

Bixby Launches Coal-To-Gas Tech

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Bixby Energy Systems Inc. is jettisoning its corn-burning stove business as it prepares to jump into a market that's both new and very old: Coal.

The Ramsey-based firm, founded in 2001 by Select Comfort Corp. founder Bob Walker, has developed a system that can convert coal and other carbon-based materials into synthetic natural gas. The company has been testing the technology at a pilot facility in North Carolina for more than two years, and recently sold its first commercial system to a buyer in China.

Since its launch, Bixby has been best known locally for its environmentally friendly stoves, which burn pellets made from shelled corn and other agricultural waste. The stoves generate more heat for less money than systems that relied on fuels such as oil or propane.

Bixby is now planning to sell that portion of its business, as the market for the coal-conversion technology is much larger, said Walker. "This could be a billion-dollar business, and we'd really be doing ourselves a disfavor by focusing a lot of our attention on the stove business, which could only be multimillion."

Bixby's latest technology heats coal to very high temperatures within a sealed container. During the process, the "volatile matter within the coal pops out like popcorn," said Walker. The process creates synthetic natural gas and semi-activated carbon. Bixby can sell the synthetic gas for relatively low prices, since it also will generate revenue by marketing the carbon generated during the process. (Municipalities and others often buy carbon for water-filtration and other purposes.)

Many so-called "clean coal" systems take the approach of capturing carbon dioxide emissions and storing them after coal is burned. Bixby's system doesn't require the build-out of such systems. Bixby has applied for a patent for the technology.

Walker sees a major opportunity for Bixby in China, which has plenty of coal, but little natural gas.

Bixby has raised about \$40 million in capital from angel investors since its founding.