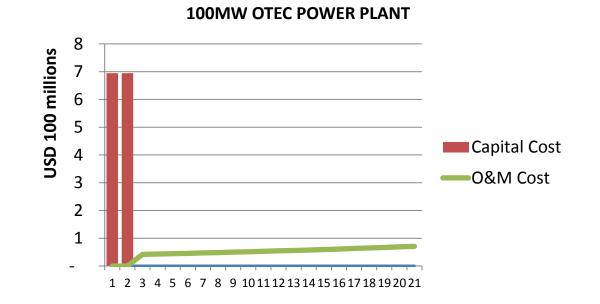
CAPITAL & OPERATING COSTS OVER PROJECT LIFE CYCLE OF 100MW OTEC POWER PLANT @USD 14 million/MW





COMPARATIVE CAPITAL & OPERATING COSTS OVER PROJECT LIFE CYCLE





Total costs (USD) over 21 years of operation

OIL-FIRED POWER	OTEC-POWER
USD 7.5 billion	USD 1.5 billion



Assumptions:Oil-Fired Power Plant

- O&M Cost relatively stable, at 12% of capital cost, based on feasibility study report
- Capital cost: USD 5 million/MW
- Fuel cost (price of crude oil) increases 6.5% annually, based on geometric mean of past 67 years.
- All crude oil is used to generate electricity, instead of various mixes/ uses.

Assumptions: OTEC Power Plant

- •Cost of O&M is about 3% of capital cost
- Capital cost: USD 14 million/MW

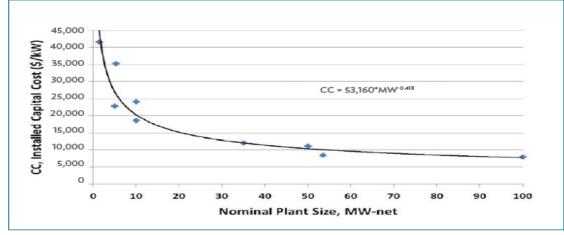


Capital Costs

- These estimates are applicable for equipment purchased in Europe, Japan, or the United States and with installation by United States firms.
- Deployment and installation costs are included.
- Based on the implementation of similar technologies, latergeneration designs could reach cost reductions of as much as 30%.

 $CC (\$/kW) = 53,000 \times MW^{-0.42}$

Figure 12 Capital Cost Estimated for First-Generation Closed-Cycle
Ocean Thermal Energy Conversion Plants



CC= capital cost, kW = kilowatt, MW = megawatt.

Source: L. Vega. 2010. Economics of Ocean Thermal Energy Conversion (OTEC): An Update. Paper presented at the Offshore Technology Conference. Houston. 3–6 May.

Table A1.1 First-Generation Ocean Thermal Energy Conversion Plant Capital Cost Estimates

Nominal Plant Size (MW-net)	Installed Capital Cost (\$/kW)	Land/Floater	Source (Extrapolated)
1.4	41,562	L	Vega (1992)
5	22,812	L	Wenzel (1995)
5.3	35,237	F	Vega et al. (1994)
10	24,071	L	Vega (1992)
10	18,600	F	Vega (2010)
35	12,000	F	rr
50	11,072	F	Vega (1992)
53.5	8,430	F	Vega (2010)
100	7,900	F	11

kW = kilowatt, MW = megawatt.

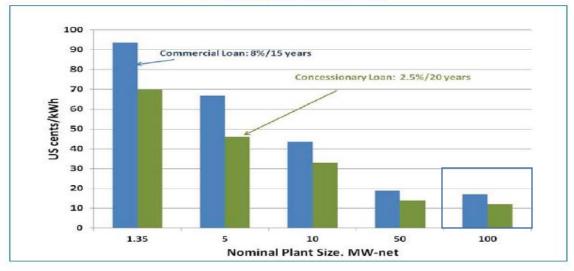
Note: Extrapolated archival estimates $(1-50 \, \text{MW})$ and current estimates $(10-100 \, \text{MW})$ in \$/kW-net.



Levelized Cost

- The annual costs for operation and maintenance, are estimated at \$40 million.
- Electricity could be produced at a levelized cost of less than \$0.17/kWh.
- If the plant could be funded via a concessionary loan with a rate of 2.5% over 20 years, the levelized cost of electricity would be \$0.12/kWh.
- Power purchase agreement from the national utility at around \$0.20/kWh would provide an ample return on investment.

Figure 13 Levelized Cost of Electricity Production for First-Generation Closed-Cycle Ocean Thermal Energy Conversion Plants as a Function of Plant Size with Loan Terms as Parameters



kWh = kilowatt-hour, MW = megawatt.

