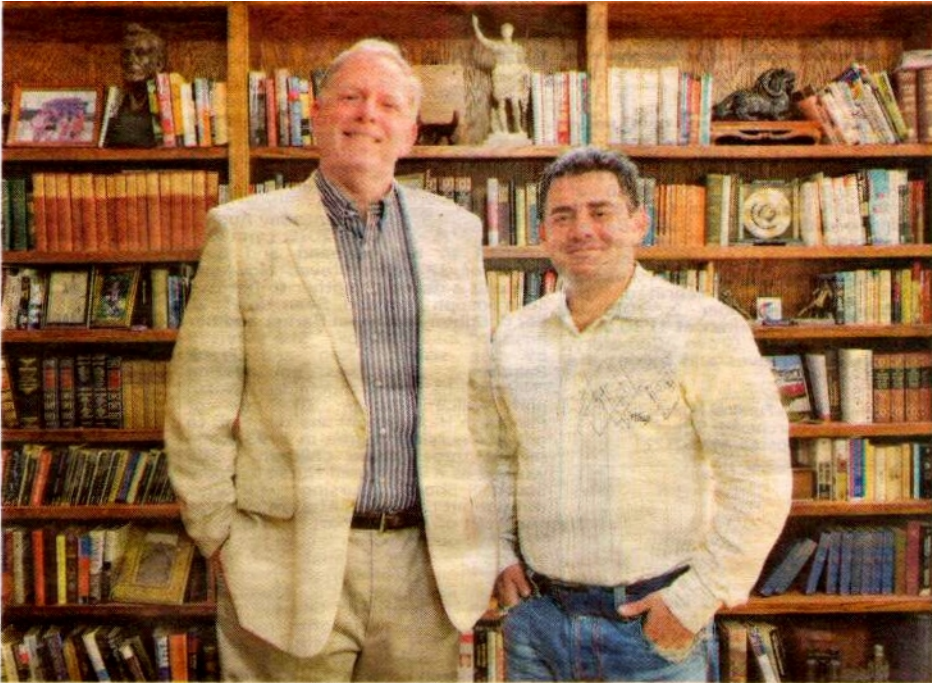


Hub Firm aims to wean Ukraine off Russian Gas Plan calls for 30 biofuel factories



STAFF PHOTO BY FAITH NINIVAGGI

NOT ON KREMLIN'S GOOD SIDE: Rod Robertson and Henry Shterenberg are business partners who are working to build 20 factories in Ukraine that would help reduce the country's reliance on Russian gas.

A Boston firm is working to build nearly two dozen biofuel factories in Ukraine to help reduce the war-torn country's reliance on Russian natural gas. "These people are suffering, their lives have turned to mud and dirt," said Rod Robertson, chief executive of the Ukraine Agro Valley Association. "We're not on the Kremlin's Christmas card list for doing this." The association plans to build 20 factories across the country that would make biofuel pellets made from a crop called miscanthus. Each factory would be surrounded by 10,000 acres of farmland for the crops. Miscanthus, which is similar to corn, would be harvested, dried and compressed to make pellets that can be burned for fuel. Miscanthus is widely regarded as one of the best crops to make biofuels with, Robertson said, but it initially will have to be brought into the country.

The pellets could be used to heat buildings and eventually run power plants, he said. "It burns 10 times brighter than straw," Robertson said. The heat and power generated by the pellets that 20 factories and 200,000 acres of miscanthus could produce will make a real impact on where the country gets most of its energy.

"It conceivably could generate enough electricity in the large cities," he said. Each factory will cost roughly \$20 million to build. The association is hoping to find the \$400 million necessary for the 20 factories through U.S. and European government funding.

Ukraine has been trying to reduce its dependence on Russia for natural gas after the conflict in Crimea. The country gets much of its gas from Russia, and the ability to heat homes and power buildings is often at the whim of Russian leaders. Earlier this year, Ukraine stopped buying natural gas from Russia after a price dispute amid an ongoing territorial dispute. Russia annexed Crimea and is accused of supporting eastern Ukraine's ethnic Russian separatists.

"These people are going to have a hard time heating their homes in the winter; their survival for these people," Robertson said. "The whole country needs it."

He said the factories are likely to begin operating by 2017, but the crops need to be planted a year before. "We would like to start building factories, we would like to get the funding in place by the end of this year," he said. "This is one of the biggest, most talked about projects in the Ukraine."