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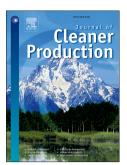
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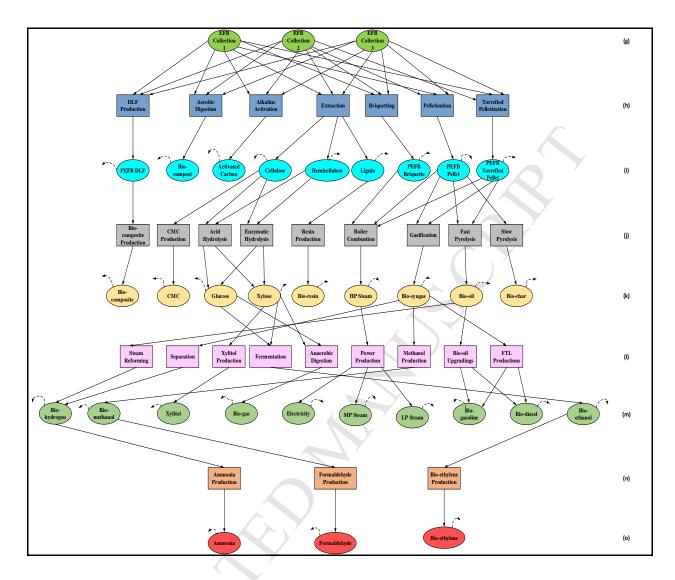
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Multi-Products Productions from Malaysian Oil Palm Empty Fruit Bunch (EFB): Analyzing Economic Potentials from the Optimal Biomass Supply Chain

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Abstract

The economic potentials of Malaysian oil palm empty fruit bunch are realized by several motivating factors such as abundance, cheapness and are generally feasible to produce multi-products that range from energy, chemicals and materials. Amid continuing supports from the government in terms of policies, strategies and funding, manufacturing planning and decision to utilize this biomass resource requires a decision- support tool. In this regard, biomass supply chain modeling serves as the supportive tool and can provide economic indications for guided future investments. Sequential steps in modeling and optimization of the supply chain that utilized empty fruit bunch were shown. In a form of superstructure, the supply chain consisted processing stages for converting the biomass into intermediates and products, transportation networks that used truck, train or pipeline, and the options for product's direct sales or for further refinements. The developed optimization model has considered biomass cost, production costs, transportation costs, and emission treatment costs from transportation and production activities in order to determine the annual profit. By taking a case study of Peninsula Malaysia, optimal value showed a profit of \$ 713,642,269/y could be achieved which has assumed a single ownership for all of the facilities in the supply chain. Besides, the tabulated values of yields and emission levels could provide comparative analysis between the processing routes. Sensitivity analysis was then performed to perturb the approximated parameters or data that have been used in this study.

Keywords

Empty fruit bunch (EFB); palm oil industry; biomass supply chain optimization; superstructure; bioproducts.

Highlights

- Malaysia is to value the potentials of oil palm's biomass-based industries.
- EFB has obvious advantages and could be utilized for manufacturing products.
- Superstructure presents candidates for optimization.

• Optimization model could be an important decision-making tool for future investments that related to EFB's utilizations.

Introduction

Malaysia is a nation that is endowed with resources of both fossil as well as renewables. For fossil resources, proved reserves and the global share (%) for this country are 3.7 million barrel and 0.2% for oil, and 38.5 trillion cubic feet and 0.6% for natural gas (BP, 2014). These numbers have ranked Malaysia as the 28th and the 15th largest reserves in the world for oil and natural gas, respectively. For renewables, Malaysia has 22,500 MW energy potential of hydropower, 6,500 MW energy potential of solar, and 1,700 MW energy potential of biomass (Mekhilef et al., 2011). Of these renewables, only biomass can be used as a substituted feedstock to the fossil fuels for the manufacturing of multi-products that ranged from energy, chemicals and materials. The substitutions to a certain extent are apparent due to the fact that there were declines in productions of Malaysia's major oil fields and there are abundances of biomass resources available in this country (EIA, 2015; Zafar, 2014). For more general motivations, discouraged attributes of fossil resources such as environmentally harmful and are not renewable, have even elevated the prospects of biomass to become the main renewable feedstocks in the near future.

In Malaysia, biomass resources are mainly generated by the palm oil industry. The crop's planted areas have reached five million hectares in which almost 93 million tonnes of oil palm fruit was harvested (Ng and Ng, 2013). This harvested oil palm fruit will then produce crude palm oil and crude palm kernel oil, the major raw materials for the productions of various basic oleochemicals and biodiesel (Rupilius and Ahmad, 2007). Despite producing valuable products, the palm oil industry also generates agricultural wastes (biomass) such as palm oil fronds, palm oil trunks, empty fruit bunch (EFB), palm oil mill effluent (POME), palm mesocarp fiber (PMF), and palm kernel shell (PKS). In the case of EFB, for every 1 tonne of oil palm fresh fruit bunch processed, it was estimated that 230 kg of EFBs would be generated (Ng and Ng, 2013). As cheap biomass resource, EFB could be important feedstock to produce various products. This move is indeed in line with the current government strategies such as the Renewable Energy Policy, the National Biomass Strategy 2020 and the 1 Malaysia Biomass Alternative Strategy, which encourages biomass utilization for value-added product production and bioenergy generation (Ng and Ng, 2013).

Previous research and commercialization activities have indicated that EFB has been subjected to produce numerous products such as bio-syngas, bio-oil, bio-hydrogen, briquette and pellet fuels, bio-ethanol, bio-composite, bio-resin, bio-gas, bio-compost, activated carbon, xylose, polyhdroxybutyrate, and etcetera (Lahijani and Zainal, 2010; Salema and Ani, 2012; Md. Zin et al., 2012; Chong et al., 2013; Tan et al., 2010; Tan et al., 2012; Tay et al., 2009; Ibrahim et al., 2011; Purwandari et al., 2012; Rosli et

al., 2011; Foo and Hameed, 2011; Auta et al., 2012, Zhang et al., 2013, and Rahman et al., 2007). Some of these are intermediates that will be further refined to produce final products. **Table 1** shows huge potentials of products and their applications which are feasibly derived from EFB.

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Fischer-Tropsch process.Bio-oilProductions of bio-hydrogen, bio-ethylene, bio-propylene, transportation fuels through refini process, glycolaldehyde, levoglucosan, and etc.Bio-charSoil enhancer, carbon sequester, fuels, and metal extraction where carbon is used to remove oxi from metal.Bio-hydrogenAmmonia production, refinery applications in hydrotreating and hydrocracking processes, fu cells, and etc.XylitolVarious pharmaceutical and oral hygiene products.Bio-ethanol/ethanolBlending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, media and pharmaceuticals.Bio-gasPower generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu 	High Pressure Steam	Mainly for power generation.
process, glycolaldehyde, levoglucosan, and etc.Bio-charSoil enhancer, carbon sequester, fuels, and metal extraction where carbon is used to remove oxi from metal.Bio-hydrogenAmmonia production, refinery applications in hydrotreating and hydrocracking processes, fr cells, and etc.XylitolVarious pharmaceutical and oral hygiene products.Bio-ethanol/ethanolBlending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, media and pharmaceuticals.Bio-gasPower generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu fuel for transportation and etc.Bio-methanolFormaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigerant synthetic fibers, and etc.ElectricityEnergy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more.Medium Pressure SteamPower production, heating, cleaning, as reaction medium, humidification, and etc.Low Pressure SteamHeating, cleaning, humidification, moisturizing agent, and etc.	Bio-syngas	Productions of ammonia, hydrogen, methanol, electricity and range of transportation fuels through Fischer-Tropsch process.
Bio-charSoil enhancer, carbon sequester, fuels, and metal extraction where carbon is used to remove oxi from metal.Bio-hydrogenAmmonia production, refinery applications in hydrotreating and hydrocracking processes, fr cells, and etc.XylitolVarious pharmaceutical and oral hygiene products.Bio-ethanol/ethanolBlending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, media and pharmaceuticals.Bio-gasPower generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu fuel for transportation and etc.Bio-methanolFormaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigerant synthetic fibers, and etc.ElectricityEnergy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more.Medium Pressure SteamPower production, heating, cleaning, as reaction medium, humidification, and etc.	Bio-oil	Productions of bio-hydrogen, bio-ethylene, bio-propylene, transportation fuels through refining process, glycolaldehyde, levoglucosan, and etc.
cells, and etc.XylitolVarious pharmaceutical and oral hygiene products.Bio-ethanol/ethanolBlending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, media and pharmaceuticals.Bio-gasPower generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu fuel for transportation and etc.Bio-methanolFormaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigerant synthetic fibers, and etc.ElectricityEnergy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more.Medium Pressure SteamPower production, heating, cleaning, as reaction medium, humidification, and etc.	Bio-char	Soil enhancer, carbon sequester, fuels, and metal extraction where carbon is used to remove oxide
Bio-ethanol/ethanol Blending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, media and pharmaceuticals. Bio-gas Power generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu fuel for transportation and etc. Bio-methanol Formaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigeran synthetic fibers, and etc. Electricity Energy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more. Medium Pressure Steam Power production, heating, cleaning, as reaction medium, humidification, and etc.	Bio-hydrogen	Ammonia production, refinery applications in hydrotreating and hydrocracking processes, fuel cells, and etc.
and pharmaceuticals. Bio-gas Power generation, heating, combined heat and power, drying, cooling, cooking, compressed liqu fuel for transportation and etc. Bio-methanol Formaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigerant synthetic fibers, and etc. Electricity Energy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more. Medium Pressure Steam Power production, heating, cleaning, as reaction medium, humidification, and etc. Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Xylitol	Various pharmaceutical and oral hygiene products.
fuel for transportation and etc. Bio-methanol Formaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigeran synthetic fibers, and etc. Electricity Energy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more. Medium Pressure Steam Power production, heating, cleaning, as reaction medium, humidification, and etc. Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Bio-ethanol/ethanol	Blending with gasoline, and uses commonly in the sectors such as beverages, cosmetics, medical and pharmaceuticals.
Bio-methanol Formaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, a other materials and chemicals productions such as paints, solvents, adhesives, refrigeran synthetic fibers, and etc. Electricity Energy for electrical devices such as pump, compressor, fan, air-conditioner, heater, lighti system, computers, and many more. Medium Pressure Steam Power production, heating, cleaning, as reaction medium, humidification, and etc. Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Bio-gas	Power generation, heating, combined heat and power, drying, cooling, cooking, compressed liquid fuel for transportation and etc.
system, computers, and many more. Medium Pressure Steam Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Bio-methanol	Formaldehyde production, wastewater denitrification, solvent for biodiesel trans-esterification, and other materials and chemicals productions such as paints, solvents, adhesives, refrigerants, synthetic fibers, and etc.
Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Electricity	system, computers, and many more.
Low Pressure Steam Heating, cleaning, humidification, moisturizing agent, and etc.	Medium Pressure Steam	Power production, heating, cleaning, as reaction medium, humidification, and etc.
Bio-ethylene Productions of polyethylene (PE), ethanol, ethylene glycol, ethylene oxide, ethylbenzene, ethyle	Low Pressure Steam	Heating, cleaning, humidification, moisturizing agent, and etc.
dichloride, fruit ripening agent, and etc.	Bio-ethylene	Productions of polyethylene (PE), ethanol, ethylene glycol, ethylene oxide, ethylbenzene, ethylene
Bio-diesel Transportation fuel, steam and power productions for diesel engines.	Bio-diesel	

