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## Gary officials, environmental group react to Fulcrum Bioenergy bankruptcy filing



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A drawing of the proposed \$600 million-dollar Centerpoint BioFuels Plant by Fulcrum Bioenergy in Gary, Indiana on Tuesday March 29, 2022. The plant was the topic of discussion during the monthly A Seat At The Table discussion at J's Breakfast Club in Gary. (Andy. Lavalley for the Post-Tribune)



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Fulcrum Bioenergy has declared bankruptcy, and a Gary environmental group is pleased by the news.

The California-based company filed for Chapter 11 bankruptcy Sept. 9, according to a District of Delaware U.S. Bankruptcy Court's filings. Its subsidiaries —

Fulcrum Sierra Holdings, LLC, Fulcrum Sierra Finance Company, LLC and Fulcrum Sierra BioFuels, LLC — also filed for bankruptcy.

Chapter 11 bankruptcy means a corporation or partnership can propose a reorganization plan to keep its business alive and pay creditors over time, according to the United States Courts' website.

Fulcrum's companies owe nearly \$456 million to its creditors.

Carolyn McCrady, member of Gary Advocates for Responsible Development, said the organization wasn't surprised that Fulcrum had to declare bankruptcy.

"They really were an insolvent company," she said. "I think they really didn't have any option except to file for bankruptcy because they put themselves in this situation."

In May, Bloomberg reported that Fulcrum was on the verge of going under as the company laid off nearly all of its 100-person staff and halted most of its operations.

The company's Nevada plant had multiple issues and delays, including creating nitric acid that ate through equipment, which led Fulcrum to default on \$289 million in bonds to help build the plant.

In October, Fulcrum halted its plan to sell \$500 million of tax-exempt bonds through the Indiana Finance Authority to build a trash-to-fuels facility in Gary.

The facility, which would've been located in Buffington Harbor, would turn household waste and other organic matter into jet fuel. It was expected to open in 2026, according to Post-Tribune archives.

Fulcrum announced the Centerpoint Biorefinery in 2018, and it remained unbuilt.

"They were never able to produce synthetic fuel from garbage (in Nevada)," McCrady said. "That was what caused the downfall of this company coming into Gary because they wanted to do the same thing in Gary."

The company planned to invest \$600 million into Gary and divert 700,000 tons of waste from local landfills annually. Former Mayor Jerome Prince supported the facility, but current Mayor Eddie Melton had concerns.

Fulcrum currently has no relationship with the city of Gary, said Carla Morgan, the city's corporation counsel. The company failed to close on the Gary property, which ended its relationship with the city.

The bankruptcy filing doesn't affect the city, Morgan said in a statement.

"Regarding the future of (the Buffington Harbor property), Mayor Melton continues to actively explore opportunities for reuse of this property which are compatible with his vision of a cleaner environment and thriving local economy," Morgan said.

GARD filed a petition in September 2022 with the Indiana Office of Environmental Adjudication saying that the Indiana Department of Environmental Management inappropriately granted a Federal Enforceable State Operating Permit for Fulcrum's Centerpoint facility. GARD refiled the petition in December.

In November, GARD filed a motion for summary judgment to block an air permit needed to constrict the Buffington Harbor plant.

If the company's ideas haven't worked in the past, they won't work in Gary, McCrady said.

She believes the Nevada plant will become a data center, which is a physical facility that houses infrastructure and data for companies. Michael Zoeller, senior attorney for the Conservation Law Center, told members of GARD that Fulcrum's parent company plans to sell "almost all of its assets" to a company that builds and runs data centers in Nevada.

"You have people, who were mostly business people, looking for a way to make money, and when they got into the actual workings of a plant like this, they really didn't know what to do," McCrady said.

While Fulcrum claimed the Centerpoint facility was green, McCrady said it wasn't. As far as GARD members know, the company had no data from its Nevada plant proving it was good for the environment.

"We don't need any more pollution here," McCrady said. "We are overjoyed (about the bankruptcy), and we are vindicated, and we feel that people should listen to us."

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