Ex-owner of Neb. ethanol plant sues over explosion

The Associated Press

The former owner of a Mead ethanol plant has filed a federal lawsuit against three firms over a 2007 explosion at the facility that it says delayed production, contributed to the company's bankruptcy and forced the sale of the plant.

E3 Biofuels LLC said in its Tuesday filing in the U.S. District Court in Omaha that a double boiler system exploded during installation in February 2007 because certain controls were bypassed. Production was delayed because the damaged boiler couldn't be fixed and the supplier refused to provide a replacement, the lawsuit said.

E3 Biofuels claims negligence and breach of contract against three firms working on the project. Messages left Wednesday for Camden, N.J.-based Biothane Corporation and Logansport, Ind.-based Dilling Group weren't immediately returned. A Perennial Energy spokesman declined to comment.

E3 Biofuels said the value of the plant at startup was estimated at $60 million but costs related to the explosion and ensuing bankruptcy have exceeded that. The company is seeking unspecified monetary compensation.

When it started in June 2007, the plant in eastern Nebraska was one of the first in the nation to use methane gas from cow manure from a nearby feedlot to power its ethanol production. The plant shut down in November of that year after E3 Biofuels filed for bankruptcy protection.

The plant was sold in December to that Spectrum Business Ventures Inc. of Kansas City, Mo. Spectrum CEO Amit Raizada said at the time that production was expected to resume sometime in 2011 after the required permits are obtained. A message left Wednesday for Spectrum wasn't immediately returned.

The plant was supposed to be the first commercial operation to make ethanol without using any significant amount of fossil fuels for heat. It was designed to use methane from manure and corn cellulose to make biogas. Experts say burning methane instead of natural gas or coal cuts the amount of greenhouse gases released into the environment, lowering the plant emissions.

The plant was designed to produce 25 million gallons of ethanol a year.

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