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California plant chooses Fagen as lead contractor

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Construction on a new 60 MMgy sugarcane-to-ethanol and sugarcane-to-electricity plant in California's Imperial Valley could begin within a year. Brawley, Calif.-based California Ethanol & Power has enlisted Fagen Inc., of Granite Falls, Minn., to act as the lead contractor for the plant. Fagen has begun initial engineering and permitting services for the project and the companies are finalizing the terms of the contract. Construction on the \$500 million plant is expected to take two years, with the plant going on line in 2011. The plant will be located near Imperial, Calif.

More than 37,000 acres of sugarcane will need to be planted to support the plant's expected capacity. Currently, CE&P is growing over 650 acres of more than 10 varieties of sugarcane to be used for seed. The company plans to plant 3,500 acres next year. All of the sugarcane is expected to be grown in California's Imperial Valley. The company is working with five major growers to produce sugarcane for the plant, according to David Rubenstein, chief operating officer for CE&P. .

Rubenstein said the plant will produce more than just ethanol. He said the leftover plant material will be used to heat a boiler that runs generators to produce the plant's electricity. The generators are expected to produce 50 megawatts of electricity, 15 of which will be used by the plant itself. The company is seeking to enter into a power-sales agreement with the San Diego Gas & Electric utility for the remaining power, he said.

A byproduct from the production of ethanol will be used as fertilizer for the sugarcane fields, Rubenstein said, adding that the company plans to sell the fertilizer to other agricultural businesses.

Rubenstein said that so far, the project has been funded by private investors. The company plans to eventually own and operate five sugarcane-fed ethanol facilities in the California's Imperial Valley.

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