

Nu-Energie cuts ribbon on region's first biodiesel plant

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SURGOINSVILLE — East Tennessee's first commercial biodiesel production facility stands ready to ship 64,000 gallons of biodiesel, which is destined for Eastman Chemical Co. about 25 miles up the road in Kingsport.

“We're selling our first product to Eastman,” Nu-Energie LLC President Brian Hullette said Wednesday at the grand opening and ribbon cutting.

The facility is ramping up to produce 5 million gallons of biodiesel from soybean oil a year, with plans to expand up to 15 million gallons annually in a few years.

And when the fuel arrives at Eastman, the Kingsport-based chemical and plastics maker will be getting back some of its own product called BioExtend, an antioxidant Eastman sells to Nu-Energie.

“It basically stops the oxidation of the fuel, stops the degrading,” Nu-Energie Vice President Joel Day explained after the ceremony, which drew about 120 people — including two state commissioners and officials from Kingsport, Sullivan County, Hawkins County and Surgoinsville — to the Nu-Energie operation in the Phipps Bend Industrial Park just outside Surgoinsville.

The first shipment of 100 percent biodiesel, B100, will go first to Tri-Cities Petroleum, which will mix it with petroleum diesel to make a B30 blend for Eastman.

It is made from virgin soybean oil shipped to Phipps Bend via truck tankers.

But completion of a railroad siding to serve Nu-Energie and the rest of the park will allow larger, more efficient railroad shipments to arrive later this year.

“I enjoy coming to these kind of events because they really are the best part of my job,” said Matt Kisber, commissioner of the Tennessee Department of Economic and Community Development. A \$750,000 ECD FastTrack Infrastructure Development Grant is funding the railroad siding.

Since Gov. Phil Bredesen took office in 2003, Kisber said 141,000 new jobs and \$21 billion in capital improvements have been created in Tennessee. Kisber said Nu-Energie represents a “green wave” of economic development.

“I’m very proud it is in here in my back yard,” Commissioner of Agriculture Ken Givens of Rogersville said. “If Eastman is using it (Nu-Energie’s biodiesel), it’s good stuff.”

Hullette and Day have been working on the biodiesel business for a year and a half, and in November began turning the new building next to Hullette’s Box Worx building into an automated biodiesel making facility.

“You have to surround yourself with great people,” Hullette said. He thanked his employees, which total nine now but will grow to 15 soon and may double with additional sales staff in years to come.

He also thanked Joe Claxton of the ECD, East Tennessee Clean Fuels Coalition Executive Director Jonathan Overly, Bob Small of the U.S. Department of Agriculture, Siemens Industrial Automation of Johnson City, and Janan VanFossan of VF Technical Services, which helped get the automated operation going.

Nu-Energie is helping educate the public on alternative fuels through a donation to the Knoxville-based East Tennessee Clean Fuels Coalition and is working with the Oak Ridge National Laboratories on putting new biodiesel technology into commercial use.

Hullette said algae holds great promise as a feedstock for biodiesel production, although wood products and even switchgrass — which is undergoing research for use in making ethanol — also can be used.

Overly said he believes the contracts Nu-Energie has to sell its fuel will lead to biodiesel becoming widely available in the Tri-Cities. Other contracts are with Rogers Petroleum of Morristown and Calloway Oil Co. of Maryville.

As for the soybean supply, Julie Walker attended the grand opening and said her family grows 800 acres of soybeans on a farm in Newport, but the nearest facility to press the oil out of the soybeans is in Florida.

Givens said efforts are under way to get a pressing facility in Tennessee, probably in the flatlands of West Tennessee where the state's estimated 1.3 million tons of soybean production for 2008 is centered.

Givens said soybeans are proving popular with farmers because the demand and price have gone up and they are less expensive than corn and help nourish the land. Givens said corn production has grown more expensive because fertilizer is at an all-time high price.

He said using switchgrass to produce ethanol is promising and would provide a cash crop for Northeast Tennessee farmers, but he said transportation costs make it feasible only if ethanol plants are within 40 or 50 miles of the switchgrass fields.

The University of Tennessee is researching “grassoline” production and building a pilot plant in Vonore, Tenn., about 30 miles outside Knoxville.

For more information on Nu-Energie or to schedule a plant tour for school or other groups call 345-4246 or 279-9700 or go to www.nu-energie.com.

About Nu-Energie

Nu-Energie, LLC is a biodiesel producer, headquartered out of Blountville, TN which will take virgin oils and turn them into a clean renewable fuel on an annual rate of 5 million gallons.

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