



OFFICE OF THE GOVERNOR

NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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Gov. Blagojevich announces \$19.8 million in support for Danville biodiesel plant that will save hundreds of jobs

*Support reaffirms state's commitment to East Central Illinois
biodiesel facility*

CHICAGO - In furthering Illinois' national leadership as a renewable biofuels producer, Governor Rod R. Blagojevich today announced that Blackhawk Biofuels, LLC has completed its purchase of a new 45 million gallon per year biodiesel plant in Danville. The \$19.8 million in state-backed support will leverage \$25 million in private funding by the new owner to complete construction of the facility and upgrade technology.

"The significant investment we're making in the Danville plant will produce home-grown biodiesel from crops grown on Illinois farms, boost America's energy independence, keep people working, and spur economic development throughout east central Illinois," said Gov. Blagojevich. "This project is a key component of my aggressive energy independence plan to reduce the state's dependence on foreign oil and fight global warming."

The improvements to the biodiesel plant, managed by Renewable Energy Group (REG), will enable it to produce biodiesel from animal fats as well as soybean oil, making it one of only a handful of plants nationwide with this capability. This ability will help ensure the plant's profitability, create 15 new jobs and secure more than a hundred jobs at the Danville facility and the adjacent soy crushing plant, as well as approximately 75 construction jobs.

In continued support of the Danville plant, the Governor's Office reaffirmed its commitment of financial assistance guaranteed by the state through the Illinois Finance Authority (IFA). The Governor also provided \$4.8 million in Opportunity Returns grants to construct the new plant through the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Department of Transportation.

The IFA is charged by Gov. Blagojevich with fostering economic development across Illinois by using its financing programs to support the needs of local communities. "We are doing just that in Danville," said IFA Executive Director Kym M. Hubbard. "By supporting this project, we are

increasing the opportunity for this plant to open on schedule, operate profitably, and create and retain jobs.”

“Gov. Blagojevich recognizes that one of the most critical ways we can address the problem of global warming is by making renewable fuels an integral component of our energy portfolio. I am pleased that we are able to support Blackhawk and ensure the creation and retention of hundreds of good paying jobs while improving the environment and creating new markets for Illinois biofuels,” said DCEO Director Jack Lavin.

“We thank Gov. Blagojevich and his administration for making it possible to finalize this purchase in today’s market conditions. Our investment in the Danville plant and the upgrade of its process technology will strengthen the investment already made in Danville and will contribute to Illinois’ goal of market leadership in renewable fuels,” said Blackhawk Biofuels Chairman Ron Mapes.

Blackhawk Biofuels will partner with Renewable Energy Group to operate the facility. REG, a leading biodiesel producer and marketer, will operate the Danville facility and market the plant’s biodiesel. Biodiesel production is expected to begin as early as this fall.

“We expect this plant will become a premier facility within the REG network,” said Renewable Energy Group Chief Operating Officer Daniel Oh. “The plant has a secure raw material source, a skilled and motivated workforce, and an efficient distribution network. The planned upgrades will further enhance its market advantages.”

“It will be great to finally see this plant operational. The impact in our region will be substantial in terms of economic opportunity. The impact on our future also will be significant as this plant turns Illinois agricultural leadership into Illinois biodiesel leadership. I thank Gov. Blagojevich for continuing his support of this project,” said State Senator Michael Frerichs (D-Danville).

“Gov. Blagojevich and I understand that by supporting renewable fuels today, we are creating a more secure future. The only way we are going to increase our energy independence is by creating a business climate that encourages investment and innovation. By supporting this project, we are securing jobs in our community in a way that helps us all,” said State Representative Bill Black (R-Danville).

“This plant had the potential of being mothballed due to market conditions, like many biodiesel facilities around the country. I join hundreds of families in the Danville area in thanking the Governor and the new owners for saving our plant and the jobs made possible by this plant’s long-term success,” said Danville Mayor Scott Eisenhauer.

“We are pleased that Blackhawk and REG were able to come to an agreement that will benefit the entire region by providing steadier plant production and hundreds of good paying jobs,” said Don Ritter, president of the Danville Building and Construction Trades Council. “Completion of this facility will also capitalize on Illinois’ tremendous soybean production by providing local soybean growers with a market for their crops and help sustain an already prosperous agricultural industry. I want to thank Gov. Blagojevich for helping to make this project a reality.”

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