Table 1 Applications for products from oil palm EFB

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Bio-gasoline	Main transportation fuel in for road vehicles, motorboats, as well as for chainsaws, lawn movers, and etc.
Ammonia	Mainly used for the productions of fertilizers, plastics such as polyurethane, refrigerant, and etc.
Formaldehyde	Productions of formaldehyde-based resins or adhesives such as urea formaldehyde (UF) resins, phenol formaldehyde (PF) resins, and melamine formaldehyde (MF) resins, polyoxymethylenes (POM), healthcare applications such as disinfectants and vaccines, and etc.

One of the main factors to realize these potentials is by having an optimal supply chain. The supply chain will ensure conversion routes that comprise series of pre-processing, main processing, and further processing steps to produce those above-mentioned products are considered simultaneously and comprehensively. Previous studies that focused on EFB's supply chains including the supply chain analysis and life cycle assessment for the productions of green chemicals (Reeb et al., 2014) the supply chain of EFB for renewable fuel production (Eco-Ideal Consulting Sdn. Bhd. and Mensilin Holdings Sdn. Bhd., 2005), and the synthesis of energy supply chain from EFB (Lam et al., 2010). Optimal EFB's supply chain for multi-products productions of energy, chemicals and materials is yet to be studied based on author's knowledge. This study will focus on modeling an optimization of EFB's supply chain by taking Peninsular Malaysia as a case study.

Model Development for Optimal EFB's Supply Chain

An optimization model of the EFB's supply chain has been developed according to the sequential steps shown by **Fig. 1**. As lignocellulosic biomass sources, EFB will take different processing routes, each will end up to produce the pre-determined bio-products as highlighted in **Table 1**. These processing routes comprise stages of pre-processing, main processing and further processing steps. The routes can be divided into three main categories; thermochemical, chemical and biochemical processes.

Thermochemical processing routes involve a manufacturing platform that apply combustion processes to convert the chemical energy stored in biomass into heat (Mc Kendry, 2002) and use heat to break down biomass feeds into a condensable oil-rich vapor in pyrolysis and syngas in gasification (Abraham et at., 2003). Biomass chemical processing routes will use a strong acid to break down lignocellulosic biomass into its single morphological structure whether cellulose, hemicellulose and lignin. Cellulose, hemicellulose and lignin will then undergo further processes to produce ethanol and other products (PPD Technologies Inc., 2011). Biochemical processing routes will use enzymes of bacteria or other microorganisms to produce products from biomass sources. Schemes in biochemical productions will determine the type of products, for instance, alcohol fermentation will produce ethanol, anaerobic digestion will produce biogas, and aerobic fermentation will produce compost (Garcia et al., 2011)

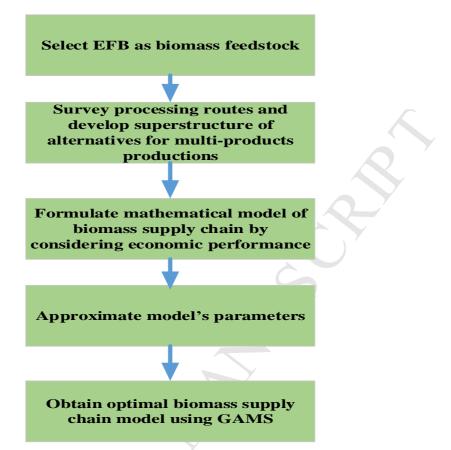


Fig. 1. Sequential steps for optimal EFB's supply chain

In developing the supply chain's superstructure, important steps and approaches, as detailed out by Murillo-Alvarado et al., (2013) were considered. First, suitable biomass feedstocks are recognized and characterized and followed by identification of desired products. In this step, several desired products can be generated by consuming the same feedstocks through a variety of conversion routes. Meanwhile, more than one reactants can be used to produce the desired product. In order to identify the interconnections (processing pathways) between feedstocks and products, two approaches are used which the forward synthesis of biomass and the backward synthesis of desired products. The next step is to match two intermediate compounds obtained from forward and backward syntheses. The final step of superstructure generation involved interception of the two intermediate compounds by identifying the set of processing technologies required for connecting these compounds. The developed superstructure is shown in **Fig 2**.

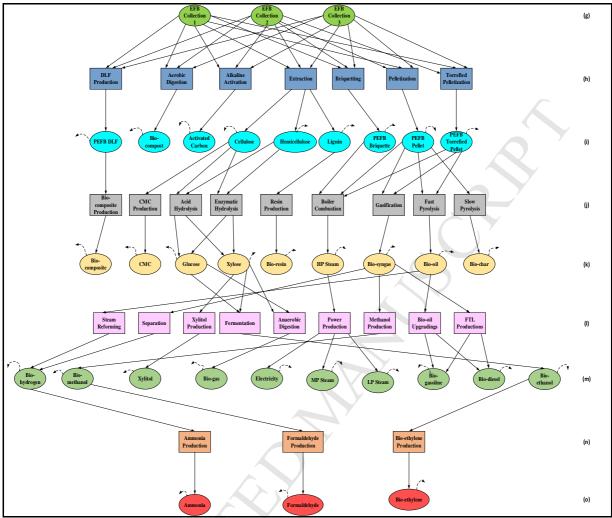


Fig. 2. A superstructure of supply chain for multi-products productions from EFB

In this superstructure, square shapes represent processing facilities while oval shapes depict storages. Each storage was assumed to be located within its facility. The solid lines show processing sequences while the dash lines provide options to sell the products directly. Portions of the products whether to be sold directly or to be transferred to the next processing step would be determined from optimization results. EFB feedstocks were assumed to be blended homogenously. Competitive utilizations could be seen for EFB, cellulose, hemicellulose, pellet, torrefied pellet, glucose, xylose, bio-syngas, and bio-oil. Small letters of g to o are subscripts and are explained in **Table 2**. The subscript p is not shown in **Fig. 2** but will be used in the mathematical model. This subscript p represents sum up of products.

Table	2 List	of subs	cripts
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Set/Subscript Descriptions		Contents				
g	Biomass source storage locations	EFB collection 1, EFB collection 2, and EFB collection 3.				
h	Pre-processing facilities	DLF production, aerobic digestion, alkaline activation,				

		extraction, briquetting, palletization, and torrefied palletization.
i	Pre-processed feedstocks storages	PEFB DLF, bio-compost, activated carbon, cellulose,
		hemicellulose, lignin, PEFB briquette, PEFB pellet, and PEFB
		torrefied pellet.
j	Main processing facilities	Bio-composite production, CMC production, acid hydrolysis,
		enzymatic hydrolysis, resin production, boiler combustion,
		gasification, fast pyrolysis, and slow pyrolysis.
k	Intermediate products 1 storages	Bio-composite, CMC, glucose, xylose, bio-resin, HP steam, bio-
		syngas, bio-oil, and bio-char.
l	Further processing 1 facilities	Steam reforming, separation, xylitol production, fermentation,
		anaerobic digestion, power production, methanol production,
		bio-oil upgrading, and FTL productions.
m	Intermediate products 2 storages	Bio-hydrogen, bio-methanol, xylitol, bio-gas, electricity, MP
		steam, LP steam, bio-gasoline, bio-diesel, and bio-ethanol.
п	Further processing 2 facilities	Ammonia production, formaldehyde production, bio-ethylene
		production.
0	Final products storages	Ammonia, formaldehyde, and bio-ethylene
р	Sum of products	PEFB DLF, bio-compost, activated carbon, cellulose,
		hemicellulose, lignin, PEFB briquette, PEFB pellet, PEFB
		torrefied pellet, Bio-composite, CMC, glucose, xylose, bio-
		resin, HP steam, bio-syngas, bio-oil, bio-char, Bio-hydrogen,
		bio-methanol, xylitol, bio-gas, electricity, MP steam, LP steam,
		bio-gasoline, bio-diesel, bio-ethanol, ammonia, formaldehyde,
		and bio-ethylene.

