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OFFICE OF THE GOVERNOR  
LANSING

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## **Granholt Says Mascoma Agreement Puts Michigan at Forefront of Next Generation Fuels**

*Historic investment set for production facility in U.P.'s Chippewa County*

LANSING – Governor Jennifer M. Granholm and Mascoma Corporation CEO Bruce A. Jamerson today announced that the Massachusetts-based company has entered into a series of key strategic relationships to further Mascoma's efforts to build its first commercial-scale cellulosic ethanol plant in Michigan's Upper Peninsula.

Agreements with the Michigan Economic Development Corporation (MEDC), JM Longyear, and alliances formed with Michigan State University (MSU) and Michigan Technological University (MTU) will help bring the plant to Chippewa County, south of Sault Ste. Marie, where clean-burning, fuel-grade ethanol will be produced from wood fiber. The agreements build on Mascoma's decision announced last July to locate in Michigan.

"Long before the current run-up in petroleum prices, we declared Michigan's intention to lead the nation in alternative energy production and help reduce our dependence on foreign oil," Granholm said. "Mascoma's next generation biomass-to-ethanol technologies are integral to wide-scale ethanol production, and this plant will put Michigan on the leading edge of technology that will create good-paying jobs for Michigan citizens."

Mascoma's single-step cellulose-to-ethanol method, called consolidated bioprocessing, or CBP, uses advanced technologies to make ethanol from non-food based renewable sources such as wood chips and other biomass. The clean-energy technology is critical to producing ethanol more quickly, efficiently and economically.

Mascoma chose Michigan for its first commercial-scale facility based on the vast sustainable forests and agricultural materials available and the expertise provided by JM Longyear. In addition, Mascoma will collaborate with MSU and MTU to develop and hone scientific processes that utilize Michigan feedstocks for cellulosic ethanol production.

"Working with the state of Michigan, two of its leading universities, and JM Longyear on this significant project brings us closer to commercial scale production of biofuels that can promote energy independence, reduce greenhouse gas emissions, and stimulate regional economic development," Jamerson said.

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Since becoming governor, Granholm has been an advocate of growing an alternative energy and alternative fuel industry in Michigan. Under her leadership, the Michigan Economic Development Corporation (MEDC), led by President and CEO James C. Epolito, has worked with Mascoma to secure one of two locations in Chippewa County. Engineering work is underway to finalize the site that will be secured through a land swap under negotiation with the Michigan Department of Natural Resources. Yesterday, the Center of Energy Excellence (COEE) legislation was passed through the Michigan Legislature and with the governor's signature, Mascoma will be eligible for a \$15 million grant to become Michigan's first Center of Energy Excellence.

"There are great synergies in Michigan for Mascoma, not only in the ready supply of wood fiber across northern Michigan, but also great research institutions with a long-time focus on this science and our 21<sup>st</sup> Century Jobs Fund that is tuned to bringing job-creating alternative energy ventures to Michigan," Epolito said.

"This new facility will mean more jobs in our agriculture, timber, and manufacturing industries while benefiting our environment and energy security as a nation," he said.

Mascoma and Marquette-based JM Longyear, a leading natural resource company, entered into a strategic relationship to combine Mascoma's technology with JM Longyear's significant project development experience, including its recent \$1.6 billion Minnesota Steel project and its deep natural resource experience.

"Mascoma's revolutionary technology combined with site integration and innovative supply chain strategies position Michigan to lead the nation in the advancement of new, clean energy production and job creation," said JM Longyear CEO Stephen Hicks.

Mascoma is collaborating with research partners globally to identify and patent additional biomass-to-ethanol technologies. MSU will provide expertise in areas primarily relating to pretreatment technology for cellulosic ethanol production and assistance with renewable energy crops that can be utilized by the biorefinery. MTU will contribute its knowledge of sustainable forestry management practices and access to its automotive engineering laboratories for analysis of the biofuels produced at the project site – part of its "wood to wheels" initiative.

Prior to the announcement of its first commercial-scale production facility in northern Michigan, Mascoma announced a pilot project in Rome, New York, which is now under construction and will be completed by the end of the year, and a 2MMGY pre-commercial scale facility to be run on switchgrass in Tennessee. Last month, Mascoma announced equity investments by General Motors and Marathon Oil Corporation (NYSE: MRO) as part of a \$61 million third round of funding.

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“Sustainable transportation fuels will be part of the infrastructure much sooner than most people expect,” said Beth Lowery, GM vice president of environment, energy and safety policy. “It is exciting to see these latest moves by Mascoma to make next-generation biofuels a reality.”

“Collaborative, private-public partnerships such as this initiative on the part of the state of Michigan and Mascoma are integral to our ability to bring next-generation, environmentally friendly renewable fuels derived from non-food feedstocks out of the laboratory and into full-scale commercial production,” said Cliff C. Cook, Marathon Petroleum Company senior vice president, supply, distribution and planning.

**About Mascoma**

Mascoma Corporation is a leader in advanced, low-carbon biofuels technology based in Boston, Massachusetts. Using proprietary microorganisms and enzymes developed at the company’s laboratories in Lebanon, New Hampshire, Mascoma is collaborating with research partners globally to identify, patent and deploy a new generation of microbes and low-cost processes for producing advanced cellulosic ethanol technologies across a range of non-food feedstocks. Mascoma is developing demonstration and commercial scale production facilities in locations across the United States. For more information, visit [www.mascoma.com](http://www.mascoma.com).

**About the 21<sup>st</sup> Century Jobs Fund**

The 21<sup>st</sup> Century Jobs Fund is a \$2 billion initiative conceived by Governor Granholm, approved by the Michigan Legislature, and administered by the Michigan Economic Development Corporation to accelerate the diversification of Michigan’s economy. For more information, see the MEDC Web site at [www.michigan.org](http://www.michigan.org).

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