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American Refining and Biochemical Inc., look to build new biomass facility

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The future of the region may be in what is currently thrown away.

On Monday, the state Department of Environmental Protection and Pennsylvania Energy Development Authority announced a \$1 million grant for American Refining and Biochemical Inc., to construct a new biomass facility.

"They are going to take all types of biomass and almost turn them into charcoal and this makes a dense charcoal-like product," explained Charlie Young, spokesman for the DEP. "It will be one of the first operating commercially in the country."

Harvey Golubock, president and chief operating officer of American Refining Group, explained American Refining and Biochemical is an affiliated company of ARG. "It's 100-percent owned by Harry Halloran," he said, referring to the chairman and chief executive officer of ARG.

"ARB has been funding a project to study torrefaction," Golubock explained, "which is a technology for converting biomass to a usable energy form that could be used in conjunction with coal or could be used to replace wood pellets. It's a technology that's not been commercialized almost anywhere. There are a number of companies working on it here and abroad."

He explained the company has engaged a consulting firm, Bioenergy Consulting. The principals of the firm are former county commissioner Tom Causer and his wife, former county administrator Michele Alfieri-Causer, who are investigating the torrefaction process and technology.

"Some time ago they submitted a grant application for the construction of a facility in McKean County," Golubock explained. "There's still a lot of work that needs to be done before a commercial plant is built."

He didn't have a timeline for the project at this point, saying it is still in the early stages. So what is the next step?

"We're meeting later this week to assess that," he said. "One of the issues will be raising the additional capital necessary. The plant costs ten-to-twelve million dollars. This is not a particularly favorable market for raising capital."

"We're still developing the timeline. Without the grant there wasn't a whole lot we could do," he said. "Now we'll see what we can do with the grant and see how far we can get with the project. It's exciting and we're very pleased."

Golubock explained that Halloran has been supporting research in alternative energies, such as biomass and wind technology. And this region is conducive to development of such a facility, he added.

"Biomass can be obtained from forest waste. This could lead to developing crops that are a renewable source for biomass," he said.

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"Torrefaction by its nature ... the idea is to build plants relatively near the source of the supply, so you are not transporting long distances," Golubock said.

Further out in the future, there is a possibility of multiple biomass plants in the area, he added.

"Each plant doesn't employ a large number of people," he said, estimating there would be about 25 to 30 employees in the original plant.

The facilities can have some benefits to the environment as well, including a decrease in air pollution from the burning of the biomasses instead of other fuels.

"We use resources otherwise laying fallow," Golubock said. "We use farmland lying fallow for viable land. (The biomass) can be grown on soils not necessarily good for growing food crops."

"This has a lot of pluses," he said. "Biomasses are far better than burning wood."

Golubock said there are several locations around the county being considered for placement of the facility.

The plant would process up to 180,000 tons of biomass per year into more than 60,000 tons of a coal-like product. According to the DEP, production of 65,000 tons of product would have a fuel value of 1.3 million Btu. Use of the product would avoid air pollution from traditional power plants, including 241,000 tons of carbon dioxide, 337 tons of nitrogen oxide and 1,600 tons of sulfur oxide.