

Smells Like Energy Savings

HEADNOTE

MARTINSVILLE

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Methane gas will keep the lights on and the slots humming at the Borgata

A SMELLY SOLUTION to fluctuating

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energy prices may be rising from the state's heaping landfills.

At least one Atlantic City casino company thinks so. The Borgata Hotel, Casino and Spa has signed a 20-year contract with Marina Energy, a Folsom-based energy provider, to buy 5.5 megawatts of power generated from methane gas, which will account for 72% of the gambling spa's energy needs. The foul-smelling gas is a natural byproduct of landfills and occurs as a result of decomposing material.

Kevin Sullivan, a senior vice president with Boyd Gaming, which owns 50% of the Borgata, says the price of the power will fluctuate over the next 20 years. He says the company hopes to ink more methane deals as more landfills become equipped with the necessary tools to collect the gas and generate power. The Borgata started using a smaller amount of energy produced from methane gas in December 2005.

"We liked the idea of stabilizing our electricity prices and at the same time contributing to the environment," Sullivan says. "This is a much cleaner source of electricity than the average coal-fired plant."

The gas is being produced at the Egg Harbor and Warren County landfills, each of which has a generator to convert the methane to electric power. Sullivan says the landfills will add new generators to bring the total to five, which will enable Marina Energy to meet the contract demands by the end of the year.

The Borgata will step up its use of methane-based power, piece by piece, as landfill capacity increases, Sullivan says.

Richard Dovey, president of the Atlantic County Utilities Authority, says there are hundreds of similar methane gas projects across the country and the number is rising. The authority operates the Egg Harbor landfill that is part of the project.

"It's a great use [of the gas] with a lot of potential. [If it wasn't being turned into power], the methane would just be wasted," says Dovey.

The Borgata aims to have its entire casino eventually running on methane power. Fluctuating energy prices-and a desire to help the environment-played a part in the company's decision to look for alternate fuel sources, Sullivan says.

Steve Ponatowicz, vice president of business development for Marina Energy, says the technology has "been around for ages" but has increased in popularity following the spike in fuel prices last fall.

Ponatowicz says landfill gas is trapped and converted to energy by "a big box in a field with an engine inside of it."

"It's not very elegant," he says.

But it provides a solution to the ups and downs of the energy market. Following a busy hurricane season, oil prices hit an all-time high last October, leaving many business owners to seek out alternatives. "You've got a fuel source in the landfill that's not subject to volatility," Ponatowicz says.

Marina Energy currently produces some 1.6 megawatts of energy through this process.

Ponatowicz says the three generators the company is adding will increase the capacity to 5.5 megawatts by the end of the year.

IMAGE PHOTOGRAPH 1

Trash will supply most of the building's energy needs.

The installation will require a hefty investment. It costs a total of \$13 million for all the equipment necessary to produce 5.5 megawatts of energy, says Joanne Brigandi, a spokesperson for South Jersey Industries, which owns Marina Energy.

SIDEBAR

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Ken Sullivan

Senior vice president, Boyd Gaming

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