Note: Annual inflation assumed constant at 3%.

Table A1.2 Levelized Cost of Electricity for Closed-Cycle Ocean Thermal Energy Conversion Plants

Identifier Nominal Size (MW)	Capital Cost (\$/kW)	O&M (\$ million/ year)	R&R (\$ million/ year)	COE (¢/kWh)	COE _{omr&r} (4/kWh)	COE (¢/kWh)
1.35	41,562	2.0	1.0	60	38.7	94.0
5	22,812	2.0	3.5	33	17	50.0
10	18,600	3.4	7.7	26.9	16.8	44.0
53.5	8,430	3.4	20.1	12.2	6.7	19.0
100	7,900	3.4	36.5	11.4	6	18.0

8%/15 years

COE = cost of electricity, kW = kilowatt, kWh = kilowatt-hour, MW = megawatt, O&M = operation and maintenance OMR&R = operation maintenance repair and replacement, R&R = repair and replacement.

Notes: With capital costs amortized through an 8%, 15-year loan and annual inflation at 3%, considering United States labor rates for operation and maintenance and first-year repair and replacement cost as indicated. The first two entries are land-based with



50MW Capital Cost Estimate

Table A1.3 50-Megawatt Closed-Cycle and Open-Cycle Ocean Thermal Energy
Conversion Capital Cost Estimates

	Closed Cycle				
Size	53.5 MW-net				
Date	Feb 2009				
Component	\$ million	\$/kW	Percentage	Ops 1st Year (\$ million)	Replacement 1st Year (\$ million)
Floating Vessel	100	1,869	22%		3.3
Mooring	24	449	5%		0.8
Submarine Power Cable (10 km)	41	766	9%		1.4
Seawater Pipes Installed	60	1,121	13%		2.0
Seawater Pumps Installed	24	449	5%		1.6
Power Block (15 MW-gross modules)					
Heat Exchangers	95	1,776	21%		6.3
Turbine-Generator	33	617	7%		2.2
Electrical/NH3/CI2/Controls	31	579	7%		1.0
Installation Mechanical and Electrical	43	804	10%		1.4
All Components Total	451	8,430	100%	3.4	20.1

15-year

30-year

CI2 = chlorine, km = kilometer, kW = kilowatt, MW = megawatt, NH3 = ammonia.

Notes:

Capital Cost

- Vega's archival information for manufacturers from the European Union, Japan, and the United States.
- * At the conceptual level, the capital cost for the open cycle plant will double the cost of a floating vessel.
- * Assume the sum of all other cost are equivalent to closed cycle. Therefore, the capital cost for the open cycle plant is \$551 million.

Operations, Maintenance, Repair, and Replacement (OMR&R)

* A total staff of 17 is required to manage and operate the floating plant in shifts 24/7.

Using United States labor rates, the operations and maintenance portion for the first year is \$3.4 million (for both open cycle ocean thermal energy conversion and closed cycle ocean thermal energy conversion).

* To estimate the repair and replacement (R&R) portion for the first year: pumps, heat exchangers, and turbine generators replaced in 15-years; all other components in 30 years.

First-year estimate for R&R portion is (as given in table) \$20.1 million for CC-OTEC and \$23.4 million for OC-OTEC.

If vessel and heat exchangers are manufactured in the People's Republic of China the Real portion would be \$1707 million.

Source: Author.



50 MW Production rates of OTEC

Table 10 Electricity and Desalinated Water Production Rates for Ocean Thermal Energy Conversion

System	Electricity (MWh/year)	Water (m³/day)	Capital Cost (\$/kW _{net})
Closed Cycle	432,609	0	8,430
(53.5 MW)			
Open Cycle	414,415	118,434	10,751
(51.25 MW)			
(1,485 kg/s)			

