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## Company seeking state' support for energy park

*April 26, 2007*

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By [Erica Goff](#)

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While many businesses are rushing out of Michigan to seek opportunities in other states with stronger economies, one company – M&M Energy – believes Alma, Michigan is the ideal spot for its business and spent an afternoon last week garnering support in Lansing for that opportunity.

M&M Energy began work nearly two years ago on the Great Lakes Energy Research Park, or GLERP, and secured land around the former Total Refinery site in Alma for the project. Representatives from the company – Chairman Mike Muckleroy, President Mike Sawruk and Core Energy LLC President Robert Mannes who is a partner on the project – gave a presentation to the Michigan Senate Energy Policy and Utilities Committee last Thursday. Muckleroy said the presentation was the next step in a process the trio has been progressing on for the past 15 months.

“We contacted the city and worked with officials in Alma and received support, we’ve received support from the county (Gratiot) and we’ve contacted the governor who indicated we could go ahead here in Lansing sharing information,” he said.

After offering background information that described the combined 100 years of experience in various areas of energy, the trio offered a presentation describing the rather new and complicated Integrated Gas Combined Cycle (IGCC) the proposed energy facility would use to produce energy. Senators on the committee were then able to ask questions and will review information with the possibility of future meetings. Local officials said the meeting was of benefit to the cause.

“I think it went excellent. It was a vast amount of information and it is difficult to condense it into such a short time frame but I think it went well,” said

Greater Gratiot Development, Inc. President Don Schurr.

Alma City Manager Phil Moore was also present at the meeting and felt it was a good start.

"This was the first step of many. I think we did some good," he said.

When asked by Committee Chair Senator Bruce Patterson what was desired from the board, Sawruk said "a good, honest and open debate" to share accurate information was a key goal.

"We want to clear up some misconceptions about IGCC. We need to figure out a way to work together, so whatever it is going to take to get this plant going is what we need," he said.

Ultimately Sawruk said he wants the committee to start moving either on passing legislation that formally identifies the kind of plants that will be granted construction approval in the state or connect M&M Energy with the appropriate partners in the state to continue progress on their proposal.

"There is so much uncertainty as to what kind of plants are going to be allowed. With that uncertainty we can't get our plant financed," he said. "We need to pick a path."

Why move ahead with new energy technology? "The world is changing," Sawruk said, and the IGCC process is one that offers a different form of energy that can efficiently surface oil from wells thought to be dry as well as reduce the amount of carbon dioxide released into the air. The threat of global warming is continually growing and a change in how energy is produced is a good way to combat that, he said.

"Global warming has moved from a figment of imagination to front page news. The international community is saying it is a problem, the biggest problem our world is facing, and we're presenting a huge opportunity," he said.

While Sawruk admitted IGCC technology "does have some issues," it is a cleaner way to produce energy. The system gasifies coal instead of burning it, creating what he called a "gas fuel," or synthetic hydrogen based gas. That gas is then piped to a Combined Cycle Plant and a gas turbine burns the gas to make electricity. Because the coal is processed and not burned, there is a substantial reduction in CO<sub>2</sub> emissions compared to tradition coal burning plants. There is also more flexibility because a wide range of coal types can be used.

But the process does not stop there. Greenhouse gas, or CO<sub>2</sub>, emissions are further reduced because instead of releasing the gas into the air as coal burning plants have done for decades, the gas is trapped or sequestered under ground. This process thus leads to another phase of the technology, which is to harvest oil. By trapping the gas below the earth's surface in oil fields, oil previously unreachable can be pushed out or recovered. Enhanced Oil Recovery is the perfect answer to yet another issue of fuel shortages.

"We have an oil prize we're sitting on but we need to get it out. Estimates claim there is at least 1 billion barrels of oil available for recovery in Michigan,"

Sawruk said.

M&M Energy did its homework when Sawruk and Muckleroy began discussing their idea to pursue such a facility, and found the former oil refinery site in Alma is a perfect location for such oil recovery. Also, Mannes, president of Core

Energy LLC, a privately held, diversified oil and gas exploration and production company based in Traverse City, said Michigan has a vast amount of oil available for recovery.

Mannes said the average oil field in Michigan will only recover 25 to 30 percent of the oil available in the fields.

"This means there is two to three times as much oil left in the ground than was produced," he said.

The results seen from CO<sub>2</sub> oil recovery systems have been significant, he said, noting production increases at some wells from 5 barrels a day to over 200 barrels per day. To date, fields working with Core Energy have produced over 800,000 barrels of oil using the technology. Based on company estimates, there are 400 million barrels of oil recoverable in Michigan.

Sawruk also noted a news report from Fox News describing a plant in North Dakota that runs in a similar fashion to the energy facility proposed for Alma. The plant is providing power for that area and was referred to as "a weapon against global warming."

Financial benefits to such a facility go beyond energy production. By trapping the CO<sub>2</sub> instead of releasing it into the air, M&M can earn credits for tons of carbon not released and sell them on an international market. Mannes said Michigan's geologic structure offers a substantial capacity to store CO<sub>2</sub> and "convert those volumes to a significant revenue stream for the economy."

"Michigan is uniquely positioned as one of few states having the ability to convert CO<sub>2</sub> emissions to an economic success for local economies. We have done it, we have proven it works and we are continuing to do it," Mannes said. He encouraged senators as they and other legislators move forward in the debate about power technologies, "do not fear coal."

Some did, however, question the idea of burying piping and CO<sub>2</sub> in the ground. The question of long-term impact of trapping the gas in the earth was raised and Muckleroy cited a plant in west Texas that has done so for 27 years with no problem.

"If we have a bank of this stuff in the ground, it can be reused. It is protected in a formation and is reusable," he said.

The lifespan of oil recovery was also questioned, and while Sawruk admitted exact numbers are not yet known – "it could last 10 years, it could last 50 years, we don't know," he said – he felt a 20 to 50 year solution is better than "turning the lights off."

Following discussion, Patterson said the issue will be "fresh on our minds" as the committee continues to research energy technologies. 93<sup>rd</sup> District House Representative Paul Opsommer, who serves on the House Energy and Technology Committee, said the group informed him they were interested, impressed with the presentation, and planned to meet with him in coming weeks to further discuss the issue.

M&M Energy representatives were also pleased with the meeting.

"The committee seemed to have a good grasp of the problem and seem determined to come to the best conclusion. It is our great hope to have another opportunity to talk with the Senate and House representatives," Muckleroy

said.

As considerations continue, Sawruk urged Senators to support IGCC technologies from any company if not M&M Energy because the drive to change energy technology has changed and become a roaring train full of opportunity.

“Michigan ought to be driving the train, not getting run over by it,” Sawruk said.