



## **Secs. Vilsack & Chu announce \$564 mil. for advanced biorefinery projects, matched with private investment**

**By Agri-Pulse Staff**

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Washington, Dec. 4 – Agriculture Secretary Tom Vilsack and Energy Secretary Steven Chu have picked 19 integrated biorefinery projects to receive up to \$564 million from the American Recovery and Reinvestment Act to accelerate the construction and operation of pilot, demonstration, and commercial scale facilities. Collectively, these projects will be matched with more than \$700 million in private and non-Federal cost-share funds, for total project investments of almost \$1.3 billion.

The projects - in 15 states – are intended to validate refining technologies and help lay the foundation for full commercial-scale development of a biomass industry in the United States. The projects will produce advanced biofuels, biopower, and bioproducts using biomass feedstocks at the pilot, demonstration, and full commercial scale. They are part of an ongoing effort to reduce U.S. dependence on foreign oil, spur the creation of the domestic bio-industry and provide new jobs in rural communities.

“Advanced biofuels are critical to building a cleaner, more sustainable transportation system in the U.S.” Secretary Chu said. “These projects will help establish a domestic industry that will create jobs here at home and open new markets across rural America.”

Joining Secretary Chu, Agriculture Secretary Vilsack noted that USDA’s Rural Development agency has selected San Diego, California based Sapphire Energy to receive a loan guarantee for up to \$54.5 million through the Biorefinery Assistance Program to demonstrate an integrated algal biorefinery process that will cultivate algae in ponds, and will use dewatering and oil extraction technology to produce an intermediate that will then be processed into drop-in green fuels such as jet fuel and diesel. The actual project will be located in Columbus, New Mexico. The loan guarantee will be subject to the availability of funds and contingent upon Sapphire Energy meeting the conditions of the loan agreement.

“The development of renewable energy is a critical component of our efforts to rebuild and revitalize rural America,” Secretary Vilsack said. “This Farm Bill program is instrumental in increasing our energy independence and expanding new technologies and markets for agricultural and environmental waste material.”

The Biorefinery Assistance Program authorized by the 2008 Farm Bill promotes the development of new and emerging technologies for the production of fuels that are produced from non-corn kernel starch biomass 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.

Of the nearly \$564 million in Recovery Act funding announced today, up to \$483 million will go to 14 pilot-scale and 4 demonstration-scale biorefinery projects across the country. The remaining \$81 million will focus on accelerating the construction of a biorefinery project previously awarded funding.

The biofuels and bioproducts produced through these projects will displace petroleum and accelerate the industry's ability to achieve production targets mandated by the federal Renewable Fuel Standard (RFS). These investments will help close the gap between the production from the small number of biorefineries currently in operation and the aggressive Renewable Fuel Standard goals for cellulosic and advanced biofuels.

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#30