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News Release

Release No. 0195.14

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USDA Announces Loan Guarantee to Help Innovative Company Turn Waste Into Renewable Jet Fuel *\$105 Million loan guarantee provided through the Biorefinery Assistance Program*

LAS VEGAS, Sept. 4, 2014 - Agriculture Secretary Tom Vilsack today announced that USDA has closed on a loan guarantee to Fulcrum Sierra Biofuels, LLC to build a biorefinery to produce jet fuel from municipal solid waste.

"This represents a huge step forward in the development of clean, renewable, job-creating American fuels," Vilsack said during a speech at the National Clean Energy Conference. "The nation is entering a new energy age that will make us more energy independent, cut carbon pollution and strengthen our economy, especially in rural communities where clean fuels will be produced."

USDA is awarding Fulcrum a \$105 million Biorefinery Assistance Program loan guarantee through Bank of America, N.A. to construct a facility in McCarran, Nev., to convert municipal solid waste to biodiesel jet fuel. USDA Rural Development's loan guarantee represents less than half of the \$266 million project cost. The plant is expected to produce 11 million gallons of fuel annually.

This is the first loan guarantee USDA has made for the production of bio jet fuel.

Fulcrum will produce synthesis gas from 147,000 tons of municipal solid waste and catalytically convert it to synthetic paraffinic kerosene/jet fuel through a proprietary technology. The plant will be the first of what the company expects to be several bio jet fuel plants throughout the country.

Last month, Cathay Pacific Airways announced that it is investing in Fulcrum Bioenergy Inc., the parent company of Fulcrum Sierra BioFuels, LLC, and has negotiated a long-term supply agreement with Fulcrum for 375 million gallons of sustainable aviation fuel over 10 years. This would represent about 2 percent of the airline's annual fuel consumption.

USDA awarded the first loan guarantee in 2009 to Sapphire Energy in New Mexico. Sapphire has already paid off its \$54.5 million loan guarantee. The program's current portfolio includes Fremont Community Digester, located in Fremont, Mich., which received a \$12.8 million loan in 2011 to convert food and agricultural waste to biogas that is used as fuel to generate electricity. INEOS New Plant Bioenergy, located in Vero Beach, Fla., received a \$75 million loan in 2011 to produce cellulosic ethanol from woody biomass and municipal solid waste.

USDA is negotiating three additional loans for biorefineries in Iowa, North Carolina and Oregon. These loans would provide financing to produce renewable fuels from woody biomass, municipal solid waste and energy grasses such as switch grass, miscanthus and arundo donax. One of these ventures will retrofit an existing corn ethanol facility to produce cellulosic ethanol.

Biorefineries have broad economic and environmental implications. They lower greenhouse gas

emissions, reduce dependence on foreign oil, give businesses and consumers more energy options and create jobs.

Congress established the Biorefinery Assistance Program in the 2008 Farm Bill. It reauthorized and extended the program in the 2014 Farm Bill. The 2014 Bill expands the program to include bio-based renewable chemicals and bio-based product manufacturing. USDA staff are working on regulations to set forth upcoming application terms for additional loan guarantees under the program.

The 2014 Farm Bill builds on historic economic gains in rural America over the past five years, while achieving meaningful reform and billions of dollars in savings for taxpayers. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve the quality of life in rural America. For more information, visit www.usda.gov/farmbill.

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