Next, mathematical model of the optimal supply chain will be developed by considering economic performance. This refers to the profitability from the selling of products minus all the associated costs. Hence, the objective function of the optimization model is to maximize the overall profit, i.e.

• Maximize Profit = Revenues – Costs,

where;

- Revenues = (Sales of products), and
- Costs = (Biomass cost + Transportation cost + Production cost + Emission cost from transportation + Emission cost from production).

Therefore,

Profit = (Sales of products) - (Biomass cost) - (Transportation cost) - (Production cost) - (Emission cost from transportation) - (Emission cost from production)

Each of the term above requires data or parameters which among them are transportation cost factors, production cost factors, carbon dioxide (CO_2) emission factors from transportation, CO_2 emission factors from production and conversion factors. The transportation cost factors were calculated using methods developed by Oo et al., (2012) and Blok et al., (1995). The transportation cost factors will be in \$ per tonne, and later will be multiplied with mass flowrate in order to determine the transportation cost. In this study, truck would be pre-selected for distances up to 100 km, while train was chosen for distances

beyond 100 km for solid transportation. For liquid and gaseous products, pipeline transportation would be used. Production cost factor was the cost in \$ to produce one-unit capacity of product. In this regard, Mani et al. (2006) have reported that this cost factor comprised capital and operating costs for the equipment. CO_2 emission cost factors from transportation were determined from the model that was developed by McKinnon (2008). Depending on the pre-selected mode of transportation, these emission factors would be then multiplied with mass flowrate in the supply chain. The cost for emission treatment was fixed at \$40/t of CO_2 equivalent, but in practice the cost much depends on the local's regulation. Conversion factors were defined by mass ratio of inlet to the outlet for each processing facility. For power production, conversion factors have approximated the turbine's efficiencies on how much electricity would be produced per mass of inlet steam which depends on pressure and temperature of inlet and outlet steam.

Table 3 till Table 21 tabulate all the required parameters for the optimization model. It is worth to mention that, one of the efforts in this study was to collect and record all of these parameters. Since the majority of the biomass utilizations involving EFB are currently still in the conceptual stage, approximations were used. The parameters were assumed to be independent of scale, input types and conditions. This assumption does not restrict the validity of the optimization model that will be presented in a general form.

Product	Selling price (\$/t or \$/MWh)	Reference
Dry Long Fiber (DLF)	210	Ng and Ng (2013)
Bio-compost	100	Ng and Ng (2013)
Activated carbon	1,756	Shanghai Jinhu Inc. (2014)
Cellulose	2,200	Higson (2011)
Hemicellulose	2,000	Assumed value based on cellulose and lignin prices
Lignin	1,500	Lake (2010)
Briquette	120	Ng and Ng (2013)
Pellet	140	Ng and Ng (2013)
Torrefied Pellet	160	Assumed value based on PEFB pellet and PEFB briquette
Bio-composite	625	ERIA (2014)
Carboxymethyl Cellulose (CMC)	3,500	www.trade.ec.europa.eu
Glucose	1,890	www.cascadebiochem.com
Xylose	1,990	www.cascadebiochem.com
Bio-resin	9,072	www.bioresins.eu
High Pressure Steam	26	Ng and Ng (2013)
Bio-syngas	600	IChemE (2014)
Bio-oil	800	Careddi Technology Ltd. (2014)
Bio-char	380	Ng and Ng (2013)
Bio-hydrogen	818	Murillo-Alvarado et al., (2013)
Xylitol	4,200	Shanghai Yanda Biotechnology Ltd. (2014)
Bio-ethanol	523	Murillo-Alvarado et al. (2013)

Table 3 Selling prices of products

Bio-gas	398	Oo et al. (2012)
Bio-methanol	870	Murillo-Alvarado et al. (2013)
Electricity	140	Ng and Ng (2013)
Medium Pressure Steam	17	Ng and Ng (2013)
Low Pressure Steam	12	Ng and Ng (2013)
Bio-ethylene	1,544	ICIS (2014)
Bio-diesel	790	Murillo-Alvarado et al. (2013)
Bio-gasoline	1,315	EIA (2014)
Ammonia	745	ICIS (2014)
Formaldehyde	463	ICIS (2014)

Table 4 Annual demands for products in t/y

Product	Five percent of world demands (t/y) or (MWh/y)	Products hypothetical demands (t/y) or (MWh/y)	Reference
Dry Long Fiber	4,270,000	85.4	Lenzing Group AG (2014)
Bio-compost	20,000	0.4	Biocomp Nepal (2014)
Activated carbon	95,000	1.9	www.filtsep.com
Cellulose	290,500	5.81	Lenzing Group AG (2014)
Hemicellulose	750,000	15	Christopher (2012)
Lignin	30,000	0.6	International Lignin Institute (2014)
Briquette	1,500,000	30	Assumed value based on pellet and torrefied pellet demands
Pellet	1,850,000	37	O'Carroll (2012)
Torrefied Pellet	350,000	70	www.biomassmagazine.com
Bio-composite	46,000	0.92	Carus (2012)
Carboxymethyl Cellulose (CMC)	20,000	0.4	www.prweb.com
Glucose	290,500	5.81	Assumed value based on cellulose demand
Xylose	750,000	15	Assumed value based on hemicellulose demand
Bio-resin	10,000	0.2	www.thomasnet.com
High pressure steam	100,000	2	www.enerdata.com
Bio-syngas	23,100,000,000	462,000	Boerrigter and Drift (2005)
Bio-oil	250,000	5	Bradley (2006)
Bio-char	150,000,000	3,000	www.nature.com
Bio-hydrogen	18,775,000	375.5	Santibanez-Aquilar et al. (2011)
Xylitol	100	0.002	www.companiesandmarket.com
Bio-ethanol	180,000	3.6	Santibanez-Aquilar et al. (2011)
Bio-gas	450,000	9	Svensson (2010)
Bio-methanol	15,000	0.3	Murillo-Alvarado et al. (2013)
Electricity	1,000,000	20	www.enerdata.com
Medium pressure	45,000	0.9	Assumed value for 50% of high
steam	22 500	0.45	pressure steam
Low pressure steam	22,500	0.45	Assumed value for 50% of medium pressure steam
Bio-ethylene	7,000,000	140	Technip (2014)
Bio-diesel	40,000	0.8	Santibanez-Aquilar et al. (2011)
Bio-gasoline	60,000	1.2	EIA (2014)
Ammonia	8,500,000	170	www.hazmatmag.com
Formaldehyde	2,100,000	42	Lubon Industry Ltd. (2013)

Malaysia is geographically separated by two regions by the South China Sea. These two regions are called as Peninsula Malaysia and East of Malaysia. In the Peninsula as shown in **Fig. 3**, the main areas of palm oil plantations, and hence the main areas of EFB producers are situated in states of Johore,

Pahang, and Perak (MPOB, 2013). Only these three states were considered for EFB collection points as shown by **Table 5**. Locations of the processing facilities (pre-processing, main processing, further processing 1, and further processing 2) were considered only for the Peninsula Malaysia. Operational status of these processing facilities are either fully operational, nearly operation or at a demonstration level. Distances for connecting two processing facilities were determined using Google Maps. Biomass cost of the EFB was \$6/t.

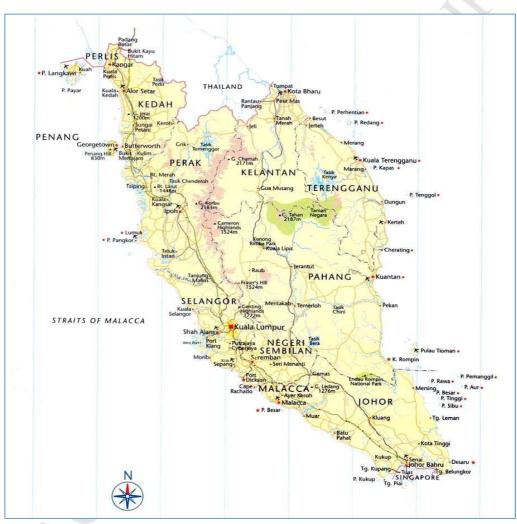


Fig. 3. Map of Peninsula Malaysia (www.etawau.com)

Biomass feedstock	Fresh fruit bunch yield (t/ha)	Plantation area (ha)	Fresh fruit bunch production (t)	Palm empty fruit bunch productions (t)*	Reference
EFB Collection 1 (Johore)	19.49	730,694	14,241,226.06	3,275,481.99	
EFB Collection 2 (Pahang)	20.21	710,195	14,353,040.95	3,301,199.42	МРОВ

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EFB Collection	20.31	384,594	7,811,104.14	1,796,553.95	(2014)
3 (Perak)					
Total	60.01	1,825,483	36,405,371.15	8,373,235.36	
1.000			1		0.01.0

