



**Tony's Perspective ...** My thanks to the Kingsport Times News and lead reporter Hank Hayes for digging into this highly technical technology and bringing it forward to their readership. Also, I need to thank the City of Kingsport, the Sullivan County Commission, the Kingsport Chamber of Commerce, and Networks for being so helpful in discussions concerning this process. As we move along, more details concerning the project will be announced and provided to the news media.

The United States has long been in search of a national energy policy that can provide for the strategic needs of our nation while de-linking us from the volatile Middle East. Recent spikes in the price of gasoline at the pump serve as due warning of things soon to come. Obviously the oil industry is not going to seek a solution beneficial to our citizens. Of course we have not done our domestic oil industry any favors from a governmental perspective either. When a government stymies private sector energy production by the regulatory process, we end up with too few refineries, ever increasing fuel costs, and even shortages. It is time to get government out of the way and reduce over-regulation to responsible environmental regulation. Clean coal technology is a step in the direction of a national strategic energy policy that will see the US de-linked from the Middle East, recapturing a substantial portion of the \$765 Billion annual outflow of money for OPEC oil, and the return of more moderate energy rates for citizens and industry alike - which is vital to restoring our economy.

The focus of the Carbonite project is primarily the production of cleaner solid and liquid fuels for America. The byproduct of course will be jobs and investment in the Kingsport community. The initial pilot plant that has been proposed is within the confines of traditional economic development as offered by the state and local governments. Various funding and incentive programs have been discussed - no commitments yet from anyone. However, the conversations are positive and I am greatly encouraged.

***Rep. Tony Shipley***

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## Shipley backs effort to build Carbonite facility in Kingsport

Facility would be located at the site of the old General Shale Brick plant off Main Street.

***By Hank Hayes***

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KINGSPORT — State Rep. Tony Shipley and longtime coal scientist Richard Wolfe are the lead advocates to develop a \$10 million demonstration plant on the edge of downtown Kingsport to manufacture a coal-based product called Carbonite.



The facility would be located at the site of the old General Shale Brick plant off Main Street.

Wolfe has patented Carbonite as a coal product that can be stripped of mercury and processed into coke briquettes to be used by the steel industry.

“We’ve probably got orders, more standing orders, for that than anything else,” Shipley, R-Kingsport, said of the coke briquettes.

According to a February “white paper” produced by Shipley and Wolfe, a \$10 million grant would be sought from the state to permit, design and build the Kingsport demonstration facility. The city of Kingsport would be asked to buy and provide the old General Shale facility as the host site for the Carbonite plant to make two to five tons per hour. Initial plant tests would be completed by October 2012.

“It’s an ideal location,” Wolfe said of the old General Shale site.

The plant would be run by a newly formed Tennessee Carbonite Corporation (TCC). Wolfe is listed as president of the corporation in the white paper.

A second phase of the project calls for a \$28 million, privately financed TCC commercial facility capable of converting up to 100,000 tons of coal per year into both Carbonite and formed coke and 100,000 barrels of coal liquids “that can be further refined into transportation fuels,” according to the white paper.

Phase two would start up on or before October 2013.

Shipley has been selling the proposal to city officials, the Kingsport Area Chamber of Commerce and the Tennessee Department of Economic and Community Development (ECD).

“We have talked in generalities about how Upper East Tennessee can get its fair share of economic development dollars,” Shipley said of discussions with ECD. “We are never going to get our (industrial) megasites. It takes too much ground and acreage.”

Shipley said the project might only need permitting help from the state.

“We might not ask for any money from the state at all,” he added.

When asked if ECD would put up a \$10 million grant for the demonstration plant, ECD Assistant Commissioner Mark Drury replied the department will advocate new technology development in Tennessee.

ECD said Drury has forwarded the Carbonite proposal to all 10 TNInvestco venture capital firms.

“ECD is ready to help with its tool kit of statutory incentive programs and will continue to be helpful as the Carbonite project seeks its lead investors,” Drury said in an e-mail.

Shipley suggested the demonstration plant would be operated by between 50 to 100 people. He said Wolfe is talking to Northeast State Community College officials to develop an “academic component” to train prospective workers at the nearby downtown Academic Village.

“We’ve got everything we need in that one spot,” Shipley said.

Shipley also noted a number of East Tennessee lawmakers are on board with the project, including Lt. Gov. Ron Ramsey, R-Blountville.

A third phase calls for a privately financed TCC facility to be built in Kingston Tenn. to Carbonite to be used by the Tennessee Valley Authority.

When asked about his stake in the overall project, Wolfe pointed out he is the inventor of the Carbonite technology.

“I’ve been developing this technology for almost 20 years, so I have spent a big part of my life developing this clean coal technology,” Wolfe said.



Times-News graphic — Karen Crigger

Wolfe's résumé includes serving with the U.S. Department of Energy; vice president of research and development at United Coal Co. in Bristol, Va.; and appointments to the Virginia Coal and Energy Commission.

In 1988, he formed the Coal Technology Corp., which developed a coal blend of gasoline sold at 15 service stations across Appalachia.

"We had to shut them down when the price of oil went to \$15 a barrel. We couldn't be competitive," Wolfe said of the venture.

On Friday, the price of oil was over \$100 per barrel, and Wolfe indicated it might be time to bring his coal-gas technology back.

"If we can get the financing and get people to believe in it and go build the first plant, that's what we're trying to do," he said.