

Fired Up: Intrinergy LLC Enters the Growing Field of Renewable Energy

By Greg Edwards, Richmond Times-Dispatch

Jan. 8--A class project at the University of Virginia's Darden School of Business provided the inspirational fuel to fire up a young Hanover County energy-services company.

Intrinergy LLC provides renewable energy in the form of synthetic gas, steam, electricity or a combination of the three to industrial customers.

It employs technologies that convert wood chips, organic waste or finely shredded rubber tires into synthetic gas, which burns with less pollution than would be created by burning oil, coal or the raw material that was used to create the gas.

The company, however, is not simply a supplier of energy equipment and technological expertise. Intrinergy relieves its customers of the investment risks associated with building an energy plant.

It does that by owning and operating the plant.

"We take the financial, technical and operating risks usually associated with renewable energy and take them out of the equation for customers," said John Keppler, president and CEO.

Keppler, 36, and Thomas Meth, 33, executive vice president for sales and marketing, assembled the ideas that became Intrinergy's business model while they were working in 2002 on a Darden School research project for a renewable-energy supplier.

"We came up with the recommendations that look a lot today like what we're doing," Keppler said.

Their timing could not be better. The public increasingly believes the nation must wean itself from fossil fuels for national security and environmental reasons, including the potential threats posed by global warming. A poll last year by the Republican polling firm Public Opinion Strategies of Alexandria found that 91 percent of voters believe the nation faces an energy crisis and roughly the same percentage support incentives and standards for renewable energy.

In June, a broad, bipartisan, nongovernmental coalition, including lawmakers on all levels of government, industry leaders, farmers and environmentalists, announced a campaign to have 25 percent of the nation's total energy produced by renewable sources by 2025.

For perspective, the U.S. Energy Information Administration reports that in 2004 renewables accounted for only 6 percent of total U.S. energy consumption.

Of the renewables contribution to the energy mix, 46.5 percent was provided by waste and synthetic gas -- the business Intrinergy is in. Hydropower provided 44.6 percent and the remainder, less than 10 percent, came from wind, solar and geothermal sources.

The numbers show there is much room for growth in the renewable-energy businesses, if the ambitious goal of 25 percent by 2025 is to be met.

Before co-founding Intrinergy two years ago, Keppler ran the office of the vice chairman for America Online; and Meth, a native of Austria, handled sales and marketing in Europe for the Richmond-based international manufacturing conglomerate Colfax Corp.

Financial backing for the company came from 25 limited partners, including a couple of U.Va. professors, Keppler said.

The company's name is a fusion of the words "intrinsic" and "energy," and, Keppler said, reflects what the company does. "We take things that are discarded and unleash the energy within them."

Intrinergy, however, is not a technology developer. Keppler, in fact, describes the company as technologically indifferent. It analyzes a customer's energy needs, he said, and tailors the energy plant installation to meet those needs using "off-the-shelf" technology.

The company does have proprietary knowledge. It is related to how the organic and recycled materials that feed the gasification units are handled and the way the resulting gas is conditioned for industrial use as a fuel or raw material, Meth explained.

For example, before synthetic gas can be burned like natural gas in a combustion turbine to produce electricity, it must be cleaned of any small particles and other contaminants to protect combustion equipment against corrosion.