* 23% of fresh fruit bunch will be assumedly to produce EFB as reported by Ng and Ng (2013)

			and CO ₂ emission factor		
EFB storage, g	Pre-processing facility, <i>h</i>	Distance (km)	Transportation mode	Cost (\$/t)	CO ₂ emission factor (t CO ₂ equivalent /t of biomass transported)
EFB Collection	Aerobic Digestion	0	-	0	0
EFB Collection	DLF Production	271	Train	29.54	0.0060
EFB Collection	Extraction Plant	322	Train	31.24	0.0071
EFB Collection	Briquetting Plant	271	Train	29.54	0.0060
EFB Collection	Pelletization Mill	287	Train	29.98	0.0063
EFB Collection	Torrefied Pelletization	208	Train	27.45	0.0046
EFB Collection 1	Alkaline Activation (Activated Carbon) Plant	208	Train	27.45	0.0046
EFB Collection 2	Aerobic Digestion	0		0	0
EFB Collection	DLF Production	165	Train	26.01	0.0036
EFB Collection	Extraction Plant	230	Train	28.18	0.0051
EFB Collection	Briquetting Plant	165	Train	26.01	0.0036
EFB Collection	Pelletization	195	Train	27.01	0.0043
EFB Collection 2	Torrefied Pelletization Mill	224	Train	27.98	0.0049
EFB Collection 2	Alkaline Activation (Activated Carbon) Plant	224	Train	27.98	0.0049
EFB Collection 3	Aerobic Digestion	0	-	0	0
EFB Collection 3	DLF Production	274	Train	29.64	0.0060
EFB Collection 3	Extraction Plant	486	Train	36.70	0.0107
	Briquetting Plant	274	Train	29.64	0.0060
EFB Collection	Pelletization Mill	289	Train	30.14	0.0064
EFB Collection 3	Torrefied Pelletization Mill	346	Train	32.04	0.0076
EFB Collection 3	Alkaline Activation (Activated Carbon) Plant	346	Train	32.04	0.0076

Table 6 Approximated transportation cost and CO_2 emission factor for EFB feedstock from g to h

Pre-processing facility, h	Main processing facility, j	Distance (km)	Transportation mode	Cost (\$/t)	CO ₂ emission factor (t CO ₂ equivalent /t of product transported)
Extraction Plant	CMC Production	0	-	0	0
Extraction Plant	Acid Hydrolysis	546	Train	38.70	0.0120
Extraction Plant	Enzymatic Hydrolysis	315	Train	31.00	0.0069
Extraction Plant	Resin Production	386	Train	33.37	0.0085
DLF Production	Bio-composite Production	33	Truck	12.26	0.0020
Briquetting Plant	Boiler Combustion	83	Truck	20.46	0.0051
Pelletization Mill	Boiler Combustion	88	Truck	21.28	0.0055
Pelletization Mill	Gasification	17	Truck	9.63	0.0011
Pelletization Mill	Fast Pyrolysis	0	-	0	0
Pelletization Mill	Slow Pyrolysis	345	Train	32.01	0.0076
Torrefied Pelletization Mill	Boiler Combustion	23	Truck	10.61	0.0014
Torrefied Pelletization Mill	Gasification	78	Truck	19.64	0.0048
Torrefied Pelletization Mill	Fast Pyrolysis	86	Truck	20.95	0.0053

Table 7 Approximated transportation cost and CO_2 emission factor for pre-processed feedstock from *h* to

Table 8 Approximated transportation cost and CO_2 emission factor for intermediate product 1, k from j to l

Main processing facility, <i>j</i>	Further processing 1 facility, <i>l</i>	Distance (km)	Transportation mode	Cost (\$/t)	CO ₂ emission factor (t CO ₂ equivalent /t of product transported)
Acid Hydrolysis	Fermentation Plant	327	Train	31.41	0.0072
Acid Hydrolysis	Anaerobic Digestion Plant	338	Train	31.78	0.0074
Acid Hydrolysis	Xylitol Production	0	-	0	0
Enzymatic Hydrolysis	Fermentation Plant	65	Truck	17.51	0.0040
Enzymatic Hydrolysis	Anaerobic Digestion Plant	37	Truck	12.91	0.0023
Enzymatic Hydrolysis	Xylitol Production	379	Train	33.14	0.0083
Boiler Combustion	Power Production	0	-	0	0
Gasification	Separation Plant	0	-	0	0
Gasification	Methanol Production	404	Pipeline	20.20	0
Gasification	FTL production	19	Pipeline	0.95	0
Fast Pyrolysis	Bio-oil Upgrading	94	Pipeline	4.70	0
Fast Pyrolysis	Steam Reforming Plant	0	-	0	0

Table 9 Approximated transportation cost and CO_2 emission factor for intermediate product 2, m from l to n

	*	t	0 <i>n</i>		
Further processing 1 facility, <i>l</i>	Further processing 2 facility, <i>n</i>	Distance (km)	Transportation mode	Cost (\$/t)	CO ₂ emission factor (t CO ₂ equivalent /t of product transported)
Steam Reforming Plant	Ammonia Production	361	Pipeline	18.05	0
Separation Plant	Ammonia Production	367	Pipeline	18.35	0
Methanol Production	Formaldehyde Production	686	Pipeline	34.30	0

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Fermentation Plant	Bio-ethylene	316	Pipeline	15.80	0

Biomass type, g	Pre-processing, h	Pre-processed product, <i>i</i>	\$/t	Reference	
Blended EFBs	DLF Production	Dry Long Fiber	85	www.hempfarm.com	
Blended EFBs	Aerobic Digestion	Bio-compost	10	Fabian et al. (1993)	
Blended EFBs	Alkaline Activation	Activated Carbon	144	Lima et al. (2008)	
Blended EFBs	Extraction	Cellulose	125	Murillo-Alvarado et al. (2013)	
Blended EFBs	Extraction	Hemicellulose	130	Murillo-Alvarado et al. (2013)	
Blended EFBs	Extraction	Lignin	135	Murillo-Alvarado et al. (2013)	
Blended EFBs	Briquetting	Briquette	50	Kanna (2010)	
Blended EFBs	Pelletization	Pellet	60	PPD Technologies Inc. (2011)	
Blended EFBs	Torrefied Pelletization	Torrefied Pellet	70	PPD Technologies Inc. (2011)	

Table 10 Approximated production cost factor at h in \$ per tonne

Table 11 Approximated conversion factor at h

Biomass type, g	Pre-Processing, h	Pre-processed product, <i>i</i>	Conversion factor	Reference
Blended EFBs	DLF Production	Dry Long Fiber	0.37	Ng and Ng (2013)
Blended EFBs	Aerobic Digestion	Bio-compost	0.95	Hubbe et al. (2010)
Blended EFBs	Alkaline Activation	Activated Carbon	0.50	Kaghazchi et al. (2006)
Blended EFBs	Extraction	Cellulose	0.63	Assumed value based on hemicellulose and lignin conversion factor
Blended EFBs	Extraction	Hemicellulose	0.18	www.ipst.gatech.edu
Blended EFBs	Extraction	Lignin	0.19	www.purelignin.com
Blended EFBs	Briquetting	Briquette	0.38	Ng and Ng (2013)
Blended EFBs	Pelletization	Pellet	0.38	Ng and Ng (2013)
Blended EFBs	Torrefied Pelletization	Torrefied Pellet	0.38	Ng and Ng (2013)

Table 12 Approximated CO_2 emission factor at h

Biomass type, g	Pre-Processing, h	Pre-processed product, <i>i</i>	CO ₂ emission factor (t CO ₂ equivalent/t of product produced)	Reference
Blended EFBs	DLF Production	Dry Long Fiber	0.0041	www.oecotextiles.wordpress.co m
Blended EFBs	Aerobic Digestion	Bio-compost	0.0200	www.epa.gov
Blended EFBs	Alkaline Activation	Activated Carbon	0.0176	www.omnipure.com
Blended EFBs	Extraction	Cellulose	0.0590	Murillo-Alvarado et al. (2013)
Blended EFBs	Extraction	Hemicellulose	0.0650	Murillo-Alvarado et al. (2013)
Blended EFBs	Extraction	Lignin	0.0620	Assumed value based on values for cellulose and hemicellulose
Blended EFBs	Briquetting	Briquette	0.0500	Assumed value
Blended EFBs	Pelletization	Pellet	0.0500	Assumed value
Blended EFBs	Torrefied Pelletization	Torrefied Pellet	0.0805	Kaliyan et al. (2014)

Pre-processed feedstock, <i>i</i>	Main processing, j	Intermediate product 1, k	\$/t	Reference
Dry Long Fiber	Bio-composite Production	Bio-composite	107.0	ERIA (2014)
Cellulose	CMC Production	CMC	2,500.0	www.trade.ec.europa.eu
Cellulose	Acid Hydrolysis	Glucose	73.4	Murillo-Alvarado et al. (2013)
Cellulose	Enzymatic Hydrolysis	Glucose	85.7	Murillo-Alvarado et al. (2013)
Hemicellulose	Acid Hydrolysis	Xylose	168.7	Murillo-Alvarado et al. (2013)
Hemicellulose	Enzymatic Hydrolysis	Xylose	83.1	Murillo-Alvarado et al. (2013)
Lignin	Resin Production	Bio-resin	1,900.0	Chiarakorn et al. (2013)
Briquette	Boiler Combustion	HP Steam	20.7	www1.eere.energy.gov
Pellet	Boiler Combustion	HP Steam	20.7	www1.eere.energy.gov
Pellet	Gasification	Bio-syngas	300.0	Assumed value based on 50% of Bio-syngas price
Pellet	Fast pyrolysis	Bio-oil	1,003	Thorp (2010)
Pellet	Slow pyrolysis	Bio-char	111.5	www.irena.org
Torrefied Pellet	Boiler Combustion	HP Steam	20.7	www1.eere.energy.gov
Torrefied Pellet	Gasification	Bio-syngas	300.0	Assumed value based on 50% of Bio-syngas price
Torrefied Pellet	Fast pyrolysis	Bio-oil	1003	Thorp (2010)

