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ICM retrofits Indiana ethanol plant for new owners

By Erin Voegelé | January 02, 2014

An idle ethanol plant in South Bend, Ind., is expected to resume operations later this year following the completion of retrofit activities that kicked off in December. The 100 MMgy plant was purchased by Noble Americas South Bend Ethanol LLC, a subsidiary of Noble Americas Corp., in mid-2013. ICM Inc. is completing the retrofits.

“The initial retrofit activity is intended to be a starting point to improve ethanol yield, energy efficiencies and facility automation,” said Bill Paulson, director of ICM plant services and general manager of ICM affiliate Energy Management Solutions Inc. Areas targeted by the retrofit include mash slurry, liquefaction, mash cooling, yeast propagation, beer preheat to distillation, piping systems, basic clean-in-place (CIP) system, distillers grains drying system and the distributed control system. “ICM’s oil separation process will also be added to the facility,” Paulson continued.

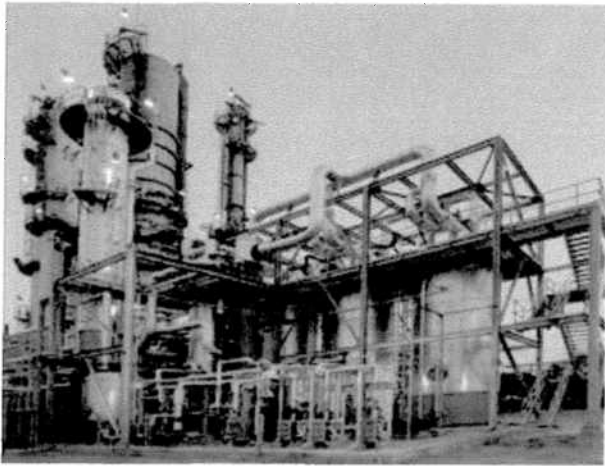
Once initial improvement activities are complete, Paulson said the current plan is for Energy Management Solutions to commence operations of the plant. “EMS, ICM and Noble America will then evaluate the priorities for additional retrofit activities, which may include more advanced ICM processing technology upgrades,” he continued.

Paulson added that EMS is evaluating all of the plant’s systems that are outside the ICM retrofit activities. “The hard results of these evaluations will dictate the initial required improvements to the facility,” he said, noting the evaluation will include all major equipment, such as boilers, cooling tower systems, water pretreatment, rain infrastructure, tanks, vessels, pumps and piping. According to Paulson, the current retrofit scope of work is expected to be complete by May. However, he indicated that the date could be adjusted if additional items are identified during the maintenance inspection process.

Once the plant is able to resume operations, EMS will operate the facility under a contract with Noble Americas. “Energy Management Solutions will oversee all operating activities of the facility and will be the employers of its staff and is currently in the process of bringing on highly qualified personnel to fulfill that need,” Paulson said. “Only grain procurement and product sale will be completed by other parties.”

The ethanol plant, formerly owned by New Energy Corp., has been idle for more than a year. In November 2012, New Energy ceased ethanol production, citing high corn prices, high ethanol inventories and low gasoline demand. Shortly after it announced the facility had been idled, New Energy filed for Chapter 11 bankruptcy and began the process to sell off its assets. Two auction liquidators, Maynards Industries and Biditup Auctions Worldwide, purchased the plant at auction on Jan. 31, 2013. Noble Americas South Bend Ethanol LLC purchased the plant from the auctions liquidators in July 2013.

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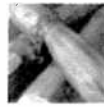


Nobel Americas South Bend Ethanol LLC purchased this ethanol plant in South Bend, Ind., in mid-2013.

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It was about a year ago when the New Energy ethanol plant in South Bend abruptly stopped production—and started bankruptcy proceedings.

Soon, the plant shut-down should end. A new owner is set to re-start plant operations in May of 2014.

NewsCenter 16 has learned that the process will include a \$27 million investment in plant improvements.

It's the same plant that sold for a paltry \$2.5 million at a bankruptcy court auction last March.

