Regulators' approval clears way for construction of NC biogas plant

Optima BioEnergy's first swine-gas plant in Kensnawille, N.C.

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N.C. regulators have approved Piedmont Natural Gas’ agreement to allow Optima BioEnergy to connect a proposed swine-waste biogas plant in the town of Tar Heel.

The approval issued Monday by the N.C. Utilities Commission clears the way for Wilmington-based Optima to start construction on its second biogas plant in eastern North Carolina. Duke Energy Corp. (NYSE: DUK), which owns Piedmont, intends to buy the gas from the OptimaTH natural gas plants at both its utilities in the Carolinas.

"We are now funding (the project) and plan is to start construction in early November," says Mark Maloney, CEO of Optima BioEnergy. "Construction should be a year so goal is start injecting (gas into Piedmont’s System) by January 2020 at latest."

Duke already buys gas from Optima’s first plant in Kenansville, which started production in the spring.

The Tar Heel project was delayed earlier this year when the commission unexpectedly announced in July that it would establish a pilot program to determine the impact of manufactured biogases injected into Piedmont’s pipeline system. The commission required that any project attached to the pipeline had to be approved for that pilot.

Regulators approved OptimaTh for the pilot program in August. But the project ran into another delay when the commission demanded additional information from Piedmont and Optima about the proposed contract for connecting the new plant to Piedmont’s system.