The widespread commercialization of hydraulic fracturing (fracking) combined with horizontal drilling in hydrocarbon-containing shale formations has resulted in an enormous increase in natural gas and natural gas liquids (ethane, propane, and butane) production, as well as the production of petroleum condensate (light crude oil). Although these processes have been initially commercialized in the United States and Canada, other regions of the world will soon (as of 2015) receive the same low-cost hydrocarbon economic benefits, either through the importation of natural gas liquids from the United States, or through hydrocarbon production from their own domestic shale formation reservoirs.

Globally, nearly half of ethylene production is based on naphtha steam cracking (liquids cracking), where the naphtha is priced at nearly parity with crude oil (annual average approximately $US50/bbl in 2015). Natural gas liquids produced via fracking are being sold in 2015 at an annual average of around $US3/MMBtu, equivalent to an oil price of $US16–17/bbl, providing an enormous feedstock cost advantage for producing ethylene via steam cracking. The downside is that natural gas liquids steam cracking (gas cracking) produces a smaller amount of the heavier by-products (butadiene, isobutylene, n-butenes, pyrolysis gasoline) used in derivative petrochemicals production. Where fracking is widespread (predominantly in the United States and Canada in 2015), chemical operating companies have announced significant grassroots projects to build world-scale ethylene steam crackers (gas crackers) that are designed to feed these low-cost shal-derived feedstocks in order to capture the cost advantage of natural gas liquids production from shale reservoirs.

In China, regionally competitive coal-to-olefins and methanol-to-olefins technologies have been commercialized. These routes take advantage of an unconventional but locally abundant and inexpensive carbon sources.

In this process summary, we review the current ethylene production processes. Features and differences between processes are summarized. The current ethylene process licensors and their offerings are compared. Updated process economics for different ethylene processes are presented. The process economics include estimated capital costs, variable costs, and plant cash costs. The review also discusses recent technology development based on patent reviews. A brief market overview summarizes the global supply and demand and end-use markets and demand drivers.

This process summary will also highlight the new iPEPSpectra™ cost module. The cost module, attached with this process summary on the PEP website, provides a powerful interactive tool for interpreting data in a flexible manner by generating pivot tables and corresponding charts. In this review, the iPEPSpectra™ cost module is demonstrated with historical economics for the ethylene processes for different regions of the world. Until now, most process economics were presented as snapshot comparisons. Due to fluctuation and variation of feedstock and utility prices over time and in different regions, ranking of the processes using a snapshot comparison can be misleading. An iPEPSpectra™ historical economics comparison provides a more comprehensive assessment of competing technologies, leading to a more sound investment decision.
## Contents

### 1 Introduction
- Product properties
- Process technology
  - Steam cracking
  - Coal-to-olefins
- Licensors
- Developing technologies
- Production economics—iPEPNavigator™
  - US Gulf Coast
  - China
- Historical production economics—iPEPSpectra™
  - US Gulf Coast
  - Naphtha crackers around the world

### 2 Market overview
- Demand
- Supply
- Feedstock trends
- Uses for steam cracker by-products
  - Propylene
  - Butylene
  - C₅ olefins
  - Pyrolysis gasoline
- Investment developments

### 3 Production processes
- Introduction
- Steam cracking—natural gas liquids feedstocks
  - Reaction chemistry
  - Process description
    - Feedstock pretreatment
    - Steam cracking and quenching
    - Cracked gas compression and acid gas removal
    - Cryogenic refrigeration and cold box
    - Hydrogen purification
    - Cryogenic distillation
    - Propylene and C₄+ purification
    - NGL feedstock selection
      - Design basis
      - Overall yields
- Steam cracking—liquids feedstocks
  - Reaction chemistry
  - Process description
    - Pyrolysis and quench
    - Compression and drying
    - Subcooling and separation
    - Product separation
    - Refrigeration
Steam distribution 37
Process configuration 37
Front-end demethanizer 37
Front-end depropanizer 37
Front-end depropanizer with gas turbine driver 39
Naphtha feedstock and process severity 39
Atmospheric gasoil and vacuum gasoil feedstocks 41
Coal-to-olefins 41
Reaction chemistry 41
Process description 43
Air separation unit 44
Gasification 44
Gas cleanup 45
Methanol synthesis 48
Methanol conversion 49
Olefin recovery 49
Coal gasification technology 51
Methanol-to-olefins 53
MTO catalysts 53
MTO process licensors 54
Ethanol dehydration 55
Reaction chemistry 55
Process description 55
Reaction 55
Product separation 56
Propylene refrigeration 57
Reactor technology 57
Isothermal fixed-bed reactor 57
Adiabatic fixed-bed reactor 58
Fluidized fixed-bed reactor 58
Product separation 58
Ethanol feedstocks 58
Oxidative coupling of methane via Siluria technology 59
Reaction chemistry 59
Process description 60
OCM reaction system 61
Process gas compression and treating 62
Product separation and recovery 63
Refrigeration 63
Steam generation 64
OCM feedstock 64
FCC naphtha feedstock via KBR SUPERFLEX™ technology 65
Process description 65
Reactor regenerator 65
Treating 65
Fractionation 66
Feedstocks and products 66

