

Finding cost-effective solutions to reduce nutrient emissions to the Baltic Sea

Karl-Johan Lehtinen HELCOM Stakeholder Conference, 04-03-2008



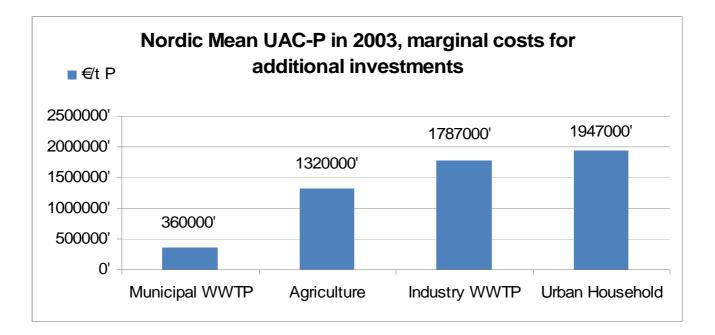
- Finding and financing cost-effective projects (biggest bang for the buck)
- Hitherto: ca. 1000 t P-reductions within NEFCO's municipal waste water projects
- UAC (Unit Abatement Cost) 90 000 €/t P
- Nordic corresponding shadow prices much higher.



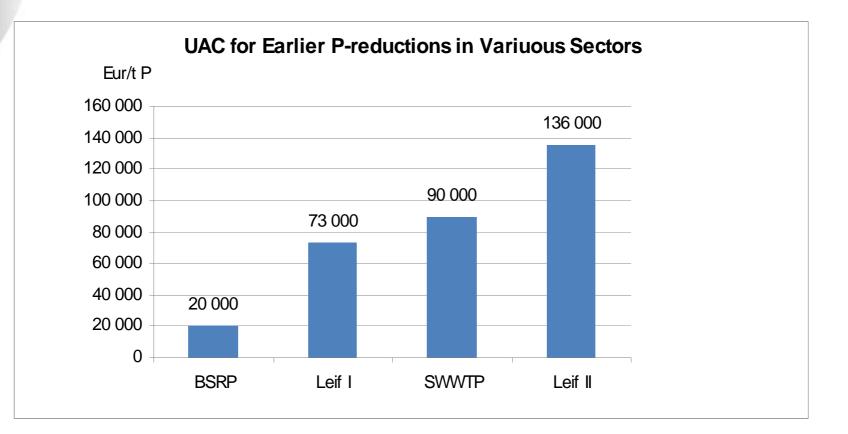
Determination of cost-efficiency at NEFCO

- Unit Abatement Cost
- Transparent and objective way to illustrate costefficiency
- Calculation: Total investment (or the environmental part)
 EBITDA (or annual savings based on technical analysis)/annual reduction of the environmental indicator
- Investment cost: annualised cost (usually 5 %, 10 yr capital recovery time)
- Probably not bound for the Noble prize but the inherent error is always the same e.g. comparable methodological incorrectness









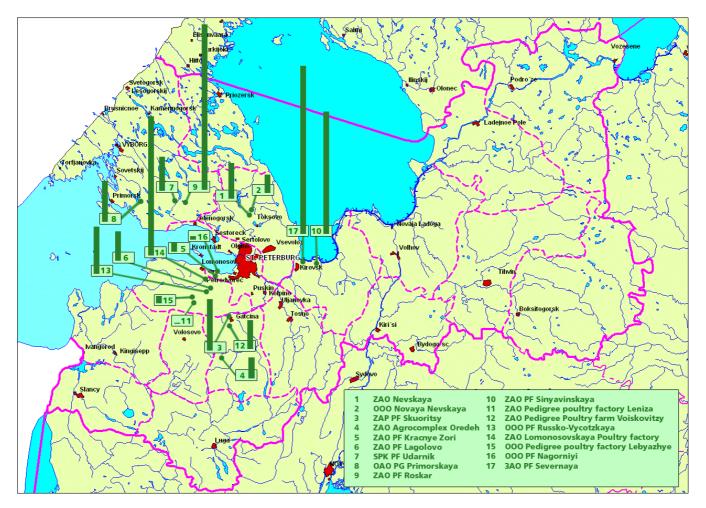


- Areas of specific interest are:
- Kaliningrad town and adjacent communities
- Finalisation of St Petersburg Municipal waste water treatment
- Agri-industrial production in Leningrad oblast for the following reason:



- Annually 800 000 t of manure produced from poultry farms
- Manure contains 3000 t P and 14 000 t N
- P content higher than the total need for P reduction in the Gulf of Finland

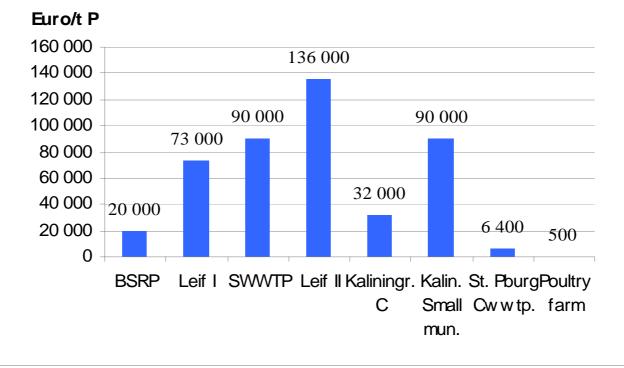
NORDIC ENVIRONMENT FINANCE CORPORATION Locations of poultryfarms





Some examples

UAC for Earlier and Predicted P-reductions





Alternative solutions to the manure problem, but which one is most cost-efficient?

- Lagoons
- Composting
- Biogas
- Incineration

Spreading Spreading or products **Energy &** Spreading Ash (fertilizer + energy) only small amount of residue



Manure leaching into waterways











Cost-Efficiency & Time

- Crucial to make decisions fast if BSAP is to be successfully implemented
- If planning and financing is managed within 2 yr, only 5-6 years effective time for action



Find the low-hanging fruits!

- The P-goal within BSAP is ca. 15 000 t/a reduction for the whole Baltic. The Gulf of Finland and Riga Bight ca. 2750 t/a.
- By the finishing of St P:burg wwtp 1800 t P/a reduction (remaining total cost 750+ MEUR)
- Kaliningrad (+ 20 additional comm) estimated
 400 t P/a at a cost of around 140 MEUR
- About 3000 additional manure-P tons with potential to reach GF could be eliminated at a, sofar, estimated cost of about 1000 €/t



- BSAP goal to reduce 8460 t P/a from
 MWWTPs: St. P:burg 1800 + Kaliningrad
 400T = 2200 t/a
- 217 MWTTP discharge directly to BS: make a list and separate the largest ones
 > 50-100 t P/a
- In total 3036 plants that cover 6260 t P: make list and prioritise the largest ones



- What about the rest 6540 t P from nonpoint sources?
- Use the money available for improvement of farm routines (manure, application of fertilizer etc according to GAP)
- Use new schemes: for ex. rent biotopes from farmers for certain periods ; hide inert wood coal into farmland after utilization of energy from pyrolysis (win-win solution)
- Nutrient trading probably not avoidable if true nutrient reductions are foreseen.