Table 13 Approximated production cost factor at j in \$/t

Table 14 Approximated conversion factor at j

Pre-processed feedstock, i	Main processing, j	Intermediate product 1, k	Conversion factor	Reference
Dry Long Fiber	Bio-composite Production	Bio-composite	0.75	Karbstein et al. (2013)
Cellulose	CMC Production	СМС	0.86	Saputra et al. (2014)
Cellulose	Acid Hydrolysis	Glucose	0.37	Murillo-Alvarado et al. (2013)
Cellulose	Enzymatic Hydrolysis	Glucose	0.47	Murillo-Alvarado et al. (2013)
Hemicellulose	Acid Hydrolysis	Xylose	0.91	Murillo-Alvarado et al. (2013)
Hemicellulose	Enzymatic Hydrolysis	Xylose	0.88	Murillo-Alvarado et al. (2013)
Lignin	Resin Production	Bio-resin	0.95	Yin et al. (2012)
Briquette	Boiler Combustion	HP Steam	0.20	Searcy and Flynn (2009)
Pellet	Boiler Combustion	HP Steam	0.25	Searcy and Flynn (2009)
Pellet	Gasification	Bio-syngas	0.70	Boerrigter and Drift (2005)
Pellet	Fast pyrolysis	Bio-oil	0.60	Zhang et al. (2013)
Pellet	Slow pyrolysis	Bio-char	0.50	www.biocharfarms.org
Torrefied Pellet	Boiler Combustion	HP Steam	0.30	Searcy and Flynn (2009)
Torrefied Pellet	Gasification	Bio-syngas	0.80	Boerrigter and Drift (2005)
Torrefied Pellet	Fast pyrolysis	Bio-oil	0.60	Zhang et al. (2013)

Pre-processed feedstock, i	Main processing, j	Intermediate product 1, <i>k</i>	CO ₂ emission factor (t CO ₂ equivalent/t of product produced)	Reference
Dry Long Fiber	Bio-composite Production	Bio-composite	7.481	www.winrigo.com
Cellulose	CMC Production	CMC	0.097	Assumed value
Cellulose	Acid Hydrolysis	Glucose	0.097	Murillo-Alvarado et al. (2013)
Cellulose	Enzymatic Hydrolysis	Glucose	0.085	Murillo-Alvarado et al. (2013)

Hemicellulose	Acid Hydrolysis	Xylose	0.075	Murillo-Alvarado et al. (2013)
Hemicellulose	Enzymatic	Xylose	0.082	Murillo-Alvarado et al. (2013)
	Hydrolysis			
Lignin	Resin Production	Bio-resin	2.500	www.netcomposites.com
Briquette	Boiler	HP Steam	0.750	www.sarawakenergy.com.my
	Combustion			
Pellet	Boiler	HP Steam	0.750	Assumed value
	Combustion			
Pellet	Gasification	Bio-syngas	0.680	Basu (2013)
Pellet	Fast pyrolysis	Bio-oil	0.580	Zhang et al. (2013)
Pellet	Slow pyrolysis	Bio-char	0.580	Zhang et al. (2013)
Torrefied Pellet	Boiler	HP Steam	0.750	Assumed value
	Combustion			
Torrefied Pellet	Gasification	Bio-syngas	0.680	Basu (2013)
Torrefied Pellet	Fast pyrolysis	Bio-oil	0.580	Zhang et al. (2013)

Table 16 Approximated production cost factor at l in \$/t or per MWh

Intermediate product 1, k	Further processing 1, <i>l</i>	Intermediate product 2, <i>m</i>	\$/t or MWh	Reference
Bio-oil	Steam Reforming	Bio-hydrogen	455.0	Sarkar and Kumar et al. (2010)
Bio-oil	Bio-oil Upgrading	Bio-gasoline	1,089.0	Wright and Brown (2011)
Bio-oil	Bio-oil Upgrading	Bio-diesel	918.0	Wright and Brown (2011)
Glucose	Fermentation	Bio-ethanol	98.2	Murillo-Alvarado et al. (2013)
Xylose	Fermentation	Bio-ethanol	98.2	Murillo-Alvarado et al. (2013)
Glucose	Anaerobic Digestion	Bio-gas	199.0	Assumed value for 50% less of the bio-gas price
Xylose	Anaerobic Digestion	Bio-gas	199.0	Assumed value for 50% less of the bio-gas price
Xylose	Xylitol Production	Xylitol	2,100.0	Assumed value for 50% less of the xylitol price
HP Steam	Power Production	Electricity	58.9/MWh	Searcy and Flynn (2009)
HP Steam	Power Production	MP Steam	12.0	Assumed valued based on the steam price
HP Steam	Power Production	LP Steam	7.0	Assumed valued based on the steam price
Bio-syngas	Methanol Production	Bio-methanol	83.6	Murillo-Alvarado et al. (2013)
Bio-syngas	Separation	Bio-hydrogen	112	Schubert (2013)
Bio-syngas	FTL Productions	Bio-diesel	167.3	Murillo-Alvarado et al. (2013)
Bio-syngas	FTL Productions	Bio-gasoline	519.8	Wright and Brown (2011)

Bio gasonne	01710	•
Table 17 Approxima	ted conversion	n factor at <i>l</i>

Intermediate	Further	Intermediate	Conversion Factor	Reference
Product 1, k	Processing 1, <i>l</i>	Product 2, m		
Bio-oil	Steam Reforming	Bio-hydrogen	0.84	Dillich (2013)
Bio-oil	Bio-oil Upgrading	Bio-gasoline	0.40	Kim et al. (2011)
Bio-oil	Bio-oil Upgrading	Bio-diesel	0.20	Kim et al. (2011)
Glucose	Fermentation	Bio-ethanol	0.33	Murillo-Alvarado et al. (2013)
Xylose	Fermentation	Bio-ethanol	0.33	Murillo-Alvarado et al. (2013)
Glucose	Anaerobic	Bio-gas	0.70	Hubbe et al. (2010)
	Digestion			
Xylose	Anaerobic	Bio-gas	0.70	Hubbe et al. (2010)
	Digestion			
Xylose	Xylitol	Xylitol	0.70	Prakasham et al. (2009)
	Production			
HP Steam	Power Production	Electricity	0.30 MWh/tonne of steam	www.turbinesinfo.com
HP Steam	Power Production	MP Steam	0.35	Ng and Ng (2013)
HP Steam	Power Production	LP Steam	0.35	Ng and Ng (2013)

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Bio-syngas	Methanol	Bio-methanol	0.41	Murillo-Alvarado et al. (2013)
	Production			
Bio-syngas	Separation	Bio-hydrogen	0.46	Murillo-Alvarado et al. (2013)
Bio-syngas	FTL Productions	Bio-diesel	0.71	Boerrigter and Drift (2005)
Bio-syngas	FTL Productions	Bio-gasoline	0.29	Assumed value from bio-diesel
		_		conversion factor

Intermediate	Further Processing	Intermediate	CO ₂ emission factor (t CO ₂	Reference
Product 1, k	1, l	Product 2, m	equivalent/t of product	
			produced)	
Bio-oil	Steam Reforming	Bio-hydrogen	16.930	Zhang et al. (2013)
Bio-oil	Bio-oil Upgrading	Bio-gasoline	13.000	Zhang et al. (2013)
Bio-oil	Bio-oil Upgrading	Bio-diesel	13.000	Zhang et al. (2013)
Glucose	Fermentation	Bio-ethanol	0.098	Murillo-Alvarado et al. (2013)
Xylose	Fermentation	Bio-ethanol	0.098	Murillo-Alvarado et al. (2013)
Glucose	Anaerobic Digestion	Bio-gas	0.250	Whiting & Azapagic, (2014)
Xylose	Anaerobic Digestion	Bio-gas	0.250	Whiting & Azapagic, (2014)
Xylose	Xylitol Production	Xylitol	0.082	Assumed value based on value of xylose
HP Steam	Power Production	Electricity	0.050	Assumed value
HP Steam	Power Production	MP Steam	0.050	Assumed value
HP Steam	Power Production	LP Steam	0.050	Assumed value
Bio-syngas	Methanol Production	Bio-methanol	0.083	Murillo-Alvarado et al. (2013)
Bio-syngas	Separation	Bio-hydrogen	0.090	Murillo-Alvarado et al. (2013)
Bio-syngas	FTL Productions	Bio-diesel	0.067	Murillo-Alvarado et al. (2013)
Bio-syngas	FTL Productions	Bio-gasoline	0.639	Murillo-Alvarado et al. (2013)

Table 18 Approximated CO_2 emission factor at l

 Table 19 Approximated production cost factor at n in \$/t

	In I I I I I I I I I I I I I I I I I I			
Intermediate product 2, m	Further processing 2, <i>n</i>	Final product, p	\$/t	Reference
Bio-hydrogen	Ammonia Production	Ammonia	377	www.hydrogen.en
				ergy.gov
Bio-methanol	Formaldehyde Production	Formaldehyde	232	www.icis.com
Bio-ethanol	Bio-ethylene Production	Bio-ethylene	1,200	www.irena.org

Table 20	Approximated	conversion	factor	at n

Intermediate product 2, <i>m</i>	Further processing 2, <i>n</i>	Final product, p	Conversion	Reference
Bio-hydrogen	Ammonia Production	Ammonia	factor 0.80	www.hydrogen.energy.gov
Bio-methanol	Formaldehyde Production	Formaldehyde	0.97	Chu et al. (1997)
Bio-ethanol	Bio-ethylene Production	Bio-ethylene	0.99	www.irena.org

Intermediate product 2, <i>m</i>	Further processing 2, <i>n</i>	Final product, <i>p</i>	CO ₂ emission factor (t CO ₂ equivalent/t of product produced)	Reference
Bio-hydrogen	Ammonia Production	Ammonia	1.694	Jubb et al. (2006)
Bio-methanol	Formaldehyde Production	Formaldehyde	0.083	Assumed value
Bio-ethanol	Bio-ethylene Production	Bio-ethylene	1.400	www.irena.org