At the gates of that plant, you won't find a 'help wanted' sign, but the process of hiring a new staff has started.

The new management kept such a low profile during a two day job fair held this week (Monday and Tuesday) off-site at the South Bend WorkOne office, some job applicants were surprised.

"Yeah, I never really thought about it. I didn't even know it was ethanol, I just seen Energy Management up there, I didn't know it was the ethanol plant," said Maurice Scott.

The Connecticut based company that bought the plant, Nobles Americas, has hired a management firm out of Kansas to re-start production in May.

"We're working with Energy Management Solutions on this, and they are bringing in people to fill about 60 positions," said Chuck Knebl of WorkOne of Northern Indiana.

On the first day of the job fair alone, some 185 applicants showed up.

"Well, when you're looking at about 50 jobs, I'm not sure about the salaries of the jobs, but I have read about 50 jobs coming to the area you know that could be a very positive thing," said Councilman Oliver Davis, South Bend's 6th District.

That's not to say everyone is happy about the prospects of the plant ending its prolonged shut down.

A sign along the road in the 1500 block of Prairie Avenue reads, "Don't re-open the ethanol plant," and "Nobody wants the smell."

The woman who made the sign did not want to be identified but she blames plant emissions for a host of health problems.

When the plant originally shut down in November of 2012, some homes in the neighborhood began flooding.

Turns out that the plant used enough water in its production process to lower the area's water table.

When the pumping stopped—the flooding started.

On Monday evening, the South Bend Common Council appropriated \$150,000 to a project to drill new city wells in the area so residents won't have to rely solely on pumping at the plant.



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(Image Courtesy of Fox 28) At one point, the plant employed more than 125.

updated: 7/19/2013 7:04:08 AM

Idled Ethanol Plant Getting Another Chance

InsideIndianaBusiness.com Report

One of the oldest ethanol production facilities in the state is expected to restart late this year or early next. The city of South Bend has announced Noble Americas South Bend Ethanol LLC has purchased the former New Energy Corp. plant, which started operating in the mid-1980s. The new owners expect to employ 50.



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New Energy idled the plant late last year citing economic challenges in the ethanol industry, including high corn prices, high inventories and lower demand.

July 18, 2013

News Release

SOUTH BEND, Ind. - The City of South Bend has announced a new owner for the former New Energy plant. Noble Americas South Bend Ethanol LLC (NASBE) has purchased the plant and plans to restart it in late 2013 or early 2014.

The 70-acre facility is expected to employ 50. The facility is Indiana's longest running ethanol plant. New Energy began operating the facility in the mid-1980s.

"We are pleased that this firm has chosen South Bend as the right place to make this investment," Mayor Pete Buttigieg says. "Throughout this process, we have wanted to see this plant operated, not liquidated, employing residents in the new economy."

NASBE is a subsidiary of Noble Americas Corp (NAC) which is an energy marketing and trading company headquartered in Stamford, Conn. with large offices also in Calgary and Houston. NASBE and NAC are indirectly, wholly owned subsidiaries of the Noble Group Ltd. (NGL). NGL, founded in 1987, specializes in commodity supply chain management services for the agricultural, petroleum products/crude oil, industrial metals/coal, logistics and shipping, and energy sectors. Its energy trading business is focused on arbitrage trading and asset management in the natural gas and power sectors.

"This acquisition will help compliment Noble's existing ethanol business in the United States. The idea is to organically grow this into a major physical ethanol business," says William Cronin, president of NASBE.

Source: The City of South Bend



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UPDATE: New owner plans to reopen ethanol plant

KEVIN ALLEN South Bend Tribune kallen@sbtinfo.com | Posted: Thursday, July 18, 2013 3:50 pm

SOUTH BEND -- Earlier this year, the former New Energy Corp. ethanol plant looked like it might be headed for the scrap yard.

The company stopped operating when it filed for Chapter 11 bankruptcy in November, and it sold the plant to a joint venture between two liquidators for \$2.5 million at an auction in January.