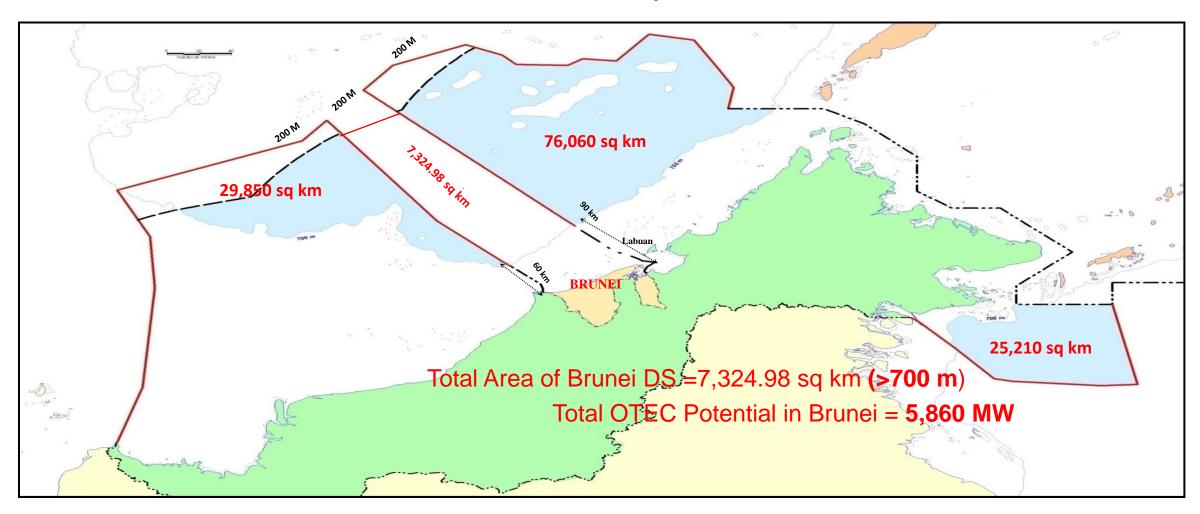
kg = kilogram, kW = kilowatt, m3 = cubic meters, MW = megawatt, MWh = megawatt-hour, s = second.

Data generated by author.

