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In Private

From fat to fuel; Ever Cat lands \$2.1M

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Ever Cat Fuels, an entity that operates an Istanti-based plant that turns feedstock and animal fats into biodiesel, has raised about \$2.1 million in equity financing, according to a regulatory filing.

Ever Cat licenses technology from Mcgyan Biodiesel, an Anoka firm that's commercializing a biodiesel-production process developed by Augsburg College researchers.

The company focuses on making biodiesel from rancid oils and other materials that would otherwise go unused. Historically, companies have produced the fuel using corn or soybeans. That process requires significant amounts of water and can often be slow.

Mcgyan doesn't use water to make biofuels, and the company boasts its technology is superior to standard because it produces less waste and is far faster.

The Ever Cat plant, which cost about \$9 million to build, opened last year. The facility was designed to help prove Mcgyan's process was commercially viable. The plant produces about 3 million gallons per year of biodiesel.

Clayton McNeff, founder of Mcgyan Biodisel, couldn't be reached for comment on the company's plans for its recent round of funding. Ever Cat Fuels is trying to raise a total of about \$2.25 million, according to the regulatory filing. The company kicked off the most-recent round of fundraising in November 2009.

In addition to the Isanti plant, Mcgyan wants to open a plant in Illinois. The entity that would run that facility, BioCat Fuels, launched a \$7 million private placement last year to raise funds for the project.

The Mcgyan process was developed in 2006 by Brian Krohn, an Augsburg student at the time, and a professor at the school, Arlin Gyberg. McNeff and the chief scientist at Anoka-based SarTech Corp., Ben Yan, also joined the effort and helped form Mcgyan. (Mcgyan's name is a combination of letters from the last names of Gyberg, McNeff and Yan.)

In addition to licensing its technology, Mcgyan is focused on helping businesses retrofit existing ethanol plants.

A mix of federal and state incentives has helped grow the biodiesel industry for several years, though the market began to suffer in 2009. Recently issued federal regulations requiring that 1 billion gallons of diesel derived from biomass be produced between 2012 and 2022 may give a boost to the market, however. Some individual states also have put regulations in place that may help fuel the market.

Mcgyan Biodiesel

Headquarters: Anoka

Founder: Clayton McNeff

Business: Biodiesel technology

Web: mcgyan.com