

Rentech eyes Rialto complex for biomass plant

10:00 PM PDT on Sunday, October 11, 2009

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The Biz Press

In recent months, renewable-energy and utility companies from Scotland to Louisiana have announced plans to use biomass to generate electricity.

A similar project, which will produce diesel fuel in addition to electricity, is proposed in Rialto, and its designers claim the facility will have a "near zero" carbon footprint.

Los Angeles-based Rentech, which stands for Renewable Energy Technologies, plans to generate the electricity and diesel fuel primarily using yard waste, such as grass clippings and tree trimmings.

"California has a mandate for renewable power," said CEO Hunt Ramsbottom. "And we will make power to help fulfill that mandate."

The facility will heat up the material to create a gas stream that will be refined into diesel fuel, said Julie Dawoodjee, vice president of investor relations and communications. The plant will also produce 35 megawatts of electricity -- enough to power 30,000 homes daily.

Rentech expects to supply the electricity it generates to local utilities, such as Southern California Edison, Dawoodjee said.

The commercial project could create about 250 construction jobs and at least 55 full-time positions for the region. It is proposed for Rialto's Eco-Industrial Park, which includes the city's wastewater treatment plant and EnerTech Environmental's new \$90 million sludge plant, which converts sewage to energy.

RenTech is tapping a new business model, using sustainability to make money while moving away from reliance on foreign oil, Dawoodjee said.

The biomass facility will also divert green waste streams away from landfills and help reduce the amount of greenhouse gases being released into the atmosphere, Dawoodjee said. When green waste is buried in landfills, it generates methane gas, a greenhouse gas that contributes to global warming.

The company estimates that each day the renewable-energy facility could produce up to 600 barrels of diesel fuel, Dawoodjee said.

Rentech is still in the planning stages of the project, Dawoodjee said. The company could begin its application process with the city of Rialto to construct the facility by early 2010, she said.

Chan Seung Park, an assistant research engineer with UC Riverside's Center for Environmental Research and Technology, estimated that for each day of operation, RenTech would need 1,000 tons of dry biomass -- which has no water content and is ready to burn -- in order to produce the 600 barrels of diesel fuel.

Park questioned whether the company would be able to ensure a constant supply of biomass with no drop in productivity. He said once the chemical process gets going, it is hard to shut down, and it can be expensive to truck in that much biomass.

"It's not easy," Park said. "It's not a straightforward project."

Asked whether the company has enough of a green waste supply to ensure that production is never disrupted, Ramsbottom said, "We did enough market research. We're talking to our suppliers. We'll be fine."

There is enough biomass in the region, and currently that biomass is just being sent to a landfill, Dawoodjee said.

Similar technology was used in a power plant, known as the McNeil Generating Station, that was constructed in Burlington, Vt., by the company SilvaGas. The power plant used wood-based biomass to create "synthesis gas" for electricity generation. Rentech acquired SilvaGas in June. Ramsbottom said of the deal to acquire SilvaGas that Rentech paid about \$9 million worth of Rentech stock.

"They get payments according to the success of the gasification as we build it out commercially," Ramsbottom said. "Once Rialto goes live, we all win together, and we can all share in that win."

The Aircraft Service International Group (ASIG) announced in August that it had signed an agreement starting in 2012 to purchase 1.5 million gallons of diesel fuel each year from Rentech for use at Los Angeles International Airport.

"There is the potential for additional airlines to come under this agreement with ASIG," Dawoodjee said. "We're working on a portfolio of different types of supply agreements."

The initial purchasers under the agreement with ASIG are Alaska Airlines, American Airlines, Continental Airlines, Delta Air Lines, Southwest Airlines, United Airlines, UPS Airlines and US Airways, according to a statement from ASIG.

The fuel will be used for ground service equipment.

Ramsbottom said he had no quick numbers to release concerning the cost of constructing the facility.

"We are validating our numbers through a feasibility study right now," he said.

Ramsbottom believes that airlines will be attracted to the diesel fuel produced at the proposed plant because it has fewer particulates than petroleum diesel.

"It's the cleanest fuels that they could ever possibly use in California," Ramsbottom said. "It's cleaner-burning all the way around."