100 MW ~ 828,830 MW h/year Electricity 100 MW~ 236,868 m³/day Water

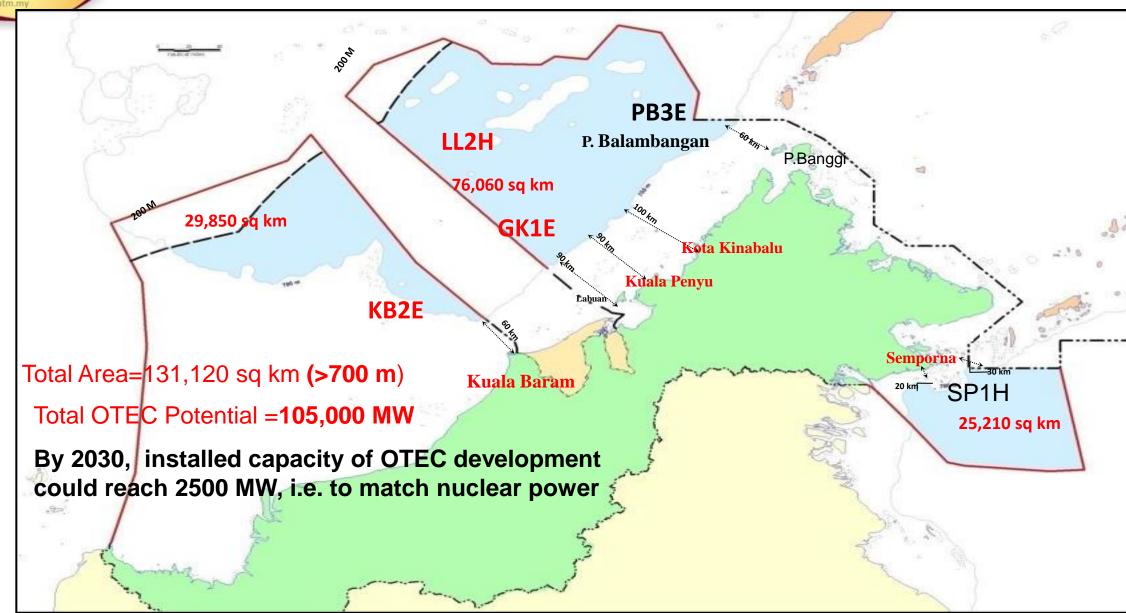


7. OTEC Potential Malaysia & in Brunei DS



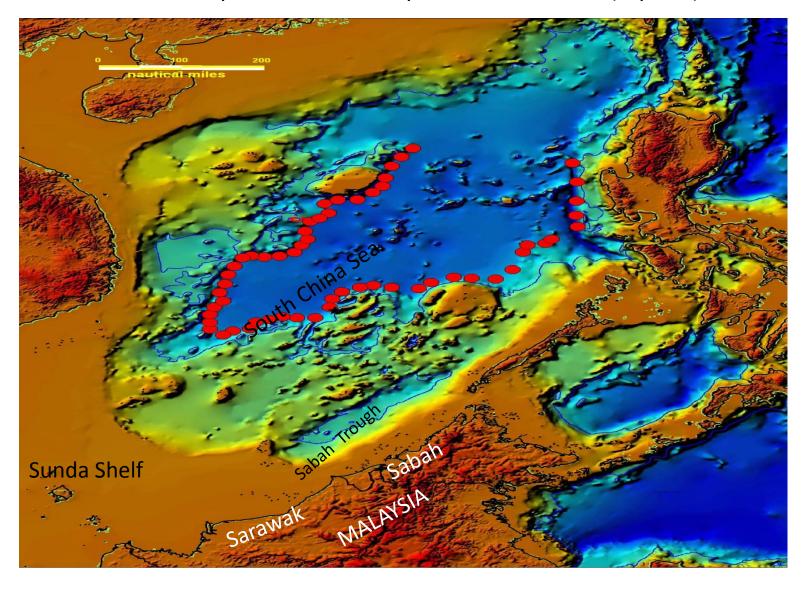


OTEC POTENTIAL IN MALAYSIA & THE FIRST FIVE OTEC POTENTIAL SITES

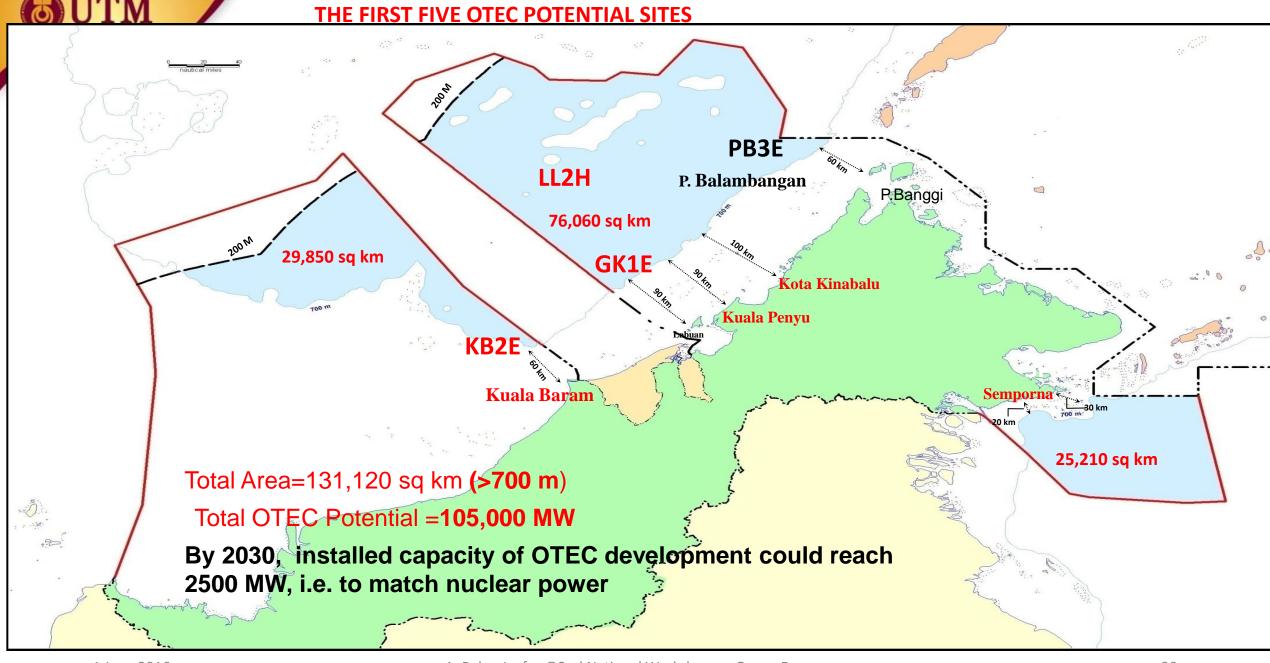




Malaysian Marine Survey of South China Sea (MyMRS) 2006-2008









Baseline 50 MW- Closed OTEC System

Table 11 Baseline 50-Megawatt Closed-Cycle Ocean Thermal Energy Conversion for Levelized Cost of Electricity under a Commercial Loan

