

Wellons buys alt-energy unit, moves it from GSO to H.P.

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Wellons, a manufacturer of boiler generators, has purchased a division of Enerphase Industrial Solutions to help it market biomass steam systems to customers in the Southeast. Bio-Gen Energy, which has been part of the Greensboro-based industrial utilities firm Enerphase since Bio-Gen's founding in 2006, has been renamed Wellons Energy Solutions Group and moved to a new office in High Point, according to company officials. The financial terms of the acquisition were not disclosed.

Wellons Inc. is based in Vancouver, Wash., and is privately held. **Dunn & Bradstreet** estimates Wellons' annual sales at \$21.2 million. Bio-Gen has been working with Wellons as a reseller of its wood-fired boiler systems, said Bio-Gen founder Garald Cottrell, who is now president and general manager of the Wellons Energy Solutions Group. Bio-Gen's small engineering staff designed power generation systems that burn combustible fuel, such as saw dust or waste wood chips from logging operations, to create steam to generate electricity. Biomass is in relatively abundant supply in North Carolina, Cottrell said, and can typically cut power generation costs by 40 percent compared to natural gas. Business for Bio-Gen has been increasing, he said, but it was hard to take full advantage of a growing market as a small manufacturer's representative.

Becoming part of Wellons should solve that problem, Cottrell said. "When you're going to a Firestone or a Cargill or a Goodyear (to sell a biomass boiler system), they want to make sure that their vendors are financially strong and can be bonded and have a history of being successful," Cottrell said. "Now they can look at Wellons and see that we have 350 units in the field in the U.S. and Canada and Europe, and that removes one of the big barriers to the sale." Cottrell said that new tax credits could also be a big boost to biomass energy production in coming years. He hopes to grow from three employees to 10 or more by the end of next year. Bio-Gen represented a good investment for Wellons because of that expanding market, said Kevin Jessup, a partner with **Salem Capital Management**, an investor in Bio-Gen. Biomass steam generation is a well-established technology but has most often been used by companies that generate their own waste to use as fuel, such as furniture manufacturers, because it took too long for others who had to buy biomass fuel to make their money back. The overall rise in fossil fuel prices in recent years has changed that equation, Jessup said.