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USDA OK's loan for 1st commercial cellulosic plant

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Racing to beat the clock, USDA Sec. Ed Schafer hoped to announce a loan for the first commercial-scale cellulosic biofuels plant – and he did just that on Friday, four days before the Obama administration takes over.

USDA Rural Development's \$80 million loan guarantee goes to Range Fuels to help build a wood-chips-to-ethanol plant in Soperton, GA. The loan guarantee is aimed at speeding completion of a plant that is expected to create 63 well-paid jobs and to produce 20 million gallons of cellulosic ethanol per year starting in 2010.

“The investment in this facility – which will make cellulosic ethanol from wood chips – has the potential to significantly advance the timetable for second generation ethanol production in this country,” Schafer said. “I visited the pilot plant last October and was excited to see how well the technology works. The funding announced today helps the Bush administration fulfill its commitment to reduce America's dependence on foreign oil by developing alternative, renewable energy sources. USDA is proud to work with the private sector to lead this important breakthrough in renewable energy production.”

The loan guarantee is provided under the Section 9003 Biorefinery Assistance Program authorized by the 2008 Farm Bill. The program promotes the development of new and emerging technologies for the production of advanced biofuels – defined as fuels that are not produced from food sources. The program provides loan guarantees to develop, construct and retrofit viable commercial-scale biorefineries producing advanced biofuels. The maximum loan guarantee is \$250 million per project. Loans requests are evaluated based on their expected ability to create energy-related jobs and economic development in rural America.

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