Current-Dollar Levelization (constant	annual cost)	
Inputs in Blue	Outpu	t in Red
System Net Name Plate	53.5 MW	SOA Components
System Availability	92.3%	4 weeks downtime/ module
Site Annual Average Capacity Factor	100.0%	Design Selection
Annual Electricity Production	432,609 MWh	
Daily Desalinated Water Production	0.00 MGD	
	0 m³/day	
Installed Cost (CC)	\$451.00 million	8,430 \$/kW
1st Year OMR&R	\$23.50 million	
I, interest (current-dollar discount rate)	8.00%	
ER, annual escalation (inflation) rate for entire period	3.00%	All elements
N, system Life	15 years	
Capital Payment		
Investment Levelizing Factor for I and N (Capital Recovery Factor)	11.68%	
Levelized Investment Cost (CC x CRF)	\$52.690 million	"Annual Amortization"
COE_{cc} : Fixed CC Component of COE	0.122 \$/kWh	
OMR&R Costs		
Expenses Levelizing Factor for I, N, and Escalation (ELF)	1.22	
Capital Recovery Factory, f (I,N)	11.68%	
Present Worth Factor accounting for Inflation, f (I,ER,N)	10.5	
Levelized Expenses Cost (OMR&R x ELF)	\$28.780 million	"Annual Levelized OMR&R"
COE _{områr} : Levelized OMR&R Component of COE	0.067 \$/kWh	
Total (CC + OMR&R) Levelized Annual Cost of Electricity Production	\$81.470 million	

Total Levelized Cost of Electricity (no profit; no environmental or tax credits)

COE = COE_x + COE_{xmat} = 0.188 \$/kWh

 $CC = capital\ cost,\ COE = cost\ of\ electricity,\ CRF = capital\ recovery\ factor,\ kW = kilowatt,\ kWh = kilowatt-hour,\ m^3 = cubic\ meter,\ MGD = million\ gallons\ per\ day,\ MW = megawatt,\ MWh = megawatt-hour,\ OMR\&R = operation\ and\ maintenance\ repair\ and\ replacement\ costs.$



Baseline 50 MW- Open OTEC System

Table 12 Baseline 50-Megawatt Open-Cycle Ocean Thermal Energy Conversion, Break-Even Electricity, and Water Rates Required under a Commercial Loan

Current-Dollar Levelization (constant annual cost)			
Inputs in Blue		t in Red	
System Net Name Plate	51.25 MW	SOA Components	
System Availability	92.3%	Experimental Plant	
Site Annual Average Capacity Factor	100.0%	Design Selection	
Annual Electricity Production	414,415 MWh		
Daily Desalinated Water Production	31.29 MGD		
	118,434 m³/day		
Installed Cost (CC)	\$551.00 million	10,751 \$/kW	
Yearly OMR&R	\$26.80 million		
I, interest (current-dollar discount rate)	8.00%		
ER, annual escalation (inflation) rate for entire period	3.00%	All elements	
N, system Life	15 years		
Capital Payment			
Investment Levelizing Factor for I and N (Capital Recovery Factor)	11.68%		
Levelized Investment Cost (CC x CRF)	\$64.373 million	"Annual Loan Amortization"	
OMR&R Costs			
Expenses Levelizing Factor for I, N and Escalation (ELF)	1.22		
Capital Recovery Factor, f (I,N)	11.68%		
Present Worth Factor accounting for Inflation, f (I,ER,N)	10.5		
Levelized Expenses Cost (OMR&R x ELF)	\$32.821 million	"Annual Levelized OMR&R"	
Total (CC + OMR&R) Annual Cost of Electricity and Water Production	\$97.194 million		
		Rates	
Breakeven Annual Sales (no profit, no credits)			
Electricity	\$62.991 million	0.152 \$/kWh	
Water	\$34.263 million	3.0\$/kilogallon	
Total Annual Sales	\$97.254 million		

CC = capital cost, COE = cost of electricity, CRF = capital recovery factor, kW= kilowatt, kWh = kilowatt-hour, m³ = cubic meter, MGD = million gallons per day, MW = megawatt, MWh = megawatt-hour, OMR&R = operation and maintenance repair and replacement costs.

Source: Author.