Table 21 Approximated CO_2 emission factor at n

Mathematical Model

Since the aim of this study was to optimize the supply chain of multi-products productions from EFB, profitability was selected as an economic potential indicator. Mathematical model was written as below;

Maximize Profit =

Max (Sales of Products - Biomass cost - Transportation cost - Production cost - Emission treatment costfrom transportation - Emission treatment cost from production)(1)

Sales of products =
$$\sum_{p=1}^{P} Q_p * Product's$$
 selling price (2)

Biomass cost =
$$\sum_{g}^{G} F_{g} * EFB$$
 Cost

(3)

(5)

$$Transportation \ cost = \left(\sum_{g}^{G} \sum_{h}^{H} FTF_{g,h} * TCGH_{g,h}\right) + \left(\sum_{h}^{H} \sum_{i}^{J} \sum_{j}^{J} FTH_{h,i,j} * TCHIJ_{h,i,j}\right) + \left(\sum_{j}^{J} \sum_{k}^{K} \sum_{l}^{L} FTJ_{j,k,l} * TCJKL_{j,k,l}\right) + \left(\sum_{l}^{L} \sum_{m}^{M} \sum_{n}^{N} FTL_{l,m,n} * TCLMN_{l,m,n}\right)$$

$$(4)$$

$$\begin{aligned} Production \ cost &= \\ \left(\sum_{h}^{H} \sum_{i}^{I} FPH_{h,i} * PROCH_{h,i}\right) + \left(\sum_{i}^{I} \sum_{j}^{J} \sum_{k}^{K} FPJ_{i,j,k} * PROCJ_{i,j,k}\right) + \\ \left(\sum_{k}^{K} \sum_{l}^{L} \sum_{m}^{M} FPL_{k,l,m} * PROCL_{k,l,m}\right) + \left(\sum_{m}^{M} \sum_{n}^{N} \sum_{o}^{O} FPN_{m,n,o} * PROCN_{m,n,o}\right) \end{aligned}$$

 $Emission \ treatment \ cost \ from \ transportation = \left[\left(\sum_{g}^{G} \sum_{h}^{H} FTFE_{g,h} \right) + \left(\sum_{h}^{H} \sum_{i}^{I} \sum_{j}^{J} FTHE_{h,i,j} \right) + \left(\sum_{j}^{I} \sum_{k}^{K} \sum_{l}^{L} FTJE_{j,k,l} \right) + \left(\sum_{l}^{L} \sum_{m}^{M} \sum_{n}^{N} FTLE_{l,m,n} \right) \right] * Emission \ treatment \ cost \ per \ tonne \ CO2e$ (6)

$$FTFE_{g,h} = FTF_{g,h} * ETCGH_{g,h}$$
⁽⁷⁾

$$FTHE_{h,i,j} = FTH_{h,i,j} * ETCHIJ_{h,i,j}$$
(8)

$$FTJE_{j,k,l} = FTJ_{j,k,l} * ETCJKL_{j,k,l}$$
(9)

$$FTLE_{l,m,n} = FTL_{l,m,n} * ETCLMN_{l,m,n}$$
(10)

Emission treatment cost from production = $\left[\left(\sum_{h}^{H}\sum_{i}^{I}FPHE_{h,i}\right) + \left(\sum_{i}^{I}\sum_{j}^{J}\sum_{k}^{K}FPJE_{i,j,k}\right) + \right]$

 $\left(\sum_{k}^{K} \sum_{l}^{L} \sum_{m}^{M} FPLE_{k,l,m}\right) + \left(\sum_{m}^{M} \sum_{n}^{N} \sum_{o}^{O} FPNE_{m,n,o}\right) * Emission treatment cost per tonne CO2e$ (11)

$$FPHE_{h,i} = FPH_{h,i} * EPROCH_{h,i}$$
(12)

$$FPJE_{i,j,k} = FPJ_{i,j,k} * EPROCJ_{i,j,k}$$
(13)

$$FPLE_{k,l,m} = FPL_{k,l,m} * EPROCL_{k,l,m}$$
(14)

$$FPNE_{m,n,o} = FPN_{m,n,o} * EPROCN_{m,n,o}$$
(15)

For the inequality constraints, the amount of EFBs at each resource location must be not exceeding their availability. The demands for each of the products must be met. Both constraints are represented by (16) and (17).

$$\sum_{g}^{G} F_{g} \leq Biomass \ Availability \tag{16}$$

Five percent of World Demands
$$\ge Q_p \ge$$
 Product's Demand (17)

Equations for mass balances are represented by (18) through (27). Descriptions about each equation in the model and terms were shown in **Table 22** and **Table 23**.

$$\sum_{h}^{H} FTF_{g,h} \le F_g \tag{18}$$

$$\sum_{g}^{G} FTF_{g,h} * CONVH_{h,i} = FPH_{h,i}$$
⁽¹⁹⁾

$$FPH_{h,i} = \sum_{j}^{J} FTH_{h,i,j} + FSH_{h,i}$$
⁽²⁰⁾

$$\sum_{h}^{H} FTH_{h,i,j} * CONVJ_{i,j,k} = FPJ_{i,j,k}$$
(21)

$$\sum_{i}^{I} FPJ_{i,j,k} = FSJ_{j,k} + \sum_{l}^{L} FTJ_{j,k,l}$$
(22)

$$\sum_{j}^{J} FTJ_{j,k,l} * CONVL_{k,l,m} = FPL_{k,l,m}$$
⁽²³⁾

 $\sum_{k}^{K} FPL_{k,l,m} = FSL_{l,m} + \sum_{n}^{N} FTL_{l,m,n}$ (24)

$$\sum_{l}^{L} FTL_{l,m,n} * CONVN_{m,n,o} = FPN_{m,n,o}$$

$$\sum_{m}^{M} FPN_{m,n,o} = FSN_{n,o}$$

 $\sum_{h}^{H} FSH_{h,i} + \sum_{j}^{J} FSJ_{j,k} + \sum_{l}^{L} FSL_{l,m} + \sum_{n}^{N} FSN_{n,o} = Q_{p}$

Formulation Description (1) Objective function

Table 22 Description about model's formulation
--

(2)	Equation to calculate total sales of products
(3)	Equation to calculate total biomass cost
(4)	Equation to calculate total transportation cost
(5)	Equation to calculate total production cost
(6)	Equation to calculate total emission treatment cost from transportations
(7)	Equation to calculate emission from transportation between g and h
(8)	Equation to calculate emission from transportation between h and j
(9)	Equation to calculate emission from transportation between j and l
(10)	Equation to calculate emission from transportation between <i>l</i> and <i>n</i>
(11)	Equation to calculate total emission treatment cost from productions
(12)	Equation to calculate emission from production at h
(13)	Equation to calculate emission from production at j
(14)	Equation to calculate emission from production at <i>l</i>
(15)	Equation to calculate emission from production at <i>n</i>
(16)	Amount of EFB in tonne per year must not exceed availability
(17)	Amount of produced product in tonne or MWh per year must at least meet the demand
(18)	Mass balance for EFB storages outlet in tonne per year
(19)	Mass balance for yield of pre-processed feedstocks in tonne per year
(20)	Mass balance for pre-processing facilities outlet in tonne per year
(21)	Mass balance for yield of intermediate products 1 in tonne per year
(22)	Mass balance for main processing facilities outlet in tonne per year
(23)	Mass balance for yield of intermediate products 2 in tonne or MWh per year
(24)	Mass balance for further processing facilities 1 outlet in tonne per year
(25)	Mass balance for yield of final products in tonne per year
(26)	Mass balance for further processing facilities 2 outlet in tonne per year
(27)	Summation of sales for all products at <i>h</i> , <i>j</i> , <i>l</i> , and <i>n</i>

~	Table 23 Descriptions of terms used in (1) through (27)

Term	Category	Description
Q_p	Variable	Sum up of products from each of product storage in t/y or MWh/y
Fg	Variable	Amount of biomass available at resource location and stored in t/y
$FTF_{g,h}$	Variable	Amount of biomass transported to pre-processing facilities h in t/y
TCGH _{g,h}	Parameter	Transportation cost factor for biomass feedstock from g to h in $/t$
FTFE _{g,h}	Variable	Amount of emission from transportation between g and h in t CO ₂ equivalent/y

(26)

(27)

