

# Some companies want to raise \$80 million to improve Wyoming coal. But who are they?

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A haul truck dumps materials outside the Black Thunder Coal Mine in March 2016 in Wright. A new company aims to build a plant that would make Wyoming coal burn hotter.

A newly formed company is raising money for a large plant designed to make Wyoming coal burn hotter and thus more valuable to sell. But it is unclear who exactly is betting on coal's future.

Wyoming New Energy Corp.'s backers and leadership have not been named.

The firm, registered earlier this year with the state, is scouting for a location in Wyoming to build. The plant will license the treatment and drying process of another company, Clean Coal Technologies.

Last week, Clean Coal announced that a group of investors is seeking \$80 million to build a facility in the Powder River Basin.

There are three partners publicly involved: Piper Jaffray, a multinational investment bank to raise funds; Kiewit Corp., a large mining and construction company to engineer and build the plant; and Clean Coal Technologies, the licensee of the clean coal science.

It's an interesting venture at a time when Wyoming's coal sector has challenges stacked against it, from environmental regulations and lower-cost natural gas. Everyone from coal companies to Wyoming lawmakers — who depend on coal to help to fill state coffers — is looking for solutions. Proponents of upgraded coal say this technology could help.

The past two years saw three large coal bankruptcies, hundreds of coal miner layoffs and the lowest annual production since the '90s. However, restructured companies are optimistic, some jobs have returned and natural gas prices are hovering around a somewhat favorable \$3 average, where coal producers say they can still compete. But long-term trends show varying rates of decline as U.S. power companies switch to natural gas and renewable sources of power.

Enter Clean Coal Technologies and New Energy Corp. Another coal-drying company — CBA Environmental — has also scouted Wyoming with a similar method.

A spokesman for New Energy says the goal is to break ground on the 2 million-ton plant within a year. Details are scarce as the company's project is unique, though it is moving forward at a rapid clip, said a spokesman. It will be the first commercial-use plant of its kind in the state.

“The last thing we want to be is a company that makes statements to journalists that we can't then adhere to,” said John Kuker, a longtime energy litigator and lobbyist from Cheyenne and the company's spokesman and legal representative in the state. “My understanding right now is we hope to get boots on the ground within a year.”

It is also unclear how many jobs the plant will offer or what the timeline will be for hopefully training Wyoming's workforce with the skills to operate the drying and treatment facility, he said.

“Everyone is moving on a pretty fast timeline and is optimistic,” Kuker said.

The spokesman said he wasn't comfortable naming specific investment companies or partners at this time. There are so many people involved at this part of the process, he said.

Eventually principals such as the CEO will be named and a board will be formed, he said.

Wyoming is no stranger to new ventures and promises in the coal market. Communities have watched large-scale debacles like Two Elk and DKRW, two projects proposing exciting alternative uses for coal, arrive with fanfare

and end in disaster. State investment in carbon capture research, meanwhile, has been received positively and is set to begin by the end of the year.

Clean Coal's strategy to dry or concentrate coal is not new, either. But the company's leaders say they've perfected a method that previously was prone to spontaneous combustion as the coal reabsorbed moisture.

There is a potential market for such technology, if the economics are right, said Rob Godby, director of the Center for Energy Economics and Public Policy at the University of Wyoming, in an email.

"Coal upgrading is a technology that has had promise for quite a while," he said. "But no one really does it on any scale because the markets have not found out if the benefits outweigh the costs."

A mine company would have to spend more money to make a more valuable product. It would still have the cost of shipping coal long distance to customers. But upgraded coal would require less tonnage for the same amount of potential energy. If there are buyers, whether in the Asian market or the Midwest, for hot Wyoming coal, there may be a niche market available, he said.

New Energy is betting on those odds, and Clean Coal Technologies hopes the proposed plant is the first of many that license its technology in and outside of Wyoming.