8. AN OVERVIEW OF OCEAN ENERGY BY TYPE

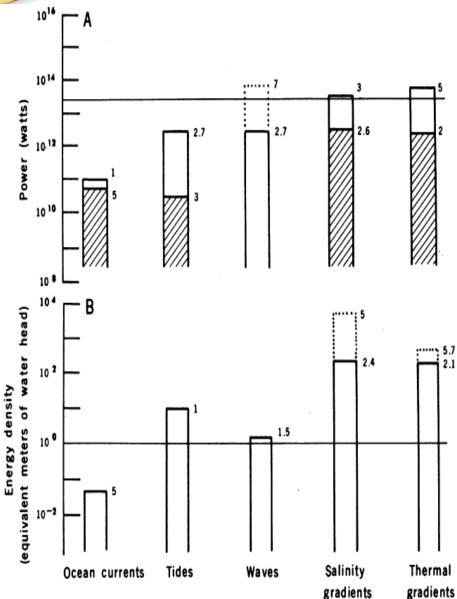


Fig. 1. (A) Power or energy flux for ocean energy. On the "ocean currents" bar, the shading represents the power contained in concentrated currents such as the Gulf Stream. Estimated feasible tidal power is also shaded. The dotted extension on "waves" indicates that wind waves are regenerated as they are cropped. "Salinity gradients" includes all gradients in the ocean; the large ones at river mouths are shown by shading. Not shown is the undoubtedly large power that would result if salt deposits were worked against freshwater or seawater. On "thermal gradients," the shading indicates the unavoidable Carnot-cycle efficiency. The horizontal line at 30×10^{12} watts is a projected global electricity consumption for the year 2000. (B) Intensity or concentration of energy expressed as equivalent head of water. "Ocean currents" shows the velocity head of major currents. For tides, the average head of favorable sites is given. For waves, the head represents a spatial and temporal average. The salinity-gradients head is for freshwater versus seawater, the dotted extension for freshwater versus brine (concentrated solution). The thermal-gradients head is for 12°C; that for 20°C is dotted; both include the Carnot efficiency. [From Wick and Schmitt (22)]

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9. THE WAY FORWARD FOR OCEAN ENERGY DEVELOPMENT IN THE TROPICS: ORDER OF PRIORITY

- 1. Ocean Thermal Energy Conversion (OTEC)
- 2. Tidal & Ocean Currents
- 3. Offshore Wind
- 4. Salinity Gradient, OTEC SpinOff
- 5. Marine Algae, OTEC SpinOff
- 6. Wave

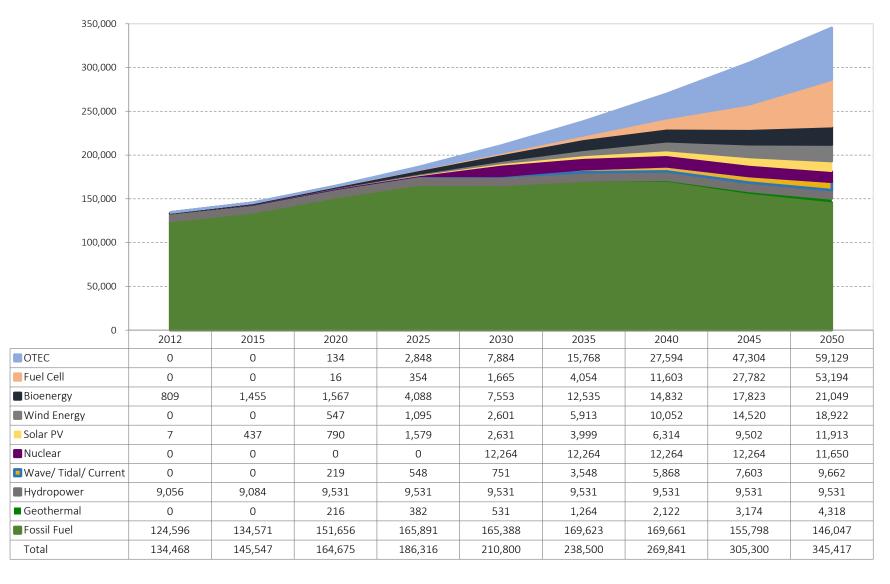


Future Target and Proposed Roadmap for OTEC in Malaysia 2020-2050 [As at 24 April 2015][Revised after ASM CFE Workshop by Dato' Ir Dr A Bakar Jaafar]

Year	Capacity (MW)	Growth Rate (%)	Remark
2020	20	-	2x10 MW public-private RMK-11
2025	850	-	For 7% reduction in carbon intensity
2030	2500	14	To match nuclear power
2035	5000	14	To match nuclear power
2040	10000	14	To meet H2 demand
2045	20000	14	
2050	40000	14	



Malaysia: Projected Electricity Generation by Energy Source (GWh) 2012-2050



Source: ASM Task Force on Carbon Free Energy (2015)

