September 26, 2016

Pacific Ethanol to Install 5 Megawatt Solar Energy System at Madera Plant

- To provide more than $1 million in annual operating cost savings due to lower electricity cost -
- Improves the Madera plant's carbon intensity score -
- $10 million SolarPACE™ financing structure represents the largest solar power project in the program's history –
- Qualifies for Energy Investment Tax Credit -

SACRAMENTO, Calif., Sept. 26, 2016 (GLOBE NEWSWIRE) -- **Pacific Ethanol, Inc.** (NASDAQ:PEIX), a leading producer and marketer of low-carbon renewable fuels in the United States, announced it is installing a 5 megawatt (MW) solar photovoltaic (PV) power system designed and built by Borrego Solar Systems at Pacific Ethanol's Madera, California plant. The solar PV system is expected to reduce Pacific Ethanol's operating costs and improve its carbon score.

Neil Koehler, the company's president and CEO, stated: “The integration of solar power at our Madera plant underscores our commitment to optimize our plant assets, lower the carbon intensity of our ethanol and reduce our operating costs. We are proud to build the first ever commercial solar electricity system at a U.S. ethanol plant. Pending the completion of interconnection agreements with our local utility, Pacific Gas & Electric Co., we expect to begin operating the solar PV system at full capacity in early 2018.”

5 MW Solar PV System

Through the displacement of more than 30 percent of the grid electricity currently used, the solar PV system is expected to reduce the Madera facility's annual utility costs by more than $1 million as well as drive premium pricing on the ethanol produced due to improvements in its carbon-intensity score. The system also qualifies for the Energy Investment Tax Credit, further improving its attractive investment profile.

“Pacific Ethanol represents the new generation of fuel companies—low carbon fuel production powered by zero carbon energy,” said Chris Otness, Borrego Solar project developer. “This will be one of the largest single-site net metered projects in PG&E territory. Historically these types of projects were limited to a single megawatt, but given the recent CPUC NEM 2.0 ruling, large energy users are now able to go above that threshold and offset a significantly larger portion of their overall usage. In addition, by financing this project through PACE, Pacific Ethanol is able to retain full ownership of the system from day one and capture the tax incentives afforded to solar system owners.”

SolarPACE™ Program Financing

Pacific Ethanol financed $10 million of the expected $11 million total investment through the CleanFund SolarPACE program for a term of 20 years, which enables immediate net cost savings and positive cash flow from the project.

Greg Saunders, chief executive officer of CleanFund, stated, “We are honored Pacific Ethanol selected CleanFund as its capital partner and is utilizing our SolarPACE financing partner program to provide long-term financing for a state of the art solar system. The demand for commercial PACE financing continues to grow rapidly because it represents a large-scale opportunity to provide cost-effective, long-term financing for renewable energy, energy efficiency and water conservation measures for most non-residential properties. We are excited to partner with Pacific Ethanol as it leads the way in the deployment of renewable energy power systems at its industrial facilities.”

CleanFund Commercial PACE Capital is the #1 direct provider of long-term financing for energy efficiency, water conservation, renewable energy and seismic improvements to commercial, multifamily and other nonresidential properties in the U.S. For more information, please visit www.CleanFund.com.

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (PEIX) is the leading producer and marketer of low-carbon renewable fuels in the Western United States. With the addition of four Midwestern ethanol plants in July 2015, Pacific Ethanol more than doubled the scale of its operations, entered new markets, and expanded its mission to advance its position as an industry leader in the production and marketing of low carbon renewable fuels. Pacific Ethanol owns and operates eight ethanol production facilities, four in the Western states of California, Oregon and Idaho, and four in the Midwestern states of Illinois and Nebraska. The plants have a combined production capacity of 515 million gallons per year, produce over one million tons per year of ethanol co-products such as wet and dry distillers grains, wet and dry corn gluten feed, condensed distillers solubles, corn gluten meal, corn germ, corn oil, distillers yeast and CO_2. Pacific Ethanol markets and distributes ethanol and co-products domestically and internationally. Pacific Ethanol’s subsidiary, Kinergy Marketing LLC, markets all ethanol for Pacific Ethanol’s plants as well as for third parties, with over 800 million gallons of ethanol marketed annually based on historical volumes. Pacific Ethanol’s subsidiary, Pacific Ag. Products LLC, markets wet and dry distillers grains. For more information please visit www.pacificethanol.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Statements and information contained in this communication that refer to or include Pacific Ethanol’s estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Pacific Ethanol’s current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as “anticipate,” “believe,” “plan,” “could,” “should,” “estimate,” “expect,” “forecast,” “outlook,” “guidance,” “intend,” “may,” “might,” “will,” “possible,” “potential,” “predict,” “project,” or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, market conditions, including the supply of and demand for ethanol and co-products; growth for these products; expectations regarding the capacity, cost savings, effects on carbon intensity and premiums for low-carbon ethanol, and timing of the Madera plant’s solar PV system as well as tax credits associated with the system; and Pacific Ethanol’s other plans, objectives, expectations and intentions. It is important to note that Pacific Ethanol’s plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Pacific Ethanol’s current expectations depending upon a number of factors affecting Pacific Ethanol’s business. These factors include, among others, adverse economic and market conditions, including for ethanol and its co-products; fluctuations in the price of oil and gasoline; raw material costs, including ethanol production input costs; changes in governmental regulations and policies; energy costs; the risks and uncertainties normally incident to construction projects; and insufficient capital resources. These factors also include, among others, the inherent uncertainty associated with financial and other projections; the anticipated size of the markets and continued demand for Pacific Ethanol's products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the ethanol production and marketing industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Pacific Ethanol's facilities, products and/or businesses; changes in laws and regulations; changes in tax laws; the loss of key senior management or staff; and other events, factors and risks previously and from time to time disclosed in Pacific Ethanol's filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in the Company's Form 10-Q filed with the Securities and Exchange Commission on August 5, 2016.

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