Arkansas Plant To Trade On Clean Energy

Chuck Bartels, AP Business Writer

CAMDEN, Ark. (AP) — A $180 million wood pellet plant to be built in Camden could chart a green future for the city still working to overcome the loss of its biggest employer nearly a decade ago.

The Phoenix Renewable Energy facility is to occupy the site of the former International Paper mill. Though the plant would employ only a fraction of the people who worked at the mill, it will generate hundreds of other jobs in support industries.

Demand for the pellets appears assured because they are used as fuel in countries that have agreed to limit carbon emissions, a list that's likely to grow, Phoenix Chief Executive Officer Sam Anderson said. Europe will be the primary destination for the pellets.

"I believe it's time to put Camden back on the map," said Anderson, 52. "This will be an example to the rest of the country and the world what we can do."

Anderson said if the U.S. adopts limits to carbon emissions, wood pellet and other alternative energy businesses would thrive for many years to come.

The Phoenix factory, expected to open in less than two years, would employ about 60 people but create 450 jobs in timber, transportation and other industries that would serve the fuel plant.

Phoenix will truck its pellets to the nearby Port of Camden on the Ouachita River. The port has been dormant for 30 years or more.

Thursday, officials dipped shovels into pre-softened soil to mark the spot where a new conveyor system will move pellets from trucks to barges for the journey to the ports of New Orleans or Houston, where they will be dispatched to their destinations.

About 200 people gathered inside an unused warehouse, which was outfitted with circulating fans, chairs and a stage for the event.

Camden Mayor Chris Claybaker said the city was devastated in 2000 when the mill closed, putting more than 1,000 out of work.

"As they tore down the International Paper plant, a lot of hopes and dreams of seven or eight generations went down with that rubble," Claybaker said. The plant built in the 1920s was long the central economic force in the city of 15,000.

Rep. Mike Ross, D-Ark., predicted demand for electricity will rise sharply in the

coming 20 years, in part because of electric cars that owners will be able to plug in. Phoenix will provide a domestic fuel source for electric plants and an environmentally friendly alternative to coal, he said.

Anderson credited changes in Washington, D.C., for the plant becoming a practical idea.

"I believe if it were not for the Obama administration's stimulus plan (and) concept of a new economy, the business we're about to engage in would not be possible," he said.

Phoenix said the plant will be carbon dioxide neutral, with the trees serving as an offset because of the CO2 they absorb before they're harvested. The plant will use wood pulp to make the pellets and slashwood, waste ordinarily left behind when trees are harvested, to help fuel the plant. Extra electricity generated at the plant will be sent into the electric grid, said Stephen Walker, Phoenix director of development.

Phoenix has committed to spending $2 million to revitalize the port, which Claybaker said will help the city reach a long-term goal of again using the upper Ouachita River for commerce.

Anderson wouldn't say where, but said the company intends to build four identical plants elsewhere in Arkansas.

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