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White Energy, Peabody partner on Wyo. Plant

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Progress on a proposed coal processing plant near Gillette has been delayed because of "Americanization of the design," developers of the plant said Friday.

The plant at Buckskin mine is to be a joint effort by White Energy Company Limited, an Australian company that commercializes coal upgrading technologies, and Buckskin Mining.

It originally was expected to be completed by the second quarter of 2010 but four months after the January announcement, the company is still working on application for permits.

The plant would be White Energy's first plant in the United States that will use its briquetting technology that crushes, dries and forms coal into briquettes. The process improves the heating value of coal by 35 percent by reducing its moisture.

The new project will be similar to the plant that the company recently built in Indonesia, where permitting processes for industrial projects are different than in the U.S., said Judy Tanselle, president of White Energy Coal North America.

Translating the design of that plant into the U.S. permitting process is what is slowing down the permitting, she said. The plant will be owned by White Energy and will use its patented technology. Buckskin Mining will lease the land and right of access, as well as provide coal and load it on the trains.

White Energy must get approval to build the plant through the state Department of Environmental Quality. That requires doing an analysis that shows the plant will use best available technologies to meet Wyoming's environmental standards.

"There have been delays in the preparation of permits for the Buckskin project due to what we call 'Americanization of the design,' including a best available control technology analysis," Tanselle said. "Part of it is the knowledge transfer to the U.S. engineering firms and translating the design to meet the U.S. standards."

She said the company now doesn't expect construction to be complete until late 2010.

On Thursday, White Energy announced it wants to build a second plant in Campbell County that will use its briquetting technology. The plant will be build in partnership with Peabody and will be located at one of Peabody's mines.

The schedule for the second plant isn't known yet, but Tanselle said White Energy doesn't expect delays on that project because it will benefit from the Buckskin plant design.