

# **Biogas proposed to help keep Rock-Tenn open in St. Paul**

## **Study recommends outstate fuel facility for Rock-Tenn plant**

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A paper-recycling mill powered by feces? That's one of the solutions proposed this week by the St. Paul Port Authority to save nearly 500 high-paying union jobs at St. Paul's Rock-Tenn paper-recycling mill, the largest such site in the Midwest. Port Authority officials are proposing a rural production facility that would generate biogas from one of three sources: sugar beets, ethanol byproducts or animal waste. The recommendations are the result of a \$4 million state-funded study on Rock-Tenn's future and a year of community meetings. The proposal would thwart what was shaping up to be one of the thorniest political issues in the city: the use of refuse-derived fuel — also known as garbage, to some — to fuel a new power plant along University Avenue. The new proposal eliminates that possibility and locates the power plant potentially hundreds of miles outside the city. "The Port's proposal would provide a critical investment in a promising technology that would allow us to lead the way toward energy independence while keeping good jobs in our community," St. Paul Mayor Chris Coleman said in a statement. "We must keep moving forward, and I am hopeful that this is the solution that will allow us to keep our green economy growing in Minnesota."

Port officials seem most excited about the potential of using ethanol byproducts to produce a new, renewable source of biogas. It would have to be located adjacent to an ethanol plant, but no specific site has been chosen. The idea has the potential to revolutionize the ethanol industry. The first-of-its-kind plant would make more efficient use of the water needed in ethanol production and cycle biogas back to the ethanol plant, cutting down on the fossil fuels needed to produce ethanol. "It may be the salvation of ethanol. ... It becomes a truly renewable fuel," said the Port Authority's Peter Klein, vice president of finance. "If we're successful, everybody will be doing this." The proposal also serves as a neat marriage of blue-collar jobs and green technology. Labor and environmentalism, often at odds, have been working together in an effort to save both the Earth and working-class jobs that pay enough to support families. The century-old Rock-Tenn plant processes 1 percent of all the recycled paper in the U.S. But it faced an uncertain future after its source of cheap thermal energy, Xcel Energy, converted its High Bridge plant from coal to natural gas. If you can't beat 'em, join 'em. Under the plan, the biogas would be cleaned and added to Xcel's pipelines of clean-burning natural gas. Rock-Tenn could use its existing boilers, and the project would negate the need to build a new plant on Rock-Tenn's property, which could have cost as much as \$200 million. Instead of burning 25 percent natural gas and 75 percent fuel oil — a nonrenewable fuel source that lessens the environmental benefits from Xcel's conversion of the High Bridge plant — those numbers would be inverted under the Port's proposal.

The Port Authority would seek a private entity to locate a plant in rural Minnesota. It would be funded through low-cost, government-backed loans. Eventually, the Port Authority hopes to give Rock-Tenn a 10 percent to 20 percent break on the price of natural gas. In exchange, Rock-Tenn would have to guarantee it would keep its jobs in St. Paul for some period of time. Bob Carpenter, assistant general manager of Rock-Tenn, said fuel costs are a large part of the company's bottom line and acknowledged that a commitment to remain in St. Paul would be part of any deal. But he said the company needs to learn more about the proposal before offering its endorsement. While some early proposals had the renewable-energy group District Energy St. Paul operating a new power plant at Rock-Tenn, the possibility of an outstate plant does not rule out a role for the company. Officials are exploring ways to capture the plant's excess steam heat and recycle the thermal energy, possibly piping it to other local businesses.