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## Pacific Ethanol gets grant

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*Published 12:00 am PST Wednesday, January 30, 2008*

Sacramento's Pacific Ethanol Inc. received a federal grant of up to \$24.3 million Tuesday to build a plant that will make ethanol out of wood chips and other materials.

The small-scale demonstration plant will be built at the site of Pacific Ethanol's corn-ethanol plant in Boardman, Ore.

The grant is from the U.S. Department of Energy, which also funded demo plants in Colorado, Missouri and Wisconsin. The agency awarded a total of \$114 million Tuesday.

The Pacific Ethanol plant, due to open in late 2009, will make ethanol from so-called cellulosic materials – wheat straw, wood chips and corn stover, material left over after the corn harvest.

Practically all commercially made ethanol comes from corn, while cellulosic ethanol is considered the next generation of raw materials.

"We're very excited," said Pacific Ethanol Vice President Tom Koehler. "This is what is needed to get the ball moving on these fuels."

Pacific Ethanol's partner in the Oregon project will be Danish biotech firm BioGasol and the Joint Bioenergy Institute, a federally funded partnership led by Lawrence Berkeley National Laboratory. The University of California, Davis, is a partner in the institute.

Koehler said Pacific Ethanol and BioGasol will pay for about half the project, while the federal partners will pay the rest up to a cap of \$24.3 million.

– Dale Kasler

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