That low price surprised industry analysts, considering New Energy generated \$280 million in revenue in 2011, its last full year of operation, and listed more than \$34 million in assets in its bankruptcy documents.

Many thought the plant, which began making ethanol nearly 30 years ago on the city's southwest side, wouldn't reopen. They assumed its components would be taken apart and resold.

After all, ethanol producers had been struggling nationwide amid high corn prices and flat demand for gasoline. According to the Renewable Fuels Association, 32 of the nation's 211 ethanol plants were closed.

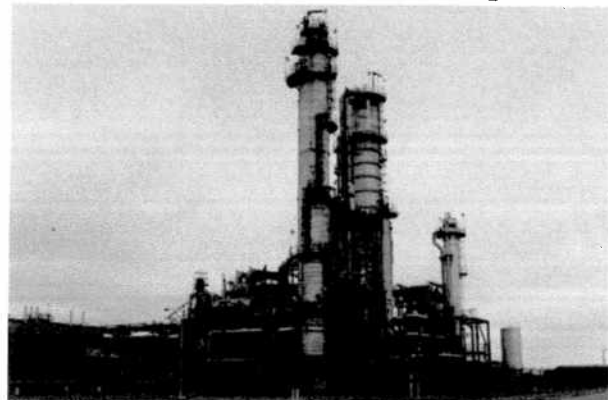
But an announcement Thursday showed the facility on West Calvert Street — the oldest large-scale ethanol plant in Indiana — isn't on its last legs just yet.

Mayor Pete Buttigieg's office issued a statement that a company called Noble Americas South Bend Ethanol has purchased the former New Energy plant and plans to restart it later this year or early next year.

Maynards Industries, based in the Detroit area, and Biditup Auctions Worldwide, which is in Los Angeles — the two companies that bought the plant at the auction in January — didn't offer any information Thursday about how much NASBE paid for the plant or how many potential buyers showed interest in it.

The new operation is expected to employ 50 people, the mayor's office reported. New Energy employed 126 people before cutting its staff to 90 workers in June 2011, according to bankruptcy documents.

NASBE is a subsidiary of Noble Americas Corp., an energy marketing and trading company based in Stamford, Conn. Noble Americas is a subsidiary of Noble Group Ltd., which specializes in supply-chain management for commodities in the agriculture, energy, metals and logistics sectors.



NEW ENERGY PLANT

1/12/2013: New Energy plant sits idle Friday on the southwest side of South Bend. Groundwater levels in the area have risen since the facility, which has been pumping about 6.2 million gallons of water out of the ground each day, shut down in November, resulting in water problems for some nearby property owners.

“This acquisition will help complement Noble’s existing ethanol business in the United States,” NASBE President William Cronin said in a statement. “The idea is to organically grow this into a major physical ethanol business.”

The ethanol plant’s closure caused side effects beyond the loss of employment.

New Energy used 35 million bushels of corn to make 100 million gallons of ethanol annually when it was running at full capacity. The company’s real and personal property taxes totaled nearly \$600,000 in 2012, and it would have generated about \$2.2 million in revenue for South Bend’s wastewater system this year.

The plant also pumped about 6 million gallons of water out of the ground each day, and nearby residents ended up with flooded basements as a result of the shutdown.

South Bend officials arrived at an agreement in March with Maynards and Biditup to operate a pump at the site. That temporary solution cost between \$11,000 and \$12,000 per month.

Eric Horvath, the city’s public works director, said in May that the city would move ahead with a plan to install as many as four wells at the site to alleviate the flooding. About 50 homeowners in the affected area would pay about \$12 per month under the plan to operate and maintain the wells.

Buttigieg said in a statement Thursday that city officials are still working on the technical details of a solution to the flooding and will have more information Monday afternoon at the Common Council’s Public Works Committee meeting.

“We are optimistic the new owners of the former New Energy plant will work in the best interest of our community,” Kara Kelly, spokeswoman for Buttigieg, said. “The owner will take on operation of the pumps and is sensitive to the issue of nearby basements flooding.”