FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*	2. Date of Event Requiring Statement (Month/Day/Year) 05/15/2006	3. Issuer Name and Ticker or Trading Symbol Pacific Ethanol, Inc. [PEIX]		
CASCADE INVESTMENT L.L.C.		4. Relationship of Reporting Person(s) to Issuer (Check all applicable)		5. If Amendment, Date Original Filed (Month/Day/Year)
2365 CARILLON POINT		___ Director ___ 10% Owner ___ Officer (give title below) _X_ Other (specify below)		6. Individual or Joint/Group Filing (Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
KIRKLAND, WA 98033				

Table I — Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

Table II — Derivative Securities Beneficially Owned *(e.g., puts, calls, warrants, options, convertible securities)*

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series A Cumulative Redeemable Convertible Preferred Stock	n/a	n/a	Common Stock	(1)	$6.00	I	(1)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASCADE INVESTMENT L.L.C. 2365 CARILLON POINT KIRKLAND, WA 98033				X

Signatures

William H. Gates III By /s/ Michael Larson*, Attorney-In-Fact	05/25/2006
Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) See Below.

Remarks:

(1) On April 13, 2006, Cascade Investment, L.L.C. ("Cascade") acquired 5,250,000 shares of the Issuer's Series A Cumulative Redeemable Convertible Preferred Stock ("Series A Preferred Stock"), at a price of $10.00 per share. Each share of Series A Preferred Stock is convertible at any time at Cascade's option into a number of fully paid and nonassessable shares of the Issuer's Common Stock equal to the quotient of (i) $10.00 divided by (ii) the conversion price in effect at the time of conversion. The conversion price is currently $6.00 and is subject to such adjustments... (the "Certificate of Designations, Preferences and Rights of the Series A Preferred Stock (the "Certificate of Designations"). Using the current conversion price, Cascade's 5,250,000 shares of Series A Preferred Stock are convertible into 10,500,000 shares of the Issuer's Common Stock. Cascade's right to convert the Series A Preferred Stock domains expire. In addition to Cascade's right to convert, the Series A Preferred Stock will, upon the occurrence of certain events, be automatically converted into Common Stock pursuant to the terms of the Certificate of Designations, in lieu, dated February 3, 2006, by and on behalf of William H. Gates III, filed with Form 4 as to Cascade Investment, L.L.C.'s Amendment No. 3 to Schedule 13G with respect to Aavik Capital Group Ltd. on March 7, 2006, SEC File No. 005-45257, and incorporated by reference herein.

* Only authorized under Special Power of Attorney appointing Michael Larson attorney.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.