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Algae plant to open on S. Ute land

Organisms will be used to make fuel for use as an energy source

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Green energy - literally - is coming to Southwest Colorado.

Solix Biofuels announced Tuesday that it will start construction on an algae fuel plant early next year near Ignacio. The plant will be built in two phases on a 10-acre site on the Southern Ute Indian Tribe reservation.

"That is just a stepping stone to building large-scale production, which is our ultimate goal," said Solix CEO Doug Henston.

Henston did not say how many jobs the plant would bring, but the number will be small at first.

Gov. Bill Ritter greeted the news and said the next generation will consume energy in ways current Americans can't imagine.

"Fortunately, the creative, ingenuous and determined researchers at Solix can not only imagine those ways, they are making them a reality. This is also great news for Southwest Colorado, demonstrating that the New Energy Economy is benefiting communities all across the state," Ritter said in a news release.

The Solix operation will be different from the biodiesel plant operated by San Juan Bioenergy in Dove Creek. That plant uses locally grown sunflower, safflower and canola, and it currently produces oil for human and animal food, but not motor fuel.

The Solix-Southern Ute operation will produce an oil feedstock that can be refined into diesel fuel.

The market for diesel feedstock is huge, Henston said, and Solix and its Southern Ute partners hope to grow hundreds of acres of algae some day - possibly at the Ignacio site.

The plant will use high-tech "photobioreactors" to grow algae - essentially, pond scum.

"We don't refer to it as that. We refer to it very affectionately," Henston said.

Biodiesel plants that use canola oil can get about 150 gallons per acre per year, Henston said. But algae grow much faster. Solix is producing 1,500 gallons per acre per year at its prototype site in Fort Collins, and Henston hopes to double that growth rate.

The Solix plant will capture carbon dioxide from a natural gas-processing plant near Ignacio. Algae need plenty of carbon dioxide and sunlight to grow, and both are available on the Southern Ute reservation, Henston said.

Henston doesn't call Solix's technology carbon-neutral. But the plant will capture carbon from the gas facility that would have gone straight into the atmosphere and give it a second use as a motor fuel. Also, some studies show that biodiesel emits fewer greenhouse gases than regular petroleum diesel, Henston said.

Southern Ute Alternative Energy LLC provided some of the \$5 million investment for the Ignacio plant. Other investors include London-based I2BF Venture Capital, oil refiner Valero Energy Corp., and Fort Collins-based Bohemian Investments. The same investors also committed \$10.5 million to fund Solix operations Tuesday.

Solix was founded in 2006 as a spinoff from Colorado State University. Its headquarters is in Fort Collins.

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