4 **Process licensors** 67
Steam cracker technology licensor offerings 67
KBR SCORE™ technology 67
KBR SCORE™ process 67
# Process Economics Comparisons

The Process Economics Program Review 2015-09 provides a detailed comparison of various ethylene production technologies. This section, titled "Process economics comparisons—An iPEPNavigator™ analysis," contains a comprehensive overview of capital investment, ethylene production cost, and historical process economics comparison. Additional comparisons include historical prices, feedstocks, and production costs. The section also discusses the use of iPEPNavigator™ and iPEPSpectra™ modules for process economics comparison.

## Capital Investment

- **KBR pyrolysis furnace technology**
- **KBR olefins purification technology**
- **Chicago Bridge & Iron /Lummus technology**
  - Conventional Lummus process
  - Ethane-only steam cracking
  - Advanced Lummus steam cracking process
  - Lummus conventional olefins recovery technology
- **Stone & Webster (acquired by Technip in 2012)**
  - Stone & Webster process description
  - Stone & Webster pyrolysis furnace technology
  - Stone & Webster olefins recovery technology
- **Linde AG ethylene process technology**
  - Linde ethylene process sequence
  - Linde pyrolysis furnace technology
  - Linde value cracking
- **Technip-licensed ethylene process**
  - Technip commercial experience
  - Technip steam cracking process sequence
  - Technip pyrolysis furnace technology
  - Technip radiant coil design options
  - Technip SPYRO® process simulation software
  - Technip olefins recovery technology
- **Sinopec ethylene process technology**
  - Feedstock pretreatment to remove mercury, arsenic, and lead
  - Drying cracked pyrolysis furnace gas
- **CTO/MTO technology licensor offerings**
  - DICP’s DMTO technology
  - DICP’s DMTO-II technology and its technical features
  - The UOP/Hydro MTO process
  - The Total Petrochemicals/UOP Olefin Cracking Process (OCP)
  - The Sinopec S-MTO process
- **MTO product separation technology licensor offerings**
  - CBI Lummus olefin technologies
  - Wison Engineering "precutting + oil adsorption" olefin separation technology

## Ethylene Production Cost

- **KBR pyrolysis furnace technology**
- **KBR olefins purification technology**
- **Chicago Bridge & Iron /Lummus technology**
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  - Technip pyrolysis furnace technology
  - Technip radiant coil design options
  - Technip SPYRO® process simulation software
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- **Sinopec ethylene process technology**
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  - Drying cracked pyrolysis furnace gas
- **CTO/MTO technology licensor offerings**
  - DICP’s DMTO technology
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  - Wison Engineering "precutting + oil adsorption" olefin separation technology

## Historical Process Economics Comparison—An iPEPSpectra™ Analysis

- **Capital investment**
- **Ethylene production cost**
- iPEPNavigator™ module for current process economics comparison

## Selecting Parameters for Comparison

- iPEPSpectra™ module for historical process economics comparison

## Additional Comparisons

- Steam cracker feedstock comparison in the US Gulf Coast
- Naphtha steam cracker comparison by location
- Steam cracking versus alternative feedstocks in the US Gulf Coast
- Steam cracking versus CTO/MTO routes in China

