
ABSTRACT

Dimethyl ether (DME) is a promising alternative fuel that may substitute LPG. DME production typically uses syngas as raw material which mostly consists of CO, CO₂ and H₂. DME production consists of 2 steps: methanol and DME synthesis. In the first step, syngas is fed to methanol reactor where CO and CO₂ are reacted with H₂ gas to form methanol and water. Next, methanol is purified and fed to DME reactor (2nd step). In DME reactor, methanol is a dehydrated to form DME and water with methanol conversion as high as 82%. The resulting DME is purified to reach 99% purity (fuel-grade).

The DME plant is designed with a capacity of 120,000 tons / year and constructed on 2.5 hectares land in Indragiri Hilir, Riau. The plant employs 363 workers. The plant operates 24 hours per day and 330 days per year. The amount of syngas (raw material) needed is 42,943 kg/hour to produce 6100 kg/hour methanol and 15,100 kg/hour DME. The amount of utilities needed to run the plant are 7,094,961 kg/hour water, 12,200 kW electricity and 50,159.65 kg/hour steam.

The economic evaluations show that total annual cost for raw materials and utilities are \$ 15,269,769.72 and Rp.163,743,254,201, respectively. In terms of investment, the amount of fixed capital is \$43,352,510.70 + Rp28,824,875,110.34. In addition, the working capital is \$9,823,494.66 + Rp17,858,558,098.00. Our evaluation also shows that the amount of pre-tax profit is \$20,896,584.73 and after-tax profit is \$10,448,292.37 annually. Based on the operating conditions, the DME plant from syngas is classified as a high-risk plant. The return of investment (ROI) value before tax is 23.05%, pay out time (POT) before tax is 1.78 years, break-even point (BEP) is achieved at 31.63% capacity, shut down point (SDP) is 14.20% capacity, and discounted cash flow rate of return (DCFRR) is 25.14%. Based on economic evaluation that we present here, it can be concluded that DME plant from syngas with 120,000 ton/year capacity is attractive and thus deserve further evaluation.

Keywords: DME, syngas, methanol, alternative fuels