

Former Fibrominn site may again produce bioenergy in Benson

By Tom Cherveney on Nov 14, 2018 at 7:27 a.m.

BENSON — Until its closing this year, the former Fibrominn plant put Benson on the map as home to a one-of-a-kind power plant, the only one in the country designed to burn turkey litter as its primary fuel source.

Benson just might regain the distinction of having a one-of-a-kind biomass facility, and on the very same site.

Brightmark Energy, based in San Francisco, California, is one of two bidders seeking to purchase the former Fibrominn site from Xcel Energy. Brightmark is currently conducting a feasibility study with intentions of developing a facility that would use biomass — animal and plant wastes from area farms — to produce renewable natural gas.



The U.S. Department of Energy describes renewable natural gas, often referred to as RNG, as "biogas ... that has been processed to purity standards" and is interchangeable with conventional natural gas

Brightmark Energy is in discussions with the owners of two interstate pipelines with terminals near Benson — Northern Natural Gas and Alliance Pipeline. The company hopes to connect to either of the lines to sell renewable natural gas produced in Benson to purchasers in California. That would make the company eligible for renewable energy credits from the state. There are also federal incentives for producing renewable natural gas, according to Bob Powell, CEO of Brightmark Energy.

The company, he said, is "very optimistic" that Xcel Energy will work with them to make possible the project on the Fibrominn site. The site offers a fuel hall building large enough to accommodate the anaerobic digester that would convert organic wastes into renewable natural gas. The site also offers infrastructure to accommodate the trucks that would transport the wastes.

Xcel obtained legislative approval last year to purchase and close the plant — by that time known as Benson Power — as a cost savings to its ratepayers.

The city of Benson supports Brightmark Energy's purchase of the site. It committed to offering a \$1 million loan to Brightmark. It recently reaffirmed to Xcel Energy its support for Brightmark to acquire the former Fibrominn site with a letter of intent that is essentially an interim development agreement between the city and company, according to Rob Wolfington, Benson city manager.

The city and Brightmark have been working together for 18 months on the project, Wolfington said. A new party only recently expressed interest in the site, and the city has had no relationship with it to this point.

BioPro Power is the other interested party in the site. It proposes to use corn stover as a biomass fuel.

Powell emphasized that Brightmark Energy is "still in the (due) diligence phase" for the project. It has been in contact with the large dairy operations in the region as possible suppliers of animal wastes. Potentially, a large dairy with its own anaerobic digester could produce gas that would be processed by Brightmark Energy to be distributed as renewable natural gas as well.

"The farming community has been just wonderful in supporting us," Powell said.

Essentially, any type of organic waste can be used — turkey litter or plant matter or manure. The decomposition of organic wastes produces methane, a greenhouse gas. Using the gas as fuel keeps it from the atmosphere, he said.

With the state credits and federal incentives, Brightmark believes it can sell the renewable natural gas at the same price as natural gas. By placing the gas in the interstate pipelines at Benson, it can demonstrate that it is theoretically possible for the molecules to reach California.

That makes gas produced in Benson eligible for California credits. It is essentially the same as "green" electrons from wind and solar power that are distributed on the grid, Powell said.

If its feasibility study shows the project to be financially viable, and Xcel approves Brightmark's offer, the company would begin raising capital. Development would occur in two phases with a \$50 million to \$70 million first phase creating 10 to 20 jobs on site, Powell said. The nearly 77-acre site could accommodate a future expansion as well, he added.

Powell said the most important factor in the company's interest in the former Fibrominn site is the city of Benson and the support it has offered.

"If a community wants you, it makes it much easier to feel as though you are going to have a successful project," he said.

The company believes a decision by Xcel on the bid for the site is imminent. Powell expects the company's feasibility study to be completed before year's end.