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$ETCGH_{g,h}$	Parameter	CO_2 emission factor for EFB feedstock transported from <i>g</i> to <i>h</i>
$FTH_{h,i,j}$	Variable	Amount of pre-processed feedstocks i transported from pre-processing facilities h to main processing facilities j in t/y
FSH _{h,i}	Variable	Amount of pre-processed feedstocks i produced from pre-processing facilities h to be sold directly in t/y
TCHIJ _{h,i,j}	Parameter	Transportation cost factor for pre-processed feedstock from h to j through i in $/t$
$FTHE_{h,i,j}$	Variable	Amount of emission from transportation between h and j in t CO ₂ equivalent/y
ETCHIJ _{h,i,j}	Parameter	CO_2 emission factor for pre-processed feedstock transported from <i>h</i> to <i>j</i>
$FTJ_{j,k,l}$	Variable	Amount of intermediate products 1 k transported from main processing facilities j to further processing 1 facilities l in t/y
FSJ _{j,k}	Variable	Amount of intermediate products 1 k produced from main processing facilities j to be sold directly in t/y
$TCJKL_{j,k,l}$	Parameter	Transportation cost factor for intermediate product 1 from <i>j</i> to <i>l</i> through <i>k</i> in $/t$
$FTJE_{j,k,l}$	Variable	Amount of emission from transportation between j and l in t CO ₂ equivalent/y
$ETCJKL_{j,k,l}$	Parameter	CO_2 emission factor for intermediate product 1 transported from <i>j</i> to <i>l</i>
FTL _{l,m,n}	Variable	Amount of intermediate products $2 m$ transported from further processing 1 facilities <i>l</i> to further processing 2 facilities <i>n</i> in t/y
FSL _{l,m}	Variable	Amount of intermediate products 2 m produced from intermediate products 1 k through further processing 1 facilities l to be sold directly in t/y
TCLMN _{l,m,n}	Parameter	Transportation cost factor for intermediate product 2 from l to n through m in $/t$
FTLE _{l,m,n}	Variable	Amount of emission from transportation between 1 and n in t CO ₂ equivalent/y
ETCLMN _{l,m,n}	Parameter	CO_2 emission factor for intermediate product 2 transported from <i>l</i> to <i>n</i>
FSN _{n,o}	Variable	Amount of final products o produced from intermediate products $2 m$ through further processing 2 facilities n to be sold in t/y
FPH _{h,i}	Variable	Amount of pre-processed feedstocks i produced from biomass feedstocks g through pre- processing facilities h in t/y
PROCH _{h,i}	Parameter	Production cost factor at <i>h</i> to produce <i>i</i> from <i>g</i> in $/t$
FPHE _{h,i}	Variable	Amount of emission from production at h in t CO ₂ equivalent/y
EPROCH _{h,i}	Parameter	CO ₂ emission factor at production <i>h</i>
$FPJ_{i,j,k}$	Variable	Amount of intermediate product 1 k produced from pre-processed feedstocks i through main processing facilities j in t/y
PROCJ _{i,j,k}	Parameter	Production cost factor at <i>j</i> to produce <i>k</i> from <i>i</i> in $/t$

FPJE _{i,j,k}	Variable	Amount of emission from production at j in t CO ₂ equivalent/y
EPROCJ _{i,j,k}	Parameter	CO_2 emission factor at production <i>j</i>
FPL _{k,l,m}	Variable	Amount of intermediate products 2 m produced from intermediate products 1 k through further processing 1 facilities l in t/y or MWh/y
PROCL _{k,l,m}	Parameter	Production cost factor at l to produce m from k in \$/t or \$/ MWh
FPLE _{k,l,m}	Variable	Amount of emission from production at l in t CO ₂ equivalent/y
EPROCL _{k,l,m}	Parameter	CO_2 emission factor at production <i>l</i>
FPN _{m,n,o}	Variable	Amount of final products o produced from intermediate products 2 m through further processing 2 facilities n in t/y
PROCN _{m,n,o}	Parameter	Production cost factor at n to produce o from m in t
FPNE _{m,n.o}	Variable	Amount of emission from production at n in t CO ₂ equivalent/y
EPROCN _{m,n,o}	Parameter	CO ₂ emission factor at production <i>n</i>
CONVH _{h,i}	Parameter	Conversion factor at <i>h</i> to produce <i>i</i>
CONVJ _{i,j,k}	Parameter	Conversion factor at <i>j</i> to produce <i>k</i> from <i>i</i>
CONVL _{k,l,m}	Parameter	Conversion factor at l to produce m from k
CONVN _{m,n,o}	Parameter	Conversion factor at <i>n</i> to produce <i>o</i> from <i>m</i>

Results and Discussions

The developed optimization model for the multi-products productions from EFB was implemented in General Algebraic Modeling System (GAMS) Rev 149, using CPLEX 11.0.0 as a solver. The solution was performed in AMD A10-4600M APU processor and contained 42 blocks of equations, 31 blocks of variables, 5401 single equations, 6,844 single variables and took 0.079s to solve. For the given parameters, the optimal profit was found to be \$ 713,642,269/**y** for a single ownership of all facilities in the EFB's supply chain. **Table 24** shows optimal level of productions for all products which utilized 1,900,400.458 t/y, 6,451,782.271 t/y and 21,052.632 t/y of EFBs from Johore, Pahang and Perak, respectively. As was mentioned earlier, blending of EFBs were assumed so that it could meet the supply requirements to the pre-processing facilities. In addition, optimization results have determined portions of the produced products whether to be further processed or to be sold directly depending on the economic profitability. **Table 25** shows distributions of EFB sources to the respective pre-processing facilities and their transportation emissions.

Product	Production (t/y or MWh/y)					
DLF	2,302,323.090					
Bio-compost	20,000.000					
Activated carbon	95,000.000					
Cellulose	134,363.904					
Hemicellulose	37,862.333					
Lignin	30,000.000					
Briquette	30.000					
Pellet	37.000					
Torrefied pellet	70.000					
Bio-composite	0.920					
СМС	0.400					
Glucose	5.810					
Xylose	15.000					
Bio-resin	10,000.000					
HP steam	2.000					
Bio-syngas	462,000.000					
Bio-oil	5.000					
Bio-char	3,000.000					
Bio-hydrogen	375.500					
Xylitol	0.002					
Bio-ethanol	3.600					
Bio-gas	9.000					
Bio-methanol	0.300					
Electricity	20.000					
MP Steam	23.333					
LP Steam	23.333					
Bio-ethylene	140.000					
Bio-diesel	40,000.000					
Bio-gasoline	16,338.028					
Ammonia	170.000					
Formaldehyde	42.000					

Table 24 Optimal production level of products

Table 25 Amount of EFB biomass transported to pre-processing facilities h, $FTF_{g,h}$ in tonne per yearand (emission), $FTFE_{g,h}$ in t CO2 equivalent/y

Biomass source	DLF production	Aerobic digestion	Alkaline activation	Extraction	Briquetting	Pelletization	Torrefied pelletization
EFB collection 1 (Johore)	V	-	190,000.000 (874.000)	-	-	-	1,710,400.458 (7,867.842)
EFB collection 2 (Pahang)	6,222,498.153 (22,400.993)	-	-	213,296.399 (1,087.812)	78.947 (0.284)	15,908.772 (68.408)	-
EFB collection	-	21,052.632	-	-	-	-	-

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Next, from the pre-processing facilities, the pre-processed products would have two options in which either to be processed in the main processing facilities or to be purchased by the users directly. These are shown by **Table 26** and **Table 27**. For example, considering demand and EFB availability, it was more economical to sell dry long fiber (DLF) than to send it the next stage of processing. These were similar cases for cellulose and hemicellulose at the given parameters. Oppositely, the results indicated that it was more economical to process the extracted lignin in the main processing facilities (resin production) than to sell it directly. Summation of the portions to be sent for main processing and the portions to be sold are equal to the amount of pre-processed feedstocks produced by the respective pre-processing facility. For the transportation emissions, facilities with zero distances and that have used pipeline transportations would produce no emission.

Table 26 Amount of pre-processed feedstocks *i* transported from pre-processing facilities *h* to main processing facilities *j*, $FTH_{h,i,j}$ in t/y and (emission), $FTHE_{h,i,j}$ in t CO₂ equivalent/y

	n n.		1.15						
Path	Bio-	СМС	Acidic	Enzymat	Resin	Boiler	Gasificat	Fast	Slow
	composit	producti	hydrolys	ic	producti	combust	ion	pyrolysis	pyrolysis
	е	on	is	hydrolys	on	ion			
	producti			is					
	on								
DLF	1.227	-	-	-	-	-	-	-	-
from									
DLF	(0.002)								
productio									
n				Y					
				1					
Cellulose	-	0.465	0-	12.362	-	-	-	-	-
from									
extractio				(0.085)					
n									
Hemicell	-	-)	0.003	531.016	-	-	-	-	-
ulose									
from		1	(3.768 x	(3.664)					
extractio			10-5)						
n									
"									
Lignin		-	_	-	10,526.3	-	-	-	-
from					16				
extractio									
n					(89.474)				
11					()				
Torrefied	-	-	-	-	-	228.889	649,653.	-	-
pellet							285		
from									
	1								

torrefied						(0.320)	(3,118.33		
pelletizat							6)		
ion									
Pellet	-	-	-	-	-	8.333	-	-	6,000.00
from									
pelletizat								/	(45.600)
ion									

Table 27 Amount of pre-processed feedstocks i produced from pre-processing facilities h to be sold
directly, $FSH_{h,i}$ in t/y

Path	Amount to be sold directly (t/y)	Sales of products (\$/y)
DLF from DLF production	2,302,323.090	483,487,848.9
Bio-compost from aerobic digestion	20,000.000	200,0000.0
Activated carbon from alkaline activation	95,000.000	166,820,000.0
Cellulose from extraction	134,363.904	295,600,588.8
Hemicellulose from extraction	37,862.333	75,724,666.0
Lignin from extraction	30,000.000	45,000,000.0
Briquette from briquetting	30.00	3,600
Pellet from pelletization	37.00	5,180
Torrefied pellet from torrefied pelletization	70.00	11,200

After exiting the main processing facilities, the intermediate products 1 again would either be sending for next processing step (further processing facilities 1) or to be sold directly. **Table 28** and **Table 29** show the both options. The amounts of bio-syngas from gasification was shown by the model's results to be sold directly in preference over to further refine it in methanol production and FTL production facilities. Since there was no further processing for bio-resin as shown in the superstructure, it would be automatically sold directly to the customer. The amount of bio-oil however was larger to for further refinement as compared to be sold directly.

