USDA Awards $25M For IA Biodiesel Plant

Michael J. Crumb, Associated Press

DES MOINES, Iowa (AP) — The U.S. Department of Agriculture awarded $25 million Friday to an eastern Iowa plant for its project to turn garbage into fuel.

Maryland-based Fiberight LLC is building the plant, which would work with a local landfill to obtain municipal trash that will be turned into cellulosic ethanol. The 55,000-square foot plant near Blairstown is expected to produce 6 million gallons of ethanol when it becomes operational next year.

Officials with the Renewable Fuels Association touted the guaranteed loan as being a good investment in the future.

"Projects like this are still unique and in the early stages and the model this company is using holds a lot of applications because there is no shortage of garbage," said Matt Hartwig, a spokesman for the Renewable Fuels Association.

Hartwig said diverting trash from landfills to make fuel will help the nation achieve goals of energy independence and improving the environment.

He said there are other plants producing smaller amounts of cellulosic ethanol, on what is described as a demonstration scale, maybe 500,000 to 1 million gallons, but the Blairsburg plant will be among the first to reach commercial scale production. Cellulosic ethanol is made from biomass, such as garbage, corn stalks or switchgrass.

Fiberight, which also will have a smaller plant operating in Lawrenceville, Va., this year, will invest $20 million in the Iowa plant. It also received $2.5 million from the state.

"We truly believe that 2012 is the year for takeoff in this industry," said Fiberight chief executive officer Craig Stuart-Paul.

The company will partner with Novozymes, a supplier of enzymes used in the production process. The trash will be broken down into pulp. Enzymes will be added, turning the pulp into sugar, which is fermented into ethanol.

In a release announcing the funding, U.S. Agriculture Secretary Tom Vilsack called the Blairsburg project "another step the Obama administration is taking to support production of a new generation of renewable fuels, in order to build an active biofuels and biomass production industry in every region of the country."

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