Region

Temperate

Sub-Tropic

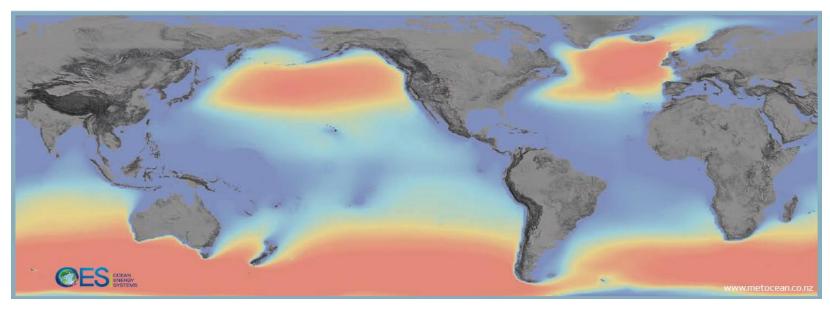
Tropic

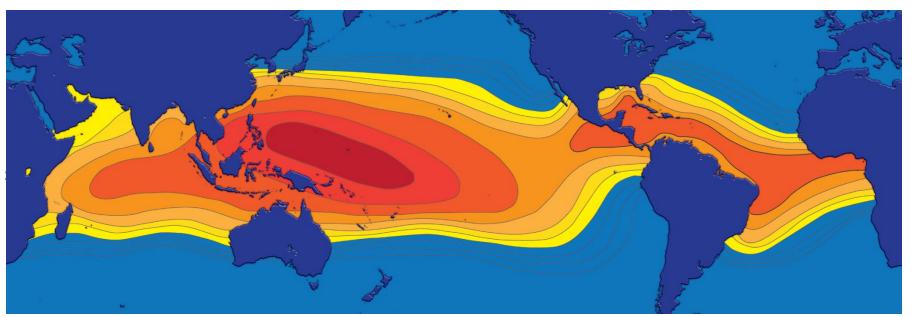
OTEC	SOLAR WAVE	TIDAL WIND
TIDAL	SOLAR OTEC WAVE	WIND
WAVE WIND	SOLAR TIDAL	OTEC
LOW	MEDILIM	HIGH

