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NCC

### Asphalt production using wood pellets as fuel

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# Sales SEK

A leading construction company in the Nordics

13%

57%

8%

NC

#### Employees

2,200

Net sales, 2023

## Our construction scope covers all our three businesses



Different business logics but with important interconnections and dependencies



## NCC Industry – division Asphalt

- Develops, produces and sells asphalt products for construction and infrastructure projects.
- 51 asphalt plants in Norway, Denmark and Sweden.



### Asphalt mixtures and asphalt pavement

- Asphalt mixtures mainly consist of crushed rock (~95 % by weight) and bitumen (~5 % by weight).
- When returned to the asphalt plant, asphalt pavement is 100 % recyclable.



### Asphalt production – energy intensive

- ~7 liters of diesel (LFO) per ton of asphalt mix
- NCC produces ~5 million tons of asphalt per year





#### Asphalt production – energy intensive





#### Asphalt production – energy intensive





 4.6 days production at Swedish nuclear plant, Forsmark



#### or

 Driving 162 887 568.6 km with a Tesla S

or

 2036 round trips to the moon with a Tesla S



### **Taxation in Sweden**

- No tax on biofuels since 1984.
- A carbon tax on fossil fuels was instituted in 1991, alongside an already existing energy tax.
- The carbon tax provides incentives to reduce energy consumption, improve energy efficiency and increase the use of renewable energy alternatives.





### NCC converts asphalt production to wood pellets





### NCC converts asphalt production to wood pellets

- Due to availability and taxes, NCC has traditionally used different fuels in asphalt production in Sweden, Norway, and Denmark.
- Significant technical challenges: energy efficiency, combustion, handling and logistics etc.
- NCC has developed a patent for operating asphalt plants using pellets.





## Most $CO_2e$ emissions occur in the early phases of the life cycle



#### CO<sub>2</sub>e reduction requirements from the Swedish **Transport Administration**

Requirements asphalt mixtures:

- Production stages A1-A3
- CO<sub>2</sub>e shall be declared in an EPD (Environmental Product Declaration)

Environmental Product Declaration for asphalt mixtures from Lund asphalt plant – Södra Sandby



Date of publication (issue): 2021-09-01 Date of revision: 2023-12-16 Date of validity: 2027-11-01 Reg. no. S-P-03641

See Table 1 for all declared asphalt mixtures in this



**FPD** Information 1000 kg product Declared unit: Product Category Rules PCR 2019:14 Construction products rsion 1.11 of 2021-02-05

he International EPD® System

#### NCC

An EPD is a third party verified document. It presents the environmental performance of a product from a life cycle perspective, in a transparent, objective and standardized way.

#### EPDs from NCC are published at: www.environdec.com



- Energy optimization
  - Cutting the use of fossil fuels
- Saving natural resources

Recycled stone materials

Moisture – reduction

RA

WMA/LTA

Biofuels

Bio binders

## Examples on how we reduce CO<sub>2</sub>e in asphalt production





#### $CO_2e$ emissions from biofuels are **not** 0





#### Resumé

- The primary measure to reduce the climate emissions is a continued conversion of asphalt plants to the use of biofuels.
- All NCC's asphalt plants in Sweden have been converted for the use of biofuel.
- In Sweden, the target is that at least 95 percent of the energy used in the asphalt plants will come from biofuel (primarily wood pellets), as of 2024. This can be compared with 2015, when the proportion of biofuels was 53 percent.
- In Norway, NCC intends to convert all asphalt plants from being heated only by fossil LPG and heating oil to being heated with biofuel. Four of the asphalt plants in Norway are now fueled by wood pellets.





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