

# Firm plans coal upgrade plant

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After several decades and many attempts, enterprises aiming to upgrade Powder River Basin coal have had only fleeting success. Now, there's another project in the works, and the developers say their plan will achieve commercial viability.

"What makes our product different is ours is stable and not prone to spontaneous combustion; second, it's not dusty; and third, our economics are competitive," said Judy Tanselle, president of White Energy Coal North America.

White Energy and Buckskin Mining Co. announced Monday an agreement to develop an \$80 million coal upgrading facility to be constructed at the Buckskin coal mine just north of Gillette.

The plan is to have the facility in operation sometime in the second quarter of 2010 with an annual output of 1.1 million tons of "binderless coal briquettes," according to the companies. The process involves heat and pressure to remove moisture from the coal, producing briquettes with a heating value 35 percent higher than raw Powder River Basin coal.

Tanselle said the company will target utilities that are not currently using Powder River Basin coal, noting that those customers of Eastern bituminous coals are looking for a cleaner product with a higher heating value.

"We see it as an expansion of the Powder River Basin coal market. Those already burning Powder River Basin coal have very little incentive to replace it," Tanselle said.

Evergreen Energy constructed a coal upgrading plant at the Fort Union mine north of Gillette in 2006. The "K-Fuel" process used two Sasol-Lurgi gasification vessels to heat and pressurize the coal, which reduced the coal's high moisture content. It also stripped some mercury, sulfur and nitrogen oxides, resulting in a lighter, drier coal with a higher heating value.

But the plant was quickly shuttered in 2007, and Evergreen is working to develop the technology in Asia and other parts of the globe.

White Energy Coal North America Inc. is headquartered in Maryland, and is a U.S. subsidiary of White Energy Company Limited, a Sydney-based company. The parent company is the exclusive worldwide license holder of the "Binderless Coal Briquetting" process.

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