MEDIUM



Wave Power Potential in Temperate Regions

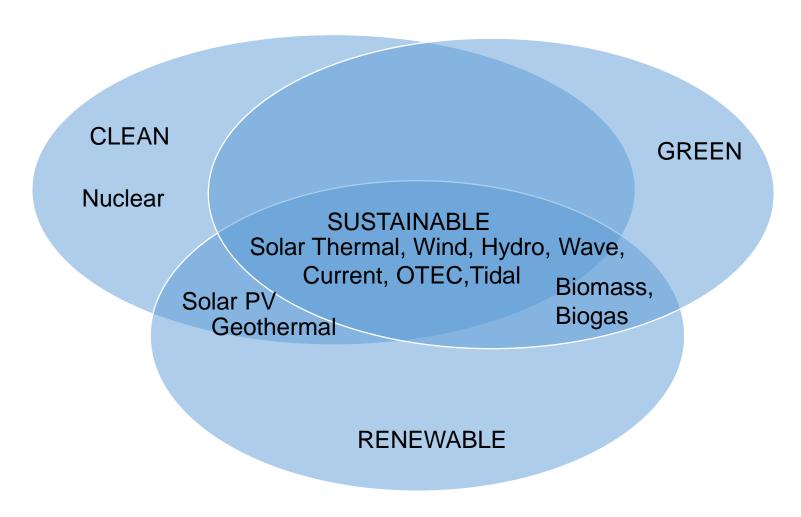




OTEC Potential in the Tropics & Subtropics



FORMS OF ENERGY & CLASSIFICATION





COMPARATIVE COSTS & INVESTMENT BY TYPE OF OCEAN ENERGY

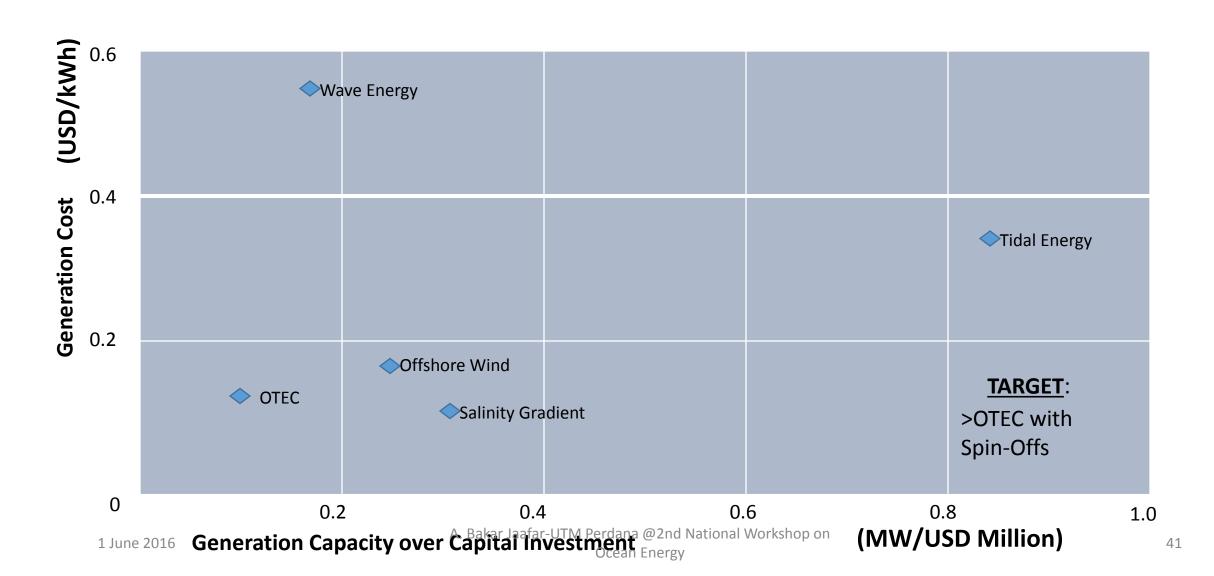
WAVE [USD/kWh] **TIDAL CURRENT OCEANIC CURRENT** Cost of Generation **OFFSHORE WIND SALINITY GRADIENT OTEC**

Generation Capacity/Capital Input

[MW/USD million]



Ocean Energy Production Cost & Generation Capacity over Capital Investment





Ocean Energy	Input			Output Cost of Ocean
	Generation Capacity (MW)	Capital Investment (Million USD)	MW/Million USD	Energy (USD/KWh)
Wave Energy	10	62.75	0.16	0.561
Tidal Energy	254	298	0.85	0.28
Offshore wind	10	40	0.25	0.165
OTEC	53	451	0.12	0.13
Salinity gradient	200	600	0.33	0.09

kWh = kilowatt-hour, MW =megawatt

Source: Asian Development Bank Report & IRENA Technology Brief



- Asian Development Bank (2014), Wave Energy Conversion and Ocean Thermal Energy Conversion Potential In Developing Member Countries.
- IRENA (2014), Wave Energy Technology Brief, IRENA Ocean Energy Technology Brief 4.
- IRENA (2014), Tidal Energy Technology Brief, IRENA Ocean Energy Technology Brief 3.
- IRENA (2014), Salinity Gradient Energy Technology Brief, IRENA Ocean Energy Technology Brief 2.
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Thank You Merci Gracias спасибо 谢谢 TERIMA KASIH









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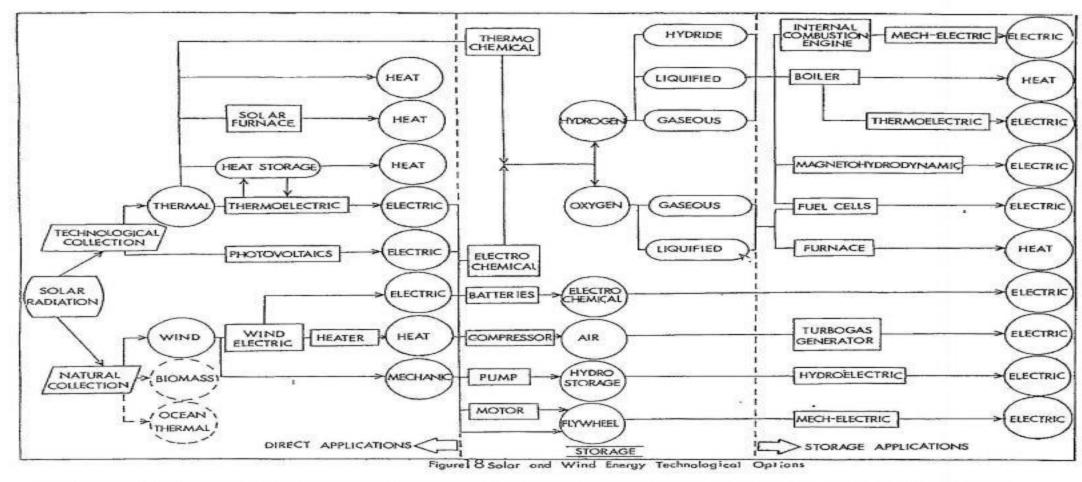
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3W Micro-OTEC @UTM OTEC Block Q Commissioned on 22 May 2015

