

Biodiesel plant takes shape

Adrian facility will use fat, soybeans

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The state's first biofuels project to be designated under Michigan's Renewable Energy Renaissance Zone is nearing completion in Adrian.

The Biofuel Industries Group LLC is targeting early July for its \$20-million, 28,000-square-foot plant to begin making B100 fuel from animal fat and soybeans. The state's newest biodiesel production plant eventually will pump out 20 million gallons of the alternative fuel each year.

The West Bloomfield company, which was founded by three real estate developers in 2005, will produce the NextDiesel brand of products on a 25-acre tract of former farmland.

The project is expected to tap into the expanding alternative energy production arena that has been heavily touted by Gov. Jennifer Granholm as a big part of Michigan's economic future.

By being designated as a Renewable Energy Renaissance Zone, the Adrian facility will be exempt from paying certain property and income taxes. It still must pay Michigan sales and use taxes.

Taxes can be abated up to 15 years.

Biodiesel is a clean-burning alternative fuel that is made from renewable sources and can be blended with traditional diesel. It is made from vegetable oil, animal fat, soybeans and other organic compounds.

Pure biodiesel is called B100. Other blends range from B2 (a mixture of 2% biodiesel and 98% petroleum diesel) to B99 (99% biodiesel and 1% petroleum diesel).

"Biodiesel is going to be one of the important fuel sources for Michigan and the nation going forward," Terry Nosan, chief executive officer of Biofuel Industries, said last week. Joining Nosan as officers in the company are Michael Horowitz and Bradley Schram.

"Clearly, we believe there is a market for our product, and we think the use of sustainable, domestically produced feedstock can help the Michigan economy," Nosan

said, adding, "we picked Adrian because of the agricultural base and the accessibility to truck and rail."

The plant will include:

- A state-of-the-art test lab.
- Sophisticated odor and fire suppression systems.
- Automated, closed-loop processing equipment that will not emit greenhouse gases and uses only recycled water.
- Space for 15 rail cars.
- Indoor heated area for feedstock storage tanks.

Adrian, which has a population of about 22,000, according to the 2000 census, is perhaps best known as a farming community. But with the arrival of the NextDiesel facility, the city and Lenawee County stand to benefit from an injection of economic vitality.

The U.S. market for biofuels, including ethanol and biodiesel, reached \$20.5 billion last year and is expected to surpass \$80 billion over the next decade, according to a recent report by Clean Edge, a San Francisco-based research and consulting firm.

Last year, there were more than 1.5 million vehicles sold that could be powered by an alternative fuel source, including biodiesel, according to a study by R.L. Polk and Co. There are about 60 vehicle models that can use environmentally friendly fuel alternatives, such as electricity and ethanol.

Touted by celebrities and the jet set, such as music superstars Willie Nelson, Neil Young and Anthony Kiedis of the Red Hot Chili Peppers, along with actress Daryl Hannah, biodiesel is fast becoming the fuel of choice for a growing number of off-road vehicles on farms around the country.

"This will be good for Michigan in that we'll create jobs, and it's a new industry built in Adrian, which will hopefully spin off as a positive for the community," said Jason Eisenberg, director of business development for NextDiesel.

*For more information on Biofuel Industries go to www.nextdiesel.net. For more information on the state's Renewable Energy Renaissance Zones, call the Michigan Economic Development Corp. at 517-373-9808. Contact **ALEJANDRO BODIPO-MEMBA** at 313-222-5008 or abodipo@freepress.com.*