

Geismar biofuel plant getting \$15 million investment

The Advocate – Ted Griggs

Renewable Energy Group plans to spend \$15 million in the next 12 months on the company's Geismar facility, which makes diesel from animal fat.

"Some of that you'd probably consider just normal startup and ramp-up procedures to take a plant from an idled state," Chief Financial Officer Chad Stone said Monday in a conference call with stock analysts and investors.

Stone said part of the planned spending will go to make long-term improvements that will allow the plant to use a broader mix of feedstocks.

Renewable did not give a date for when it expected to restart the plant, which has been renamed REG Geismar.

The biofuels plant hasn't operated since October 2012, when it was shut down for maintenance. The plant began life as a joint venture between Syntroleum Corp. and Tyson Foods. The partners spent \$160 million on the biofuels plant, which can produce 75 million gallons of diesel per year. The plant was scheduled to restart in July 2013, but the startup cost was \$20 million, and Syntroleum was reluctant to provide its half of the cost.

Eventually, Renewable bought the plant in two separate deals that it completed this year. Iowa-based Renewable first [acquired Syntroleum and its half of the plant](#) for \$40 million in stock. Renewable [then bought Tyson's piece](#) of the Geismar plant in a deal that could be worth up to \$65 million.

[Renewable owns 10 active biorefineries](#) in the United States. Company officials said the Geismar facility allowed Renewable

to expand its product lines and biofuel manufacturing capacity.