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Alternative energy in Stone County

For Coastal Paper, the new facility in Wiggins is a workhorse that supplies the plant's steam needs. But for the company that built the \$10 million gasification plant, it's become a showcase and popular location for tours.

"Somebody comes through every week," said Thomas Meth, vice president of sales and marketing for Richmond, Va.-based Intrinergy, which owns and operates the biomass gasification plant in Stone County. "We're ecstatic about it and excited to have it up and running."

The state-of-the-art facility converts biomass wood into steam for Coastal Paper, a wholly owned subsidiary of Cellu Tissue Holdings Inc. With six employees, Intrinergy Wiggins in December began providing steam to Coastal Paper – up to 50,000 pounds per hour.

Russ Taylor, chief executive officer of Cellu Tissue, said in a news release last year that "by displacing natural gas with renewable synthesis gas generated onsite by our energy partner, Intrinergy, we will maximize our competitiveness by securing our energy supply at a predictable price."

Environmental and cost concerns over fossil fuels are at the heart of interest in the renewable industry. The renewable field includes biomass, hydropower, geothermal energy, wind energy and solar energy.

Intrinergy is in the biomass to steam and power portion of the renewable industry – biomass. Using off-the-shelf technology, it designs, builds and operates gasification facilities that convert wood chips, organic waste or finely shredded rubber tires into a synthesis gas that can be used to generate heat, steam, electricity or a combination of the three.



A load of wood chips is unloaded at the Intrinergy-owned boilerhouse location at the Coastal Paper site in Wiggins

Intrinergy developed a plan to make industrial customers more likely to give it a try.

Matthew Markee, Intrinergy's business manager, said the agreement calls for Intrinergy to remove much of the risk to customers. It builds, owns and operates the unit, meaning Coastal and other customers do not have to make the capital

investment, nor worry about obtaining the feedstock to fuel it.

The deal struck with Coastal Paper is, in fact, Intrinergy's business model. It takes care of the entire operation, and sells the energy to the customer at a fixed or variable rate. That overcomes an important hurdle in building an energy plant.

"We take the financial, technical and operating risks usually associated with renewable energy and take them out of the equation for customers," John Keppler, president and CEO, said in a story in the Richmond Times-Dispatch.

The system in Wiggins is currently running on wood biomass, but has the technical capability of running other clean feedstock. The wood biomass makes sense for Stone County because it fits in with the existing industry.

Coastal Paper, which makes specialty tissue hard rolls used in the manufacture of facial and bath tissue, paper towels and napkins, signed a 15-year energy supply agreement with Intrinergy in the fall of 2006. The steam produced by the unit is used by Coastal Paper for its core processes – paper machines, driers and more, according to Meth.

For Coastal Paper, it eliminates having to deal with the volatile natural gas market and provides it with a predictable supply and price. Meth said Intrinergy expects to displace 20,000 tons a year of carbon emission from the Coastal Paper site.

As for the visitors? Intrinergy always expected it to be a model site.

Keppler has said as far back as the date of the initial agreement that the company hoped to use the facility as a model that can be replicated with companies across the country and around the world.

-Tep