# 2015 Water Innovation Forum

Examples from the US craft brewing sector.

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# Cool things currently happening in US craft breweries

- Waste to energy
- Water reuse
- Fuel cells
- Small MBR systems
  - Membrane BioReactor
- Awesome, but out of reach for most companies
- What options are more approachable?

- Create 2 waste streams
- Relatively low strength wastes go down the drain and in to the sewer
- High strength wastes are separated at the source and trucked off site
  - Land application as fertilizer
  - Nitrogen source for commercial compost operations
  - Pet or livestock feeds
  - Added direct to municipal anaerobic digester for methane potential

- In a brewery, typical sources of side stream material are:
  - Spent grain & hops
  - Trub
  - Lauter tun plate rinsings
  - Spent yeast
  - Fermenter blow off
  - Returned beer in kegs
  - Push water/beer at start/end of packaging runs

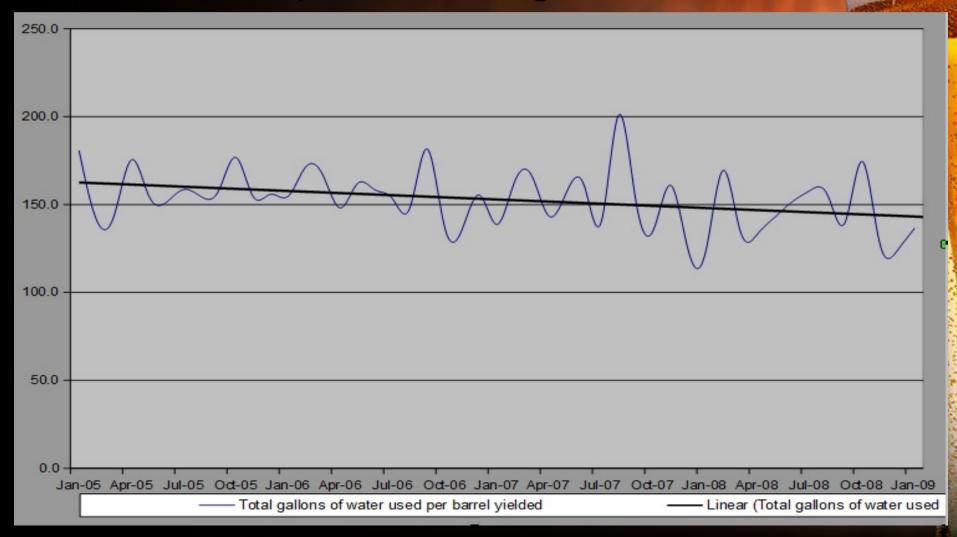
- Case Study #1
  - Existing brewery in California is currently surcharged for excess BOD and TSS to the tune of \$350,000 US per year
  - I recommended side streaming as a high priority, easy money project.
    - Cost to implement is <\$20,000.</li>
    - Saves over \$200,000 per year.
    - Received luke warmly. They're growing so fast they don't have time to do anything but make beer!

- Case Study #2
  - Proposed brewery in a small town in Idaho
  - Total capacity of municipal treatment plant is 160 kg/day of BOD
  - Projected effluent from brewery without side streaming is 55 kg/day BOD (16% of total load)
    - Project is denied
  - Projected effluent with side streaming is 13 kg/day
     BOD (4% of total load)
    - Project is approved

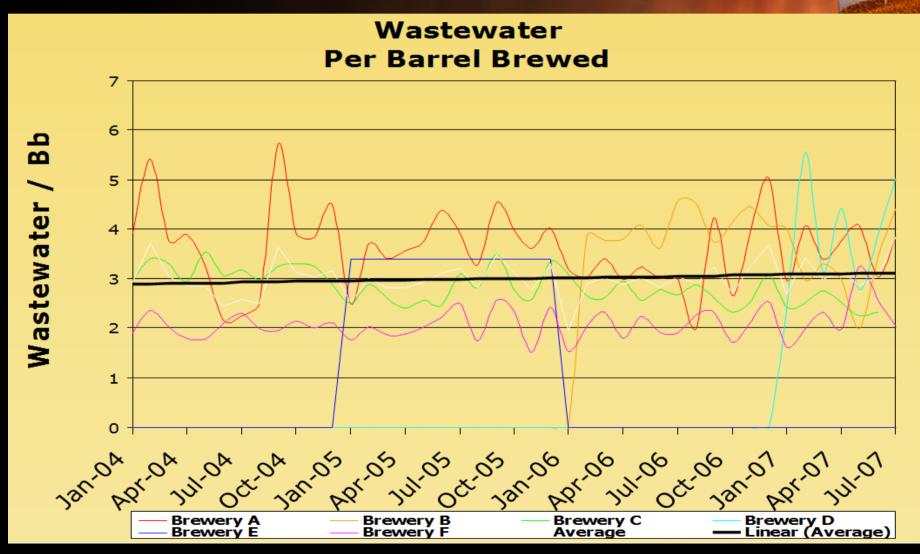
- It is more work
- More space is needed
- Odor control can be a problem
- Not needed if there is no enforcement
- Not needed if no surcharges
- Not recommended if cost of hauling is higher than savings of reduced surcharges

- High value and minimal effort
- Start by entering your utility usage data in to a spreadsheet.
  - Data will come from bills
  - Enter all of the data, even if you think you don't need it.
  - OK to use past bills to get a jump start
- Update monthly

After awhile, your data might look like this:



You can share data and come up with this:



- You can do this for everything.
- What gets measured gets done.
  - Water/unit
  - Wastewater/unit
  - KwH/unit (or joules)
  - Horsepower hour/unit
  - Caustic/unit
  - People, wages, hours/unit
  - Cost, income, profit/unit

- Get employees involved
- What kinds of waste do they see everyday?
- Create process improvement forms
  - Offer a weekly free lunch, at random, from people who submitted
  - Go after the projects that have the lowest capital requirement and the highest return first.

- This creates a culture of continual improvement within your company.
- This can become Best Management Practices for your company.
- Next steps could be lean manufacturing,
   5S, and the Toyota Production System.

- Examples of low hanging fruit to greatly improve efficiency:
  - Side streaming
  - LED lighting improvements
  - Variable speed air compressor
  - Insulation
  - Stack economizer on boiler
  - Speed door on coolers
  - Winter air in coolers
  - Air compressor exhaust in to building in winter

#### Financial Analysis

- It's pretty easy to come up with a list of projects
- Just because a project is cool or interesting doesn't mean it's a good project.
- Making beer and running a brewery are 2 different things.

## Financial Analysis

- Not all projects will be water related
- How to determine which projects to fund?
- Several factors
  - Safety
  - Quality
  - Capacity
  - Financial performance
    - Internal Rate of Return (IRR)
    - Net Present Value (NPV)

## **Financial Analysis**

- Both IRR and NPV look at net cash flow of any project
- IRR
  - Can be simply calculated in Excel
- NPV
  - Looks at present value of money compared to future value of the same money
  - Can also be simply calculated in Excel
- Higher is better for both calculations

# Closing thoughts

- The Brewers Association is currently tracking utility usage for brewers and asking for more participation
- The BA Sustainability Subcommittee
- Growth without efficiency is like turning the water higher while the drain gets bigger.

# Thank You!

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