Plant to Produce Cellulosic Ethanol & Chemicals

LAKEWOOD, Colo. (AP) — ZeaChem Inc. broke ground Wednesday for a $73 million demonstration plant in Boardman, Ore., that would turn fast-growing hybrid poplars into cellulosic ethanol.

The biorefinery could produce up to 250,000 gallons per year of ethanol. It also could produce acetic acid and ethyl acetate, a solvent used in paint, lacquers, thinners and nail polish but that also can be used to decaffeinate coffee. Ethanol production is expected to start next year.

Eventually, Lakewood-based ZeaChem hopes to build a commercial-scale plant in the Pacific Northwest, CEO Jim Imbler said.

ZeaChem, based on figures from Oregon employment officials, estimates that building and operating the starter plant will directly create 95 jobs and add an additional 197 indirectly.

The U.S. Department of Energy has provided hundreds of millions of dollars in grants to projects aimed at making fuel out of products other than corn. ZeaChem is receiving $25 million in stimulus money from the department for its biorefinery.

The demonstration plant could make ethanol from a variety of nonfood feedstock including switchgrass, though ZeaChem plans to focus on fast-growing hybrid poplars from the Pacific Northwest that can be cut at 2 or 3 years old and then resprout, Imbler said.

"The U.S. and Canada are the Saudi Arabia of trees," Imbler said.

Food-grade ethyl acetate can fetch $1 to $1.10 per pound, making it worth more per gallon than ethanol, Imbler said, but ZeaChem would likely have to find a partner to sell chemicals. ZeaChem would go it alone on fuel.

Imbler said if "green" products are equal in price and performance to conventionally made products, customers seem more willing to buy the ecofriendly version.

"I think green is something that allows you to win the ties," Imbler said. "You have to be competitive on cost, and you have to be as good or better on performance."

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