Table 28 Amount of intermediate products 1 k transported from main processing facilities j to further processing 1 facilities l, $FTJ_{i,k,l}$ in t/y and (emission), $FTJE_{i,k,l}$ in t CO₂ equivalent/y

-	0	-)).	.,		-)).0,0	-	•
Path	Separation	Xylitol	Fermentation	Anaerobic	Power	Methanol	FTL
		production		digestion	production	production	production

Xylose from acidic hydrolysis	-	0.003	-	-	-	-	-
Xylose from enzymatic hydrolysis	-	-	439.437 (1.758)	12.857 (0.030)	-	-	-
Bio-syngas from gasification	1,278.261	-	-	-	-	106.339	56338.028
HP steam from boiler combustion	-	-	-	-	66.667	Y	-

Table 29 Amount of intermediate products 1 k produced from main processing facilities j to be sold
directly, $FSJ_{i,k}$ in t/y

Path	Amount to be sold directly (t/y)	Sales of products (\$/y)
Bio-composite from bio- composite production	0.920	575.0
CMC from CMC production	0.400	1,400.0
Glucose from enzymatic hydrolysis	5.810	10,980.9
Xylose from enzymatic hydrolysis	15.000	29,850.0
Bio-resin from resin production	10,000	90,720,000.0
HP Steam from boiler combustion	2.00	52.0
Bio-syngas from gasification	462,000.00	277,200,000.0
Bio-oil from fast pyrolysis	5.000	4,000.0
Bio-char from slow pyrolysis	3,000.00	1,140,000

The further processing 1 facilities will produce intermediate products 2. These intermediates need to be further processed or the manufactures can sell them directly to fulfill the specified demands. **Table 30** and **Table 31** show these options. At this point, majority of the produced products would be sold directly as no further processing required except for the portions of bio-hydrogen, bio-ethanol and bio-methanol. With the given parameters, product such as xylitol could be neglected for production especially if the demand is too low.

Table 30 Amount of intermediate products 2 m transported from further processing 1 facilities l to further
processing 2 facilities n, $FTL_{l,m,n}$ in t/y

Path	Ammonia production	Formaldehyde production	Bio-ethylene production
Bio-hydrogen from steam reforming	212.500	-	Â.
Bio-ethanol from fermentation	-	-	141.414
Bio-methanol from methanol production	-	43.229	-

Table 31 Amount of intermediate products 2 m produced from intermediate products 1 k through furtherprocessing 1 facilities l to be sold directly, FSL_{lm} in t/y or MWh/y

Path	Amount to be sold directly (t/y)	Sales of products (\$/y)
Bio-hydrogen from steam reforming	375.500	307159.0
Xylitol from xylitol production	0.002	8.4
Bio-ethanol from fermentation	3.600	1,882.8
Bio-gas from anaerobic digestion	9.000	3,582.0
Bio-methanol from methanol production	0.300	261.0
Electricity from power production	20.000	2,800.0
MP Steam from power production	23.333	396.6
LP Steam from power production	23.333	280.0
Bio-diesel from FTL production	40,000.000	31,600,000.0
Bio-gasoline from FTL production	16,338.028	21,484,506.8

Finally, the further processing 2 facilities will produce the final products. These three products are then ready to be shipped for selling as shown by **Table 32**.

Table 32 Amount of final products o produced from intermediate products 2 m through further processing	5
2 facilities <i>n</i> to be sold, $FSN_{n,o}$ in t/y	

Path	Amount (t/y)	Sales of products (\$/y)
Ammonia from ammonia production	170.000	126,650.0
Formaldehyde from formaldehyde production	42.000	19,446.0
Bio-ethylene from bio-ethylene production	140.000	216,160.0

The amount of emissions from production were the result of multiplications between the emission factors and the mass flowrates. Having said this, the owner of the EFB's facilities would be aware of which production facilities have emitted large amounts of CO_2 equivalent per year, despite the optimal overall profitability has already considered the emission treatment costs. **Table 33** till **Table 36** tabulate these emission results that originated from productions.

Product	DLF	Aerobic	Alkaline	Extraction	Briquetting	Pelletizatio	Torrefied
	production	digestion	activation		1 0	n	pelletizatio
	-	0					n
DLF from	9,439.530	-		<u> </u>	-	-	-
Bio- compost from	-	400.000		-	-	-	-
Activated carbon from	-	Q	1,672.000	-	-	-	-
Cellulose from	-		-	7,928.227	-	-	-
Hemicellulo se from) -	-	2,495.568	-	-	-
Lignin from	-	-	-	2,512.632	-	-	-
Briquette from	Y.				1.500		
Pellet from						302.267	
Torrefied pellet from							52,321.150

Table 33 Amount of emission from production at h in t CO₂ equivalent/y, $FPHE_{h,i}$

Produc	DLF in	Cellulo	Cellulo	Hemice	Hemice	Lignin	Torrefi	Torrefi	Pellet	Pellet
t	bio-	se in	se in	llulose	llulose	in resin	ed	ed	in fast	in slow
Ľ	compos	CMC	enzyma	in acid	in	produc	pellet	pellet	pyrolys	pyrolys
	ite	produc	tic	hydrol	enzyma	tion	in	in	is	is
	produc	tion	hydrol	ysis	tic	uon	boiler	gasifica	15	15
	tion	tion	ysis	y 515	hydrol		combus	tion		(
	tion		y 515		ysis		tion	uon		
					y 515		tion			
Bio-	6.883	-	-	-	-	-	-	-		-
compos								/		
ite from										
CMC	-	0.039	-	-	-	-	-		1	-
from										
Glucose	-	-	0.494	-	-	-				-
from										
Xylose	-	-	-	2.143 x	38.318	- /	-	-		-
from				10-4						
D'						25.000				
Bio-	-	-	-	-	-	25,000.		-		-
resin from						000				
110111						. X. '				
HP	-	-	-	-	-	<u> </u>	51.500	-		-
steam										
from										
Bio-	-	-	-	-		-	-	353,931		-
syngas								.110		
from				$\mathbf{\Lambda}$						
D: '1									2 000	
Bio-oil	-	-	- 🤇	-	-	-	-	-	2.900	-
from				7						
Bio-	-	-		-	-	-	-	-	-	1,740.0
char			XY							00
from										
			7							

Table 34 Amount of emission from production at *j* in t CO₂ equivalent/y, $FPJE_{i,j,k}$

Table 35 Amount of emission from production at l in t CO₂ equivalent/y, $FPLE_{k,l,m}$

			1		= 1		1,1,1,111
Product	Bio-syngas in steam separation	Xylose in xylitol production	Xylose in fermentatio n	Xylose in aerobic digestion	Bio-syngas in methanol production	HP steam in power production	Bio-syngas in FTL production
Bio- hydrogen from	52.920	-	-	-	-	-	-

Xylitol from	-	1.640 x 10 ⁻⁴	-	-	-	-	-
Bio-ethanol from	-	-	14.211	-	-	-	-
Bio-gas	-	-	-	2.250	-	-	<u></u>
from							
Bio- methanol from	-	-	-	-	3.619		<u>,</u>
Electricity from	-	-	-	-	-	1.000	-
MP steam from	-	-	-	-	, C	1.167	-
LP steam from	-	-	-	-	\mathbf{O}	1.167	-
Bio-diesel from	-	-	-	K/	-	-	2,680.000
Bio- gasoline from	-	-	-	A	-	-	10,440.000

Table 36 Amount of emission from production at n in t CO_2 equivalent/y, $FPNE_{m,n.o}$

Product	Bio-ethanol in bio-ethylene production	Bio-hydrogen in ammonia production	Bio-methanol in formaldehyde production
Bio-ethylene	196.000	-	-
Ammonia	-	287.980	-
Formaldehyde	-	-	3.486

From these results, economic decision could be made in a more guided way especially in prioritizing investments for productions. Facility owner was also being informed with potential emissions from both transportation and production activities. The owner has grater flexibilities in making decision on whether to sell the produced product directly to the customer or to further processing it depending on the market situations.

Sensitivity Analysis

Sensitivity analysis was performed by varying the selling prices for three selected products i.e bio-hydrogen, ammonia and bio-ethylene. Other products could be selected as well because the purpose of this analysis was to observe effects on the objective function by manipulating the model's parameter. Three scenarios were created to demonstrate these effects as shown in **Table 37**. It can be seen that the variations in selling prices, which might happen due to changes in demands have definitely affected the original recorded profit.

 Table 37 Sensitivity analysis for the profitability (\$/y) of the selected bio-products with selling prices' variations

vultutolis	
Scenario in selling price for the three products	Difference in annual profit (\$/y)
Scenario 1: All bio-hydrogen, ammonia and bio-ethylene have shown 10% increase in selling price	+64,997
Scenario 2: Bio-hydrogen has shown 10% increase, ammonia has decreased 10% and bio-ethylene remain the same	+18,051
Scenario 3: Only bio-ethylene has decreased 10%	-21,616

Conclusion and Future Works

The economic potentials of exploiting palm oil EFB as renewable feedstocks for the productions of products that range from energy, chemicals and materials were realized by having the optimal supply chain. The optimal value for the objective function was found to be \$ 713,642,269/y, and the other decision variables were tabulated clearly. Pre-requisite steps for obtaining the optimal supply chain were presented, and those steps would still be applicable when dealing with different kind of biomass feedstocks and products. The parameters used in the model were approximated from various literature sources and were sufficient to illustrate the applicability of the model. By considering single ownership of all facilities in the EFB's supply chain, informed decision could be made to prioritize investments for manufacturing profitable products.

For the future works, this model will be further developed to include optimal selections of processing route and transportation mode from the options found in the superstructure. Such optimal selections are required to eliminate unnecessary or uneconomical options.

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