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**Note:** The page numbers correspond to the sections and subsections mentioned above, providing a structured overview of the document's content.
Process economics comparison 139
  Filtering the iPEPSpectra pivot table data 139
  Viewing data on an average annual basis 145
Basis of calculation 146
  Maintenance materials and maintenance labor 146
  Operating supplies 147
  Operating labor 147
  Control laboratory 147
  Plant overhead 147
  Taxes and insurance 147
  G&A, sales and research 147
  Plant cash cost 148
  Depreciation 148
  Plant gate cost 148
  Product value 148
  Operation at reduced capacity 149
  Conventions used in cost tables 149
7 Cost bases 150
Capital investment 150
Production costs 151
Effect of operating level on production costs 151
8 References 153

Tables

Table 1  Major ethylene-derived chemicals and applications 9
Table 2  Major producers of ethylene 9
Table 3  Physical properties of ethylene 10
Table 4  Design basis table by feedstock 33
Table 5  Overall yield pattern by feedstock 33
Table 6  Naphtha specifications 40
Table 7  Overall yield pattern by naphtha feedstock and process severity 40
Table 8  Relative capital investments and energy consumptions by feedstock 41
Table 9  Liquid feedstock characteristics 41
Table 10  Coal gasification chemical reactions 42
Table 11  Advantages and limitations of gasifiers 51
Table 12  Gasification technologies 52
Table 13  Major differences between MTO catalyst systems 54
Table 14  Energy consumption by feedstock 95
Table 15  G&A, Sales and Research 148
Figures

Figure 1  Generalized steam cracker process flow  12
Figure 2  Coal-to-methanol  12
Figure 3  US Gulf Coast ethylene plant gate cash cost by technology—2015  14
Figure 4  Chinese ethylene plant gate cash cost by technology—2015  15
Figure 5  US Gulf Coast steam cracker plant gate cash cost by feedstock  16
Figure 6  Naphtha steam cracker plant gate cash cost by location  17
Figure 7  Ethylene-integrated product chain diagram  18
Figure 8  World ethylene demand by end use  19
Figure 9  World ethylene demand by region—2015  20
Figure 10  World ethylene production by feedstock  21
Figure 11  World ethylene production by feedstock—2015  21
Figure 12  Steam cracker yields by feedstock  22
Figure 13  Annual ethylene production by feedstock  23
Figure 14  World PG/CG propylene demand  24
Figure 15  Block flow diagram for 100% ethane steam cracking  27
Figure 16  Input/output diagram for 100% ethane steam cracking  32
Figure 17  Simplified naphtha steam cracker block flow diagram  34
Figure 18  Coal-to-ethylene simplified block flow diagram  44
Figure 19  Primary forms of commercial coal gasifiers  52
Figure 20  Block flow diagram of OCM process  61
Figure 21  KBR furnace tube configuration options  68
Figure 22  KBR furnace design approach  69
Figure 23  Layout of KBR furnace  70
Figure 24  Distillation train sequence for tracking NGL feedstocks  71
Figure 25  KBR liquid feedstock block flow diagram  72
Figure 26  KBR deethanizer design with high purity ethylene distillate  73
Figure 27  KBR deethanizer configuration between third and fourth compressor  74
Figure 28  Conventional Lummus ethylene block flow diagram  75
Figure 29  Lummus pyrolysis furnace design  77
Figure 30  Lummus gas turbine cogeneration design  78
Figure 31  Lummus gas conventional steam cracker process  79
Figure 32  Lummus reactive distillation configuration for hydrogenation  80
Figure 33  Equilibrium feedstock conversion as a function of temperature  81
Figure 34  Stone & Webster use of swaged radiant coils  81
Figure 35  Stone & Webster simplified process flow diagram  82
Figure 36  Stone & Webster twin cell furnace design  84
Figure 37  Stone & Webster block flow diagram  85
Figure 38  Stone & Webster Advanced Recovery System (ARS)  86
Figure 39  Stone & Webster rippled tray distillation column internals  87
Figure 40  Linde conventional ethylene process configuration  88
Figure 41  Linde simplified ethylene plant process flow diagram  89
Figure 42  Conventional cracking furnace process schematic  90
Figure 43  Linde’s radiant coil designs  91
Figure 44  Linde’s cracking furnace CAD design  91
Figure 45  Linde’s twin-cell firebox design  92
Figure 46  Conventional multivessel cracked gas drying system  93
Figure 47  Linde steam cracking block flow diagram  94
Figure 48  Technip steam cracking diagram with front-end demethanizer  98