Work Stopped at Ethanol Plant

FULTON, Miss. (AP) — Although far behind schedule, Mississippi officials say plans for BlueFire Renewables Inc.'s biofuels plant aren't dead, just dormant.

Greg Deakle, Itawamba County Development Council executive director, told the Northeast Mississippi Daily Journal (http://bit.ly/13tmEo4 [1]) that work on the Fulton plant has gone on indefinite hiatus while BlueFire focuses on other projects, most notably the construction of a sugar cellulose plant in Korea.

"We're still working and they're still working, but nothing's definite yet," he said, adding that all the prep work in Itawamba County has been ready for months. "That site's ready to go; all of their permits are in place."

The estimated $300 million project was announced in 2009. The plan was to use green and wood wastes available in the region as feedstock for the ethanol plant that is designed to produce about 19 million gallons of ethanol per year. The plant is to employ 70 to 80 workers.

Deakle says the California company is still paying a monthly lease on the site. Site work was completed in 2011. Deakle said the company has a "long-term lease" with Itawamba County.

Deakle said ethanol production — which involves fermenting raw materials for their sugar to create an alcohol that can replace petroleum-based fuels — is still a relatively new technology, so the construction of a large ethanol refinery might be expected to take longer than those involving established technologies.

"There's a lot of due diligence and research that goes into just the site selection," Deakle said. "It takes a while to build up a head of steam."

In 2011, the company announced that it had partnered with Chinese equity company China Huadian Engineering Company, which became an equal partner in the project and provided the extra funding that was needed. That was the last major development for the Fulton project.

Last February, BlueFire entered into a deal with Korea-based petroleum company GS Caltex to build a cellulose sugar plant. Deakle said that project has occupied most of the company's time since the announcement, pushing the Itawamba County project to the back burner.

"Sometimes things don't work out the way you think they would or would like them to," he said. "But (BlueFire) hasn't given up on us, and we haven't given up on them."

Information from: Northeast Mississippi Daily Journal, http://djournal.com *[2]*

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