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Biodiesel plant draws state's top officials

Gov. Jennifer Granholm and the area's representatives in Congress welcome Adrian's new biodiesel facility.

By [David Panian](#)

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ADRIAN — Adrian became the center of Michigan's political universe Tuesday as some of the state's top elected officials attended the grand opening of the NextDiesel biodiesel plant.

Gov. Jennifer Granholm, U.S. Sens. Carl Levin and Debbie Stabenow and U.S. Rep. Tim Walberg spoke of what the NextDiesel plant on West Beecher Road represents to the future of Michigan and the United States. Levin, D-Detroit, called the plant a "three-fer," saying biodiesel production addresses the country's dependence on foreign oil, boosts the economy and helps the environment.

The new plant "is a win for Adrian because it means more jobs," Granholm said. "It's a win for the state because it diversifies our economy and creates more jobs, but it is also a win for the globe. ... Green is the new red, white and blue."

"What this commitment represents is an American determination that we will be free of our dependence on foreign oil," Levin said. "We need to have the staying power to take (the Organization of Petroleum Exporting Countries) out of the monopoly business."

Levin added that reducing carbon dioxide to address global warming will benefit future generations.

"We have to make a total commitment to doing something about that carbon footprint," he said. "If it is going to be turned around at all, it is going to begin today, tomorrow, next year."

Walberg, R-Tipton, said the plant represents a blending of the area's agricultural and industrial background and praised the entrepreneurial spirit of the company's "eclectic mix" of founders. NextDiesel is owned by Biofuel Industries Group of West Bloomfield, and many of the company's investors are from Oakland County.

Schram said the principals — "an engineer, two real estate guys and an attorney" — first heard about an



Tim VerVaecke, right, a partner in Adrian's NextDiesel biodiesel facility and the plant's chief operating officer, gives a tour of the plant on Tuesday to Keith Reinholt, field operations director for the Michigan Soybean Promotion Committee. The biodiesel plant, which opened Tuesday, will initially produce 20 million gallons of biodiesel fuel per year, with the capacity to eventually produce 100 million gallons per year.— Telegram photo by [Lad Strayer](#)

opportunity to invest in an out-of-state biodiesel plant, but passed. They were interested in the idea, though, and began researching whether biodiesel was a good investment. He said they found that more than half the cars in Europe run on diesel fuel and that 60 billion gallons of diesel is used annually worldwide.

Having the broad array of officials — state Sen. Cameron Brown, R-Fawn River Twp.; state Sen. Gilda Jacobs, D-Huntington Woods; and state Rep. Dudley Spade, D-Tipton, were also in attendance in what is probably an unprecedented gathering of federal and state officials in Adrian's history — showed the plant's opening is "a big deal," said Randy Yagiela, chief executive officer of the Lenawee Chamber for Economic Development. He said the biodiesel plant is one part of the county's comprehensive economic development strategy, which includes other "value-added" agricultural components.

"NextDiesel is a good fit for Lenawee, which is an agrarian society," Adrian Mayor Gary McDowell said.

The plant, Michigan's largest, and its 20 employees will initially be able to produce 20 million gallons of biodiesel fuel a year, with a capacity of up to 100 million gallons a year, according to the company. The fuel is made from vegetable oils or animal fats, including soybean oil, beef tallow or chicken fat. Brad Schram, one of the company's co-owners, said the company is looking into acquiring cooking grease from large restaurant chains to use as one of the plants' feedstock. He said the company wants to acquire most of its feedstock locally.

The plant is designed to process a variety of oils and greases. Inside are two dozen 30,000-gallon tanks, half to hold the feedstock and half for the biodiesel. There are other tanks to hold glycerin, a byproduct of the biodiesel production process that NextDiesel will sell.

The politicians said Michigan is well-placed to be a leader in alternative fuel production because of its industrial history and agriculture industry. Stabenow, D-Lansing, said recent farm bills have had an alternative energy component for five years and that biodiesel will be featured in the next farm bill. She said the Senate is working on tax incentives for renewable fuel production as part of a new energy bill.

Tax breaks are part of what brought the company to Adrian. The plant is the first in Michigan to be built in a renewable energy renaissance zone.

"I am confident our investment in this venture will lead to lower fuel costs and more jobs," McDowell said.

The company's officials said the response they received from city, county and state officials also drew them to Adrian.

"Adrian, we love you," chief financial officer Michael Horowitz said after lavishing praise on many officials, singling out David Munson, retired CEO of the Lenawee Chamber, as the "most aggressive" economic developer the firm encountered.

"I really developed a passion for these renewable fuels projects," Munson said after the opening ceremony. "I'm glad Lenawee County has been able to attract some."

The biodiesel plant is about 14 miles from the Global Ethanol plant in Riga.

"We're fortunate to have a united position on (developing alternative fuels), both in the private sector and in the public sector," Granholm said.

Later, McDowell said having the plant in the city is “a pretty exciting place for Adrian to be,” noting that there is space near the plant where similar businesses could be built. Schram said Biofuel Industries could expand on its 25-acre site with more fuel processing, research and development work or an incubator for other technologies.

The NextDiesel plant itself has room inside its walls where production can be expanded. NextDiesel chief executive Terry Nosan said the company’s principals looked at biodiesel plants from Iowa to Germany to find the best technology to use.

Like ethanol, the biodiesel produced by NextDiesel mostly will be blended with petroleum-based diesel. Jason Eisenberg, director of business development for NextDiesel, said the fuel created in Adrian will meet the B100 standard. The plant’s customers will then create blends to be used in engines. For example, he said, buses can use B20 diesel fuel.

Schram said by using biodiesel there is no loss of engine power, harmful exhaust emissions are reduced and engine lubricity is increased.

“We need to get to energy independence, and this is a step toward that,” he said.

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