

Bio-diesel plant plans advance

By JUDITH O. ETZEL

THE SOY-TO-FUEL CONVERSION FACILITY IN ROUSEVILLE IS EXPECTED TO BE OPERATING BY NEXT SUMMER.

Plans are moving ahead for a bio-diesel plant pegged for the former Pennzoil refinery site in Rouseville. And although the timetable has been delayed a bit, the project itself has grown in scope.

"There are no problems out there to worry us. The plant should be in production by the summer of 2007," said Walt Frint, director of the Allegheny-Clarion Valley Development Corp. His agency is leading efforts to set up the fuel plant project.

The soy-to-fuel conversion plant will be built on a 25-acre tract in Rouseville. The land transfer from Calumet, which bought it from Pennzoil a few years ago, to the Borough of Rouseville was completed at a special borough council meeting Tuesday night.

"The buyer-seller agreement means the borough will own it," said Karen Sharp, borough manager. The Pennsylvania Department of Environmental Protection wrote it and we are at the point now where it is being turned over to us."

In turn, the borough will sign over the parcel to the New Castle-based Enviro-Biodiesel, a company that is building the new fuel plant. Frint said that transfer should be completed by next month.

Operations expanded when the biodiesel plant project was first announced last year, the construction plans called for work to begin in early summer 2006. That has been "pushed back a little," Frint said.

"This is not really a delay, just moving it out there a bit. Actual construction could begin before the end of this year and the plant should be in production by the summer of 2007," he said.

At the same time, the proposed bio-diesel operations have expanded.

"It has gone from 36 million gallons (production) a year to 45 million gallons a year. And while it's bigger, the price (about \$25 million) has stayed the same," Frint said.

In addition to transferring ownership of the land, once known as Pennzoil's Plant No. 1, pre-bio-diesel plant work has also included the removal of old pipeage, tanks and related production equipment from the former refinery site.

Two buildings - the former Pennzoil warehouse/shipping facility and the laboratory/research structure - are not included in the bio-diesel plant deal.

Pennewell Sandblasting and Painting of Oil City will take over the former oil company warehouse just south of the refinery site. The lab building across the highway from the former refinery was given to the Borough of Rouseville and council members are seeking a buyer for the property.

At least two contracts have been awarded for bio-diesel plant-related work.

Frint said an out-of-state company, Brateny Co., has signed a contract to do the design phase. The Moretti Group of Pittsburgh has been hired to handle all environmental permit work.

The Rouseville project has drawn keen interest from Gov. Ed Rendell and other state officials. In January, the governor earmarked a \$340,160 grant for the bio-diesel plant and noted the project reflects his administration's goal of creating energy from Pennsylvania sources and decreasing reliance on foreign oil.

At the earlier 36-million-gallons production level, the new bio-diesel plant was expected to provide 30 to 35 full-time jobs. That number should go up with the boost in production capacity.

The state-of-the-art biodiesel production plant will transform soybean oil - in an operation Frint describes as noiseless and odorless - from the Midwest into various components, including one cut that is diesel fuel for both domestic and international markets. The plant is expected to use 200 railroad cars a month.