

Coal-to-liquids plant gets permit

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CHEYENNE -- The state Department of Environmental Quality has issued an air permit for a proposed \$2 billion coal-to-liquids plant in southeast Wyoming.

The agency had received some comments expressing concern for dust the Medicine Bow plant would emit. DEQ spokesman Keith Guille said Friday he had no details about the air permit other than it was issued recently.

Developers of the plant have completed engineering and are still working to arrange financing.

DKRW Advanced Fuels Chairman Robert Kelly said Friday that the company has applied for federal loan guarantees to go along with commercial bank loans to finance the project.

DKRW, through its subsidiary Medicine Bow Fuel & Power LLC, has completed its engineering work, Kelly said during a Web conference on coal gasification projects and technology.

"So where are we?" he said. "We think we're a first mover in a large-scale commercialized coal-to-liquids project for transport fuels using newer generation technology."

Construction of the plant near Medicine Bow is still slated to start in 2010, and it will start operation in 2014, he said.

The plant would use clean-coal technology to convert coal from a nearby mine into about 21,000 barrels of regular gasoline per day. About 2,300 people would be needed to build the plant and it would employ up to 450 people when it begins operating.

The plant would capture carbon dioxide and sell it to oil companies that pump the greenhouse gas underground to make oil fields more productive. A side benefit is that the carbon dioxide isn't allowed to escape into the atmosphere.