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## Portsmouth investment firm focuses on green technologies



**John R. Halle, president/CEO, left, and Richard M. Cyr, senior vice president of Cate Street Capital in Portsmouth, believe their current investment portfolio business is diverse and offers sustainable real world solutions for a healthier future.**

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PORTSMOUTH — When Cate Street Capital considers an investment, it thinks green.

Yes, green as in the color of money, but also green as in what's good for the environment. The company has been in the forefront lately investing in technologies that represent the future of energy production and renewable resources.

It finalized financing last week on the Berlin Station, a new \$275 million, 75-megawatt biomass plant on property in Berlin, N.H., that was formerly part of the Fraser Papers pulp mill that closed in 2006.

Green is the way the company wanted to be when it started in Portsmouth about two and a half years ago. "We wanted to stay in the renewable, environmentally friendly technologies and industries," said John R. Halle, president/CEO and founder. "I'm a finance guy. It's a niche in the finance business."

The biomass plant, near the Androscoggin River, will burn about 750,000 tons of low-grade wood per year. It is expected to create 400 construction jobs and 40 permanent jobs, as well as have an impact on several hundred jobs involving foresters, loggers and chippers in the Granite State's North Country. Halle, who's from North Hampton, and senior vice president Richard Cyr, from Portsmouth, first worked together nearly 30 years ago.

Other ventures took them in separate directions, but they came back together again in 2009 to form Cate Street Capital, which started with four employees and has grown to 52 across seven locations.

Besides biomass energy production, a sampling of their projects include:

**Red Desert:** A process in Wyoming to remove the chemicals from water used in energy drilling processes such as hydrofracking — or "fracking." The process cleans the contaminated water for re-use.

The 100-acre Red Desert Water Reclamation center, which opened in October 2010, is designed to save water and has the capacity to treat approximately 20,000 barrels of contaminated water from Wyoming oil and gas drilling daily.

**Thermogen industries:** Changes the properties of wood by using a microwaving process called torrefaction. These torrefied wood pellets — which the company calls "Aurora Black bio-coal" — have an increased calorific value (they burn hotter) than normal wood pellets and they can be used as a substitute for coal or along with coal.

The company says its bio-coal produces lower sulfur emissions, 0.1 percent compared to standard coal at 0.5 percent. It also has no mercury, lead, or arsenic emissions like coal does, and boasts a low (between 1 percent and 3 percent ) moisture and ash rate compared to coal's (9 percent each).

**Purified plastics:** A plant in Pennsylvania that, when completed, will use 100 percent recycled plastic to make bottles and packaging that can be recycled and reused in the same process any number of times.

"One of the things that makes us unique is that we're not specific to a technology," Cyr said, "so we're looking for opportunities in that general area (of green technologies). And we're looking for opportunities that are scalable. "If you have one location, you can do another location and one after that, so you're moving the technology across the country."

They acknowledge that some of their technologies aren't perfect from the get go.

"We're trying to get something to commercial application as quick as possible," Cyr said. "We don't wait for technologies to be absolutely perfect. We get into something, develop them and bring them to commercial operation as quickly as possible because it is our belief that if we can get out there and make a difference sooner than later we're all better off."

Added Halle: "What we're very good at is commercializing those technologies."

Berlin Station has a 20-year agreement to sell its power to Public Service of New Hampshire and has all required permits and approvals to begin construction.

Laidlaw Energy Group Inc. said Newco Energy, an affiliate of Cate Street Capital, has refused to make a payment of approximately \$5 million to Laidlaw BioPower, LLC that is required under the Purchase and Sale Agreement on the Berlin Station property.

A Cate Street Capital spokesman said: "This is a difference of opinion regarding the terms of our agreement. It will be resolved. This does not impact the project moving forward."

On the heels of the Berlin Station announcement the company agreed to purchase two paper mills in Millinocket and East Millinocket, Maine.

Cyr, in a statement, said the company will "work diligently to resolve all outstanding issues over the next few weeks. There are several parties to this agreement, and numerous conditions which must be met before the deal can be closed."

The plan right now is to keep them going as paper mills. But a technology that might be introduced down the road is its bio-coal.

"(The plant) enjoys great resources. Almost half a million dollars was spent over the past 20 years in Millinocket and East Millinocket," Halle said. "It has a lot of infrastructure. It has a lot of electrical capacity, a lot of piping. So it's a great place to introduce some technology."

Added Cyr: "That has great potential up there because we can utilize the assets that are up there and introduce some new technologies up into that area and employ almost as many people as were going to be employed on the paper side and for a longer term.

"People have asked us why are we, in the environmental business, getting into the paper business. It's because John loves to employ people, and we feel it's important; it's part of our contribution, but, more importantly, there are great synergies for us up there, for the biomass plant, for Thermogen Industries, for the fortified coal side of things. We see it as a smart move and a good play."

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