

Where is NEXT Renewable Fuels going next and why we want them as a neighbor

June 9, 2019 | Helena Tavares Kennedy



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NEXT Renewable Fuels, Inc. is leading the way in turning recycled organic materials, like used cooking oil – white and brown grease, animal tallow and a variety of vegetable oils – into renewable transportation fuels, like second-generation advanced green diesel and other products, with their Oregon facility.

Representing an investment at Port Westward of more than \$1 billion, and an expected annual processing capacity of 13.3 million barrels (600 million gallons or 2 million metric tons) of renewable feedstocks, this is no small project, yet they are remembering the small details, going beyond what many companies do, and teaching us how to be a good neighbor, much like the beloved Mister Rogers did for over 30 years via television.

In today's Digest, we start with the what, who, when and the 411 on the project and their latest developments like the Port of Columbia County vote last week, NEXT's recent agreement with BP, how they are being a good neighbor to those in Columbia County, and more.

The what

What will this facility produce? No small feat, with 37,500 barrels per day of renewable feedstock and advanced biofuels. About 90% of that will be NEXT's Advanced Green Diesel. About 9% will be turned into renewable propane that will be recycled back into the refining process and a small percentage will become other residual renewable products. The decision to recycle the renewable propane is a smart choice since it further lowers their GHG emissions by limiting the need for external inputs such as natural gas. They tout much as 85 percent less greenhouse gas emissions compared to petroleum-based diesel.

Even better, their fuel will be a drop-in fuel since they will be chemically identical to the petroleum-based fuels they replace.

The who

Let's first take a look at some of the important partners that are involved in making this facility come to fruition. [Honeywell UOP](#) is their technology partner – they are using Honeywell UOP's Ecofining technology to convert renewable feedstocks into renewable diesels and related co-products. Honeywell UOP's Ecofining is currently used to produce about 30% of the global supply of renewable diesel fuels. With the addition of NEXT's planned capacity the Ecofining process will account for over 50% of the global supply of these fuels.

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NEXT hired [Triten IAG](#) to manage the design, engineering and construction of their facility. IAG has managed the construction of more than 200 large-scale energy projects in 20 countries, so they are in great company in terms of building the facility. "NEXT selected IAG for this vital role based on their vast experience and past success in managing and bringing complex industrial projects on-line both on time and on budget," NEXT President Lou Soumas said.

So who will NEXT be selling their products to? They already have some lined up and plan on selling mostly to West Coast markets in the U.S. and Canada. They signed a purchase and sale agreement with Shell this February and also hope to provide renewable products to several local users of diesel and LPGs. There is talk of selling their renewable propane and renewable naphtha to supply contracted off-take agreements for customers in the western United States and Canada as well.

The when

Currently in the permitting phase, the facility is scheduled to open in 2021, when BP will commence supplying the facility with renewable feedstock...more on that in a bit.

The 411 on the project

There's been quite a few updates lately on the project, so here's a quick recap.

Last week in Oregon, the [Port of Columbia County Commissioners voted](#) to amend a site development and option agreement with NEXT Renewable Fuels allowing the Port to consider leasing 80 acres to NEXT for an Advanced Green Diesel production facility. As reported in [The Digest](#), the [80-acre parcel is adjacent to the 25 acres NEXT recently secured from Teevin Bros](#), providing a contiguous 105-acre site. Both parcels are zoned for industrial use.

"This step affirms our commitment to Columbia County and will allow us to immediately move forward on permitting Oregon's first Advanced Green Diesel production facility. Our unique product uses all renewable feedstock and will help Oregon and the nation meet clean fuels standards," said NEXT President Lou Soumas.

"We are encouraged in this latest step to bring a renewable, environmentally friendly energy project to the Port District. NEXT will enhance our region, bringing jobs and economic impact and making Oregon a leader in renewable fuel production," said Doug Hayes, executive director of the Port of Columbia County.

NEXT also recently announced an [agreement to source its feedstock through BP](#), as reported in the [Digest](#) on May 28. The feedstock will include used cooking oils, animal fats and tallows, greases and seed oils from its global feedstock aggregation and sourcing network. NEXT's feedstock will not include any virgin palm oil.

BP's multi-year supply to NEXT's Oregon plant represents the largest single renewable feedstock sourcing agreement contracted for a renewable fuel facility.

"Sourcing of quality renewable feedstock is a critical component of bringing on-line the world's largest renewable diesel facility. We are thrilled to be partnering with BP and their global sourcing network to supply NEXT at Port Westward. Working with the BP team committed to developing new and low carbon intensity transportation fuels, NEXT and BP will deliver on a greener planet," said Lou Soumas, NEXT Renewable Fuels President. "We are honored to be partnering with BP, and share their vision of diversifying the global liquid fuels offering for consumers."

"As part of BP's mission to help our customers and consumers lower their emissions, we are pleased to be supplying renewable feedstocks to NEXT as they begin producing renewable diesel fuel," said Jason Breslaw, BP's Renewable Feedstock and Biodistillate Business Development Manager for the Americas. "It's all part of BP's commitment to meeting the dual challenge of providing more energy with fewer emissions and to supporting a range of technologies that will help us transition to a lower-carbon future."

Bottom Line

One of the reasons we love this project is it goes beyond the business and into planet and people. Ok, the GHG emissions savings are awesome. Renewable feedstocks, great. Big deals already with Shell to sell product to and BP deal to bring in feedstocks, splendid. But what is even more impressive is the little things, like the fact that the finished product will move in and out of the port by ship, meaning little additional rail traffic. The fuels produced in Oregon will be shipped up and down the west coast and create an emissions savings equivalent to removing more than 1 million automobiles from the road.

And the people. NEXT is looking out for the local community with this project too. NEXT even [hired a local businesswoman as their community representative](#) to open dialogue with the citizens of Columbia County. They expect that the plant will engage hundreds of skilled, local tradespeople for the building phase – for a total of 2 million labor hours – and will hire more than 200 full-time local employees once operational. The facility will contribute an estimated \$12 million in local property taxes and \$5.5 million in port fees annually.

Oh and did we mention, while the new site is in the Enterprise Zone, NEXT has committed that it will not accept any tax breaks, and will pay the full amount to the local community? How's that for a friendly neighbor?

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