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Peabody to build clean coal plant
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Campbell County will host a one-of-a-kind clean coal plant that will upgrade the quality of the Powder River Basin coal. The plant will be developed by St. Louis-based coal producer Peabody Energy and Australian company White Energy Company Limited, which specializes in commercialization of coal upgrading technologies.

It would be the second plant in Campbell County using similar processes. White Energy said in January that it planned to build an \$80 million coal briquetting plant in Gillette together with Buckskin Mining, which owns the Buckskin mine north of Gillette.

Engineering and permitting for the latest Peabody/White Energy plant is expected to start soon and is estimated to take about 24 months, said Judy Tanselle, president for White Energy North America.

Once permitting is completed, construction on the plant will require about a year, said Meg Gallagher, manager of corporate communications for Peabody. The plant will be built by one of Peabody's mines, but the exact location hasn't been identified yet. Peabody's three mines in Campbell County — North Antelope Rochelle, Caballo and Rawhide, produced about 147 million tons of coal in 2008.

The cost of the project isn't known yet but it will be jointly owned, Tanselle said.

The Peabody/White Energy plant will use White Energy's patented coal briquetting technology that increases the heating value of coal by about 35 percent by crushing, drying and then making coal briquettes.

Coal briquettes are less prone to spontaneous combustion, more efficient to transport and have less moisture. They also have a higher heating value, so power plants will need fewer briquettes to generate the same amount of electricity as conventional coal.

Most importantly, they will emit less greenhouse gases, Tanselle said. That's a key factor in today's world as Congress considers a number of ways to lower carbon emissions.

The plant in Gillette will be the only plant in the United States that will use White Energy's briquetting technology. White Energy just finished a similar plant in Indonesia. Briquetting process generally starts at coal with the heating value of 8,400 British thermal units and upgrades it to about 11,300 Btus, Tanselle said.

North Antelope Rochelle's coal has the highest heating value among Peabody's mines at 8,800 Btus, while Rawhide has the lowest Btu of about 8,330. The plant will start producing more than 1 million tons of upgraded coal per year and then could increase its capacity to more than 20 million tons annually.

"It really unlocks the value of the reserves in the Powder River Basin and expands the marketability of that product," Tanselle said.

She added that the plant will bring economic development to the area.

"Assuming that the facility expands, it will employ more than 100 people and the construction process would be a substantial project," she said.

The agreement between the companies signed Wednesday allows Peabody to participate in new coal upgrading projects that White Energy pursues in North America and China. It also grants Peabody the option to acquire a nearly 15 percent equity interest in White Energy.